

MILPITAS OVERSIGHT BOARD

TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479
GENERAL INFORMATION: 408-586-3000 www.ci.milpitas.ca.gov

MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall, Committee Room
455 E. Calaveras Blvd., Milpitas, CA

MEMBERS:

Mike Mendizabal, Chairman
Armando Gomez
Marsha Grilli
Emma Karlen
Bruce Knopf
Michael Murdter
Glen Williams

ALTERNATES:

Felix Reliford
Phuong Le
Jane Corpus Takahashi
John Guthrie
Mike McInerny
Alan Minato

Minutes of the February 25, 2013, Meeting

I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chair Mendizabal called the meeting to order at 4:01 pm.

ROLL CALL

MEMBERS PRESENT: Mike Mendizabal, Marsha Grilli, Emma Karlan, Bruce Knopf, Mike Murdter Felix Reliford, & Glen Williams

MEMBERS ABSENT: Armando Gomez

Prior to Public Forum Chair Mendizabal introduced three new alternates, Mr. Alan Minato (alternate to Mr. Murdter), Mr. Mike McInerny (alternate to Mr. Knopf) and Mr. Rudy Nasol, representing SJCC/Evergreen College District. Mr. Wong resigned at the end of the January 14, 2013, meeting, and was replaced by Mr. Glen Williams (representing the Library District.) Mr. Tom Williams asked who was appointed by the County Board of Supervisors to represent the public. After discussion among the Board members, it was not clear. Ms. Gore indicated she would look into it.

II. PUBLIC FORUM

Mr. Dana Arbaugh introduced himself to the Board, adding that he serves on two (2) Milpitas Commissions. He said that what the Board is doing is important and he is attending the meeting to get a better understanding of the process. He also indicated his concern that the judges that are making decisions related to litigation about the dissolution of redevelopment may have a vested interest in the outcome in terms of the funding of the courts (referring to pensions.)

III. APPROVAL OF MEETING MINUTES FOR JANUARY 14, 2013, MEETING

Moved by Mr. Knopf and seconded by Ms. Grilli, the draft minutes from the January 14, 2013, meeting were approved unanimously.

IV. APPROVAL OF AGENDA

Moved by Ms. Grilli and seconded by Mr. Knopf, the agenda was approved unanimously.

V. NEW BUSINESS

A. Approve Successor Agency's Administrative Budget for July to December 2013

Ms. Jennifer Gore, legal counsel to the Oversight Board, presented the staff report. According to the proposed budget, the Successor Agency's administrative cost allowance for July 1, to December 31, 2013, will be \$292,633. The administrative costs total \$226,528 leaving a difference of approximately \$66,105 available to be allocated to the two line items included for "reallocated administrative costs" for the County of Santa Clara and "reallocated legal costs." Staff recommends that \$55,000 be allocated to legal services for the Oversight Board, and \$11,105 be allocated to administrative cost for the Oversight Board. Mr. Knopf raised a concern that the proposed balances might be insufficient to cover the Oversight Board's expenses, given that the Successor Agency had refused to pay the Oversight Board's expenses incurred to-date,

Mr. Tom Williams, staff of the Successor Agency, indicated that approximately \$14,760 was available from the July to December 2012 Successor Agency Administrative Cost budget, but that he was not prepared to utilize those funds to pay for the Oversight Board's legal expenses.

Following an extensive discussion by the Oversight Board, legal counsel and staff to the Successor Agency, Mr. Knopf moved to resolve that the administrative budget for July – December 2013 be modified as follows:

- The first line for the Successor Agency Administrative Costs is reduced to \$107,633;
- The line item for the Oversight Board's "Reallocated administrative costs" for the County of Santa Clara is \$50,000.
- The line item for the Oversight Board's "Reallocated legal costs" for Miller & Owen is \$135,000.
- The remaining line items and footnotes are deleted.
- Include a provision reflecting that if the Successor Agency pays the outstanding legal and administrative cost related to invoices using the \$14,760 available from the July to December 2012 budget, the Oversight Board would call a special session to consider an alternative budget.

The motion was seconded by Mr. Murdter.

After a brief discussion between the Oversight Board, City staff & legal counsel the resolution was adopted by the following votes:

Ayes: Mendizabal, Grilli, Knopf, Murdter, Williams

Noes: Karlen & Reliford.

B. Approve Recognized Obligation Payment Schedule for July to December 2013.

Ms. Gore presented the staff report, which recommended the approval of the Recognized Obligation Schedule for the period of July 1 to December 31, 2013 ("ROPS 13-14A").

