

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

3G-1

AGENDA ITEM SUMMARY

Meeting Date: December 17, 2013

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 \$5,000.00 for the full satisfaction of a Code Enforcement Lien that was entered against Josh D. & Gertha Joseph on May 7, 2008.

**Summary:** The Code Enforcement Special Master (CESM) entered an Order on February 6, 2008 giving the Josephs until April 6, 2008 to either obtain a fence permit or remove the fence from their property. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$50.00 per day was imposed. The CESM then entered a claim of lien against the Joseph's property. The cited code violation was fully corrected as of July 21, 2009 (fence removed). The total accumulated lien amount through February 15, 2013, the date settlement discussions began, was \$37,504.27. To finally resolve this matter, the Josephs have agreed to pay the County \$5,000.00 (13.3%) for full settlement of their outstanding Code Enforcement Lien. (District 6) (PM).

**Background and Policy Issues:** The violation that gave rise to this code enforcement case was for a fence around the property without a required building permit. The Special Master gave the Josephs until April 6, 2008 to obtain a fence permit or remove the fence from the property or a fine of \$50.00 per day would begin to accrue. A follow-up inspection by Code Enforcement, on April 8, 2008, confirmed that the property was still not in compliance. A code lien was then entered against the Joseph's property on May 7, 2008. The Collections Section of OFMB was recently contacted by Mr. Joseph to discuss a settlement of their outstanding code lien. The County's spreader lien on all four (4) of the Joseph's properties was inferior to the first mortgages and foreclosed out on all properties. The County has no remaining liens as a result of the foreclosures. The Collections Section of OFMB, after careful review, evaluation, and discussions, agreed to present the proposed settlement offer in the amount of \$5,000.00 to the Board of County Commissioners for approval.

The mitigating factors considered during our review and evaluation are as follows:

1. The County's code lien was junior to the bank's mortgage on the property which was foreclosed on with the bank receiving title to the property on December 19, 2011. Once the bank received title, our code lien on the property was no longer attached.
2. The subject property was an investment property which was ultimately lost in foreclosure along with three (3) other properties that the Josephs' owned including their homestead property.
3. Mr. Joseph acknowledged that they were negligent in not taking proactive measures sooner to resolve the code violation and has come forward requesting to settle the lien and have it removed from them as they try to start over.

(continued on page 3)

Attachments: none

Recommended by:

Elizabeth Blaise 12/4/13  
Department Director Date

Approved by:

[Signature] 12/8/13  
County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

| Fiscal Years             | <u>2014</u>      | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------|------------------|-------------|-------------|-------------|-------------|
| Capital Expenditures     | _____            | _____       | _____       | _____       | _____       |
| Operating Costs          | _____            | _____       | _____       | _____       | _____       |
| External Revenues        | (\$5,000)        | _____       | _____       | _____       | _____       |
| Program Income (County)  | _____            | _____       | _____       | _____       | _____       |
| In-Kind Match (County)   | _____            | _____       | _____       | _____       | _____       |
| <b>NET FISCAL IMPACT</b> | <b>(\$5,000)</b> | _____       | _____       | _____       | _____       |

# ADDITIONAL FTE  
POSITIONS (Cumulative)

Is Item Included In Current Budget?    Yes \_\_\_\_\_    No  X   
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:**

**III. REVIEW COMMENTS**

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

|                                                                                                                                                                      |                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <p><i>Susan Neary</i> 12/4/13<br/>_____<br/>OFMB</p> <p style="margin-left: 20px;"><i>AM</i><br/>12/4/13</p> <p style="margin-left: 40px;"><i>OM</i><br/>12-4-13</p> | <p>_____<br/>N/A<br/>Contract Dev. and Control</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|

**B. Legal Sufficiency:**

*Philby Magrino*  
\_\_\_\_\_  
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**

**Page 3**

An Affidavit of Compliance has been issued by Code Enforcement and states that the cited violations were corrected as of July 21, 2009 and that the property is in full compliance with the CESM's Order. Further, the cited violation did not involve any health/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.