

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
Tuesday, December 11, 2013
TOWN HALL CHAMBERS
7:00 p.m.**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, December 11, 2013. Chair O'Neill opened the meeting at 6:31 p.m.

The following were in attendance:

**Chair Shawn O'Neill
Vice Chair Bob Quinn
Councilor Jay Kelley
Councilor Malorie Pastor
Councilor Joseph Thornton
Councilor Roxanne Frenette
Councilor Kenneth Blow
Councilor Michael Tousignant
Town Manager Larry Mead
Assistant Town Manager V. Louise Reid
Jeffrey Hinderliter – Planner
Dan Feeney – Code Enforcement Officer
Tom Burns – GIS Consultant**

The Chair indicated that the purpose of the Workshop this evening is to receive an update on the new/updated Floodplain mapping. A significant overhaul of the State's shore land zoning rules requires all towns and cities to re-adopt their local ordinance. The changes in the Mandatory Shoreland Zoning Act, a law first adopted in 1971, were contained in legislation passed in 2006, with subsequent rulemaking by the Department of Environmental Protection (DEP), which is charged with enforcement. The 2006 law originally specified that the re-adoption of a municipal ordinance be completed by 2008, but the first round of wetlands maps issued by the State proved to be inadequate, and the deadline was extended another year. It is anticipated based on map information that the mapping changes will affect hundreds of properties along our coastline. The increased elevations will result in significant increases in required flood insurance for properties that have mortgages. In addition, the new elevations will significantly affect to what extent and how properties can be renovated, rebuilt, or newly constructed. Recent changes in federal rules mean that, while primary homes will see increases in flood insurance costs, second homes are even more affected.

As of early November FEMA (Federal Emergency Management Agency) provided Old Orchard Beach with copies of the new Preliminary Flood Insurance Rate Maps (FIRM).

FEMA conducted a coastal study and generated these new preliminary FIRMs with updated flood hazard risk information and flood zone boundaries. These preliminary FIRMs are available for viewing at the Planning and Code Department at Old Orchard Beach Town Hall as well as on the Town's website using our on-line GIS mapping system: http://www.oobmaine.com/Pages/OldOrchardBeachME_WebDocs/gis

When using the GIS mapping system, it is possible to find individual properties and then use the "FEMA Draft 2013" layer to show the proposed floodplain maps and zones that

C:\Users\kmclaughlin\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\Y0TT4TNR\12 11 13 workshop on FEMA Flood Maps.doc Page 1 of

may apply. You can compare the proposed maps to the existing by ticking on “FEMA Floodplains.” This displays the layer that is the current floodplain zones.

The specific timeline for reviewing, appealing, revising, and ultimately locally adopting these updated FIRMs, is not yet established, but the following are the steps the Town believes FEMA will take:

- o It is the Town’s current understanding that FEMA intends to hold a meeting intended for the general public at a later date following the meeting with municipal officials, and that the general public meeting will be a single meeting for all York County municipalities.
- o The Town is urging FEMA to instead conduct a meeting specifically for Old Orchard Beach residents, or at the least to have a joint meeting with Scarborough, because of the common experience with the Scarborough Marsh. In addition the Town is asking that FEMA not begin the 90-day appeal period until after the meeting for the general public is held. Notice on the Town website and in local newspapers and other media sources will be provided once the Town is sure of the date and time of a FEMA meeting.
- o The 90-day appeal period is the timeframe allowed for property owners to submit appeals of various aspects of the preliminary FIRMSs, such as the proposed Base Flood Elevations, the extent of the flood zone designations and the like. Any appeals need to be submitted in a manner that follows the requirements as prescribed by FEMA. Old Orchard Beach will submit an appeal of certain aspects of the proposed new flood elevations. Property owners should not rely on the Town’s appeal but should determine independently if they wish to file an appeal specific to their property.
- o After the appeal period and any resolution of the appeals, FEMA will issue a Letter of Final Determination (LFD). The LFD establishes the final FIRMs that the Town must adopt within six (6) months of issuance of the LFD.

Given the above, we anticipate the following steps and associated timelines: Municipal Officials Meeting could occur in January; a general Public Meeting could occur in February; a 90-day Appeal process could be roughly in the January thru April/May time period; a Letter of Final Determination in the spring or early summer of 2014; and FIRM adoption sometime during the first half of 2015. The exact schedule though will be dictated by FEMA as the process occurs.

