

MINUTES/FLOOD RESPONSE COMMITTEE
Wednesday, October 8, 1997 - 5:00 p.m.

I. Call to Order:

Hafner, Glassheim, Bakken and Polovitz present.

II. Matter of FEMA update.

Steve Pratt, FEMA, reported that he has replaced Ed Conley, who has returned to Denver, as the City liaison, that they will be closing facility at 121 N. 5th Street the end of October and relocate to the UND Aerospace Center.

Don Griffin, FEMA, reported on the winterization of the mobile home units, that they are advertising bid package which will be let by the 17th, with immediate start time: insulate skirting, vinyl covering over interior windows, insulation of electric water heater compartment, check and weather strip doors, grading around riser pipes, etc. He also noted that currently have 240 families in the mfg. homes.

Bakken asked that they look into relocating people from City Center into these units; Mr. Pratt stated they are checking into that issue and will report back.

III. Matter of funding source for televising sewer lines.

Al Grasser, asst.city engineer, reported that a bill has come in for engineering services for this project, that the project previously approved by the city council but Urban Development would like clarification that it's okay to use CDBG funds for this, that it's listed on the cost matrix but Urban Development would like specific council approval. He also reported that they were hopeful that some of these funds recoverable through FEMA - won't cover the investigative portion but if find specific problem, will cover the televising of that section of the line and the engineering expenses of doing corrective actions; but that there's no other source than CDBG funding for the non-FEMA covered work. He also noted that he doesn't have specific amount - \$600+; Committee noted that total project cost approx. \$1 million+ and asked if they could approve total rather than small amount; Mr. Grasser stated they could hold this bill and bring in more comprehensive bill next week.

Moved by Bakken and Polovitz that we progress with CDBG funding for this project, including engineering and televising.

Glassheim asked if they were going to vote on a matrix or if

they were going to fund piece by piece; Hafner stated that matrix is guideline to work from, that things come up that don't know about

and have to have monies in reserve, and letting matrix be fluid type document. Glassheim stated that they have contingencies in the matrix and only reason to vote on entire matrix is that would be one way of setting priorities, how would committee know when to say no unless know what it's competing with.

Mr. Grasser reported that when they come back with more compre-

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hensive list, will also address cleaning issue which is going on. Mr. Grasser reported this estimate in matrix is \$1 million for televising, the engineering contract is open-ended because don't have scope defined, that the engineer that City hired is dealing with FEMA, and administrative portion hard to get handle on. Mr. Grasser reported that engineering services piggy-backed onto prior contract, and perhaps need separate contract.

Bakken and Polovitz withdrew funding for engineering from their motion and that staff bring back when they have more information.

Upon call for the question, the motion carried.

IV. Matter of funding for warehouse.

Bakken presented budget for operation of the warehouse (moving, delivering, etc.) and equipment (loaned by the State) and staff salaries for the term of the program, with funding through CDBG funds. He also reported that it appears they would be using public building for storage in interim so no leasing costs; that this was for committee's review and wouldn't need action today. The committee raised questions re. staffing and operational expenses, that they thought this program done through volunteer program. Bakken stated that volunteers will be doing work but no staffing of warehouse. He reviewed budget which includes 1 manger and 4 employees for 2-3 year period; staff would inventory materials and deliver materials to job sites.

There was some discussion re. number of houses rebuilt; Bakken stated they had over 100 on list when still taking aps, not including businesses or apartments, expect 2-300 in the 2-3 year period and will prioritize based on needs.

Committee stated they would like to review further; moved by Polovitz and Glassheim to hold until next week. Motion carried.

V. Other business:

Howard Swanson, city attorney, presented several items for consideration:

a) Acquisition Program.

Mr. Swanson reported that they have situation where property owner has accepted initial offer and signed documents and have now requested to renegotiate sales price, and that he is requesting that committee take position or establish policy that they not renegotiate sales price once closing documents signed; reasoning is that no sale could be counted upon until deed in hand and amount of work needed no longer valid and would have to be redone, or create situation where there's nothing but uncertainty in the program. He stated this is not going to happen a lot but have had different people call and have continuously told them that once a purchase price is agreed upon and purchase agreement signed, that's enforce-able contract, and documents written so that it's very clear that

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they are intending to rely on the purchase agreement. Mr. Swanson stated that they have funds and are ready to close and now property owner has indicated that they wish to renegotiate; and doesn't think it's position City wants to find itself in; they were not under any duress or pressure to sign. He stated it wouldn't put City in good position to be continually renegotiating on a given property depending on who's giving opinions of value.

