

CRUMBLING FOUNDATION AD HOC MEETING
241 Main Street, 3rd Floor CRCOG Meeting Room

Wednesday, February 27, 2019
10:30 AM – 11:45 AM

Minutes (Draft until Approved)

ATTENDANCE

Name	Organization / Town
Steve Werbner	Town Manager, Tolland
John Elsesser	Town Manager, Coventry
John Rainaldi	Assessor, Manchester
Joyce Stille	Town Administrator, Bolton
Saud Anwar	Mayor, South Windsor
Erika Wiecesnki	First Selectman, Willington
Lyle Wray	CRCOG
Jason Lawrence	Assessor, Tolland
Mike D'Amicol	Assessor, Town of Coventry
Jeff Currey	State Rep.
Mary Lavallee	Assessor, Columbia
Kim Bechard	Assessor, Ellington
Scott Shanley	General Manager, Manchester
Pauline Yoder	CRCOG
Ayanti Grant	Congressman Courtney's Office
Rich Kehoe	Sen. Blumenthal's Office
Emily Boushee	Senator Murphy's Office
Debra McCoy	Vernon, Ryefield
Linda Tofolowsky	Stafford
Lynne Morrison	Bolton, Keller Williams Realty
Sue Moran	Vernon, Homeowner
Andy Belaju	Willington
Christina Mailhos	Willington
Brenda Draghi	Attorney, Ellington
Sheila Cyr	Tolland, Homeowner
Maria Grace Pontal-Coreria	South Windsor, Homeowner
Mary Anne Williams	Tolland, Homeowner
Ralph Tulis	Willington
Carolyn Lumsden	Pollian Foundation
Len Bestoff	NBC30

Chair Mr. Werbner called the meeting to order at 10:34 AM

1. Approval of Previous Meeting Minutes from December 12, 2018

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

Ms. Stille motioned and Mr. Anwar seconded. The meeting minutes passed

2. Updates from the Captive Insurance Company

Mr. Werbner gave an update regarding the Captive Insurance Company. CFSIC began processing claims on January 10th. A total of 494 applications have been received. 422 are replacement (Type 1) claims and 72 are Type 2 (reimbursement claims). The 72 Type 2 claims are within the 100 anticipated claims and based on guidelines, the first 25 have been paid. Type 1 replacement claims will begin in April with the first homes. Many of the contractors who are well regarded in this arena have a backlog. Currently the claims received have a total of \$42 million needed in reserve. Homeowners who have insurance claims or litigation pending are put into inactive status until the claim is resolved.

So far, \$20MM has been allocated and CFSIC has been assured by OPM that the next \$20MM will be on the next bonding agenda.

CFSIC was expected more applications and it may be good news that the numbers are as low as they are as the problem may not be as pervasive as originally thought.

One homeowner expressed that one reason they have not applied is the gap between the maximum amount given by CFSIC and the total cost of the project (in her case the estimate is \$325K, leaving her a \$150K gap in financing) and this is a challenge for the homeowner.

Mr. Tulis asked if the severity class 1's would be addressed. Mr. Werbner responded that CFSIC is addressing Class 2's and 3's first and it will be a while before Class 1's are addressed. This puts homeowners in a difficult situation who have Class 1 Type 1 claims.

Going forward after 5 years, we'll have to see. There are two issues: the first issue is whether we can justify the \$100MM, the 2nd is to justify what happens after 5 years and additional potential of other locations.

Scott Shanley expressed the need for the ongoing larger discussion with insurance and banking.

One large concern is the lack of standards / testing quarries and this issue could happen again.

3. Legislative Agenda Discussion

Mr. Currey shared a document that outlined the current legislation that had been narrowed from the previous list. He stated that one or two of the bills will become "aircraft carrier" bills that would include all the crumbling foundations issues / needs. He further stated that March 8th is the date for the public hearing and encouraged those who are not able to come in person to still submit testimony. His document directs where to send the testimony. CRCOG will also post the document in the meeting information.

Mr. Werbner and Mr. Currey also stressed that if anyone hears or does not receive the Health Homes surcharge to notify Mr. Currey immediately as that will be addressed as soon as possible.

