

Village of Carol Stream

Special Meeting of the Village Board National Flood Insurance Program – FEMA 50% Rule Public Participation at Meetings PACE Bus Shelter Program

Gregory J. Bielawski Municipal Center
500 N. Gary Avenue, Carol Stream, IL 60188

July 15, 2013

6:00 p.m. – 7:25 p.m.

Meeting Notes

ATTENDANCE:

**Mayor Frank Saverino, Sr.
Trustee Matt McCarthy
Trustee Don Weiss
Trustee Mary Frusolone
Trustee Rick Gieser
Trustee John LaRocca
Clerk Beth Melody**

**Joseph E. Breinig, Village Manager
Robert Mellor, Asst. Village Manager
Chris Oakley, Asst. to the Village Manager
Caryl Rebholz, Employee Relations Dir.
James Knudsen, Dir. Engineering Services
Don Bastian, Asst. Dir. of Community Dev.
Bob Glees, Community Development Dir.
Matt York, Assistant Public Works Director
Jim Rhodes, Village Attorney**

The meeting was called to order by Mayor Saverino and the roll call read by Assistant Village Manager Mellor. The result of the roll call vote was as follows:

Present: Mayor Saverino, Trustees McCarthy, Weiss, Frusolone, Gieser & LaRocca
Absent: Trustee Greg Schwarze

National Flood Insurance Program – FEMA'S 50% Rule

Director of Engineering Services Knudsen explained updated the Village Board on the FEMA 50% rule.

National Flood Insurance Program (NFIP):

- In 1968, Congress created the National Flood Insurance Program (NFIP) through the National Flood Insurance Act to help provide a means for property owners to financially protect themselves.
- It actually wasn't until 11 years later in 1979 that the Federal Emergency Management Agency or FEMA was formed merging many of the separate disaster-related responsibilities into FEMA.

- The NFIP is administered by FEMA which works closely with nearly 90 private insurance companies to offer flood insurance to property owners and renters.
- In order to qualify for flood insurance, a community must join the NFIP and agree to enforce specified minimum floodplain management standards. We joined on January 6, 1982.
- Rates are set and do not differ from company to company or agent to agent.
- These rates depend on many factors, which include the date and type of construction of your home, along with your buildings level of risk.
- Recent changes in FEMA regulations (2012 Biggerts -Waters Act) will eventually require all flood insurance policies to be based on actuarial rates, whereas before post FIRM homeowner's insurance premiums were subsidizing pre FIRM insurance premiums. I'll talk later about what is meant by FIRM, but the date that determines if you are pre or post FIRM in Carol Stream is June 15, 1978.

A Special Flood Hazard Area map of the Village from the September 2008 flood was shown to the audience. Carol Stream has 416 properties that are located within the flood plain. Not all require flood insurance as the structure may not be in the flood plain so only 107 policies are currently in force. Not all of them receive flood damage. Although the Village had 267 properties affected in the 2008 flood, 41 homes incurred significant flood damage, 23 in 2010 and only 2 in 2013. Significant flood damage means homes actually had stream over bank flooding. Homes that had flooding due to overland flow routes, sanitary sewer backups or failed sump pumps were not included.

Definition of Substantial Improvement

Any reconstruction, rehabilitation, addition, or other improvements of a structure, the cost of which equals or exceeds 50% of the market value of the structure before the "start of construction" of the improvement.

This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed.

- This determination is a cumulative calculation; that is each time an improvement is made a calculation is made to determine the percent value of the cost of that improvement as compared to the fair market value of the structure and then each percent value is added to all the previous values. It is a running total of these percentages.
- July 24, 2010 is the date we started utilizing a cumulative calculation as it was the date of our first major flood after the DuPage County Stormwater Ordinance was revised clarifying this rule.

Definition of Substantial Damage:

Damage of any origin sustained by a structure whereby the cost of restoring the structure to its "before damaged condition" would equal or exceed 50% of the market value of the structure before the damage occurred.

Damage costs are also compared to the fair market value of the building to calculate the percentage and all damage percentages are added with the improvement percentages to see if they exceed the 50% threshold.

For Carol Stream that would mean the percentage that was calculated as a result of the 2010 flood and the percentage from the 2013 flood is added together along with all the cumulative improvement percentages to get the running total and if it exceeds 50% it's substantially damaged or substantially improved.

There were 23 significantly damaged structures in the 2010 flood and 2 in 2013. This could result from floods, wind storms, fires or any other disaster.

Substantial Improvement or Damage Does Not Include

Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety codes which have been pre-identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or any alteration of an "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Requirements for Substantial Improvement

- Substantially improved structures are considered NEW CONSTRUCTION and must meet all of the minimum building standards of the NFIP regardless if they have flood insurance or not.
- Must elevate (or flood proof) and meet other applicable program requirements!
- Note: Only non-residential structures may be dry-flood proofed in lieu of elevation.
- The Village can not issue any building permits if the structure is or will become substantially improved or damage. It must be brought into compliance first.

