

CRUMBLING FOUNDATION AD HOC MEETING
Previous MIRA Trash Museum: 211 Murphy Road, Hartford, CT

Wednesday, April 25, 2018
10:30 AM – 11:30 AM

Minutes (Approved)

ATTENDANCE

Name	Organization / Town
Steve Werbner	Town Manager, Tolland
Jeff Currey	State Rep.
John Filchak	NECCOG
Scott Shanley	Town Manager, Manchester
Pauline Yoder	CRCOG
Joyce Stille	Town Administrator, Bolton
Lyle Wray	CRCOG
Ayanti Grant	Congressman Courtney's Office
Pam Toohey	DOH, Homeowner Advocate
John Rainaldi	Assessor, Manchester
Daniel Champagne	Mayor, Vernon
Mary Lavallee	Assessor, Columbia and Eastford
Mary Huda	Assessor, South Windsor / Union
Chandler Rose	Assessor, Windham, Chaplin
Michael D'Amicol	Assessor, Coventry
Jason Lawrence	Assessor, Tolland
Kim Bechard	Assessor, Ellington
Ralph Tulis	Willington
Emily Boushee	Senator Murphy's Office
Richard Kehoe	Senator Blumentha's Office
Stephen Rosenberger	
Christina Mailhos	Willington
Brenda Draghi	Ellington
Debra McCoy	Vernon, Ryefield
Marianne Williams	Tolland, CT
Linda Tofolowsky	Stafford
Saud Anwar	Mayor, South Windsor

Char Mr. Werbner called the meeting to order at 10:30 AM

1. Approval of Previous Meeting Minutes from December 7, 2017

This item was not called.

2. Captive Insurance Update

Members : Andover / Avon / Bloomfield / Bolton / Canton / East Granby / East Hartford / East Windsor / Ellington / Enfield / Farmington / Glastonbury Granby / Hartford / Hebron / Manchester / Marlborough / Newington / Rocky Hill / Simsbury / Somers / South Windsor / Stafford / Suffield / Tolland / Vernon / West Hartford / Wethersfield / Windsor / Windsor Locks

Representative Currey gave an update on the Captive Insurance Company. They will be announcing the selection of a superintendent (press release either Wednesday or Thursday). The company is located in Ashford, CT and is familiar with the crumbling foundation issue and has a depth of captive insurance experience as well as insurance company contacts.

The board of directors' application is due Friday, April 27th at 5 PM. The goal will be to fill at a minimum all the statutorily required membership. For purposes of creating the captive, however, only 3 board members are necessary. Unfortunately, Rep. Currey said he could not give the commitment levels for the board members in terms of meetings or meeting frequency as that was yet an unknown.

The timeframe and goal to have the company up and running is 90 days until the company is ready to go and taking claims with the hopes that this year's construction season will not be lost.

Mr. Currey also mentioned the CDBG funding question has been clarified and said that there will be more opportunity in next year's CDBG funding for towns to pursue testing funding.

Mr. Kehoe and Ms. Boushee gave an update from Senators Blumenthal's and Murphy's offices regarding federal legislation each senator is putting forward regarding crumbling foundations. Building on the work done at the state level, the Senators are introducing bills in their respective committees where they felt they had the best chances. One would be introduced for assistance through the Department of Housing and Urban Development (HUD) and the second through the Federal Emergency Management Agency (FEMA).

Mr. Kehoe specifically mentioned that Senator Blumenthal's legislation would get around the issue of declaring a natural disaster that has prevented FEMA aid to be considered.

A question was asked if there would be a means test for the HUD funding and Ms. Boushee responded that as it is written, the HUD funding goes directly to the state fund for Crumbling Foundations Assistance.

3. Update from Housing Advocate

Ms. Toohey gave an update from DOH regarding the advocate's activities. As of 4/1 there were 687 complaints to DCP. Ms. Toohey also mentioned that there are a number of towns that are outside of the expected area that have reports of the issue, and DOH is keeping an eye to see what develops from them, if anything.

She also mentioned that the Trinity core testing has been approved by DOH for reimbursement through the CRCOG administered testing program

Mr. Milanovich stated that in his conversations with Trinity, the size of the cores needed was smaller (1" by 3" than the standard coring that is done). He is proposing a coring for 100 samples of a house whose foundation is being replaced and allow Trinity to do the analysis to establish baselines. Dr. Wray mentioned the issue that water is a factor in the crumbling foundations.

Dr. Anwar said that there needs to be a "gold standard" established for testing to understand what is acceptable or not. A discussion ensued regarding testing in general. The need is for a

table that identify pyrrhotite level, vs., moisture and time as three factors and establishes risk factor or understanding of risk given those three variables.

