

Exhibit 3

Item 13A

North Bay Village Investment Trust LLC

Utility Billing Account



City of North Bay Village

City Hall

1700 Kennedy Causeway, Suite 132 North Bay Village FL 33141

(305) 756-7171 Fax (305) 756-7722 Website-www.nbvillage.com

To: Dennis Kelly, City Manager
From: Bert Wrains, CGFO Interim Finance Director
Date: June 25, 2012
Re: 1755 Kennedy Causeway Utility Account

The current listed owner is North Bay Village Investment, LLC. The City currently has an outstanding utility account balance of \$ 44,108.19 for the property at 1755 Kennedy Causeway thru April 2012. This account balance consists of \$3,428.52 for services provided and \$40,679.67 in accrued penalties.

The charges are listed below:

	<u>Account Total</u>
April 2007 through September 2007- Water Charges	\$ 185.39
April 2007 through September 2007- Sewer Charges	\$ 194.16
April 2007 through September 2007- DERM Charges	\$ 28.49
April 2007 through September 2007- Sanitation Charges	\$ 761.91
April 2007 through May 2012 - Storm Water Charges	\$ 2,258.57
April 2007 through May 2012 - Penalties @ 10% on the unpaid balance	<u>\$ 40,679.67</u>
TOTAL DUE	\$ 44,108.19

The history on this property goes back to April 2007 when the property owner stopped paying for the water, sewer, storm water and solid waste charges. There was a trailer on the property at one time that required services. The charges for services for the period of April 2007 through September 2007 totaled \$1,949.44. This was for water, sewer, storm water and solid waste. The account had also accrued penalties in the amount \$527.30 through September 2007. These past due charges continue to accrue monthly penalties through today.

According to the Miami-Dade Property Appraiser the property was conveyed to North Bay Village Investment Trust, LLC in April 2008 and they remain the owner as of today. In the period of August and September 2010 the law firm of Carlton Fields as representatives of the underlying lender, sent several e-mails inquiring about outstanding utility balances. They inquired about possible mitigating the penalties. The balance at that time was around \$26,000. This was made up of \$5,000 in service charges and \$21,000 in penalties. On September 2, 2010, Virginia Pecknold, paralegal, for the firm of Carlton Fields, was informed by finance staff that per the City Manager, the City was not able to reduce any charges or penalties on the account. After September 2010 there were no additional correspondents with Carlton Fields office that I can locate.

However, the finance department staff started researching this account in late 2010 and found that some of the charges on this account were not correct based on what actual services the City was providing. The staff report showed that by April 2011 the charges and penalties had accrued to a total of \$64,521.43. The staff review concluded that the only service the property was receiving from the City was storm water services.

13AC11

Mayor
Connie Leon-Kreps

Vice Mayor
Eddie Lim

Commissioner
Richard Chervony

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Commissioner
Dr. Paul Vogel

There was an adjustment made to this account in the amount of \$52,202.99. This was \$3,450.19 reductions in waste, sewer and solid waste service charges and \$48,752.80 in penalties on those service charges.

The property owner to date has not paid any services charges since April 2007. The penalties have been accruing for 5 years on the original \$1,949.44, as well as the storm water charges since that time. The current balance is \$44,108.19. This is made up of \$3,428.52 in service charges and \$40,679. in penalties. The owner is requesting an amount that the City could agree to that would allow the property owner to clear up these outstanding balances.

It is my recommendation that the City collect the full amount of the outstanding charges to date which is \$3,428.52. I would further recommend that the property owner pay some amount of penalty for the City not having use of the funds for service the City provided to this property, some of which have been outstanding since April 2007. I would recommend settling the penalty amount for \$3,500, for a total due the City of \$6,928.52. These monies would go to the Utility Fund and this settlement would not affect the General Fund in any way.

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