PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: August	19, 2025	⊠ Consent □ Workshop	☐ Regular ☐ Public Hearing			
Department: Office of Financial Management and Budget						
Submitted By: County	Attorney's Office					
	I. EXECUT	TIVE BRIEF				
in the case styled B. &			ated Settlement Agreement orida, 50-2019-CA-008660-			
property owners in Pai unpaid code enforcer challenging the charg enforcement fines and Plaintiffs prevailed on attorney's fees to be p Settlement Agreemen counsel in the total a	Im Beach County who he ment fines. Plaintiffs bring of interest and colliditions. A class was certing their federal claims, their federal claims, the county. Palmet to settle the amount	and a lien recorded a rought claims under lection agency fees ified. Plaintiff prevailmey are presumptive m Beach County has of attorney's fees opending approval by	tion lawsuit on behalf of gainst their properties for Florida and federal law, in connection with code ed on all claims. Because ly entitled to reasonable entered into a Mediated wed to Plaintiff's current the Palm Beach County			
itself and a class of all of who had a lien recorded claims under Florida as fees in connection with was upheld on appeal.	other similarly situated. Pla l against its properties for nd federal law, challenging	laintiff is a property or unpaid code enforcer ng the charging of int	ght this action on behalf of wner in Palm Beach County nent fines. Plaintiff brought erest and collection agency ertified and the certification			
(Continued on page 3)						
Attachments: 1. Budget Availab 2. Mediated Settle	2					
Recommended by:	Count	Attorney	8.∓.2 <u>5</u> Date			
Approved by:		N/A dministrator	Date			

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Capital					
Expenditures					
Operating	\$1,990,201				
Costs					
External					
Revenues					
Program Income					
(County)					
In-Kind					
Match(County					
NET FISCAL	\$1,990,201				
IMPACT					
#ADDITIONAL					
FTE					
POSITIONS					
(CUMULATIVE)					

Is item included in Current Budget?	Yes ⊠ No □
Is this item using Federal Funds?	Yes \square No \boxtimes
Is this item using State Funds?	Yes □ No ⊠

Budget Account No.: Fund <u>0001</u> Department <u>760</u> Unit <u>7601</u> Object <u>4905</u>

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

Total expenses include \$1.5 million for Class-Plaintiffs' attorney fees and \$490,201.38 for recovery for Plaintiffs.

	III. <u>REVIEW COM</u>	IMENTS
A.	OFMB Fiscal and/or Contract Dev. and Con	trol Comments: March March 11/25 Contract Dev. and Control 7 6 8 9 25

B. Legal Sufficiency:

C.

Assistant County Attorney

Departmental Fiscal Review:

C. Other Department Review:

N/A
Department Director

(Background and Justification Continued)

The Court has entered a final judgment in favor of the Plaintiffs on all claims, including federal claims brought under 42 U.S.C. § 1983. In the final judgment, the Court has declared that the County violated Florida Statutes, Chapter 162 and Article 10 of the Palm Beach County Unified Land Development Code by its custom, policy and practice of charging and collecting from code violators interest and collection agency fees absent filing a foreclosure lawsuit of its code enforcement liens, and that the County's custom, policy and practice in connection with charging and collecting interest and collection agency fees from code violators absent filing a foreclosure lawsuit on its code enforcement liens violate the Excessive Fines clause of the Eighth Amendment and the Procedural Due Process clause of the 14th Amendment to the United States Constitution. The Court also awarded the class \$490,201.38, representing the total amount of interest and/or collection agency fees paid by members of the class plus prejudgment interest from the date of the payment. Finally, the Court enjoined the County from charging and collecting from code enforcement violators interest and collection fees absent the filing of a foreclosure lawsuit of its code enforcement liens.

Because of the federal claims, Plaintiffs are presumptively entitled to reasonable attorney's fees as part of its costs and have requested same from the court. On June 24, 2025, the parties participated in mediation. The parties drafted the terms of a settlement, subject to approval by the BCC and the Court, in the attached "Mediation Settlement Agreement." The terms include that the County will pay \$1,500,000 in attorney's fees to the current counsel for the Plaintiff in the case, that the County will not appeal the final judgment in favor of the Plaintiff, and that Plaintiff will bear its own costs that will be deducted from the amount awarded in the final judgment.

On July 22, 2025, the Board of County Commissioners (BCC) granted the County Attorney's request to schedule a private meeting for an attorney-client session between the BCC, the Interim County Administrator, the County Attorney, the Chief Assistant County Attorney and Assistant County Attorney, pursuant to Section 286.011(8), Florida Statutes. The meeting was requested to discuss settlement negotiations of pending litigation in which Palm Beach County is presently a party: B. & B. Properties, Inc. v. Palm Beach County, Florida: 50-2019-CA-008660-XXXX-MB AI. Based on the July 22, 2025, private meeting for the attorney-client session, staff recommends the BCC to approve the Mediation Settlement Agreement.

BUDGET AVAILABILITY STATEMENT OFFICE OF FINANCIAL MANAGEMENT & BUDGET

REQUEST DATE: <u>7/28/2025</u>

REQUESTED BY: County Attorney

REQUESTED FOR: B. & B. Properties, Inc. v. Palm Beach County, Florida

REQUESTED AMOUNT: \$1,990,201 AGENDA DATE: August 19, 2025

BUDGET ACCOUNT NUMBER:

FUND: <u>0001</u> DEPT: <u>760</u> UNIT: <u>7601</u> OBJ: <u>4905</u>

Robyn

Robyn

Robyn

BAS APPROVED BY:

Lawrence

Children by Robyn Lawrence

Children

Chi DATE: <u>August 7, 2025</u> IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA

CASE NO.: 50-2019-CA-008660-AI

B. & B. PROPERTIES, INC., a Florida corporation, and on behalf of all others similarly situated,

Plaintiff,

VS.

