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## \$2 million refund pot goes begging for eligible landowners

By [Teresa Lane](#)

*Palm Beach Post Staff Writer*

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Two million dollars sits inside a bank vault in Fort Pierce, waiting for its rightful owners — about 5,000 property owners in Port St. Lucie — to make a withdrawal.

Three years after a judge ordered Port St. Lucie to repay owners of 45,000 vacant lots \$14.4 million in storm-water utility fees, a whopping \$2 million remains unclaimed, either because the recipients cannot be found, lost their checks or simply forgot to cash them.

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Fort Pierce attorney Harold Melville, who got to keep \$4.2 million of the award for his six-year legal fight on behalf of class members, is using \$6,700 in interest that accrues monthly to pay accounting expenses and hopes to update addresses a third time before mailing a new round of checks in a few months.

Although state law dictates that property unclaimed longer than five years be deposited into a state school fund to be used for public schools, Melville said he'll ask Circuit Judge Ben Bryan to keep the money in Fort Pierce after 2008.

"It will be very difficult for the state to verify the people are entitled to the refund," said Melville, who updates Bryan each August on developments in the case. "Everyone who started with the refund process here is still here, and they're very efficient at it. You wouldn't believe the scenarios we've encountered."

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In the beginning, giving the money away was easy. Checks worth \$7 million were cashed during the first six months of the October 2003 mailing, leaving only \$3 million in unclaimed rebates by spring 2004. After the first round of checks expired in April 2004, Melville hired a postal database service to update class members' names and addresses and mailed another 6,000 checks in October 2004, resulting in another \$1 million of the money being claimed.

Even after three years, 10 to 15 class members still trickle into Melville's office each month, each with a different story about why he's late.

Most simply moved from the area — sometimes the country — and did not leave a forwarding address. Others found the court notices in their loved ones' belongings after a death and called the hot lines listed to ask about a refund. Word of mouth has helped match other rebates with their rightful owners when former landowners return to Port St. Lucie to visit.

Each time a match is made, Melville feels a little more gratified.

"You get to be kind of like Santa Claus," he said. "The average award is only a few hundred dollars, but it's a pleasant surprise for most people."

Rebates totaling \$10 million began hitting Port St. Lucie mailboxes in October 2003 after judges ruled that the city improperly billed tens of thousands of property owners for drainage fees in the mid-1990s. More than 37,000 checks averaging \$283 apiece were hauled to a Fort Pierce post office for the mass mailing in the wake of what Circuit Judge Paul Kanarek hailed as the largest class-action verdict awarded in a Treasure Coast courtroom.

The lawsuit was filed in 1997 after real estate speculator Norman Zlinkoff and others complained that the city was overcharging owners of vacant lots for storm-water runoff because, at that time, they paid more than homeowners in annual drainage fees.

Judges agreed it was unfair and went one step further, ordering the city to refund all storm-water utility fees paid by owners of vacant lots between 1993 and 1998 because the city gave improper notice of rising fees each year.

Withdrawing \$14.4 million from the city's storm-water account, which had an annual budget of only \$12 million in 2003, was troublesome. The city had to postpone several capital drainage repairs, including an overhaul of ditches and canals in the flood-prone Southbend Lakes area that still has not begun.

Frustrated city officials initially planned to levy a new fee only on the lots involved in the lawsuit to try to recoup about two-thirds of the judgment, but they abandoned the idea in favor of a new storm-water impact fee to be added to permit fees levied on any new home or business built in the city.

Although some city council members wish they could benefit from the unclaimed money, especially in light of millions of dollars in canal damage inflicted by Hurricane Wilma, Melville said that's not possible.


"I think we should hold the money as long as possible for the benefit of the people who deserve it," said Melville, the only signatory on the account at Harbor Federal Savings Bank. "I certainly feel good about being able to get back a significant refund to so many people who actually were owed the money."

Mayor Bob Minsky said it's preferable to return the money to the city rather than leave it in limbo indefinitely.

"I think the city has a legitimate claim," Minsky said. "If you can't give it back to the people who are due it, it only seems right that it would come back to the city to do drainage work it was originally intended for."

Two hot lines established in 2003 to answer questions from potential claimants still ring to an accounting firm with

information about awards and class members. Anyone with questions may call (772) 461-4414 or (772) 461-4774.

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