

**MINUTES**  
**Morris County-Flood Mitigation Committee (MC-FMC)**  
**30 Schuyler Place – 2<sup>nd</sup> Floor, Morristown, New Jersey**  
**November 26, 2018**

The meeting was called to order at 5:30 p.m. by Louise Davis, Chair.

Members present:

Betty Cass-Schmidt	Julie Baron
Andrew Crawford	Thomas Pepe
Louise Davis	Joseph Pawelczyk

Members with an excused absence

Gary Large

Also attending:

Christine Marion, Director, Office of Planning & Preservation  
Virginia Michelin, Flood Mitigation Program Coordinator, Office of Planning & Preservation  
Jason Rotter, Assistant Planner, Office of Planning & Preservation  
John Napolitano, Special Counsel to Flood Mitigation Program (arrived at 5:38pm)

**OPEN PUBLIC MEETING STATEMENT**

Chair Louise Davis announced that in accordance with the Open Public Meetings Act, adequate notice of this meeting had been provided and filed with the Town of Morristown, the Morris County Clerk, the Daily Record and the Star Ledger.

**PUBLIC COMMENT**

There were no members of the public present.

**APPROVAL OF MINUTES**

The Minutes of the April 16, 2018 meeting were reviewed and on a motion by Julie Baron, which was seconded by Betty Cass-Schmidt, the Committee approved said Minutes. The closed session minutes were reviewed and on a motion by Julie Baron, which was seconded by Joseph Pawelczyk, the Committee approved said Minutes.

**PROGRAM UPDATE**

Virginia Michelin provided the following updates:

- **Staff Update** – Jason Rotter started back in August. Working on FLAP maps, USGS gauge info, RL/SRL data, CRS graphic, helping with meetings etc. The Committee welcomed Jason.
- **Preliminary Flood Insurance Rate Maps (pFIRMs)** – FEMA’s goal is to have letters out by the end of November in response to the appeals that were submitted in May. If no municipality appeals, then the schedule is to have the preliminary maps in effect by Fall 2019. An appeal could push adoption of the maps to 2020-ish. If no additional appeals, then a Letter of Final Determination will be sent to municipalities in ~April 2019.

- **CRS Users Group** – Morris County is working on a graphic similar to Monmouth County’s to show ratings and savings of participating municipalities. This is currently in progress, and we believe we have all the information needed. Will send link to Flood Mitigation Committee once completed. CRS Users Group has met 5/15, 8/14, and will be meeting tomorrow 11/27, copies of agendas are in the binder.. Tomorrow’s presentation will cover requirements to becoming a Class 4 community. There are a couple Class 5 Communities in Morris County, Lincoln Park and Pequannock. Meetings will stay quarterly for 2019.
- **NFIP Update** –Article in binder. Congress is going to leave reforms to the 2019 Congress. No info on when extension is going to be given or for how long. Program expires on November 30, 2018. Probably going to extend program.
- **Soft Costs** – Virginia is looking into background and history on this. Grant agreements state that soft costs cannot be above acquisition costs, while NJDEP does not have this rule. For especially low-cost buyouts (\$40-50k or lower), municipalities are getting reimbursed low amounts due to tax liens and foreclosures. Staff uses ~\$20,000 for demolition costs. After much discussion committee suggested that soft costs, minus demolition do not exceed cost of the house and to lay it out in the grant agreement as such. Don’t treat demolition as a soft cost for the grant agreement. Treat restoration (seeding/grading) as part of demolition cost.
- **Irene 2.0 Appraisals** – What will happen to pre-Irene appraisals when the next major storm hits? State Police use certified market value (CMV) and NJDEP also uses CMV while using flood mitigation program as a secondary funder when necessary. Nine other storms statewide have not impacted Morris County. Hurricane Sandy did not affect this process as Morris County wasn’t classified as an impacted county, so Flood Mitigation appraisals not impacted. Highlands Council keeps extending pre-Highlands funding. It’s been 14 years. You could sunset the pre Irene funding option and wait for the rush of acquisitions. If you change this pre Irene appraisal you would need Freeholder approval. Much discussion ensued and it was decided that when FEMA comes in again with emergency funding we would revisit this issue at that time. Leave pre Irene funding as is until FEMA has the Committee revisiting this issue.

## **CLOSED SESSION**

At 5:54 p.m. on a motion by Thomas Pepe, seconded by Betty Cass-Schmidt, the FMC closed the open portion of the meeting pursuant to P.L. 1975 Ch. 231, the Open Public Meetings Act, and per the Committee’s standard resolution language, voted to conduct a closed session wherein the subject of real property acquisition shall be discussed.

## **RETURN TO OPEN SESSION**

At 6:11 p.m., on a motion by Thomas Pepe, seconded by Betty Cass-Schmidt, the FMC returned to open session by unanimous vote.

The following actions were taken, as a result of Closed Session deliberations:

- **Resolution 2018-04 – Lincoln Park – Central-5 Project Area – 21 Bank Lane – Preliminary Approval** – Application for one property for a total of \$78,125, with an estimated match of \$15,500 from a NJDEP Green Acres grant. On a motion by Betty Cass-

Schmidt, seconded by Julie Baron, the Committee granted unanimous Preliminary Approval.

- **Resolution 2018-05 – Lincoln Park – South-5 Project Area – 12 Dubrow Street – Preliminary Approval** – Application for one property for a total of \$168,750, with an estimated match of \$45,000 from a NJDEP Green Acres grant. On a motion by Joseph Pawelczyk, seconded by Betty Cass-Schmidt, the Committee granted unanimous Preliminary Approval.

## **CORRESPONDENCE**

There was no new correspondence.

## **NEW BUSINESS**

### **Rule Revisions**

Legal is still reviewing the proposed rule changes. Staff discussed potential rule changes with the Committee. FEMA has a policy about homes worth \$276,000 or less they automatically meet the BCA model, if they are the SFHA. It would save staff time as they wouldn't have to run the BCA. Homes that are considered more than 50% damaged (substantially damaged) they would automatically considered beneficial to acquire. If the FEMA policy is rescinded then staff would need to run BCA.

Tax liens are another proposal staff are trying to get included in the rule. If no one buys the tax lien, the municipality automatically becomes the owner of the tax liens. Several homes in the program have been lost to new owners via a tax lien. Rules would need to be modified to allow municipalities to potentially get reimbursed for buying the tax lien versus letting it go to a new owner.

John N would like to think about the tax lien proposal some more. The process needs to be simple for municipalities to do it. If the municipality buys the tax lien then they pay themselves for the property.

Staff would like to use this as a way to encourage homeowners into the program. The lawsuit was about a tax lien. A couple homes in the program are homeowners who have acquired properties via tax liens. There are many options and scenarios of how this could play out.

Staff will spend more time working on this proposal with John and report back to the Committee.

## **ADJOURNMENT**

On a motion by Thomas Pepe, seconded by Julie Baron, the meeting was unanimously adjourned at 6:26 p.m.

## **NEXT MEETING DATE**

The next regular meeting is scheduled for Monday, December 17, 2018 at 5:30 p.m. in the 2<sup>nd</sup> Floor Conference Room of the Offices of Planning & Preservation, located at 30 Schuyler Place, Schuyler Annex Building, in Morristown, New Jersey.

Respectfully submitted,

Virginia Michelin, CFM