

Office of School Board Attorney
Walter J. Harvey, School Board Attorney

SUBJECT: AUTHORIZATION TO ENTER INTO SETTLEMENT AGREEMENT TO RECOVER FUNDS IMPROPERLY BILLED BY THE MIAMI-DADE COUNTY PROPERTY APPRAISER, TO INVALIDATE OUTSTANDING INVOICES FOR EXPENSES RELATED TO PROPERTY APPRAISER'S VALUE ADJUSTMENT PROCESS, AND TO PROHIBIT FUTURE BILLING FOR RELATED EXPENSES OF THE PROPERTY APPRAISER

At the request of the Superintendent, the Office of Management and Compliance Audits' ("OMCA") conducted an audit of the Miami-Dade County Value Adjustment Board ("VAB") appeals process. The audit was divided into two phases. Phase 1 dealt with the delays affecting the final certification of the County's tax roll, which negatively impacted the District's ability to fund its operations, and provided recommendations to help eliminate these delays, including legislative remedies.

Phase 2 of the audit mainly addressed the operations of the Property Appraisers Office, and this final report was transmitted to the Audit and Budget Advisory Committee at its July 10, 2015, meeting. Among its many significant conclusions, the audit report also included the finding that "while the VAB has the authority to collect from the School District 40% of its operating expenses, the Property Appraiser's Office does not have such authority. Therefore, the School District should discontinue paying the Property Appraiser's operating expenses and consider seeking reimbursement for the previous payments."

As a result of the foregoing, the School Board attorney retained outside counsel to, among other things, assist in the recovery of funds from the Miami-Dade County Property Appraiser related to prior payments made by the District pursuant to improperly issued invoices and to prohibit future similar billing practices by the Property Appraiser. Accordingly, the Property Appraiser was notified by legal counsel of the District's intent to exhaust all available legal remedies in order to resolve the dispute with respect to improper billing.

Prior to any legal action being instituted, the parties were able to come to a tentative settlement agreement that would resolve the matter and would obviate the need for litigation. This item is presented for the Board's consideration to authorize the execution of a Settlement Agreement between the School Board, Miami-Dade County, and the Miami-Dade County Property Appraiser.

The salient provisions of the proposed settlement agreement, which is being forwarded to the Board under separate cover, are as follows:

- Miami-Dade County shall pay the School Board the sum of four million four hundred thousand dollars (\$4,400,000) in the following installments: one million dollars (\$1,000,000) payable on or before February 1, 2016; one million one hundred thousand dollars (\$1,100,000) payable on or before October 15, 2016; one million one hundred and fifty thousand dollars (\$1,150,000) payable on or before October 15, 2017; and one million one hundred and fifty thousand dollars (\$1,150,000) payable on or before October 15, 2018;
- The Miami-Dade County Property Appraiser releases the School Board from any claims that the Miami-Dade County Property Appraiser has asserted, could have asserted, or may assert in the future against the School Board related to the Miami-Dade County Property Appraiser's billing of the School Board for a portion of its Value Adjustment Board ("VAB") related expenses including, but not limited to, the 2015 invoice for payment in the sum of one million six hundred and fifty seven thousand three hundred and three dollars (\$1,657,303); and
- The Miami-Dade County Property Appraiser agrees that it shall not submit any further bills or invoices to the School Board, of any kind, for payments related the Property Appraiser's activities before the VAB, unless subsequently required by applicable Florida law.

In order for the Settlement Agreement to be finalized, the Board of County Commissioners of Miami-Dade County must approve the Settlement Agreement at its regularly scheduled meeting of January 20, 2016.

Administration was involved in the negotiation process since its inception, and is in agreement with the proposed settlement of this matter. The proposed settlement is recommended as being in the best interests of the School Board.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize the execution of the proposed Settlement Agreement between the School Board, Miami-Dade County, Florida, and the Miami-Dade County Property Appraiser, providing for the payment in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) to be paid in installments as described herein to the School Board by Miami-Dade County.