Moved by Glassheim and Polovitz that the City adopt a policy not to renegotiate purchase prices upon the execution of a purchase agreement. Motion carried.

b) Acquisition Program.

Mr. Swanson reported this involves property in Phase II, property in the 100-year floodplain with more than 50% damage, that City made large number of offers to people in Phase II and in some instances they have requested a re-inspection or City has gone out and made re-inspection and have now determined that the property is less than 50% damaged but have made offer, and requested that the committee authorize them to honor the offer made to the property owners even though subsequent

inspection shows that their damage may be less than 50%. He stated his position is 1) integrity of the City, that once make offer should stand behind it, and property owner would then be in a situation where if they want to rebuild, they could, or if they wish to participate in the program, they could, but the property owner shouldn't be penalized in the event they either made error in first inspection and over-estimated damages or refined estimate in some regard.

Moved by Polovitz and Glassheim to establish policy that the City will honor an offer to purchase property made prior to a reinspection which subsequently demonstrates damage less than 50%. Motion carried.

c) Acquisition Program.

Mr. Swanson reported that what is happening where City has rejected counter-offer, in many cases accepting that counter-offer, that out of 134 counter-offers made by property owners, have accepted 90 in Phases I and II, and those typically supported by a qualified and competent independent appraisal; that those not accepted, some so far out and no justification for the value that City declined and asked if they had more information, to submit it. He stated there is category where they had some information, still higher than what City appraised or anticipated value to be at, and have retained an independent appraiser from Fargo to do 17 properties, and once appraisal comes back, City will honor that appraisal and if independent appraisal lower than City's offer will honor the original offer. Information.

He reported that in some regards the media has perpetuated a feeling that the offers made by the City were extremely low and are **MINUTES/FLOOD RESPONSE COMMITTEE**

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finding statistics on property owners accepting original offers are quite high and doesn't support conclusion that original offers were low; that assessor's office, using data they had, was good, and have had instances where amount offered was higher than independent appraisal that property owner got; and where have a dispute of value, mechanism does work and program is working.

d) Rescission of various ordinances suspended by council.

Mr. Swanson distributed copies of Ordinance No. 3644, adopted on May 12, which temporarily suspended large section of the Code, that the council on Monday rescinded the suspension

on some of the parking, i.e., limited time parking exceptions and daily parking restrictions; the public safety committee also recommended the on-street parking of trucks and motor homes and parking in excess of 24-hours be rescinded as of November 1 (in preparation for snow removal equipment). He reported that there are a number of other ordinances that were suspended and are now in a position to put back into effect, all those ordinances suspended with the exception of Chapter XIV Grand Forks Central Business District assessment of costs; Chapter XIX Buildings and Building Regulations (use of mobile homes and trailers, and certificate of occupancy for leased premises-required; Section XVIII Land Development Code, Articles 2, 3, 4, 5 and 9.

Moved by Bakken and Glassheim to recommend to council that those ordinances outlined that were suspended in May of 1997 be reinstated.

Glassheim expressed concern that by not requiring certificates of occupancy, don't know what people living in, and asked when they would look at this. Mr. Swanson stated he would wait until such time as the health department or the inspection department indicated that we need to impose that; and that they need to be aware that the health and inspections departments would have ability to order that any given unit cannot be occupied even though not utilizing the certificate of occupancy section. He stated that the certificate of occupancy would require that they meet all of the applicable Codes, but doesn't think we're in a position to require rental units to meet all of the codes at this time; however, there are some units that have attempted to have been occupied that are in such poor condition that they should not be occupied and both health and inspections departments have ability to intervene.

Upon call for the question, the motion carried.

Council Member Hamerlik presented several concerns:

e) Matrix itemization.

Mr. Hamerlik asked if there wasn't compromise to put items into four groupings, top priority, etc., urged that something be done

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with the matrix. Polovitz asked if there was to be working

session, feels important, new items being added every day.

f) Phase IIIA.

