

**SPECIAL WORK SESSION
MUNICIPAL BUILDING**

**November 29, 2016
DELRAN, NJ**

Sunshine Statement: Be advised that proper notice has been given by the Township Council in accordance with the sunshine law in the following manner. Notice advertised in the Burlington County Times and Camden Courier Post on November 22, 2016 and posted on the bulletin board on the same date.

ROLL CALL: Mr. O'Connell, Ms. Pangia, Mr. Schwartz, Mrs. Kolodi and Mr. Catrambone were present.

ALSO PRESENT: Mr. Shotts, Solicitor, Mr. Hatcher, Administrator and Ms. Eggers, Municipal Clerk.

Discussion on the Vacant and Abandoned Property Services RFP submission from Borgers, Saunders, Taylor and Associates, LLP

Council discussed the proposal submitted by Borgers, Saunders, Taylor and Associates, LLP for vacant and abandoned property services.

Mr. Catrambone stated that this meeting was set up to address any questions that the Mayor and Council have related to the proposal.

Mr. Hatcher stated that he wanted to better understand where there company starts and end and where the Township's duties start and end if we entered into this agreement.

Mr. Hatcher stated that they submitted a proposal for both a contingency and a flat fee. With respect to the ordinances, he asked if they have had a chance to review any of the Township ordinances.

Mr. Borger stated that he looked at the older ordinances. They are inadequate at best. They would need to revise the ordinances. The Township must take advantage of the PL 35 ordinance and enforce that ordinance. Mr. Borgers explained the ordinance.

Dwight Saunders stated that they would like to strengthen our current ordinance. We need to take an aggressive approach.

Mr. Paris asked who will go after the banks.

Mr. Saunders stated that the Public Officer will.

Mr. Borgers stated that the Township will need a Public Officer, a Zoning Officer and an Administrator. They will train those individuals. Hopefully in 2-3 years the staff will be able to administer the program without their services.

Mr. Hatcher asked Mr. Borgers to explain how the training would take place.

Mr. Borgers stated that they have some classroom training, which could take place at their offices or at the Township. They also offer field training. They estimate the training will take three months but they will provide additional training if necessary.

Mr. Hatcher stated that one section of the proposal discusses supervision of Code Enforcement. Mr. Hatcher asked if that is something that is done remotely.

Mr. Saunders stated that stated that it will be done both on site and remotely.

Mr. Borgers stated that for the first few months they will be on site every week. As the months go on, that will decrease.

Mr. Hatcher asked if collaboration with the Public Officer is any different than supervision.

Mr. Borgers stated that they will have to be able to reach out to the Public Officer, Administrator and the Township Attorney. The object is to go after banks and LLC's not resident and/or veterans that have fallen on hard times. Council will be able to waive certain requirements within the ordinances.

Mr. Saunders stated that once the Township runs an effective vacant/abandoned property program, it will be self-sufficient. The money generated will pay for the program.

Mr. Shotts asked if PL35 sets the registration fees.

Mr. Saunders stated that if sets a maximum registration fees of \$500, \$1,500, \$3,000 and \$5,000. The actual amounts vary by Township.

Mr. Shotts asked if the fee structure has been challenged in any municipality.

Mr. Saunders stated that he is not aware of any challenge to the fees. The most aggressive fee structure in the state requires registration six months with the maximum fees allowed under the law.

Mr. Schwartz stated that his understanding was that this program was to address the issue of zombie properties.

Mr. Saunders stated that zombie properties are different than abandoned properties. They will educate homeowners not to vacate the property when they receive a foreclosure notice. It can take three years or more for a bank to take ownership of a property.

Mr. Borgers stated that they will hold seminars for residents that are facing hard times. There are other options available other than vacating the home.

Mr. Schwartz stated that the biggest issue in the Township seems to be the transition period between the resident vacating the property and the bank taking ownership.

Mr. Borgers stated that the banks scare the residents into vacating their homes. Mr. Borgers stated that there is somewhere between 250-350 LIS pendens filed in Delran and 25% of those homes could become abandoned. They will work one on one with the residents if necessary.

Mr. Catrambone stated that they indicated that they are willing to provide free seminars to residents in need. On page seven it indicates the seminars are \$3,000 per seminar or free with service contract. Mr. Catrambone asked them to explain.

Mr. Borgers stated it is free with the revenue share option.

