

Capitol Region Council of Governments

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Concrete Foundations Issues Meeting
MIRA Trash Museum Board Room, Hartford
Wednesday, October 5, 2016
1:30 p.m.

DRAFT

Attendees

Kevin Alvarez
Taijah Anderson
Chair Chip Beckett
Rep. Joe Courtney
Thomas Delnicki
John Filchak
Tony Frassinelli
Andy Goodhall
Matthew Hart
Christina Mailhos
Lisa Pellegrini
Scott Shanley
Lori Spielman
Joyce Stille
Mark Walter
John Ward
Steve Werbner

Town/Organization

Office of Joe Courtney
Office of Joe Courtney
Glastonbury
US Representative
South Windsor
NECOG
Stafford
Union
Mansfield
Willington
Somers
Manchester
Ellington
Bolton
Columbia
Vernon
Tolland

Staff

Maureen Goulet
Brittany Stephenson
Lyle Wray
Pauline Yoder

CRCOG
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CRCOG

Chairperson Lisa Pellegrini called the meeting to order at 1:33PM

Introductions

The committee introduced themselves. The goal of the ad hoc committee is uniformity in affected towns.

Current Status of Towns Involved

The latest map of affected towns was handed out. Thirty-six towns so far now have at least one home affected. Some towns have in excess of 40 properties identified at this point. Manchester was identified as having in excess of 30 properties as well.

Assessors Update on Handling Assessments of Affected Properties

Assessors met to develop a methodology. Dr. Wray sent an email to OPM on 9/15 and then again more recently, but has so far not received a response. Dr. Wray thinks we should just move forward with the majority approach adopted by the assessors group. There was discussion as to whether we should send the document assessors compiled to the towns. Mr. Ward cautioned that the assessors have not come to a unanimous view on this. Mr. Shanley said that we need to move forward, there will never be a unanimous decision and they need to get building officials involved. Adoption of the approach is not compulsory. The approach is a suggested framework. Mr. Filchak reported that NECCOG reviewed and endorsed the document and sent it out to their members. Members indicated agreement for sending out the Assessors recommendation to all CEO's from the Ad Hoc Committee as well as a press release that should go to all Town Councils/Boards of Selectmen and the general public on the work of the Ad Hoc Committee including this item and other items below

ACTION: Mark Walter moved to approve the guidelines. Joyce Stille approved. Motion passed with two dissensions.

Building Permit Waiver

How do towns ensure credit for impacted building permits go to homeowner and are not retained by the contractor? In Stafford, they issue a rebate of the cost of the building permit for work related to the concrete foundation back to the homeowner. There is a cost involved to them but makes it easy to track. They are still working out all the details. Governor Malloy recently said that the state would waive their portion of the building permit if the municipalities do, but this may be a moot point as the State's portion is a percentage – if municipalities waive the building permit fee, the percentage would be zero. The State Building Official's office should pass some language regarding this because with other municipal projects when we waive the fee we still have to pay the state portion based on the value of the project Would like to have State Building Official's office to develop a procedure that could be implemented regarding the waiver that could replace each town from having to take action on this issue. May have to reach out to state legislators to press this issue.

The committee selected seven affected town building officials to have a discussion. The committee agreed to ask the building officials to meet and report findings at the next meeting. A number of towns volunteered their building officials to participate in a committee to develop a report for the next meeting. CRCOG will reach out to the State Building Official's office.

ACTION: Joyce Stille moved to approve the creation of the building official subcommittee. Tom Delnicki seconded. Motion carried unanimously.

Possible Resources that could be applied to the concrete foundations issues.

US Congressman Joe Courtney was asked to speak about some of the possible resources that could be applied to assist with this issue. He said this year's money is already committed but expects an omnibus bill which includes an increase to CDBG will

pass. Would like to make case for why the money should be used this way. There may be some pushback from those favoring existing uses.

The committee discussed various resources that could be applied to concrete issues, including possible HUD options, contributions from insurance and banking industries, and building permit waivers.

The committee discussed focusing on inspection services as a use for the funds. Thus far claims made has been used as a measuring stick, not really accurate. Congressman Courtney stated that he has met with insurers who have declined to participate in the fund. If the State primes the pump with some money, it may move those insurers to participate. The fact that the scope is unknown terrifies them; inspections would help.

