

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

3G- 2

AGENDA ITEM SUMMARY

Meeting Date: July 22, 2008

Consent
 Workshop

Regular
 Public Hearing

Department: Office of Financial Management and Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a negotiated settlement offer in the amount of \$15,000 for the full satisfaction of two (2) Code Enforcement Liens that were entered against Freddy and Amalia C. Silvagnoli on February 4, 1999 and May 5, 1999 respectively.

Summary: The Code Enforcement Special Master (CESM) entered an Order on October 7, 1998 giving the Silvagnolis until October 17, 1998 to cease the operation of the auto repair shop on the property and to remove all of the inoperable/unregistered vehicles and heavy equipment from the property (Part "A") and until January 5, 1999 to obtain a proper building permit and inspections for an unpermitted shed or remove it from the property (Part "B"). Compliance with the CESM's Order was not achieved by the ordered compliance dates and fines in the amount of \$150.00 per day were imposed for Part "A" as of October 17, 1998 and \$50.00 per day as of January 5, 1999 for Part "B". The CESM then entered a claim of lien against the Silvagnolis on December 17, 1998 for Part "A" of the Order and on February 25, 1999 for Part "B" of the Order. The accumulated amount for both liens through March 15, 2007, the date settlement discussions resumed, totaled \$248,004, of which Ms. Silvagnoli (n/k/a Hernandez) has agreed to pay the County \$15,000 (6%) for full settlement of the two (2) outstanding Code Enforcement Liens. (District 2) (PGE)

Background and Policy Issues: The initial violations that gave rise to the two (2) Code Enforcement liens were for operating an auto repair shop on the property, open storage of inoperable and unregistered vehicles and heavy equipment and an unpermitted utility shed on the property. The Special Master gave the Silvagnolis until October 17, 1998 to cease the operation of the auto repair shop and to remove all the inoperable/ unregistered vehicles and heavy equipment from the property or a daily fine of \$150 would accrue and until January 5, 1999 to obtain a permit and inspections for the shed or a daily fine of \$50 would begin to accrue. Follow-up inspections by Code Enforcement on October 30, 1998 for the auto repair operation and storage of inoperable/ unregistered vehicles and heavy equipment and January 7, 1999 for the unregistered shed confirmed that the property was still not in compliance. Code liens were then entered against the Silvagnolis on February 4, 1999 and May 5, 1999, respectively. The Collections Section of OFMB was recently contacted by Ms. Silvagnoli (n/k/a Hernandez) to discuss a settlement of the significant outstanding code liens that are attached to her home. The Collections Section of OFMB, after careful review, evaluation, and discussions, agreed to present the proposed settlement offer in the amount of \$15,000 to the Board for approval.

(Continued on Page 3)

Attachments:

Recommended by:

Elizabeth Blaeser
Department Director

7/15/08
Date

Approved by:

J. Baker
County Administrator

7/16/08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$15,000)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$15,000)</u>	_____	_____	_____	_____

**# ADDITIONAL FTE
POSITIONS (Cumulative)**

Is Item Included In Current Budget? Yes No
Budget Account No.: Fund 0001 Department 600 Unit 6241 Object 5900

Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: *atwillhite 7-15-08*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Dem G. Sullivan

 OFMB

N/A

 Contract Dev. and Control

B. Legal Sufficiency:

Barbara Eddley

 Assistant County Attorney

C. Other Department Review:

N/A

 Department Director

This summary is not to be used as a basis for payment

Background and Policy Issues Continued
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The mitigating factors considered during our review and evaluation are as follows:

1. Mr. Silvagnoli, Ms. Silvagnoli's (n/k/a Hernandez) now ex-husband, was an automobile mechanic who would do automobile repairs for others on their residential property. Once they were cited by Code Enforcement to cease the auto repair operation and to permit or remove the shed, Ms. Hernandez pleaded with her husband at the time to stop the repairs and clean up the property to no avail. After years of going through a very acrimonious divorce, Ms. Hernandez finally was able to get her ex-husband to sign the home over to her and her two (2) children so that she could move forward and seek refinancing to make much needed repairs to the home. Ms. Hernandez is now the sole owner of the property as a result of the divorce settlement and has been diligently working to get the Code Enforcement lien amounts reduced so that she can complete her refinancing transaction and have the liens removed from her property.
2. Ms. Hernandez (f/k/a Silvagnoli) constantly pleaded with her now ex-husband to stop working on cars and to remove the inoperable/unregistered vehicles, heavy equipment and unpermitted shed from the property. After several months of pleading with him to stop the auto repair operation and remove the vehicles, he ceased the auto repairs, removed all of the inoperable/unregistered vehicles and heavy equipment, and removed the unpermitted shed from the property. On June 30, 2000, Ms. Hernandez contacted Code Enforcement and requested a site inspection to verify that compliance had been achieved. On July 5, 2000, the Code Enforcement Officer confirmed compliance as of June 1, 2000.
3. After reviewing this case, it quickly became evident that Ms. Hernandez (f/k/a Silvagnoli) had nothing to do with the repairing of automobiles and placing the inoperable/unregistered vehicles on the property and the construction of the unpermitted utility shed. Her ex-husband was fully responsible for creating all of the Code Enforcement violations. It was Ms. Hernandez who, after much persistence and pleading, got her ex-husband to stop the automobile repairs being done on the property, to remove the vehicles and heavy equipment from the property, and to remove the unpermitted shed so that code compliance could be achieved.
4. The subject property is Ms. Hernandez's (f/k/a Silvagnoli) homestead property and the only property that she owns. Her ex-husband, who was the co-owner at the time of the code enforcement violations and who is also listed on the lien, does not own any real property since signing his interest over to Ms. Hernandez.
5. Ms. Hernandez is in the process of refinancing the home so that she can obtain funds to repair the leaky roof and make much needed interior renovations to the home. The mortgage lender has confirmed that once she completes the refinancing transaction, there will be enough proceeds to pay the proposed \$15,000 code liens settlement amount.

An Affidavit of Compliance has been issued by Code Enforcement and states that the cited violations were corrected as of June 1, 2000 and that the property is in full compliance with the CESM's Order. Further, the cited violations did not involve any health or life/safety issues.

Settlement offers that reduce any debt amount due to Palm Beach County by more than \$2,500 require the approval of the Board of County Commissioners, per Countywide PPM# CW-F-048. This settlement offer exceeds the \$2,500 limit and requires Board approval.

In light of the above stated circumstances, Staff believes that the proposed settlement is fair and in the best interest of Palm Beach County.