

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 12/17/2015

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Melligan LLC D/B/A Jeffersons Madison.

Exact Wording for the Agenda:

Resolution authorizing the City Attorney to seek a forfeiture of the surety bond issued by State Farm Fire and Casualty Company.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

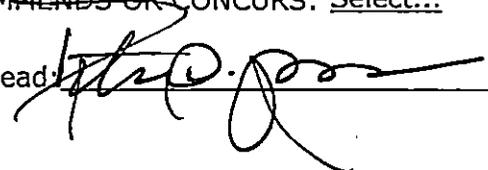
Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

More than thirty (30) days have passed since the issuance of the Notice of Final Assessment to Jeffersons Madison reflecting that Jeffersons Madison is indebted to the City of Huntsville for past-due liquor and sales taxes, interest and penalties in the amount of \$15,229.93 for the period in which said bond was in effect. Jeffersons Madison has not responded to the Notice of Final Assessment.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head: 

Date: 12-17-15

RESOLUTION NO. 15-_____

WHEREAS, State Farm Fire and Casualty Company issued a surety bond in the amount of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) for the payment of liquor and other taxes to Melligan, LLC DBA Jeffersons Madison; and

WHEREAS, the Principal failed to pay taxes in the amount of FIFTEEN THOUSAND TWO HUNDRED TWENTY NINE AND 93/100 DOLLARS (\$15,229.93) for the taxing period of November 2014 through March 2015 and interest through July 2015; and

WHEREAS, the City Clerk-Treasurer's Office has made every possible effort to collect the taxes due from the Principal.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama, that the City Attorney's Office is hereby authorized, requested, and directed to seek a forfeiture of the surety bond issued by State Farm Fire and Casualty Company; and

BE IT FURTHER RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor, upon payment by State Farm Fire and Casualty Company and in accordance with its bond, is hereby authorized, requested, and directed to execute a release and assignment agreement substantially in words and figures as Attachment "A", an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 17th day of December, 2015.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 17th day of December, 2015.

Mayor of the City of
Huntsville, Alabama

ATTACHMENT "A"

KNOW ALL MEN BY THESE PRESENTS that the undersigned, for the sole consideration of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) to be paid by State Farm Fire and Casualty Company from the bond of Melligan, LLC DBA Jeffersons Madison (Bond Number 93 BN J896 3), to the City of Huntsville, Alabama, releases and discharges State Farm Fire and Casualty Company from the obligation of the bond to the extent of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) received for the taxing period of November 2014 through March 2015 and interest through July 2015.

In further consideration of payment of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) of the above noted bond, the City of Huntsville, Alabama, hereby assigns to State Farm Fire and Casualty Company any claim the City of Huntsville, Alabama, may have against Melligan, LLC DBA Jeffersons Madison, for delinquent or deficient taxes or license fees to the extent of the remitted amount of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) for the taxing period of November 2014 through March 2015 and interest through July 2015. The City of Huntsville, Alabama, retains any claim it may have against Melligan, LLC DBA Jeffersons Madison for delinquent or deficient taxes or license fees greater than the amount of EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) received from State Farm Fire and Casualty Company for the taxing period of November 2015 through March 2015 and interest through July 2015.

IN WITNESS WHEREOF, the City of Huntsville, Alabama, has caused this document to be executed by its duly sworn officer this the 17th day of December, 2015.

CITY OF HUNTSVILLE, ALABAMA

BY: _____
Tommy Battle
Its Mayor

ATTEST:

By: _____
Charles E. Hagood
Its Clerk -Treasurer