As far as IRS tax credits, Congressman Courtney will be looking for a “sudden event” tax break, such as what happened with the Chinese Drywall in Florida.

HUD options – HOME is means tested, but CDBG could be used, state has leeway in how that money is used. The current Small Cities Grant is already spoken for, new applications should be available in December/January. Towns need to flag whether they can use program income, they might need help making that allowable. The State could move this.

Important to identify need, narrow it down, and create a rationale for how much it will cost. Estimate of up to \$5000 per house means \$35 million, just for inspections. We could set it up with a match or sliding scales to appease CT Department of Housing. Volunteers were solicited to meet with Congressmen and Commissioners on this. State income tax exemption. This item will be referred to the CRCOG Legislative Committee for consideration. Would like to waive fees on all tasks related to concrete foundations, including sales tax. A question arose as to the exploration of USDA funds for rural areas. These funds are predominately loans and not grants but could follow up with them. Some homes underwritten by USDA may be involved.

Funding Pool to Remedy Concrete Foundations

The committee discussed creating a pool of dollars to be used as funds to offer to residents. The Province of Quebec’s application process and documents were included in the packet. In Quebec, homeowner’s get work done and are reimbursed if eligible. Not clear if the contractor or homeowner receives the payment. They also are working to lower the acceptable threshold for pyrrhotite, currently 0.30%; homeowners at 0.30% can qualify for assistance, but damage can be caused by 0.23%. There is a gray area for homeowners below 0.30%. Would it be better to base it on actual damage? The CT General Assembly of cognizance would be Appropriations or Finance. Planning and Development might also authorize. Once the ad hoc committee has a template, we can sit down and fill in detailed financial numbers when we have them. Action. Suggestion made to start a working group from this group to generate a funding pool template.

Scott Shanley moved to approve the creation of the commissioner subcommittee. Matt Hart seconded. Motion carried unanimously.

Request for Qualifications Drafts

The committee agreed to approve the qualifications drafts which will be released shortly. There is a three week period to receive qualifications. There will be three RFQs dispersed and the creation of a review panel is needed.

Scott Shanley moved to approve the qualifications drafts. Joyce Stille seconded. Motion carried unanimously.

Behavioral Health

Behavioral health assistance is also needed for some community members affected by this issue. May need to ask for some donation of free EAP time and could ask Universities for assistance in this area.

Creation of an FAQ-Discussion

The committee discussed ways in which affected homeowners and regions could proceed with frequently asked questions. The committee decided against providing technical advice, as it varies, but more general assistance in the future. The sense was that it would be good to identify best practices and prepare a pamphlet. In Quebec, they have a checklist for homeowners so they can identify what is included in the cost of remediation – sometimes the low bidder is not actually the lowest cost provider of services. We can pull together the beginnings of a FAQ, will need to have a disclaimer, and the FAQ can direct people to other information.

Time Limits related to coming forward.

There was a concern that coming forward might negatively impact procedural timelines for homeowners. There may be need for a legislative fix for the timeline for filing suits. Mr. Werbner will be contacting local legislative leaders for assistance with the Insurance Commission on this issue.

Update on Canadian Concrete Meeting

Maureen Goulet provided an update on the meeting she attended on 10/01/2016 regarding concrete foundations. The handout will be uploaded to the website. The meeting was productive and included positive actions that citizens should be taking such as filling out forms and being counted. She discussed the presentation given by Jim Mahoney. She stated Canada shared helpful, encouraging, and strategic approaches, suggesting getting support from those not affected/affected regions. See Attachment A for full report.

Legislative Agenda for the 2017 Session on Concrete Foundations

The committee agreed to have CRCOG's legislative committee add this issue to its agenda. The committee would like to see a special hearing on this subject, if possible, after the first of the year. There will also be a push to reach out to state representatives and congressmen to recruit involvement.

Future Agenda Items and Next Meeting

The committee agreed to meet on Thursday, November 3, 2016 at the CRCOG offices at noon. The goal is to discuss outcomes of subcommittee meetings and continue working together for solutions.