Town of Old Orchard Beach’s Review of Preliminary FIRMs: December, 2013

Over the past three (3) or more years since FEMA withdrew the earlier preliminary FIRMs the Town and our consultant, Ransom Engineering, have been monitoring FEMA’s work on further updating the maps. The Town’s effort is to help ensure the maps are as accurate as possible in delineating and forecasting flood hazard risk to the properties and homeowners in Town.

Because we anticipated questions and concerns with the new boundaries of the Preliminary FIRMs, we commissioned our consultant to begin data gathering and preparing for a close review and possible appeal of the anticipated Preliminary FIRMs.

Now that the Preliminary FIRMs have been issued and been initially reviewed by Ransom Engineering, the Town's concerns about the new limits of the flood zones, elevations, and the methodology for establishing them, have been verified (see attachment F- Ransom Engineering Proposal for OOB appeal to proposed FEMA maps).

Given the questions and concerns, the Town is doing the following:

- Coordinating with FEMA, the State Floodplain Coordinator and our Congressional Delegation in order to better understand the data and methods for generating the Preliminary FIRMs.
- Having our consultant conduct their own flood modeling with more localized data and assumptions, which may lead to a municipal appeal of certain aspects of the Preliminary FIRMs.
- Working with our consultant to prepare an appeal.
- Encouraging FEMA to conduct a Public Meeting to present the Preliminary FIRMs to the public and explain the methods and implications of new flood zone boundaries.
- Developing a website page on oobmaine.com devoted to the proposed FEMA mapping, flood insurance changes and other matters.
- Developing a strategy to notify property owner's about the proposed FEMA mapping changes and potential impacts.

Since this process is on-going and dynamic, the Town will continue to provide updates on our website and through other forms of outreach to help keep the public notified.

The Town Manager, Larry Mead, worked alongside Consultant, Tom Burns, demonstrated through means of discussion and showing of designated maps, the changes that were being considered and the areas to be affected. The Town Manager talked about the new maps received in November and the areas at risk of flooding. The changes in Old Orchard revolve around the base flood elevation which has been increased. Additional areas have been added to the identified risk areas in Ocean Park and east of Old Orchard Street. More information is forthcoming from our Consultant, Robert Gerber, of Ransom Engineering who is considered an expert in his area of expertise. The Town Manager went over the tentative FEMA schedule which included the following:

January – meeting with municipal officials in York and Cumberland County;
January/February – Start of the 90 day appeal period.
February – Public meeting in York County.
Late 2014 – Letter of Final Determination.
Six months after this – maps will take effect.

He continued discussion regarding insurance changes which Congress passed in 2012 and will or has taken effect as of October 2013. If you already have flood insurance your primary residents will stay the same if there was no previous risk factor; Secondary

C:\Users\kmclaughlin\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\Y0TT4TNR\12 11 13 workshop on FEMA Flood Maps.doc Page 3 of

residents will increase 25% a year till it reaches the market rate; and if you don't have a mortgage you are not required to get flood insurance. This means that any major renovations and new buildings must comply with the new base elevations. If you are eligible for subsidized flood insurance, don't change anything at this time. If you are no longer eligible for the subsidy there will be a significant cost increase. Selling your property means it is not eligible for insurance and you may need to have a survey to establish actual elevation of the structure. He continued by encouraging everyone with the understanding that the Town is doing everything possible to assist the citizens in this complicated issue. We are partnering with Scarborough to challenge FEMA on methodology; working together with the State Senators and elected officials to assure that FEMA is responsive. Urging congressional representatives to support legislation to delay changes to insurance subsidies (Menendez-Isakson). We have hired our own consultant to review the proposed new maps and to prepare an appeal. Some other facts that were reiterated several times were that if it is a primary residence and nothing else triggers events, the subsidy remains in place; subsidies are being removed for all business/no-residential properties. The policyholder's premium will increase 25 percent each year until it reaches full-risk rate; Property purchased after July 6, 2012, enactment of BW-12 and before the new rates took effect on October 1, 2013, the policyholders will have to pay the full-risk when they renew the policy in July 2014; policies with effective dates on or after July 6, 2012, move directly to full-risk rates at renewal on or after October 31, 2013; and currently, as long as coverage is maintained, the policy and rating can be assigned to a new owner if the property is not subsidized; and in the future, FEMA will implement a provision that will affect how rates change when flood maps are updated. As subsidies are removed, Elevation Certificates (EC's) ultimately will be necessary for all pre-FIRM property owners in high-risk areas. Policyholders should get one as soon as they can to know their full risk rate and consider mitigation options. Finally the Town Manager assured the fifty citizens in attendance, and those watching on television, that the town's website would be updated daily to reflect the most current information that is provided.

