

MINUTES OF
CRCOG Concrete Foundations Issues Meeting
November 3, 2016 12:07 p.m.

ATTENDANCE

<u>Name</u>	<u>Town</u>
Dennis Milanovic	Stafford
Tom Delnicki	South Windsor
John Elsesser	Coventry
John Ward	Vernon
Sam Belsito	State Rep. 53 rd District
Alex Saylor	House Republican Office
Kevin Alvarez	U.S. Congressman Joseph Courtney
Michael Santoro	State of CT Dept. of Housing
John Filchak	NECCOG
Christina Mailhos	Willington
Lisa Pellegrini	Somers
Steve Werbner	Tolland
Lyle Wray	CRCOG
Scott Shanley	Manchester
Beata Fogarasi	U.S. Congressman Joseph Courtney Andy
Goodhall	Union
Matt Hart	Mansfield
Jeff Currey	State Representative 11 th District
Frank Forzano	CCACB
Mary Lavalee	Columbia/Eastford Assessor
Helen Totz	Suffield Assessor
Rich Kehoe	U.S. Senator Blumenthal
Christopher David	State Representative 57 th District
Brett Flodine	Hartford
Tim Ackert	State Representative 8 th District
Maureen Goulet	CRCOG
Pauline Yoder	CRCOG

Co-Chair Lisa Pellegrini called the meeting to order at 12:07 p.m.

Due to the large number of guests, Ms. Pellegrini asked everyone to introduce themselves.

- **Adoption of Minutes**

Action: Mr. Shanley made a motion for the adoption of the minutes; Mr. Elsesser seconded; all voted in favor of the motion.

- **Building Officials Report** – Ms. Yoder presented the Building Officials Report which included recommended guidelines for municipalities for waiving building permit fees. Mr. Hart asked whether State Education Fee would be waived? Mr. Werbner responded that would require legislation and cannot be done with regulation. Even if towns waive building permit fees, the

percentage due to the State Education fee based on value would not be waived. Dr. Wray mentioned that the CROG Legislative Committee is holding a spot on the legislative agenda for concrete foundations issues and this could be one of the issues to raise in CROG's legislative agenda related to concrete foundations.

Mr. Shanley asked why building sub-committee did not have a clear recommendation on the retroactive waiver. Was it because of desire for local control or lack of consensus? Ms. Yoder said the practical implementations including timelines, what happens if the home has been sold in the interim period, as well as other complexities made it difficult to create clear recommended guidelines. Mr. Werbner said Tolland is opting to do the retroactive waiver only for work that is currently in progress. They want to insure it goes to the current person pursuing remediation.

Action: Mr. Elsesser made a motion to adopt the guidelines; Ms. Mailhos seconded; all voted in favor of the motion.

- **Funding Pool Template Committee Update** – Dr. Wray stated the purpose of this committee is to set up a starting point for a program indicating how we would distribute money if money was available. This is patterned after Quebec, and only applies to residential buildings, not to condos or planned unit developments. Applicants would need to prove pyrrhotite and as the template stands they could get 75% of their costs up to \$75,000. This is just a proposal and a starting point for discussion. Details are in the packet.

Ms. Yoder mentioned that although it is patterned after the Quebec program, there are some key differences. In Quebec, they do not offer any retroactive funding. We would like to allow for applicants who can prove they've done the work within one year prior to any plan being in place. Applicants would have to file with the DCP and file an insurance claim. If there are no funds, applicants can still file and go through the process and be eligible for funding when money becomes available even if they remediate in the interim period.

Mr. Werbner said that the plan is to have the program administered locally. The majority of onus of the template is on the affected communities.

Mr. Werbner said it is one leg of a stool, there may be other funding options, through insurance or loans. He mentioned the hope of getting CDBG money to allow for testing, or to be permitted to use program income funding. There are a number of paths to pursue: loans with a guarantee, Community Reinvestment Act, private sector loans, etc.

The template includes an exemption from prevailing wages and CHRO because if the funding comes from the state, the projects will meet CHRO and prevailing wage minimums and the program will be ineffective and increase costs for homeowners. Other legislative recommendations include sales disclosures for properties in affected communities

There was a discussion regarding potential funding sources. Understanding the reality of the state, the template proposes potential funding sources including: ¼% conveyance tax increase for affected towns which could be put into the fund, a sales tax increase on construction supplies, etc. This will be a multi-year program. A source of continued revenue, like the LUST

surcharge on fuels, would be helpful. They do not see a path that does not include some kind of tax increase. There was a proposal of potentially asking insurance companies to give funding for this fund in exchange that those who accessed this funding would not litigate against the insurance companies. Certainty for the insurance companies may encourage them to give more to this fund. There were some who were opposed to this idea as a “get out of jail free”.

