

**Draft MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Meeting of the Milpitas Oversight Board of the Milpitas
Successor Agency
Date: Thursday, October 23, 2012
Time: 4:00 PM
Location: Milpitas City Hall Committee Room
455 E. Calaveras Blvd., Milpitas, CA

CALL TO ORDER

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

ROLL CALL

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

MEMBERS ABSENT: Emma Karlen and Armando Gomez

Board Secretary Mary Lavelle announced that Mr. Glen Williams of the Office of the Santa Clara County Executive would serve as a second alternate member of the Board for Mr. Knopf or Mr. Murdter (in place of former alternate Rebecca Haggerty).

PUBLIC FORUM

None.

APPROVAL of MINUTES

The Board by consensus agreed to consider approval of meeting minutes of October 4 and October 11, distributed recently, at the next scheduled meeting.

APPROVAL of AGENDA

On a motion by Vice Chair Mendizabal and seconded by Board member Knopf, the agenda was approved by unanimous vote.

UNFINISHED BUSINESS

A. Recommendation from Subcommittee on Hiring of Outside Counsel

Mr. Knopf reported on meetings and discussions held by the Board Subcommittee consisting of himself, Vice Chair Mendizabal and Tom Williams. He described two proposals in the materials he had distributed with a report, from Miller & Owen and Nossaman LLP. One additional proposal was received from a third firm. It was reported that City of San Jose had hired the Nossaman firm, while City of Morgan Hill had hired Miller and Owen.

The recommendation from the Subcommittee majority was to hire Miller and Owen. Chair Don Gage did acknowledge an email received from Tom Williams, regarding a possible identified conflict with Miller and Owen for work done in 2001.

Mr. Tom Williams commented on the draft Resolution presented to the Board for approving hiring of legal counsel. Most significantly he raised the issue of how the Board was going to pay for those services. He confirmed any fees could not be paid out of the City's General Fund. One possible alternative was that the County could loan money to the Oversight Board to pay any fees.

Board member Knopf noted that in the Resolution, it said the Successor Agency was authorized and directed to enter into a contract, to enforce obligations on the ROPS. Mr. Tom Williams asked in reply, what if the State Department of Finance did not authorize that.

Chairman Gage asked Mr. James Williams, attorney from the County, to respond on how the arrangements were made for legal services and payments for the Oversight Board to the Successor agencies in Morgan Hill and Santa Clara, and Mr. Williams responded.

Mr. Tom Williams repeated that the draft resolution called for a guarantee of payment, and he could not support that.

Chair Gage replied that the Board could move forward with whom the Board wanted to select for legal counsel, with Board approved costs to go onto the ROPS, and the state would then need to clarify if that would be approved.

On a motion made by Board member Knopf, and seconded by Board member Grilli, the Board voted to select the law firm of Miller & Owen as legal counsel to the Oversight Board. The motion carried by a vote of five in favor with two opposed (Jane Corpus and Felix Reliford).

Board member Knopf then telephoned live attorney Nancy Miller of the law firm and described to her the concern stated by the City/Successor Agency staff. She provided various alternatives, including limiting services, budgeting up front for legal needs, and she could call the state Department of Finance with questions about approval of payment on ROPS, and the state would have 60 days to respond. Ms. Miller also suggested a back-up plan could potentially be an agreement with the Council to pay up front, with a reimbursement by the Agency.

Chair Gage asked if Tom Williams would prepare a letter to the state Department of Finance and he agreed. Mr. Gage stated there was no need to modify the draft Resolution, rather a side letter to modify it would be needed. Attorney Miller recommended limiting costs to \$2,500 for now.

Board member Knopf moved, and Vice Chair Mendizabal seconded, the adoption of Resolution No. 5 with one additional "Whereas" to include an initial cap of \$2,500 for the first phase of legal services until the Department of Finance provided its decision on the expense on the ROPS, before proceeding with additional legal costs with the firm. The Resolution was adopted on a vote of five in favor with two opposed (Jane Corpus and Felix Reliford).

NEW BUSINESS

A. Discussion of Economic Development Corporation

Mr. Tom Williams reported that the next meeting of the Milpitas Economic Development Corporation would be on November 6, 2012.

Board member Knopf stated he sought a summary of all contracts entered into by the Economic Development Corporation. He referred to a letter from the State to the City's Successor Agency directing it to reverse a transfer of assets of \$50 million. He inquired specifically about a contract for City Hall A/V upgrade and whether it was completed and paid.

Mr. Williams responded that the EDC was separate from the Oversight Board, and that the Board did not have authority over EDC contracts or actions.

Further discussion was held on records and documents sought of Economic Development Corporation actions. Most were public record so Board member Murdter said he could go back and make a written Public Records Act request for records, as the Board request should not be subject to any decision of the Corporation.

This subject of the Economic Development Corporation was agreed by consensus to be moved to the next meeting.

Set Next Meeting Date

The next meeting date was scheduled for Wednesday, November 14 at 4:00 PM. The agenda for that meeting would include three sets of meeting minutes, a letter from Successor Agency to state Department of Finance about how to pay for attorney services, and a Public Records Act letter of request by Michael Murdter.

ADJOURNMENT

Chair Gage adjourned the meeting at 5:25 PM.

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