After much discussion, Mr. Knopf moved to resolve that the ROPS 13-14A be approved as amended below:

- Add new Line Item 10 - Administrative cost of Oversight Board legal counsel, the payee would be Miller & Owen with the project scope being legal services and in the last column the dollar amount would be \$135,000.
- Add new Line Item 11 – Administrative cost of Oversight Board, the payee would be County of Santa Clara with the project scope being Oversight Board secretary & administrative services and in the last column the dollar amount would be \$50,000.
- Line Item 9 – Administrative cost of Successor Agency would be modified in the last column; the dollar amount instead of \$292,633 would read \$107,633.

- The resolution also would be modified under the first “be it further resolved”; it would read that the Oversight Board approves ROPS 13-14 A which is as it currently reads.
- Strike the balance of the sentence and insert instead “revise & amended to add separate administrative line items for legal services.” Line Item 10 – Administrative Services; Line Item 11 – Modified dollar amount for Line 9 as previously noted. That would make changes consistent with the Administrative Budget.

The motion was seconded by Mr. Williams. After a lengthy discussion between the Oversight Board, City staff and legal counsel, the motion failed with the following vote:

Ayes: Knopf, Murdter & Williams

Noes: Mendizabal, Grilli, Karlen & Reliford

Mr. Knopf moved to continue this item until Thursday, February 28, 2013, at 4:00 pm. The motion was seconded by Ms. Grilli and passed unanimously.

C. Consider Future Agenda Item to Ratify the Disposition and Conveyance of Specified Governmental Use Buildings and Public Improvements Previously Conveyed to the City of Milpitas, and Direct and Approve the Transfer of Specified Governmental Use Buildings and Public Improvements to the City of Milpitas for Continued Governmental Use, Operation, and Maintenance.

Ms. Gore presented the staff report and introduced Mr. Mike Ogaz, the City Attorney for the City of Milpitas who presented the item.

Following an extensive discussion between the Oversight Board, legal counsel & City staff to the Successor Agency, Mr. Ogaz said he would be happy to serve as a conduit between the City and the Oversight Board to provide any clarity regarding the listed properties. Chair Mendizabal offered to have the Board forward any questions they have on the listed properties to him via email and he will forward the questions to Mr. Ogaz. Chair Mendizabal asked the Board to look at the copy, and suggested that the Board look at this item in depth at a future meeting. The Oversight Board agreed.

VI. OLD BUSINESS

A. Consider Resolution Approving Standstill Agreement between Milpitas Economic Development Corporation, City of Milpitas, and Successor Agency (“Milpitas Entities”).

Ms. Ogaz handed Ms. Gore the Standstill Agreement, approved and executed by the Milpitas Entities. Ms. Gore presented the staff report and based on the Milpitas Entities approving the revised Standstill Agreement, Ms. Gore asked the Oversight Board to also approve the revised Standstill.

Mr. Knopf moved to adopt the Resolution approving the Standstill Agreement. The motion was seconded by Ms. Grilli and passed unanimously.

B. Receive Progress Report from Ad Hoc Committee on Status of Public Records Act Request to Milpitas Economic Development Corporation and Provide Direction to Staff, if Necessary.

Ms. Gore indicated that the documents requested from MEDC have been provided and there is no further action required. Chair Mendizabal added that there is no direction to staff at this time.

C. Receive Update on Status of Payment for Oversight Board's Administrative Expenses, including Administrative Support and Legal Services and Adopt Resolutions Directing Payment and Extending Legal Services Contract.

This item was continued until February 28, 2013.

VII. AGENDA ITEMS FOR NEXT MEETING

This item was continued until February 28, 2013.

VIII. SET NEXT MEETING DATE

This item was continued until February 28, 2013.

IX. CLOSED SESSION – ANTICIPATED LITIGATION: CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION (Gov. Code section 54956.9 (c).)

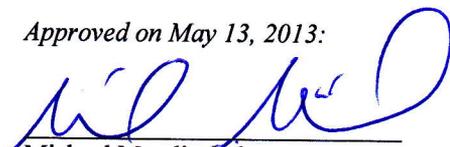
This item was continued until February 28, 2013.

ADJOURNMENT

At 6:34 p.m., Mr. Knopf moved to adjourn the meeting to February 28, 2013, at 4:00 pm. The motion was seconded by Mr. Williams and passed unanimously.

*Meeting minutes drafted and submitted by
Barbara Crump, Board Secretary*

Approved on May 13, 2013:



Michael Mendizabal
Oversight Board Chair



Barbara Crump
Oversight Board Secretary