The issue is the need for funding. UCONN suggested study would cost \$2 million or more and NIST requires \$5 million for the comprehensive study the committee was suggesting. What the committee has is anecdotal evidence regarding potential repair or mitigation methods and the factors have all been looked at on an ad-hoc basis.

Mr. Werbner asked if it had to be done independently. Couldn't the work being done in Canada be leveraged and help for this area?

Mr. Kehoe stated that according to NIST, pyrrhotite has different compositions so it is not necessarily true that the pyrrhotite in Canada is the same as that in Connecticut and there could be differences in the results.

Mr. Shanley stated that some of the studies are long-term where results will not be known for a considerable period (10 years or more) but need to be documented and followed up.

Mr. Elsesser stated that what is needed is a layout for what the specific study would look like.

Alternative methods that do not require replacement were mentioned but the challenge is that no long-term evidence to give confidence to tell people to do it without risk.

Mr. Kehoe stated that he would follow-up with a conference call with NIST and the Army Corps.

Dr. Wray mentioned that this is also a consumer confidence issue. If there's any number, the house is not salable.

Dr. Anwar said that we already have considerable retrospective data and with that data, we could potentially plot a graph that would give a prospective model.

Mr. Shanley asked if anyone had met with Susan Herbst as it is well known that JJ Mottes concrete was used at UCONN and since there are now cases of commercial buildings that are affected, this may be of more interest to UCONN. Committee will follow-up for a potential meeting with Susan Herbst, possibly via Sen. Cassano.

Mr. Champlain mentioned the issue of Fire Marshalls and the need to know which homes were at risk. If a home that has crumbling foundation has a fire, it could be that the weight of the house shifts significantly as the combined result from crumbling foundations and fire, causing risk of casualties and may be better for firefighters not to enter such a home. Mr. Werbner mentioned that in Tolland, the fire department requested the list of homes from the assessor's office, as that is public information. Unfortunately, DCP filings or information from the CDBG testing program or the governor's program is confidential.

Ms. Williams stated that concern for firefighters is all well and good, but she has serious issues in her house including radon, mold, mice and snakes and these become serious issues.

4. Testing Program Update

Ms. Yoder gave an update on the testing program, including the total number of homes receiving reimbursement and total applications received.

She also mentioned that there has been at least one unscrupulous Home Inspector who told the owner that they were in the process of getting a Professional Engineers license but were not on DCP's website yet. This information was false. The testing program, unfortunately, was unable to reimburse the homeowner. The home page, however, has been changed so that the license must begin with PE and that an HOI license is insufficient to receive reimbursement.

5. Town Assessment Reduction Update

Ms. Yoder handed an updated assessment sheet by town. Ms. Bechard requested an update for Ellington, as the information for Ellington had been outdated. Total grand list reduction, with Ellington's changes will be over \$44 million with 608 homes requesting reduction. Ms. Yoder also noted that some towns have had homes that initially received a reduction, but then had the foundation replaced and no longer have the reduction.

Dr. Anwar stated that South Windsor had looked to trying to give a tax incentive for homeowners to fix their foundations (five years fixed taxes), but legislation does not allow it. Mr. Werbner suggested that this might be something the committee proposes for the next legislative session.

6. Other Business

Mr. Werbner mentioned the issue of homes that have this problem where the owners are downsizing and have tapped into their retirement funds to fix the problem. The issue then becomes their income increases them to a higher tax bracket and is a concern. Ms. Grant mentioned that Representative Courtney is working on this as well as looking into giving an exception for safe lending practices of the FDIC for this issue so that homeowners are able to borrow money.

Ms. Grant also stated that the IRS will be coming for presentations on the casualty loss deduction on May 12th and May 14th. May 12th will be for homeowners and May 14th will be for practitioners.

Mr. Filchak proposed inviting the major candidates (once the field has narrowed further) to inform them of this issue so that the committee isn't starting from square one with a new administration.

Mr. Werbner expressed a concern that the moratorium agreement with Becker's quarry is coming up and would look to the AG's office and DCP to extend the closure.

Ms. Williams expressed dissatisfaction with the infrequency of the ad-hoc committee meetings and the lack of attention to the matter. Mr. Werbner said that the hope of the committee had been that with the new captive insurance company the state would take on a more active role and the purpose of the committee would be to make sure things were moving. The reality was that in the interim months there was not a lot of information to share and the committee did not want to meet just for the sake of having a meeting. Given that input, however, the committee will look to having a June meeting.

7. Adjournment

The meeting was adjourned at 11:45 AM.