Mr. Hatcher stated that item six discusses identification of owners and creditors. Mr. Hatcher asked if that is something they will do, or will they be training our staff to perform those duties.

Mr. Saunders stated that it will be both. In the beginning he will handle those duties but he will also train the Code Enforcement Officer to be able to perform that portion. His goal is to be able to train our employees and give them all the knowledge and tools that he has to be able to run an effective program for Delran.

Mr. Hatcher asked what role they will serve in terms of court appearances.

Mr. Saunders stated that they will appear in court on behalf of the Township if the Township allows. They will also train the staff to be able to handle court appearances.

Mr. Paris asked if Mr. Saunders is currently performing these services for other municipalities.

Mr. Saunders stated that he is currently an employee of East Orange. Mr. Saunders stated that he wrote a nine step guide for vacant/abandoned homes.

Mr. Paris stated that most of the residents want to see these homes occupied again.

Mr. Saunders stated that a successful program will do just that. It will drive investors into the town that will buy up the properties. You can also use spot blight eminent domain to acquire those properties, special tax sales on vacant properties that allow the lienholder to foreclose faster or a receivership program where a qualified rehabilitation entity that will rehab the vacant/abandoned properties.

Mr. Catrambone asked what the Township has on hand in terms of employees to handle this program.

Mr. Hatcher stated that we have a part-time, Construction Code Officer, a part-time Zoning Officer, who currently serves as the Public Officer and a Full-Time Planning/Board Secretary that handles the notices and the Clerk's Office handles the registration fees.

Mr. Catrambone stated that it appears we would need to increase the hours of the Public Officer to run the program.

Mr. Saunders stated that an effective program will pay for a full-time Public Officer.

Mr. Borgers stated that they have skin in the game because if they don't produce any revenue for the town they get nothing.

Mr. O'Connell asked if they are working with any other towns other than East Orange.

Mr. Saunders stated that he is getting ready to start work in Orange, Irvington and Bridgeton. East Orange was the test case.

Mr. Catrambone stated that in Section I of the RFP they indicate that the revenue generated from each home will be \$12,000. That money will be generated from registration fees, violations and fines. They anticipate \$600,000 for an estimate fifty vacant/abandoned homes.

Mr. Paris asked how he would be able to take on Delran if he is an employee of East Orange.

Mr. Saunders stated that his time with East Orange is short.

Mrs. Kolodi asked if they feel it would work the same for Delran as it did in East Orange and whether we would be as successful.

Mr. Saunders stated that he feels we would be more successful. Mr. Saunders discussed his success in East Orange.

Mr. Schwartz asked if there are tools available when the property owner can't be found.

Mr. Saunders stated absolutely. That is when the Township can utilize spot blight eminent domain.

Mr. Catrambone if he is talking about vacant properties that are abandoned and not kept up or just abandoned.

Mr. Saunders stated that there are two definitions. Mr. Saunders stated that a vacant property is a property that is vacant and has violations. Then you have abandoned properties that are vacant without violations. All vacant properties must be registered.

Mr. Hatcher stated that in the RFP there is a \$15,000 upfront fee. Normally, municipalities do not pay upfront for services. Is there any way that fee can be waived.

Mr. Borgers stated that they just want a good faith deposit. The Township will make that back once the revenue starts coming in.

Mr. Hatcher stated that he understands that but the Township does not give good faith deposits.

Mr. Catrambone stated that maybe we can discuss a penalty once we discuss a contract.

Mr. Hatcher stated that whether the contract is built on a contingency or whether it is a flat fee we will need to show both revenue and an appropriation in the budget or we will be increasing taxes. We will need to have someone certify anticipated revenue for the year.

Mr. Saunders stated that the first thing they need to do is get on the ground and determine the number of vacant/abandoned properties and determine if they can be registered.

Mr. Hatcher asked if they are saying that they can get to that number with the \$15,000.00.

Mr. Borgers stated that with the \$15,000.00, they can typically assess the Township, review all ordinances, develop the best practices for the Township and then prepare an action plan. This service can be billed separately.

Mr. Hatcher asked who gets credit for the homes already registered.

Mr. Saunders stated that they only get credit for the work they do.

Mr. Borgers stated that the homes registered under the new ordinance they will receive 30% of that revenue.

Mr. Saunders stated that they also bring in a GIS system which will be included in their fee as long as we are under contract.

Mrs. Kolodi asked what the re-occupancy rate is in East Orange.

