

RELEASED AND SPREAD UPON THE MINUTES FEBRUARY 12, 2019

APPROVED AND SEALED AT THE MARCH 13, 2018 COUNCIL MEETING

CLOSED SESSION MINUTES  
MOREHEAD CITY TOWN COUNCIL

MONDAY, December 11, 2017

Councilman Taylor moved to enter into CLOSED SESSION in the Council Chambers of the Municipal Building, 202 South 8<sup>th</sup> Street, Morehead City, N.C., during a Special Meeting of the Council held on Monday, December 11, 2017, as per NCGS 143.318.11(a)(3) to consult with Town Attorney regarding potential litigation as it pertains to impact fees. Councilman Ballou seconded, and the motion carried unanimously (5-0).

COUNCIL PRESENT: Mayor Gerald A. Jones, Jr.; Councilmen George W. Ballou William F. Taylor, Demus L. Thompson, Harvey N. Walker, Jr.; and Councilwoman Diane C. Warrender.

STAFF PRESENT: City Attorney Derek Taylor, Interim City Manager Ralph Clark, Finance Director Jewel Lasater and City Clerk Cathy Campbell.

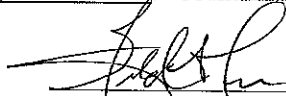
Council considered the ramifications for releasing the collected impact fees as mandated by the Supreme Court ruling in December of 2016, as well as the benefits or possible consequences for withholding the funds awaiting the result of the appeal filed contesting the statute of limitations. After considerable discussion, the Council agreed by consensus that the funds collected between October 10, 2014 and October 9, 2017 should be returned to the individuals who paid the fees in order to stop the interest accrual. Finance is developing the list that should be complete by Friday, December 15, 2017. Council further agreed that the list should be posted on the City's website and that this posting and the press release should be made in coordination with the mailing of the checks on December 31, 2017. Council advised that a contact name and phone number should be added to the press release.

Any funds owed to individuals that cannot be located will be forwarded to the North Carolina Department of the State Treasurer in the individual's name as escheat funds.

City Attorney Derek Taylor advised that should the appeal be upheld and the final decision rule in favor of the ten (10) year statute of limitation, the City will be obligated to refund fees for the remaining seven (7) years. A good faith payment at this time does not eliminate further obligation. He further recommended that the City hold all funds within the Water/Sewer Reserve Fund pending the final ruling.

Councilman Thompson moved to return to OPEN SESSION. Councilman Ballou seconded and the motion carried unanimously (5-0)



  
Gerald A. Jones, Jr., Mayor

Attest:   
Cathy Campbell, City Clerk