

**CRUMBLING FOUNDATION AD HOC MEETING**  
**241 Main Street, 3<sup>rd</sup> Floor CRCOG Meeting Room**

**Wednesday, December 12, 2018**  
**1:45 PM to 3:00 PM**

**Minutes (Draft until Approved)**

**ATTENDANCE**

| Name              | Organization / Town            |
|-------------------|--------------------------------|
| Steve Werbner     | Town Manager, Tolland          |
| Jeff Currey       | State Rep.                     |
| John Elsesser     | Town Manager, Coventry         |
| Pauline Yoder     | CRCOG                          |
| Lyle Wray         | CRCOG                          |
| Jason Lawrence    | Assessor, Tolland              |
| Kim Bechard       | Assessor, Ellington            |
| Scott Shanley     | General Manager, Manchester    |
| Dennis Milanovich | Town of Stafford               |
| Christopher Davis | State Rep.                     |
| Tom Delnicki      | State Rep.                     |
| Ayanti Grant      | Congressman Courtney's Office  |
| Bruce Adams       | Lieutenant Governor's Office   |
| Michael Jordan    | Sen. Blumenthal's Office       |
| Michael Maglaras  | CFSIC Superintendent           |
| Ralph Tulis       | Willington                     |
| Saud Anwar        | Mayor, South Windsor           |
| Emily Boushee     | Senator Murphy's Office        |
| Debra McCoy       | Vernon, Ryefield               |
| Linda Tofolowsky  | Stafford                       |
| Lynne Morrison    | Bolton, Keller Williams Realty |
| Tim Ackert        | State Rep                      |
| Daniel Champagne  | Mayor, Vernon                  |
| Chandler Rose     | Assessor, Chapin & Windham     |
| John Rainaldi     | Assessor, Manchester           |
| Carolyn Lumsden   | Hartford Courant               |
| Keven Miller      | Tilcon                         |
| Alex Saylor       | House Republican Office        |
| Jason Pitts       | Capital Studio Architects      |

Chair Mr. Werbner called the meeting to order at 1:51 PM

1. Approval of Previous Meeting Minutes from October 3, 2018

Ms. Stille motioned and Mr. Elsesser seconded. The meeting minutes past with one abstention

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

## 2. Updates from the Superintendent of the Captive Insurance Company

Mr. Maglaras gave an update regarding the Captive Insurance Company. New guidelines were released on the 10<sup>th</sup> and the CFSIC will begin processing claims on January 10<sup>th</sup>. The application will be on-line and that will be the fastest way to get in line. The application can be mailed, or an individual can call for help as well.

The bonding agenda and the funding for the next \$20 million as once the current funding has been allocated, CFSIC must stop accepting applications until CFSIC has additional funding.

Replacement is severity testing base.

Ms. Draghi asked regarding pending lawsuits and the board decision was that lawsuits must be completely adjudicated prior to allocation from the captive. Claims that are in litigation will be put into abeyance until the litigation is resolved.

## 3. Legislative Agenda Discussion

Mr. Werbner proposed a number of legislative agenda items. Mr. Anwar requested also adding extending the tax assessment reduction. The agenda passed unanimously and are as follows:

1. Extend Public Act 16-45 an additional five years. Public Act 16-45 allows for a property affected by crumbling foundations to have the property taxes reduced for five years, allow for a five year extension. Initial homes that received the property tax reduction are 2 years away from their final reductions.
2. Remove any reference to the number of living units occupying a single foundation in the legislation regarding the captive insurance fund.
3. Modify legislation such that "CFSIC will obtain preliminary loan information of a sufficient nature to then, with the affected homeowner's permission, transfer that information to an appropriate source." Current legislation requires a single unified application.
4. Provide that any allocation of funds from any source that flow through DOH to CFSIC can be done by Memorandum of Understanding entered into by the DOH and CFSIC signing authorities
5. Provide that any future "substantive" changes to the underwriting and claims management guidelines need a ten (10) day notice period rather than the thirty (30) day period currently required. Procedural changes can be instituted immediately upon passage by the CFSIC Board of Directors.
6. Address the flow of future allocations which currently are to be made in amounts of \$20 million over the current fiscal year and three subsequent fiscal years. The uncertainty of funding and the timing of when funding materializes impacts a licensed insurance differently than a municipal government. The Insurance Company has no other source of funds to float to cover the liabilities until the bond funds are received. Thus once the insurance companies liabilities in terms of claims exceed available cash, the acceptance of applications must be suspended. I am not sure how to best address this concern but it needs to be reviewed if the concept of using a captive insurance company is to make sense for this type of problem. Timely Bonding Agenda items at the beginning of each new fiscal year would address this issue partially.
7. Amend the current \$5,000,000 bond authorization for the testing program administered by CRCOG to allow for an additional cost of up to \$200 per amended report for homeowners who:
  - a. Had a visual examination preformed prior to December 10, 2018
  - b. Require a priority rating according to the CFSIC guidelines
  - c. Incurs a cost to receive that priority rating.

4. UCONN Study Update (if available)

Ms. Yoder stated that UCONN was unable to make the meeting but would give an update at the next working committee meeting.

5. Staff Updates

a. Testing program update

Ms. Yoder stated that over 830 applications had been received and of those 772 had been paid or approved pending payment. She also stated that there was an uptick in reimbursement requests with the new CFSIC guidelines.

b. Request for Qualifications Update

Ms. Yoder stated that the RFQ list had been updated and would be reviewed on a rolling basis.

6. Other Business

Mr. Werbner said a PK-2 school in Tolland has had cracks in its interior walls and is deteriorating rapidly. It was built in 1999 and the expected lifespan at this point moving forward is 5 years. This is a grave concern as the cost of rebuilding is \$35 million.

Mr. Elsesser asked about the Travelers fund. Someone expressed a view that the fund was insufficient in size. Ms. Yoder posited that especially given the small number of policies Travelers has, the larger issue was the size per claim was woefully inadequate CFSIC's support does not cover all the costs and especially because ancillary costs are not included.

7. Adjournment

The meeting adjourned at 3:08 PM.