Attachment A
Report on the Crumbling Concrete Foundations Meeting
Ellington High School, October 1, 2016

Cheryl Cranick, the CCACB VP kicked off the meeting by telling her story. She introduced the President, Tim Heim, and he introduced and thanked a number of people before inviting Mariah Mahoney to speak.

Mariah Mahoney spoke about the need for volunteers, and reported that the CCACB is now setting up some sub-committees to focus on various aspects of their plan, including Community Outreach, Legislative, and Real Estate.

Tim Heim invited George Colli to speak. Mr. Colli spoke about the history of the problems

Legislation: insurance companies cannot drop customers; victims can get their houses reassessed; information reported cannot be FOI'd; all concrete suppliers/installers will be listed on building permits

May be some HUD money (income related); ask insurance co's to contribute to fund.

Legal issue of collapse needs to be defined.

YOU NEED TO BE COUNTED

If you don't want to speak up directly, call your Town Assessor, let them know; DCP needs to know; George Colli gave his contact info, he will not give specific info, but the agencies need to know how many people are affected.

Presentation given by Jim Mahoney is in your hands: good outline of positive action citizens can take.

His own modeling suggests 10,300 homes may be affected directly. Avg Cost of repair is \$215,000, so total could be around \$2 Billion. Plus side: not all funding needs to be secured at once, it's a slow motion disaster.

Push for the State to obtain records of where aggregate materials come from; consider problem could affect septic systems as well.

Develop a specification for the maximum amount of pyrrhotite allowed. (NYDOT has one)

Quarries should be required to run petrographic analysis every other year;

Should be uniform standards for measuring pyrrhotite

Require all houses built in time period have testing done to rebuild confidence in real estate. Research should also be done houses less than 10 years old so we can find the endpoint.

Should have a standard for foundation replacement; use local resources like the CT Academy of Science & Engineering.

Alternate methods of mitigation should be reviewed.

Canada

“happy” to hear they weren’t alone

Straight line down from the Three Rivers area through VT, southwestern NH, central MA to Becker’s Quarry.

Had approx. 4000 homes affected – 1500 have been repaired so far
In Quebec, home sales thru a realtor include a warranty, so some homeowners had the costs covered by warranty, some homeowners were no longer in warranty, some were self-built.

They had a small bout of problems in the 90s (about 30 homes) before 2009 when their “slow motion disaster” started.

They formed their Coalition – they have one full-time employee who provides support to victims, in addition to President/VP. Have a mission statement: Represent and support victims of pyrrhotite in the Mauricie region, work actively to obtain financial assistance programs with governments, contribute to revision of standards and quality control in residential construction.

They have consolidated with one lawyer representing all victims

Taking strategic approach – organization must be credible, work WITH politicians and media, consistent in their actions. They seek funding, help victims, reach out for political support, understand the technical aspects, promote their organizing, hold public events & actions;

Have received \$35 million from Govt of Quebec since 2011; \$30 million over three years from Canadian govt, starting this year –this money is exclusively to repair houses. They get financial support from town of Three Rivers, minor financial support from other municipalities, sponsors and donations – this money is used for coalition activity.

Got municipal tax adjustments, school tax adjustments, government support of \$75,000 for out of warranty homeowners, \$15,000 towards foundation repairs for homes under warranty, discounts on purchases of materials.

Trial was held in 2014 – 850 victims. The laboratory that tested, the quarry, cement mixers and contractors ordered by pay nearly \$196 million in compensation. Broken down: Lab – 70%, cement mixers & quarry – 12.5% each, contractors pay balance of 5%. Judgment is under appeal, but only for the percentages. Other lawsuits are pending.

In Europe, standards require no more than 0.10% sulfur when pyrrhotite is present. In Canada, warranties would cover at 0.23% pyrrhotite; 0.30% to be eligible for government aid program – people w/less than 0.30% are in a gray area; working to change standards to 0.23%, would like to go lower.

Public events – had a public rally, had many supporters who were not victims - important

Active in media and publishing articles; the University of Three Rivers has done psychological studies on victims.

Partnership with Real Estate Chamber of Commerce – they held golf tournament; helped developed new warranty plan;

Has affected institutional, condos, single family, multihousing, luxury properties (showed a gorgeous home completely made out of concrete – was not just problem in foundation but throughout house);