Discussions on the impact of loss as it relates to insurance issues include the fact that in the earlier stages of the insurance program, premium rates verses the claims paid were mostly in balance. There have been relatively few devastating natural disasters and the program was financially self-sufficient, as it was intended. Property owners were able to purchase premiums at non-actuarial rates that did not reflect true risk, regardless of how high their risk actually was if the insurance improvements existed before the effective date of the applicable map. When the Flood Insurance Maps (FIRMs) became effective they set a standard for building codes that would prevent damage through increased elevations and other mitigation measures. Any buildings constructed prior to those dates were not required to conform and were granted a subsidized premium. These are the ones at greatest risk and these are the ones that will see the strongest effects based on the new flood maps. The actuarial premiums reflect more accurate risk, and higher risk equals higher premiums. As of January 1, 2013, non-primary residences (those where the owners spend less than 80% of their time in a year) in high-risk zones that previously had subsidized rates are the first to see this premium adjustment. The next structures to be affected are business properties and the severe repetitive loss properties, starting October 2013. It may seem like an extremely large jump in cost for some, but the initial subsidized premiums were unrealistically low in many cases. This presents a major issue for those who cannot afford the increased premiums. Real estate values will be affected.

The subject of the "100 year flood" or the "100 year storm" is understandably one of the most misunderstood flood terms. It is used to describe a 1% annual chance an area will experience a flooding event that reaches or exceeds the Base Flood Elevation. (The BFE is the regulatory

requirement for the elevation or flood proofing of structures. The relationship between the BFE and a structure's elevation determines the flood insurance premium. This 100-year flood" actually has a 26% chance of occurring during a 30-year mortgage loan.

The new maps that will be presented reflect current flood risks and areas of recent growth. They replace maps that are twenty five years and older. These new maps will give us up-to-date, reliable, Internet-accessible information about their flood risk on a property-by-property basis. And owners of more than 1,550 properties will learn that their risk is higher, or lower, than they thought. Flood hazard maps, also known as Flood Insurance Rate Maps are important tools to protect lives and properties. By showing the extent to which areas of the Town and individual properties are at risk for flooding, flood maps help business and property owners make better financial decision about protecting their property. These maps also allow community planners, local officials, engineers, builders and others to make important determinations about where and how new structures and developments should be built. Over time, water flow and drainage patterns have changed dramatically due to surface erosion, land use and natural forces. The likelihood of inland river and coastal flooding in certain areas has changed along with these3 factors. New digital mapping techniques will provide more detailed, reliable and current data on county flood hazards. The result will be a better picture of the areas most likely to be impacted by flooding and a better foundation from which to make key decisions.

Some of the Flood Insurance Requirements and Options were explained. If the map shows a change from low or moderate flood risk to high risk then it is expected that flood insurance will be mandatory. Flood insurance will be federally required for most mortgage holders. Insurance costs may rise to reflect the high risks. Grandfathering offers savings. The National Flood Insurance Program (NFIP) has "grandfathering" rules to recognize policyholders who have built in compliance with the flood map or who maintain continuous coverage. An insurance agent can provide more information. Change from high flood risk to low or moderate risk will mean that flood insurance is optional, but recommended. The risk has only been reduced, not removed. Flood insurance can still be obtained, at lower rates. Twenty-five percent of all flood insurance claims come from low-to-moderation-risk areas. Conversion offers savings as an existing policy can be converted to a lower-cost Preferred Risk Policy. No change in risk level means any change in insurance rates. Property owners need to learn of their specific risk and takes steps to protect their property and assets.