Mr. Shanley said that we need to begin talking about planned unit developments and condos. Mr. Werbner said they will need legal assistance on that subject, and asked if anyone might have town legal counsel that would be willing to volunteer to assist on this. Mr. Ward volunteered the Vernon town attorney as did Mr. Shanley.

Mr. Milanovich asked if there would be any action from the Attorney General’s office to discover why insurance companies changed their coverage language in 2004. The State approved that change and as far as the committee was aware, there has not been any move by the Attorney General in that direction. Mr. Shanley voiced the opinion that, at the very least, homeowners who paid premiums prior to that date should get some insurance relief.

There was a discussion following about how to proceed with meeting with Commissioners, including Banking and Insurance Commissioners and who could possibly assist. There is reluctance to set up anything prior to the election. Mr. Ackert mentioned that the Lieutenant Governor has been having meetings with all the commissioners as well as state representatives. The meetings, however, have not had specific proposals or action plans. The committee would like to have propose specific ideas to each commissioner to understand potential avenues of implementation (such as loans within banking, etc.).

Mr. Belsito mentioned that homeowners are very emotional about this and expect that this will get fixed for free, since they didn’t do anything wrong. Dr. Wray believes once a plan is in place, the emotional argument changes.

Action: Mr. Shanley motioned adoption the template provided as Phase 1 of a two phase approach, with Phase 2 including planned unit developments and condos. Mr. Ward seconded. All voted in favor of the motion.

4. Possible Resources Update

- **Update from outreach to Commissioner of Department of Housing**
- **Update from other sources**

Mr. Werbner reported that the Committee will be meeting with the Department of Housing on November 21, 2016 regarding waiving income requirements for CDBG and program funds and using CDBG and Program Income funds for testing. Although federal funds, there is considerable state control of the funds. If we pool program income, could limit concerns regarding income limits.

- 5. Request for Qualifications Update** – Ms. Goulet reported that CROG received seven responses to our RFQ for Structural Engineering Services, six responses to our RFQ for Remediation Services, and one response to our RFQ for Materials Testing and Laboratory Analysis. Ms. Goulet stated that most companies that offer petrographic analysis are contracted to insurance

companies. She reported that several towns have offered staff to assist with evaluating the responses, and that we hope to have a list of qualified vendors by December. Mr. Filchak asked why we aren't getting assistance from UCONN. There was a brief discussion regarding what UCONN can offer and a note that the committee was awaiting a report from UCONN regarding this issue. Dr. Wray said that staff will reach out to some of our contractors in the concrete industry to see if we can identify more potential vendors for testing services.

6. **Legislative Agenda Recommendations** – We are assembling recommendations as we go and many of the recommendations have already been discussed. Please let the committee know if you have any additional suggestions prior to November 16. CROG Policy Board will list its legislative agenda at its December meeting.
7. **Checklist/Guidelines for Towns** – Ms. Pellegrini stated she would like to have this in place, particularly for towns that are not too involved, she thinks it would be helpful. Dr. Wray said they could put a memo together.
8. **Informational Items** – Everyone should have seen the Governor's letter to FEMA, it may help to identify this as a natural disaster. FEMA's response is that it is not a natural disaster but due to faulty construction. The Subcommittee will continue to reach out to Region 1. They would like to ask the Congressional delegation to assist, to advise on who they should talk to. Mr. Filchak said it might be worthwhile to amend our natural hazard mitigation plans. Mr. Alvarez said that Congressman Courtney's office has explored the FEMA route and do not believe it is realistic.

Mr. Shanley asked if this was not a similar situation to the Chinese Drywall situation, where homeowners received an IRS tax credit. Representative Courtney is looking into the possibility of a write-off for Federal income tax.

Mr. Elsesser wondered if the FEMA language could be changed slightly to accommodate this issue. Mr. Alvarez said that given the likely Congressional make-up, it would be very difficult. In addition, he pointed out that it is unrealistic to expect Congress to take any action on this, pointing out the slow response to Flint, MI.

Mr. Werbner requested the state representatives to also consider state income tax credit as something that could be done fairly easily and show good faith to the affected homeowners.

9. **Future Agenda Items and Next Meeting** – A sub-committee including members of the state legislative delegation will be coordinated to meet after the election to discuss advancing the funding template. Mailhos volunteered to host a meeting in Willington, people could tour some affected properties. Phase II issue for the funding template will be furthered. The committee will meet in early December, before the holidays.

Action: Mr. Delnicki made a motion to adjourn the meeting; Mr. Shanley seconded. All voted in favor of the motion and the meeting adjourned at 1:27 p.m.