Mr. Hamerlik stated this phase for those with less than 50% damage, and wanted more information, should be proceeding with this, had questions re. program, that program made retroactive - with up to \$15,000 assistance and asked how property owner helped if he has had his property rehabbed; need to clarify and have closure as to what policy is. Committee stated that City has program in place to help volunteers, and wouldn't restrict what volunteers can do, they set their priorities and agenda. Polovitz stated that the City-funded program was the Victory Program, and that if property had received 50% damage or more, regardless of location, City would contribute up to \$15,000 worth of material and Victory group would provide free labor. It was noted that Hamerlik wanted closure on those that are less than 50%, and including those that have already rehabbed where City made it retroactive.

g) Mr. Hamerlik stated that last week they discussed the matter of snow, water shutoff, etc. but he questioned when is buyout, that when property owners say in buyout and not maintaining their property, when does buyout occur, need to clarify - when does City take responsibility for the property. Mr. Swanson stated that was council decision, their position is date of closing, if City wants to take responsibility prior to that, can. He stated that at this time when they close on a property the Office of Urban Development (Dennis Borowicz) is taking keys, doing inventory and making arrangement for termination of utilities but not doing it prior to that. He stated that if council were to direct to do it at point when purchase agreement signed, could do that, in some instances people are still doing salvage before date of closing, in other instances may have walked away from the property; but from legal perspective City doesn't have liability for property nor risk of loss until closed, and that closure is exchange of deed for a check. Hamerlik stated that one of his concerns is that most places don't have furnaces and utilities not shut off, need to notify property owners. Tom Mulhern, Info. Center, stated they are doing that now and will be addressing that issue in the Herald on Sunday re. cutting off water, gas, fuel oil and draining pipes, etc. and also telling them how to do it. Glassheim suggested that the Tri-chairs come up with additional information next week.

h) Glassheim asked if they could get some type of reporting system from Victory re. amounts spent, houses repaired, amount

of goods being uses. Mr. O'Leary stated that he has requested that Victory provide them with those reports on how many people, demographics, and nature of work performed. He reported that the decision to rent the North Star has paid off, there are additional volunteers coming because housing available, between 50-75 volunteers and will get periodic reports.

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i) Glassheim stated that Hamerlik raised question of Phase III and whether we wanted closure, and whether they should ask for recommendation in week or a month from Tri-chairs on what to do. Mr. O'Leary stated that the outline for a program to help low and moderate income people, that problem is that 80% of households in the city got wet, and need to make decisions about who want to help and who's beyond scope of our capacity to help, and if focus upon those who most need assistance, and best guess was + or - \$15M for program; that he has asked consultants to get better numbers but they haven't had much luck about what parameters are of this need. He stated that best suggestion is to follow up with Mr. Bakken's recommendation to continue to work with the Victory groups. He stated that one of the problems is that donated materials not coming in as quickly as hoped; that they have been discussing with Victory and their work done more expeditiously if have the materials available, and could be done in two ways: one is voucher system where set aside money for each household approved for assistance, or buy materials directly (could bid out for specific items - pre-hung doors, insulation, electric baseboard heaters, etc.) He stated that there are ways to help those with less than 50% damage using Victory people and buying materials. Mr. O'Leary stated they wouldn't base on any criteria, but let Victory volunteers use their selection criteria - some based on income, some on how urgent the need is, etc.; he has discussed with volunteers and they have developed uniform ways to measure which families help first (elderly people who still have water in their basements, etc.) He reported that at the next Flood Response Comm. they are going to recommend to change relationship with Victory group and rather than spelled out in Phase III is to streamline and make Victory group sub-grantee of the CDBG program. Committee asked Mr. O'Leary to report back next week.

j) Glassheim stated that the issue of groupings and matrix was brought up, and he thought the way to proceed would be to refer the matrix to this committee and make recommendation to the

full council, that put in the position of not being able to function with 12 people just throwing things around, with no guidance so alternative is to do one thing at a time and don't have comparative decision; maybe groupings are: downtown, other business recovery, infrastructure, housing and contingency and perhaps one or two others where recommend some sort of division of money and some things filled in already and other things brought in individually within groupings, and asked if they wanted something referred back here to discuss or not. Bakken stated that matrix changes because can utilize more than once, and would be good to have Tri-chairs work on it but once have guidelines and don't follow it, then have problem. Hafner stated it would appropriate for Tri-chairs to work on suggested priorities and still keep flexible but they have suggested what they deem as higher priority.

Moved by Polovitz and Bakken to adjourn; meeting adjourned at 6:15 p.m.

Alice Fontaine, City Clerk
Dated: 10/13/97