In discussing the flood risks and flood zones it was pointed out that this refers to areas of high, medium or low risk as "flood hazard zones" and the zones of highest risk as "Special Flood Hazard Areas." High Flood Risks are zones of AE, A, AH or AO Zones. These properties have one percent chance of flooding in any year and a 26 percent chance of flooding over the life of a 30-year mortgage. VE or V Zone are properties that have a one percent chance of flooding in any year and also face hazards associated with coastal storm waves. High-risk areas are called Special Flood Hazard Areas and flood insurance is mandatory for most mortgage holders. Low or Moderate Flood Risk are sown in the X Zone and are properties outside the high-risk zones. The risk is reduced but not removed. The X Zone is properties in an area of overall lower risk. Lower-cost preferred rate flood insurance policies (known as Preferred Risk Policies) are often an option in these areas.

The questions raised of course included how does one protest or appeal the decision that has been made regarding their personal property. Determining the base flood elevation (BFE) within a community is a major component of the mapping process. The BFE is the elevation of the flood having one-percent-chance of being equaled or exceeded in any given year. This becomes the basis for the detailed floodplain boundaries, flood insurance risk zones, and

regulatory floodway boundaries shown on the map panels. If an objection to the map involves the proposed base flood elevations, it is considered an appeal. If an objection does not involve the proposed base flood elevations shown on the map, it is considered a protest. Protests usually involve changes to items such as roads and road names, corporate limits, floodway limits, and floodplain boundary delineations. Information regarding the roles and responsibilities of community officials and individual property owners in submitting, reviewing, and resolving appeals and protests can be provided. There is an Appeal Process which includes several requirements as well as how appeals and protests will be addressed. After the 90-day appeal period has ended and all objections have been addressed, FEMA will make the proposed base flood elevations final by publishing another legal notice, called a "Final Rule. In the Federal Register and issuing Letters of Final Determination, or LFDs, to community officials. The LFD will inform community officials that the community is being given a period of time to enact new or modified flood plain management ordinances required for participation in the NFIP. During the six month "adoption/compliance period", FEMA prepares the digital maps and FIS reports in final form and coordinates with the U.S. Government Printing Office to have them printed and distributed and at the end of the adoption/compliance period, the new digital maps and FIS reports will become effective.

The major concern of so many was the need to rectify insurance hikes which will hit mortgage holders hard in coastal communities. Since the cost of insurance will be based on the property's elevation relative to the Base Flood Elevation and the type of flood zone, a small variation in a flood level can have a significant impact on the insurance premium for affected homes. The VE Zone is associated with the highest flood insurance premiums. It was pointed out that some residents will lose their properties or will be forced to move. Flood zones properties will be worth less. Tax abatements due to reduced property values will lead to a decreased tax base for the Town which will have to be made up by other property owners. Significant added restrictions on what can be done to a property also will result from being placed in a high-risk zone. There are some who challenge the new flood maps. Because some maps are being disputed and although there were new variables used in new flood map calculations, climate change was not a factor in the new maps. It should also be noted that any discounted insurance rates will be phased out or discontinued in the next few years with premium increases toward so call "actuarial rates" being phased in over a several year period at 20-25 percent per year. Homeowners without mortgages are not required to purchase flood insurance; however if the home is ever sold and the new owner requires a bank loan or a mortgage, the new owner will be forced to pay the standard actuarial rate. This obviously decreases the market value of the property and the number of potential buyers. The reason for the discontinuance of the subsidized insurance is that FEMA has already provided financial assistance in many cases where there was no flood insurance. This has resulted in FEMA building up a significant debt to the US Treasury and now the loan must be repaid, under Congress' Biggert-Waters Act, which went into effect October 1, 2013. The debt has risen to about \$30 billion dollars.

Those challenging the new maps have two ways to amend them. If a homeowner believes the property has been improperly included in the new flood map, he or she can obtain an elevation certificate for the property and apply for a Letter of map Amendment (LOMA) for the single property. Where there is a question of the flood map accuracy for more houses, one must undertake a detail engineering study with a qualified ocean engineer, and then submit an application for a Letter of Map Revision (LOMR.) There was good interaction amongst the fifty or more citizens who joined in the discussions this evening.

The Chair thanked staff and all those who attended and indicated that in the coming days there would be another opportunity to talk about these issues in a workshop setting.

ADJOURNMENT:

Respectfully Submitted,

**V. Louise Reid
Town Council Secretary**

I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of seven (7) pages is a copy of the original Minutes of the Town Council Workshop of December 11, 2013,

V. Louise Reid