Mr. Werbner also stated that Congressman Courtney's office has been extremely helpful in including in the federal bill for school infrastructure, reimbursement to close the gap for schools affected by pyrrhotite and those schools needing to retrofit a building. This bill is out of committee and will go to the floor soon. Ms. Grant stated that Mr. Werbner was instrumental in crafting the language so that it covered pyrrhotite effected schools but not so broad as to invite abuse.

Mr. Elsesser asked if this would qualify under code violation repairs and Mr. Werbner stated that it does and Department of Administrative Services (DAS) has been extremely cooperative on this particular issue. Mr. Werbner encouraged affected towns to at least do a visual inspection of public facilities built during the time period. This is especially important as building replacement or repair need a lead time of 2-3 years. Mr. Elsesser stated that Coventry records showed that JJ Mottes was on site during the building of one of its buildings.

Ms. Boushee and Mr. Kehoe confirmed that Senators Murphy and Blumenthal had re-introduced their bills and they are in the process of educating other members of congress. Mr. Kehoe stated that this is currently considered a Connecticut and partially Massachusetts issue but they want a broader understanding of the issue and Senators to understand it could be a wider issue. The study (passed recently with the help of Congressmen Courtney and Larson) that shows the geological survey will help.

It was noted that the Housing Advocate position is currently in limbo.

Several members expressed the need for coordination and monitoring of this issue that is central to state government and should be housed at OPM or governor's office. This is a multi-faceted problem, needing multi-agency coordination.

Mr. Anwar asked if CRCOG could be that coordinating body. Ms. Yoder stated that the issue crosses CRCOG's borders, but also requires coordinating across multiple state agencies (DCP, Banking, Insurance, and Housing among others) and CRCOG does not have the political muscle or standing to be able to coordinate in a meaningful manner. She further stated that it was her opinion that it requires the strength of the Governor's office.

Ms. McCoy stated that condos were excluded from casualty loss deduction.

Ms. Morrison noted that most fees have been waived but with the expansion of the sales tax, there is a concern homeowners will be hit hard with expansion of sales tax which may affect those replacing foundations.

Ms. McCoy expressed the need to counteract the construction industry's opposition to standards and testing. Mr. Werbner stated that he and the committee does not have enough expertise to effectively answer some of the issues raised by the construction industry but stated Ms. McCoy and others should feel free to bring counter arguments and expert testimony to the hearings.

4. Staff Updates

a. Testing program update

Ms. Yoder stated that over 1000 applications had been received and of those 915 had been paid or approved pending payment. She also stated that there was an uptick in reimbursement requests with the new CFSIC guidelines which appears to have leveled off.

Mr. Anwar asked if there was tracking of who was affected and by how much. Ms. Yoder stated that this is self-reported by those submitting claims and the monthly town reports at least reflect that information. Ms. Yoder stated that to take a deeper and more accurate dive, more resources would be needed and manpower to read each individual report and code it consistently across the data received to date.

b. Request for Qualifications Update

Ms. Yoder stated that the RFQ list is being reviewed on a rolling basis and at a minimum on a quarterly basis. She also stressed that the RFQ is based on what is submitted by the contractor and although references are checked, the committee is relying solely on what is submitted on paper. She stated that once 5-6 submissions are received, the submissions are sent to the committee for review. If within a quarter, there has not been a review, the committee will be sent the submissions from that quarter.

5. Other Business

Mr. Shanley asked the status of the various litigation cases. There are a number of cases and Ms. Draghi suspects it will be a number of years before they are resolved. In addition, some of the insurance companies have protected themselves with agreements with the last administration. The justices are at the beginning of the learning curve.

A question was asked about the various agreements from Liberty, the Hartford and Travelers and who it was being applied. Mr. Werbner stated that the three companies were covering things differently and a consistent program had not been established.

Mr. Elsesser expressed a deep appreciation for Mr. Werbner and all his hard work on this issue. He stated that Mr. Werbner had been instrumental in this whole process. The committee and members of the public applauded Mr. Werbner.

Mr. Werbner stated that with his upcoming retirement, the municipal representative will be replaced, but he will continue on as chair of CFSIC. He further stated that this issue is at the top of the list both economically and the individual resident as it has had a trickledown effect.

6. Adjournment

The meeting adjourned at 11:45 AM.