Mr. Saunders stated that he can provide that information but he believes 75% are now occupied.

Mrs. Kolodi asked how Delran fairs in comparison with other towns.

Mr. Borgers stated that Delran is about average.

Mr. Saunders shared information on the revenues from registrations and fines in East Orange.

Mr. O'Connell stated that the RFP references one year but they discussed four six month registration periods which is two years.

Mr. Borgers stated that is how the RFP was written. They added the second year and indicated that in the second year they would take 30% of one registration period and all fines.

Mr. Catrambone stated that on page four, section six it indicates that they will train our Public Officer on all the legal identification issues. After the three month training period, it states that BSTA will offers twenty hours of investigative assistance on a monthly basis.

Mr. Borgers stated that they feel they will get the bulk of the work done in the first three months but they can negotiate the amount of hours need after the three months.

Mr. Saunders stated that while they are waiting for the ordinances to be approved, they can continue with the ground work. Mr. Saunders stated that there is a lot of money out there and the Public Officer is the key to this program.

Mrs. Kolodi asked how many employees they feel we need to administer this program.

Mr. Saunders stated that the Township should create a Vacant/Abandoned Property Division made up of the Code Enforcement Officer, an Administrative employee and the Public Officer. That will give the Division control over the revenues to get the properties cleaned up.

Council had no additional questions at this time.

PUBLIC PORTION

Ms. Pangia made a motion to open the meeting to the public. The motion was seconded by Mr. O'Connell. All were in favor, motion approved.

Leslie Ralff, 105 Greenbriar Road, stated that she has lived next to a vacant property going on eleven years. Her property was converted from a ranch home to a colonial home with five bedrooms. She just had an appraisal done on the property and it is less than prior to the addition because of the abandoned property.

Bill Savage Construction, 145 Dorado Drive, stated that he is the owner of Savage Construction and recently purchased an abandoned home. He remodeled the home and now plans to move into the home. He stated that he would love to be a developer to rehab some of the abandoned homes in town. Someone needs to get this company hired so that we can this process moving. It seems that they have a great program. He understands that the Township may be different but he wouldn't do any work without a good faith deposit.

Mr. Hatcher stated that it is a practice that we haven't undertaken but he got the answer to his question.

Faith Bass, 14 River Drive, stated that it has been almost a year since they first had a meeting with the Township Council regarding vacant/abandoned homes. BSTA brings over twenty years of experience. Our town does not have an overabundance of vacant homes but we have enough that we should be worried about. Ms. Bass stated that she appreciates the efforts of the Council but there is no way they can do what BSTA can do. Since last year, there are twenty-four bank owed properties that have sold. She came up with 124 confirmed abandoned properties but could not complete the list with the townhomes and condos. She can't stress enough that we have to let the experts help the Township. She would be happy to turn over all

the information that they gathered to BSTA because they can make the best use of it. The bank owned properties that did sell this year had nothing to do with the ordinances put in place they are due to the banks process and they are doing it poorly.

Bryan Dougherty, 100 Wayside Court, stated that he buys, renovates and sells homes. Mr. Dougherty that to him when you bring in Code Enforcement Company it is a sign of trouble. Mr. Dougherty asked how many vacant homes are in the Township.

Mr. Catrambone stated that there has been a lot of discussion on that issue. There is information that Ms. Bass has that we have not seen.

Mr. Dougherty stated that he attends the Sherriff Sale each week and he does not believe that Delran has a big problem. Mr. Dougherty asked if the banks are not paying the taxes.

Mr. Hatcher stated that we have not had a drop in tax collection.

Mr. Burrell, 891 Waterford Drive, asked how many vacant/abandoned homes the Township has on their list.

Mr. Hatcher stated that a year ago we identified 107 properties. We worked over the course of the year to address that list. Of the 107 properties, 51 have become occupied and 25 have registered. The list was created by information received from the Police Department, Public Works and the Code Enforcement Office.

Mr. Schwartz stated that no properties were added to that list.

Mr. Hatcher stated that some properties on the original list have registered so they have been added.

Ms. Pangia asked if we know whether the homes are legally occupied or if there are squatters living in them.

Mr. Hatcher stated that to the best of his knowledge they are.

Ms. Pangia stated the list also does not include condos and townhomes.

Mr. Hatcher stated that he has received some numbers last week on condos and townhomes.

