

**Draft MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Meeting of the Milpitas Oversight Board of the Milpitas
Successor Agency
Date: Thursday, October 11, 2012
Time: 5:00 PM
Location: Milpitas City Hall Committee Room
455 E. Calaveras Blvd., Milpitas, CA

CALL TO ORDER

Chair Don Gage called the meeting to order at 5:03 PM.

ROLL CALL

MEMBERS PRESENT: Don Gage, Mike Mendizabal, Michael Murdter, Bruce Knopf, Marsha Grilli, Jane Corpus Takahashi (alternate to Mrs. Karlen) and Felix Reliford (alternate to Mr. Gomez)

MEMBERS ABSENT: Emma Karlen and Armando Gomez

Additionally participating by telephone was Successor Agency counsel Juliet Cox from Goldfarm and Lipman firm.

PUBLIC FORUM

None.

Board member Knopf thanked staff for sending out information as requested on the Milpitas Economic Development Corporation. He asked why the topic was not on the agenda. Tom Williams said that he had not talked to the EDC Board of Directors and City Council about issues.

Mr. Knopf felt the Oversight Board could benefit from a discussion of the information. The Chair said the Board could place this onto the next agenda. A discussion on the EDC information for the next meeting could be on next agenda, then hear from Tom Williams when he had met with EDC and City Council, then it could come back to the Oversight Board.

APPROVAL of AGENDA

Milpitas City Tom Williams needed to push out Item C. to a future meeting, as he was short on time this evening.

Vice Chair Mendizabal moved and Bruce Knopf seconded, approval of the agenda with removal of Item C. and it was approved unanimously.

UNFINISHED BUSINESS

Hiring of Outside Counsel

Mr. Knopf reported that he, Vice Chair Mendizabal, and Tom Williams planned to interview several firms, starting with a Request for Qualifications of firms that the City of San Jose had heard from. Two potential firms were interviewed and proposals were expected, and the group could have a recommendation by mid-week. Perhaps a special meeting to approve the contract would be needed. Mr. Mendizabal reported he had asked firms what they would charge.

Chair Gage noted that the City of San Jose had approved a one-year contract this date and felt that could be helpful. He suggested that the Subcommittee make a recommendation to the Board, and then the Board could vote.

Tom Williams asked attorney Juliet Cox if there was any attorney-client privilege unique to the Successor Agency. She had not researched that but on first blush, that was correct.

NEW BUSINESS

A. Receive Agreed Upon Procedures

Chair Gage asked attorney James Williams (County Counsel office) to come forward to review the lengthy Agreed Upon Procedures document that was previously distributed (by e-mail). He walked through the various schedules, and highlighted some of the significant elements.

Chair Gage asked for both Mr. Williams' e-mail for Board members to address any questions they might have:

Milpitas City Manager Tom Williams: twilliams@ci.milpitas.ca.gov

County Counsel attorney: james.williams@ceo.sccgov.org

No action was needed and no vote was taken on this item.

B. Receive Due Diligence Review on Housing Fund & Public Comment

Tom Williams referred to the proposed Resolution drafted by Successor Agency staff, distributed with the agenda packet. Board member Murdter also referred to a county-prepared draft Resolution. Chair Gage asked the differences between the two.

Attorney Juliet Cox identified three main differences.

- 1) Dissolution Audit included a legal opinion in Finding No.2: on the future repayability of an advance from the Low/Moderate Income Housing fund to the RDA capital projects fund. That was not necessary to review or resolve. City resolution asks the Board not to adopt that and reserve the option to consider it in future.
- 2) Successor Agency disagreed with conclusion that there should be \$6.5 million in net balance of funds for distribution by County Auditor/Controller. No reference to the first ROPS repayment was required, and so was inappropriate. Successor Agency resolution proposed that this requires no payment of those funds. As of June 30, fund balance on June 30 in Low/Moderate housing funds was zero (middle of page 2).
- 2) Dissolution Audit did not expressly include a listing of the non-cash fund balances as of June 30. Asset transfers that were housing related, as transferred to the City in 2011-12, but there was a note that one of those properties was sold, and the proceeds wound up in the cash fund. That item should be removed (item no. 118) from Attachment C.

Board member Murdter asked Ms. Cox and the County Controller counsel, about the deadline of October 15, for reporting to the State. Ms. Cox noted there were no penalties for failing to meet the deadline, and the state requested to let them know if delayed. Mr. Tom Williams said he would be happy to write such letter to the state, if necessary.

Board member Murdter reported that the resolution he proposed would approve the DDR without exceptions that were in the City's draft resolution.

Mr. Murdter moved, and Mr. Knopf seconded, adoption of the County-drafted Resolution No. 4, Approving the Low and Moderate Incoming Housing Fund Due Diligence Review. The resolution was adopted on a vote of 5 in favor and 2 opposed (Corpus and Reliford).

C. Presentation on TASP and developments

This item and the following two were moved to the next agenda.

D. Unencumbered Funds
E. County Auditor Report

F. Set Next Meeting Date

The Board scheduled Tuesday, October 23 at 4:00 PM in the Milpitas City Hall Committee Room as the next meeting date.

On the next agenda would be a possible recommendation of a firm for outside counsel, plus items C, D, and E from this agenda, and a discussion of EDC material distributed earlier

ADJOURNMENT

Chair Gage adjourned the meeting at 5:51 PM.

*Meeting minutes drafted and submitted by
Mary Lavelle, Board Secretary*