

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

Thursday, June 14, 2018
10:00 AM – 11:00 AM

Minutes (Draft until Approved)

ATTENDANCE

Name	Organization / Town
Steve Werbner	Town Manager, Tolland
Lori Spielman	Ellington
Dennis Milanovich	Stafford
Jeff Currey	State Rep.
Michael Maglaras	CFSIC
John Filchak	NECCOG
Jorge Perez	Banking Commissioner
John Elsesser	Town Manager, Coventry
Pauline Yoder	CRCOG
Joyce Stille	Town Administrator, Bolton
Lyle Wray	CRCOG
Ayanti Grant	Congressman Courtney's Office
Mary Huda	Assessor, South Windsor / Union
Jason Lawrence	Assessor, Tolland
Kim Bechard	Assessor, Ellington
Ralph Tulis	Willington
Saud Anwar	Mayor, South Windsor
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
Randi Belair	Willington
Artur Correia	South Windsor
Lynne Morrison	Bolton, Keller Williams Realty
Stephen Rascher	Bolton
Jonathan Gourley	Trinity College
Kevin Oleskewicz	Trinity College
Joe Ruggiero	Trinity College
Christoph Geiss	Trinity College

Chair Mr. Werbner called the meeting to order at 10:05 AM

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

1. Approval of Previous Meeting Minutes from December 7, 2017 and April 25, 2018

Mr. Filchak motioned and Ms. Stille 2nded. The meeting minutes past with adding Mr. Anwar to the attendance for April 25th.

2. Captive Insurance Update

Mr. Currey gave a quick legislative update indicating that the governor will sign the \$12 surcharge and also that there are items that need to be corrected in the bill to avoid double charging of people, which, hopefully, will be done prior to 1/1/2019. Mr. Currey then introduced Mr. Maglaras, the superintendent for the Crumbling Foundations Solutions Indemnity Company. Mr. Maglaras said that the captive license application had been made on June 11th, with a goal of being completely licensed by July 15th. At that point, the captive will not be ready to take claims but will be fully licensed. The board will be assembled shortly with the goal of "cutting the first check" on October 1.

Mr. Maglaras also indicated that he intends to ask funds and assistance from insurance companies. As a non-profit, it would be considered a business deduction.

He intends for the captive to be a focal point for education, best practices and to get the message out for the addition for additional funding from various sources.

The board will have to make some hard and fast decisions regarding prioritization.

Mr. Anwar indicated that he would caution against any sort of means test as that would hurt some towns over others.

A question was asked as to when the public would be able weigh in on the criteria. Mr. Maglaras pledged to have as transparent process as possible.

Mr. Tulis stated that in his opinion the priority should be based on the degree of damage as there are currently not enough contractors to do all the impacted homes at once and some homes can wait more than others.

Mr. Maglaras stated that the prioritization is an area that is not in the legislation and the board will have to make an informed decision.

Ms. Tofolowsky asked whether people who had fixed their homes would be assisted. Mr. Maglaras said that there is a chance for that but the board will have to prioritize disbursement of funds. The legislation doesn't distinguish between people who already had their homes fixed and those who haven't yet. He stressed that the legislation is there to help but there is a need for more funding.

Mr. Werbner stated that there are currently multiple sources for homeowners need to go to (DCP, CRCOG, DOH) and asked if the captive would have the capacity to be the point person for people to call to be directed the right place.

Mr. Maglaras stated that he intends for the website they are constructing to be the go to source for questions and answers.

Ms. Mailhos asked what homeowners should be doing. Mr. Maglaras said to document everything, including any declinations (which a homeowner will need) from insurance companies, core sample testing, etc.

Mr. Maglaras also explained the use of the captive that it brings discipline to the claims process. He stressed the need to do things right out of the gate. His intention is to bring economies of scale and allow the market to operate to bring costs down.

Available funds from HUD, FEMA should go through the captive to aid in that.

Ms. MacCoy commented that there is a need to extend the deadlines for the CFSIC as well as tax assessment reductions.

Mr. Maglaras said that he expects this will be continuing for decades to come.

Mr. Currey stated that the five years gives the opportunity to make sure the CFSIC is functioning and legislators would extend it at that time.

Mr. Delnicki stated that the legislature is not done with the issue and legislators will continue to work on it.

3. Secretary Carson's Visit: Follow-up Items

Mr. Werbner noted that Secretary Carson seemed sincerely engaged and understood the impact on the homes and expressed belief that the federal government should be involved.

Mr. Kehoe stated that he feels the Secretary understood the magnitude and would be talking to the White House regarding the issue.

As a follow-up, the federal delegation is drafting a detailed letter to the Secretary and there will be staff to staff calls to follow-up further regarding what HUD can do and what the federal government beyond HUD could do.

Ms. Grant said that she would be attending a meeting to follow-up with HUD Regional Administrator Tille regarding the issue.

Mr. Elsesser said that he has followed up regarding the issue of regulatory relief for HUD funds and there seemed to be genuine interest in this.

Vernon, Ellington and Stafford are also applying for CDBG testing funds.

4. Program Updates

Ms. Yoder gave an update on the Crumbling Foundations Testing. The program has received over 500 applications and has paid 480 to date.

5. Other Business

Ms. Stille stated that there is a home where the concrete came from Manchester (not from Mottes) and has crumbling foundations. This may explain some of the outer towns in the west and NECCOG region.

Mr. Werbner asked regarding the voluntary moratorium and Mr. Currey stated he believed the Attorney General's office was in negotiations. The voluntary moratorium expires at the end of June.

Ms. Morrison stated that although her insurance company did a pyrrhotite test, found pyrrhotite, but denied her claim, they flagged her home. Consequently, her current insurance company doubled her premium.

Mr. Perez, although he is not in insurance, felt that this is the kind of issue the insurance commissioner would be interested in hearing. Mr. Currey stated that he would follow-up. In October of 2015, the insurance commissioner had stated that the company cannot cancel or fail to renew and would keep an eye on unusual increases.

Ms. Draghi mentioned that a survey of her clients did not reveal such unusual increases.

Mr. Werbner said the Working Committee will schedule a time to meet in early September, once the Captive Board has been formed and more information is available.

6. Adjournment

Ms. Stille motioned and Mr. Filchak seconded and the meeting was adjourned at 11:25 AM.