Reasoning behind this Requirement

- Structure has been noncompliant
- Reduces or eliminates costly flood insurance claims
- Reduces flood response cost
- Homeowners given time and assistance to become compliant
- Many of these homes have been noncompliant for decades.
- According to DuPage County's Klein Creek Watershed Study during the period from 1949 to 1988 a total of 196 structures flooded resulting in \$8.7M (\$8,704,719) in damages and cost for emergency services. As of April 30, 2013 there were over \$2M (\$2,120,541.70) and 119 flood damage insurance claims that were paid out to Carol Stream residents.
- Responding to flooded residents and businesses has a cost to the Village.
- Homeowners are aware of the flooding and can take precautions to protect themselves.
- Voluntary buyouts have been previously offered. Flood insurance claims can go towards compliance and therefore protection. If substantially damaged FEMA has a program called the Increased Cost of Compliance or ICC that will pay up to

\$30,000 to elevate (raise) a home. This is only available for homes exceeding the 50% threshold based solely on damage excluding improvement costs and if the community employs a cumulative damage calculation.

Elevating Requirement

The cost of elevating a structure ranges anywhere from \$50,000 to over \$100,000. It was also noted as flood insurance rates increase with predictions as high as \$10,000 a year and more we may see homeowners electing to elevate to eliminate or significantly reduce their premiums.

If the Structure is Substantially Damaged

- It automatically becomes a substantial improvement & must be elevated (or “dry” flood proofed if non-residential) to 1 foot above the Base Flood Elevation (BFE).
- It must meet other applicable program requirements.
- Requirement for Foundation Openings to allow flow of flood water
- Requirement for Flood Resistant Materials below the BFE
- Utilities Elevated / Protected
- Foundation is Anchored
- Basement Filled
- Additions to Post-Flood Insurance Rate Map (FIRM) Structures - Whether substantially improved or not, all lateral additions to Post-FIRM structures located in the SFHA must be elevated or flood proofed to at least 1 foot above the base flood elevation!

Community Responsibility

- Must assure compliance with all current storm water regulations
- Must assure accuracy of improvement cost or actual repair/ damage value
- Must assure consistent structure market value estimates

Excludable Improvement Cost Items

- Existing and pre-identified violations of state or local health, sanitary or safety codes
- Specifications
- Surveys
- Building Permits
- Plans
- Septic Systems
- Wells/Water Supplies
- Landscaping
- Other items separate from or incidental to the improvement

Estimation Methods

Improvement Cost and/or “Damage Value” can be determined in many ways.

- Itemized estimates from licensed contractors or professional estimators
- Damage estimates from NFIP claims data

- Local officials with knowledge of local costs can make “qualified estimates”
- Marshall and Swift
- **Standard Building Code Mean Construction Cost Data - Village uses this method**
- Building Inspection Departments
- Emergency Management Agencies
- Tax Assessment
- Damage assessment field surveys
- Other State or Local Agencies

Determining “Market Value”

Acceptable Methods for determining “Market Value” include:

- Independent appraisals by a professional appraiser
- Detailed estimates of the structure’s actual Cash-Value
- Adjusted property appraisals used for tax assessment
- Value of structure from NFIP claims data
- Qualified estimates from tax assessor’s or building department’s staff

Replacement Cost vs. Market Value

- Replacement Cost does not equal Market Value.
- Replacement cost may be used to estimate market value only if depreciated.

Appeals

- If the applicant objects to your market value estimate, then give them the option of providing a certified appraisal.
- Review appeals based on “reasonableness”, not emotions.
- APPLY IT CONSISTENTLY

Carol Stream’s Methodology

Community Development Department:

- Conducts damage assessments.
- Provides damage cost estimates on significantly damaged structures utilizing FEMA’s Substantial Damage Estimator (SDE) and Means Guide.
- Provides improvement cost estimates from building permits on all improvements.
- Handles all cost estimate appeals.

Engineering Services Department:

- Determines fair market values (FMVs) from DuPage County’s tax assessment database.
- Calculates percentage of improvement/damage cost vs. FMV.
- Calculates the cumulative percentage.
- Advises Community Development of findings.
- Performs building permit reviews for compliance with other requirements.
- Reports to IDNR and DuPage County.
- Handles all FMV determinations and percentage calculation appeals. Advises homeowners on their status and answers questions about FEMA’s 50% Rule.

Community Development has not calculated any structure exceeding the 50% threshold, but some are approaching it at over 30%. One more flood like 2010 and we will have substantially damaged structures in Carol Stream. That is one reason why the Village will be advising homeowners of their status so they can plan and take actions to avoid being forced into compliance if they choose to do so.

