

## MEETING MINUTES CITY OF MILPITAS

**Minutes of:** Meeting of the Milpitas Oversight Board  
**Date:** Tuesday, April 25, 2012  
**Time:** 4:00 PM  
**Location:** Milpitas City Hall Committee Room  
455 E. Calaveras Blvd., Milpitas, CA

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### CALL TO ORDER

Chairman Don Gage called the meeting to order at 4:00 PM.

### ROLL CALL

**MEMBERS PRESENT:** Emma Karlen (City), Don Gage (County/SCVWD), Mike Mendizabal (College District), and Marsha Grilli (Schools). George Putris was present as alternate to Mr. Sharma, Michael Murdter was present as alternate to Mr. Knopf until his arrival.

**MEMBERS ABSENT:** Vinod Sharma. Bruce Knopf and Armando Gomez were absent at Roll Call and arrived shortly after the meeting started.

Before Board discussion started, Milpitas City Attorney Mike Ogaz made a statement, expressing his capacity representing the Successor Agency and the City of Milpitas, thus he could not also represent the Board of Oversight, due to a conflict of interest. He recommended the Board discuss hiring outside counsel. Chairman Gage asked to put this topic on the next agenda, as had also been requested by Mr. Sharma by e-mail.

### PUBLIC FORUM

None.

### MEETING MINUTES

Meeting minutes of April 10, 2012 were approved with amendments. City Clerk Mary Lavelle read aloud changes requested by one member: on page 2, third paragraph, add "on Schedule 1" following items, delete "the unfunded liability items" and replace with "items on schedule 2." In the last paragraph at the bottom of the page, add "as administration costs" to the end of the last sentence.

Mr. Knopf requested the clerk to write specifically any changes made to the previous meeting minutes in the vote to approve all meeting minutes. Thus, he asked that on page 1, add the change that had been requested by Mr. Sharma at the April 10 meeting regarding the minutes of March 26 "He had requested a standing report by Successor Agency that would routinely cover the status of unencumbered funds."

### APPROVAL of AGENDA

Agenda was approved by unanimous vote of the Board. For the next meeting, there was a request to add agenda items that had been submitted by Mr. Sharma via email to the City after the agenda for this date was posted. The topics were Rules and Procedures, and consideration of outside legal counsel. Chairman Gage directed the clerk to ensure the two items would be on the next meeting agenda.

### UNFINISHED BUSINESS

#### A. First ROPS and Reimbursement Agreement

The Board of Oversight began discussion of the Recognized Obligation Payment Schedule items that were not voted upon at the last meeting.

Mr. Roger Milocq, from the Harvey Rose firm on behalf of the County, remarked that there were seven items to review. First one discussed was the contract with MuniServices LLSC related to property tax increment dollar amount, which had been incorrectly listed by the Assessor's office. The \$23,766 amount was recommended for approval. Mr. Putris moved, and Mr. Knopf seconded, this item for approval, subject to recertification by the auditor.

Mr. Orry Korb, Assistant County Counsel, commented on items reviewed by the Harvey Rose firm. There was discrepancy where some contracts were with the Redevelopment Agency and others with the City of Milpitas. These items could be approved if a reimbursement agreement was approved by the Board.

Milpitas Assistant City Attorney Bryan Otake responded there was a draft agreement on this agenda. At this point, County Attorneys announced they had brought with them an alternate draft reimbursement agreement that did not have a schedule attached to it. At the Chairman's suggestion, the attorneys took the matter of which agreement to recommend to the Board, outside the room for further discussion.

Later in the meeting, Mr. Otake came back to the Board, and made the request to move this item to the next meeting. Chairman Gage inquired which ROPS items were not affected by the reimbursement agreement, and Mr. Milocq replied there were four, two could be extended after June 29 and one after that date could not be extended retroactively.

Mr. Knopf did not have any concerns about the reimbursement agreement, except for the inclusion of specific items attached to it as "Exhibit A." In this way, the Board could approve items pending agreement of the two Counsels on the agreement.

Mr. Gage moved, and Mr. Knopf seconded the following motion: to review four items to be considered for addition onto the ROPS, to vote to add them if deemed appropriate, as long as the attorneys would concur on the Reimbursement Agreement form, and then the document could be voted upon at the next meeting. This motion was approved unanimously.

