

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

February 28, 2013, Minutes **Continued Meeting of February 25, 2013**

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

Chair Mendizabal called the meeting to order at 4:03 pm.

ROLL CALL

MEMBERS PRESENT: Mike Mendizabal, Marsha Grilli, Armando Gomez, Jane Corpus Takahashi, Bruce Knopf, Mike Murdter, & Glen Williams

MEMBERS ABSENT: Emma Karlen

II. PUBLIC FORUM

No public comments were received. Chair Mendizabal noted for the record that the Oversight Board has received checks from the Successor Agency for the County of Santa Clara's clerk services (\$1,510.99) and for Miller & Owen's October and November invoices (\$13,367.01).

The Chair also noted that he spoke to Kelly Wyatt of the Department of Finance regarding the Oversight Board's questions related to the ROPS, and she indicated that it was fine to break up administrative costs into multiple line items.

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

Approved February 25, 2013.

IV. APPROVAL OF AGENDA

Approved February 25, 2013.

V. NEW BUSINESS

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

Ms. Jennifer Gore, legal counsel reminded the Oversight Board of the action taken on February 25th, and that the Oversight Board agreed to consider a revised administrative budget if the Successor Agency agreed to pay the County of Santa Clara and Miller & Owen from its remaining administrative costs allocation available.

Because the Successor Agency made the requested payments, Ms. Gore proposed a revised administrative budget reflecting the payments made, as follows:

- The line item for the Oversight Board's "Reallocated administrative costs" for the County of Santa Clara be reduced to \$48,489.
- The line item for the Oversight Board's "Reallocated legal costs" for Miller & Owen be reduced to \$121,633.
- The first line for the Successor Agency Administrative Costs is be increased to \$122,511.
- To the extent future Oversight Board administrative invoices submitted are paid, the Oversight Board will adjust the FY 13-14A administrative budget

Mr. Knopf moved that the Oversight Board reconsider the Administrative Budget approved at the February 25th meeting. The motion was seconded by Mr. Murdter and passed unanimously.

Mr. Knopf then moved approval of proposed resolution, with adjusted amounts as described by counsel and one additional revision to remove all other line items and footnotes from the budget. The motion was seconded by Mr. Murdter.

Mr. Tom Williams remarked, for the record, that he did not believe the proposed action of the Oversight Board was what was discussed at the February 25, 2013, meeting. His understanding was that the Oversight Board would not include line items for reallocated Oversight Board administrative costs if the Successor Agency agreed to use the available portion of the administrative cost allowance from July to December 2012, to make pay the invoices from the County and Miller & Owen, as directed by the Oversight Board.

After a lengthy discussion between the Oversight Board, City staff & legal counsel, Mr. Knopf moved to revise his motion to allow the Successor Agency to reallocate funds within the administrative budget, should the Oversight Board's administrative costs be under budget at the end of FY 13-14A.

After additional discussion, Mr. Knopf withdrew the amendment to his motion, and reiterated his original motion, as seconded by Mr. Murdter.

Ms. Gore pointed out that there was little need to delete any of the line items or footnotes in the budget as proposed by staff. Mr. Knopf revised his motion to eliminate his proposal to eliminate any line items or footnotes.

Mr. Glen Williams proposed a friendly amendment to Mr. Knopf's motion to reduce the line items for Miller & Owen to \$120,000 and the County to \$40,000, with a corresponding increase in the line item for Successor Agency to \$132,633, to reflect the good faith of the Successor Agency in paying the and reconsider in July.

Mr. Murdter reiterated his second. The resolution, as amended, was approved by the following votes:

Ayes: Mendizabal, Grilli, Knopf, Murdter, & Williams
Noes: Gomez & Takahashi

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

Ms. Gore presented a revised resolution for the Recognized Obligation Schedule for the period of July 1 to December 31, 2013 ("ROPS 13-14A"), including three separate line items for administrative expenses, along with the addition of a line item for potential Oversight Board litigation expenses in the event litigation is required to compel the Successor Agency to pay the Oversight Board's legal expenses.

After a lengthy discussion, Mr. Glen Williams moved to resolve that the ROPS 13-14A be approved as proposed by the Successor Agency (with a single line item for administrative costs), with the addition of one line item for potential litigation costs on behalf of the Oversight Board (\$20,000), and the corresponding increase to the administrative cost line item of \$600.

The motion to approve the resolution was seconded by Ms. Grilli. After another lengthy discussion between the Oversight Board, City staff, and legal counsel, the motion passed with the following vote:

Ayes: Mendizabal, Grilli, Gomez, Knopf, Murdter, Takahashi, & Williams

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.

This item was heard February 25, 2013.

VI. OLD BUSINESS

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

This item was heard February 25, 2013.

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.

This item was heard February 25, 2013.

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.

Ms. Gore presented the proposed resolution to revise the Successor Agency's Administrative Cost budget for January to June 2013, and directing the Successor Agency to prioritize the payment of the Oversight Board's administrative expenses. Ms. Gore proposed one change to the draft resolution in light of earlier actions taken by the Oversight Board, to remove the first paragraph on the final page of the resolution, further reducing the line item for Successor Agency staff costs by \$13,140.

Mr. Murdter moved approval of the resolution, as revised by legal counsel. Mr. Knopf provided a second. The revised resolution was adopted by the following vote:

Ayes: Grilli, Knopf, Murdter, Williams
Noes: Gomez, Mendizabal, & Takahashi

*Ms. Grilli left the meeting following the vote on this resolution.

Ms. Gore presented the second resolution related to this item, to extend the contract with Miller & Owen for legal services. She proposed revising the draft resolution in light of earlier actions taken by the Oversight Board, to reduce the not-to-exceed amount of the proposed contract from \$155,000 to \$140,000, and to reduce the proposed retainer from \$140,000 to \$120,000.

Mr. Murdter moved approval of the resolution, as revised by legal counsel. Mr. Knopf provided a second.

Following a lengthy discussion, Mr. Murdter revised his motion to lower the proposed interest rate to 5%. After additional discussion, Mr. Murdter then further revised his motion to also eliminate the retainer provision set forth in the proposed resolution.

The revised resolution was adopted by the following vote:

Ayes: Mendizabal, Knopf, Murdter, & Williams

Noes: Gomez & Takahashi

*Mr. Gomez left the meeting following the vote on this resolution.

VII. AGENDA ITEMS FOR NEXT MEETING

Mr. Tom Williams requested that an item be included to answer the Successor Agency's questions regarding the "public member" appointed by the County.

Mr. Knopf suggested a workshop to consider the potential transfer of governmental use buildings and properties. Related questions should be directed to the City Attorney in the interim.

VIII. SET NEXT MEETING DATE

The next meeting will be held May 13, 2013, at 4:00 p.m.

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

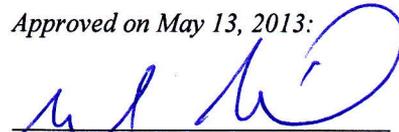
No closed session was required.

ADJOURNMENT

At 6:14 p.m., Mr. Knopf moved to adjourn the meeting. The motion was seconded by Mr. Murdter 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