- Advises the homeowner on their status and answers NFIP requirement questions.
- Directs homeowners to appropriate agencies for further assistance.

Public Participation at Meetings

Manager Breinig stated state statute provides that any person shall be permitted an opportunity to address public officials under the rules established and recorded by the public body. This has come to mean the public should have the opportunity to address the public body during its meetings at a specific time during public meetings.

Three alternatives were presented to the Village Board that would conform to state statute:

1. Incorporate Listening Posts into the Village Board meeting – Start the Village Board meetings at 7:30 p.m. and incorporate the Listening Post into the regular Board meeting. This would address the issue where there is no public present to speak at the Listening Post and the Village Board and staff waits 30 minutes for the official start of the regular Board meeting.
2. Add “Addresses from the Audience” to the Village Board meeting agenda that would provide audience participation on agenda items.
3. Make Listening Post a meeting of the Village Board – This would be a separate meeting that would need to be noticed but would not satisfy the requirement to allow participation during the regular Board meeting.

The Village Board concurred to start Village Board meetings at 7:30 p.m. to allow public participation on Board meeting matters. Staff was directed to prepare an ordinance amending the Village Code to start regular Board meetings at 7:30 p.m., to allow public participation starting at that time during the “Listening Post” portion of the meeting and to develop rules for public participation including sign-in forms and time limits on public participation for agenda and non-agenda items (i.e. 3 minutes).

PACE’s Bus Shelter Program

PACE Suburban Bus has requested to place several shelters in Carol Stream in an effort to increase ridership in the area. Manager Breinig stated staff physically looked at several PACE bus shelters with advertising.

- Pace operates two routes in Carol Stream – Route 709 and Route 711. Route maps and scheduling information were provided to the Village Board.
- Pace has suggested locating two shelters adjacent to the Caputo’s development. Pace’s preliminary suggestion is to locate a shelter on the west side of Schmale Road, approximately 200 feet south of North Avenue, and on the north side of North Avenue, approximately 100 feet west of S. Schmale Road. Staff has concerns with the viability of the latter location.

- Pace and DuPage County staff have discussed the location of bus shelters as part of the county's Gary Avenue improvement project. At this time, specific locations for shelters have not been identified.
- The shelters are managed for Pace by Titan Worldwide. Pace offers two types of shelters – with and without advertising.

PACE shelter agreements with advertising generally include the following provisions:

- Pace bears the full installation costs for ad shelters, including the concrete pads, and obtains permitting from IDOT and DuPage County where necessary.
- There are several design styles. The Village selects the preferred shelter design.
- Shelters are maintained at least once per week by Titan Worldwide.
- The shelters have solar-powered lighting.
- The advertising revenue share is 37.5% to Titan, 31.25% to Pace, and 31.25% to the Village.
- The Village would be free to advertise its own events at no cost if the ad space is unsold, or to pay for ad space if it so chooses.
- Pace is currently in a trial period of allowing alcohol and tobacco ads. The Village may disallow such ads if it so chooses.

PACE shelter agreements without advertising generally include the following provisions:

- Pace provides standard shelters. The Village provides the concrete pads, installs the shelters, and obtains permitting from IDOT and DuPage County where necessary.
- Pace staff or Titan provides repair service on demand, and maintains and cleans the shelters up to four times per year.

Pace is considering or is currently considering the following upgraded and expanded bus stop amenities:

- Electronic “next bus” signs, which display the approximate arrival time for the next bus.
- Solar lighting.
- Lighted bus stop signs. A passenger would press a button and a light at the top of the bus stop sign pole would blink to signal to the bus driver that a passenger is waiting to board the bus.
- Installing QR codes at each posted stop location. A passenger is able to scan the QR Code and obtain real-time information for the arrival of the next bus.

Pace reports that the amount of ad revenue varies from shelter to shelter, but in recent years it has been averaging from \$900 to \$1000 per year. Pace provides each municipality with a check annually for revenue generated from the year prior.

Trustee McCarthy stated he preferred to skip the alcohol or tobacco advertising on the bus shelters. Trustee Gieser questioned whether PACE would clear the shelters of snow in the winter. Manager Breinig stated we will ask PACE whether they do that. The goal would be to have the shelters constructed before DuPage County roadwork is completed on Gary Avenue.

Adjournment

There being no further business, a motion was made by Trustee McCarthy and seconded by Trustee Gieser to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:25 p.m.

FOR THE BOARD OF TRUSTEES

Frank Saverino Sr
Frank Saverino, Sr., Mayor

Beth Melody
Beth Melody, Village Clerk

Minutes approved by the President and Board of Trustees on this
5th day of August, 2013.

Beth Melody
Village Clerk