

MEMORANDUM

TO: Charlotte City Council

FROM: Thomas M. Hitch, City Attorney

RE: **CITY ATTORNEY REPORT**

DATE: September 9, 2016

The following is my report to the City Council on several issues in which our office has been engaged since the last Council meeting:

1. In Mold Settlement. As I indicated to the Council in past reports, the lawsuit seeking to collect back taxes owed by In Mold Solutions, LLC has been resolved. Elsewhere in this packet is a Settlement Agreement which is set forth for this Council's review and approval.

The amount set forth in this settlement represents 100 percent of the tax owed. These taxes date from 2009 and 2010, and there has frankly been much confusion regarding who was the proper party to pay the taxes, which has caused a significant delay in the filing of the lawsuit. Once that was sorted out, I filed the lawsuit and we have now come to an agreement that resolves this litigation.

I am asking the Council to approve this settlement. It is my understanding that there will be a first reading on Monday's meeting and final approval at the next Council meeting.

2. Opinion Regarding Charter Amendments in Comparison to Revisions. At the last meeting, the City Council asked that I render an opinion regarding the costs and the difference in amending the charter as opposed to revising the charter and whether an amendment to include City Council in the decision making process regarding the firing of employees would require a charter amendment or a revision. I have included that opinion and will be present at Monday's meeting to discuss any questions that Council may have.

3. CNI Plastics. The hearing was held on September 6, 2016, on the Motion to Dismiss the City's lawsuit against CNI Plastics for back taxes on personal property now owned by CNI. I filed a brief in this matter and made an oral presentation, and at the conclusion of the Circuit Court hearing, Judge Cunningham ordered that CNI's Motion to Dismiss be denied. The judge found that the City has stated a valid cause of action against CNI for the seizure and sale of certain property and that this matter is not time barred by any statute of limitations.

We are in the process of conducting discovery and I will be reviewing documents in Grand Rapids in the next several weeks.

4. Leisure Tee. This is to advise the Council that this tax appeal was settled without trial.

TMH:ddy