The Board then considered items for a vote to return these onto the first ROPS:

- 1) Contract with MuniServices LLC. City staff explained that the services were to pay for costs of the reallocation of property taxes that belong to RDA (incorrectly listed by County Assessor) and the invoice for \$23,766 needed to be paid. Mr. Knopf moved, and Mr. Putris, seconded to approve the Successor Agency entering into the contract with this vendor and to pay the amount due, pending the reimbursement agreement approval. The motion carried unanimously.
- 2) Contract with Murphy & Associates for legal services on two Redevelopment Agency contracts. Mr. Knopf moved, and Mr. Putris seconded, a motion to pay the smaller amount (\$1725) due, and the balance could be added to the amount the Oversight Board would authorize under the Reimbursement Agreement. The motion carried unanimously.
- 3) City staff requested to remove this item from the list (No. 12, contract with Jarvis Fay Doport & Gibson firm).
- 4) Contract with Schaaf & Wheeler for Engineering services. Mr. Knopf moved, and Vice Chair Mendizabal seconded, to approve the \$30,000 amount due. The motion carried unanimously.
- 5) Contract with Cal-West Lighting for maintenance. Here, the Redevelopment Agency was paying a percentage of costs, while the City had financial responsibility. Staff provided a map showing where the lighting was located, with 50% in the Redevelopment project area. Mr. Knopf moved, and Mr. Putris seconded, that this item be reviewed by the county to concur it could be approved, under the Reimbursement Agreement. The motion carried unanimously.
- 6) Ms. Karlen expressed to the Board that the following items, not disputed, for which the county auditor had requested more information that was provided, should now be approved: Section 1 – item no. 9, Section 2 – items no. 16 and 21a, all for the current ROPS period. Mr. Knopf moved, and Mr. Putris seconded, approval of the items. The motion carried unanimously.

## **NEW BUSINESS**

- A. Second ROPS Mr. Knopf moved, and Mr. Putris seconded, to move the second Recognized Obligation Payment Schedule to the next meeting agenda. This would allow the County Auditor to recommend its certification. The motion was approved unanimously.
- B. Successor Agency Budget Chairman Gage asked about the Successor Agency budget, and whether there was more detail to the brief budget pages submitted with the agenda. Mr. Knopf expressed his expectation that there would be a greater level of detail on the number of positions, FTEs, program description, etc. Board member and City Finance Director Karlen said she could provide that detail information for the budget.
- By consensus of the group, the Board agreed to move this item to the next meeting agenda.
- C. County Auditor Report Mr. John Guthrie, on behalf of Santa Clara County and project manager for the County's Audit on Redevelopment Agencies, stated the county had completed the ROPS and was re-certifying those items that were added back on the list. He also distributed a letter from the State Controller which directed Successor Agencies with regard to transfer of any assets from Redevelopment Agencies that had occurred over the last two years. The final audit presented to this Board would include a list of assets of the agency.
- Ms. Karlen explained that most recently, the State of California was already in progress auditing the City of Milpitas, its Successor Agency and the former Redevelopment Agency. The state would therefore have a list of assets for Milpitas.
- Board members asked questions of the process Milpitas was going through with state officials, what obligations existed for which agencies, and expectations of payments for various obligations, and anticipated reporting from the County Auditor and the State Controller.
- D. Petition re: Integral OPA Mr. Evan Knapp, the representative of Integral Communities, a property developer, spoke before the Board with his request to formally cease the Owner Participation Agreement previously adopted between his company and the Milpitas Redevelopment Agency. Elements of that agreement were no longer applicable to his project in Milpitas, and he sought to remove restrictions on the title to his property. However, the title company would not agree unless the Oversight Board voted to authorize it.
- Discussion ensued about surviving rights on the contract, liability, independent review of the document, terms on termination of the contract, and potential obligation of the Board.
- Mr. Putris moved, and Mr. Knopf seconded, to place this matter on the next meeting agenda in order to have legal review of the Owner Participation Agreement by the County Counsel, in reference to the specific request from Integral Communities. The motion was approved with 5 in favor and 2 opposed (Gomez and Karlen).
- E. Confirm next Meeting The next meeting date and time was scheduled for Wednesday, May 9, 2012 at 5:00 PM.

## **ADJOURNMENT**

Chairman Gage adjourned the meeting at 5:30 PM.

Meeting Minutes approved with changes on May 9, 2012

Mary Lavelle, Milpitas City Clerk and  
Secretary to Milpitas Oversight Board