PALM BEACH COUNTY, FLORIDA, a political subdivision of the State of Florida,

Defendant.

MEDIATION SETTLEMENT AGREEMENT

- B. & B. PROPERTIES, INC., on its own behalf and on behalf of all other similarly situated (collectively, "Class-Plaintiffs") and PALM BEACH COUNTY, FLORIDA ("County") hereby enter into this Mediation Settlement Agreement reached on June 24, 2025, and agree as follows:
- Class-Plaintiffs shall submit to the Court a final judgment in accordance with the Court's Order Granting Motion for Partial Summary Judgment dated November 8, 2024, and the Court's ruling June 24, 2025 granting Class-Plaintiffs' Motion for Final Summary Judgment.
- 2. Class-Plaintiffs shall also submit to the Court pursuant to its ruling on June 24, 2025, an Order denying the County's Motion for Summary Judgment.
- 3. The Final Judgment to be submitted by Class-Plaintiffs to the Court shall set forth the declaratory relief, injunctive relief and damages to which the Court determined they are entitled. The Final Judgment will include injunctive relief enjoining the County from charging or collecting interest and collection agency fees from code violators absent the filing of a lawsuit for foreclosure of its code

174436078.1

enforcement liens. It will also include recovery for those Class-Plaintiffs who paid the full daily fine amount and some amount of interest and/or collection agency fees in the amount of \$490,201.38 representing interest and collection agency fees paid plus pre-judgment interest thereon through June 24, 2025. The Final Judgment shall be enforceable independently and separately from this Mediation Settlement Agreement.

- 4. As used herein, "Counsel" or "Class-Plaintiffs' Counsel" shall mean Louis M. Silber, Esq.; Allison Davis, Esq.; Gary Dunkel, Esq.; James K. Green, Esq.; and attorneys or consultants utilized by those attorneys or employed by their respective law firms (Silber & Davis; Fox Rothschild, LLP; and James K. Green, P.A.). Pursuant to Count II and Count III of the Third Amended Complaint, the County shall pay to Counsel for Class-Plaintiffs attorney fees in the amount of \$1,500,000.00. This attorney's fee payment is solely for the benefit of Class-Plaintiffs' Counsel and without prejudice to any claim by former counsel for Class-Plaintiffs to attorney fees, however, the County reserves the right to object to any such recovery.
- The aforesaid attorney fee payment and this settlement are subject to approval by the
 Board of County Commissioners of Palm Beach County and the Court.
- 6. If the aforesaid attorney fee payment and this settlement are approved by the Board of County Commissioners of Palm Beach County and the Court, the County shall withdraw any Notice of Appeal of the Final Judgment it may have filed and waives any appellate rights as to the Final Judgment entered by the Court.
- 7. The Class-Plaintiffs, who are obtaining the \$490,201.38 recovery, will be equally responsible for the taxable costs incurred on their behalf which will be deducted from the aforesaid recovery amount. However, the attorney fees due Class-Plaintiffs' Counsel will solely be derived from the \$1,500,000.00 agreed to be paid by County.
- 8. The lien recorded against B&B Properties, Inc. on February 27, 2007, at Official Records Book 21670, Page 0840 shall be released and discharged by the County, without any further payment by B&B Properties, Inc., upon final Court approval of settlement.

- 9. Class-Plaintiffs, through their Counsel, will timely file a motion to recover costs and attorney fees, solely seeking costs incurred by Class-Plaintiffs' Counsel on behalf of the Class-Plaintiffs and attorney fees for the work of Counsel, while the approval of the Board of County Commissioners as to this settlement is pending. If the aforesaid attorney fee payment and this settlement are approved by the Board of County Commissioners of Palm Beach County, upon execution of this Mediated Settlement Agreement by all parties and final approval of settlement by the Court, Class-Plaintiffs will withdraw any previously filed motion for attorney's fees and costs filed by Counsel against the County seeking costs incurred by Class-Plaintiffs' Counsel on behalf of the Class-Plaintiffs and attorney fees for the work of Counsel.
- 10. In the event the Board of County Commissioners or the Court do not approve the \$1,500,000.00 attorney fee payment and this settlement, then this settlement shall be deemed null and void, without affecting the validity of the Final Judgment entered by the Court, with the County reserving its right to appeal said Final Judgment and Class-Plaintiffs retaining their right to seek to recover from the County all recoverable costs and attorney fees incurred.
- 11. Class-Plaintiffs and County shall equally share the mediator fees in connection with the parties June 24, 2025, mediation.
- 12. The parties hereto agree to cooperate with each other and take any and all steps that are reasonably necessary to carry out the provisions of this Mediation Settlement Agreement, including without limitation, cooperating with each other with respect to the execution of any ancillary documentation necessary to accomplish the terms agreed upon herein.
- 13. In any proceeding to enforce or concerning this Mediation Settlement Agreement, including in the event of a default hereunder, in addition to any other relief the prevailing party may be entitled to, the prevailing party shall be entitled to recover from the non-prevailing party its or their attorney fees and costs incurred in any such proceeding, including, without limitation, any attorney fees and costs incurred in litigating the entitlement to an amount of such attorney's fees and costs.

of which together shall constitute one and the sa	ame instrument.
A. O'Neal Bates, President B. & B. Properties, Inc.	Sherry Brown Director, Palm Beach County Office of Financial management and Budget
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	PALM BEACH COUNTY, a Political Subdivision of the State of Florida
By: Assistant County Attorney	By:
ATTEST: JOSEPH ABRUZZO, Clerk and Comptroller	
By:	

This Agreement may be executed in counterparts, including by facsimile or e-mail, all

14.