Linda Gilbert, 75 Stewart Avenue, stated that she feel it is a win/win situation to hire this company. Mrs. Gilbert stated that her property has gone down in value between the flooding and abandoned homes. Mrs. Gilbert stated that there are twelve abandoned homes in her neighborhood alone and something needs to be done.

Anita Cole, 27 Princeton Drive, stated that there is home on her street that went to Sheriff Sale a few years ago and has been vacant since May. There is a house right next to her where the residents come and go. Mrs. Cole stated that she wants to know something is going to be done with these properties. To her any abandoned home is a problem and if we don't take steps to fix the problem it will get bigger. Mrs. Cole asked that the Township move on hiring this company.

Greg Olear, 7 Teaberry Lane, stated that Township needs to enlist someone's help to solve this problem. Mr. Olear stated that he would advocate that we hire BSTA and stated that they did a great job on their presentation.

Bob Gilbert, 75 Stewart Avenue, stated that it has been over a year and nothing has been done. We are going to have more abandoned homes and we need to hire someone that can help. In his opinion, it would be an uplifting thing for Delran to get rid of the abandoned homes.

Mara Wuebker, 181 Forge Road, discussed a vacant property across the street from her. She is hoping that the Township will move forward and take a proactive approach to getting this situation under control. Her only concern is the education of the employees. The Zoning staff is bare bones and what happens when someone leaves. On the flip side, Mr. Saunders seems to be the one with all the knowledge on their side and what happens if he leaves.

Mr. Borgers stated that Mr. Saunders is a senior partner so if he leaves the company fails but he is confident that will not happen. If the Township needs a la cart services they can come back. They will not abandon the Township.

Mrs. Wuebker stated that it really will need to be a concerted effort on behalf of the Township and the company.

Mr. Saunders stated that code enforcement is the driving change in any community. He has heard a lot of talk about squatters and the job of the Code Enforcement Officer will be to get them out. The revenue generated from this program will help with these issues.

Mrs. Kolodi stated that we did have an issue with squatters and we took a proactive approach but it took a long time. Our hands were tied with the courts and other issues.

Mr. Saunders stated that all we need to do is strengthen our codes.

Mr. Schwartz stated that we do not have the expertise in area and we need to hire a firm that does.

Bob De Persia, 62 Cornell Drive, stated that he is all for addressing this issue but his concern is with our existing Code Enforcement Office. Do the employees have the time to do this with their current duties. Mr. De Persia stated that he also has concerns over the motivations of BSTA and what the end result will be. If there numbers are correct and this is going to make the Township money, he is all for just hiring them and letting them administer the program instead of hiring Township personnel.

Mr. Catrambone stated that is not an option.

Mr. Borgers stated that they will be doing most of the work for the first year but they need help from Township employees.

Mr. Saunders stated that their goal is to get our program up and running. In eighteen months to two years they don't intend to still be here. After that timeframe, the Township should be able to run a successful program.

Mr. Paris stated that he has some concern over the rolls during the first year.

Mr. Borgers stated that they will be doing the majority of the work for the first year, especially in the first three months. They will still need part-time help.

Mr. Paris stated that we are very short staff and he wants to make sure the employees can handle these duties.

Mr. Hatcher stated that it is clear we will need to hire additional staff. He understands the Township's role with the program.

Mrs. Kolodi stated that she feels we will need an additional employee to be able to do this right.

Mr. Hatcher stated that that we are talking about two different positions. We are going to either need two additional part-time employees or one full-time and one part-time. The Administrative employee will be different than Code Enforcement.

Ms. Bass stated that she wanted to come back to a comment Mr. Catrambone made earlier. Ms. Bass stated that she is not trying to fight the Township. If only twenty abandoned homes are washed out with the services of BSTA then it more than covers the \$15,000 up front cost. We need their help. She is happy to turn over the information like she has always said as long as the Township has a plan.

Mr. Schwartz made a motion to end the public portion of the meeting. The motion was seconded by Mrs. Kolodi. All were in favor, motion approved.

Mr. Schwartz stated that this was first brought to our attention back in December of 2015. We have the opportunity to keep Delran a head of the curve. Mr. Schwartz stated that we can't continue to do what we are doing with Oak Avenue. At some point, Council needs to make a decision.

Mr. Schwartz made a motion to adjourn the meeting, seconded by Mr. O'Connell. All were in favor, the meeting was adjourned.

Respectfully submitted,

Jamey Eggers, Township Clerk