

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:

Michael Mendizabal, Chairman
Armando Gomez
Maribel Medina
Emma Karlen
Bruce Knopf
Mike McInerney
Glen Williams

ALTERNATES:

Felix Reliford
Nimrat Johal
Jane Corpus Takahashi
John Guthrie
Michael Murdter
Alan Minato

Minutes of the February 20, 2014, Meeting

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

Chair Mendizabal called the meeting to order at 4:00 pm.

ROLL CALL

MEMBERS PRESENT: Mike Mendizabal, Maribel Medina, Emma Karlen,
Bruce Knopf, Mike McInerney, Felix Reliford, & Glen Williams

Chair Mendizabal introduced the new board member, Maribel Medina, representing the Santa Clara County Board of Education.

II. PUBLIC FORUM None.

III. APPROVAL OF MEETING MINUTES FOR SEPTEMBER 12, 2013

Moved by Ms. Karlen and seconded by Mr. Knopf, the draft minutes from the September 12, 2013, meeting were approved by the following vote:

AYES: Karlen, Knopf, Mendizabal, McInerney, Williams

ABSTAIN: Medina, Reliford

IV. APPROVAL OF AGENDA

Moved by Ms. Karlen and seconded by Mr. Reliford, to approve the agenda as revised to move Item V.A. to the end of the agenda. The motion passed unanimously.

VI. NEW BUSINESS

A. Approve Successor Agency's Administrative Budget for July to December 2014 (FY 14-15A)

Ms. Gore presented the staff report recommending approval of the Successor Agency's Administrative budget for July to December 2014 (FY 14-15A).

Mr. McInerney requested clarification on the line item showing Wells Fargo Bank fees in the amount of \$1,000. Ms. Karlen responded that it is a new fee due to the set-up of a separate checking account for the Successor Agency for ease of accounting.

Mr. McInerney also requested clarification on the line item for Maze & Associates audit costs, which were increasing from \$4,500 to \$8,000. Ms. Karlen responded that more time was spent analyzing the Successor Agency's accounts than anticipated, and that the final cost was closer to \$8,000.

Ms. Medina asked about the line item for ABAG PLAN property insurance in the amount of \$47,000. Ms. Medina requested a separate list identifying the insured properties. Ms. Karlen responded that there is a property list, based on what properties belong to the Successor Agency. Ms. Karlen agreed to provide a copy of the property list.

After additional discussion, it was moved by Mr. McInerney and seconded by Ms. Karlen to approve the budget as submitted along with the Oversight Board's request that the list of insured properties be provided to the Board by the close of business on Monday, February 24, 2014. The resolution was passed unanimously.

B. Allocate Funds for Appraisal Services on the Recognized Obligation Payment Schedule for July to December 2014 (ROPS 14-15A)

Ms. Gore recommended that the Board to hear a presentation by Oversight Board Member Bruce Knopf, and consider: (1) including a line item for appraisal services on ROPS 14-15A (Item VI.C) and (2) forming an ad hoc committee of the Oversight Board to solicit the services of an independent appraiser.

After a lengthy discussion, it was moved by Ms. Medina and seconded by Mr. Williams to add a line item to ROPS 14-15A allocating funds in the amount of \$40,000 for property appraisal services and to form a sub-committee to work with the Successor Agency and City staff to solicit appraisal services. The resolution passed unanimously.

Mr. Williams, Ms. Medina and Ms. Karlen agreed to serve on the sub-committee. It was moved by Mr. Knopf and seconded by Mr. Reliford to accept the sub-committee members. The motion passed unanimously.

C. Approve Recognized Obligation Payment Schedule for July to December 2014 (14-15A)

Ms. Gore presented the staff report, adding that the Recognized Obligation Payment Schedule for July to December 2014 (14-15A) resolution will need to be revised to reflect the addition of the line item appraisal services.

The County Auditor-Treasurer provided copies of a letter of objection to the ROPS as prepared by Successor Agency staff. Veronica Niebla, Division Manager, Controller-Treasurer's Department, provided a synopsis of the County Auditor-Treasurer's objection letter.

There was a lengthy discussion among the Board members, legal counsel, City staff and County staff regarding the Successor Agency's inclusion of a line item for a \$200,000 payment to Sun Power. Mr. Deepak Gupta of SunPower addressed the board and discussed the contract, pointing out that on page 6 of the agreement, the termination date is January 2016. Mr. Gupta also provided a press release regarding SunPower's performance.

Ms. Gore explained that the proposed revision of SunPower's agreement was not an item listed on the Oversight Board's agenda, and that the Successor Agency's request to modify the terms of the contract would have to be brought back on a future agenda.

After additional discussion, it was moved by Ms. Medina and seconded by Mr. McInerney to approve the ROPS payment schedule incorporating the following changes:

- 1) Include a new line item 11, to provide \$40,000 for property appraisals;
- 2) Revise column J for line items 3, 4, 6, 7, 8, & 10, consistent with the Santa Clara County Controller-Treasurer's Notice of Objections, to reflect that these line items are retired ("N" changed to "Y");
- 3) Revise column I, line item 5, to reflect that the total outstanding is \$0, but also adding a note stating the "The amount outstanding (ranging between \$0 and \$200,000) is in dispute and will be considered at a future meeting of the Oversight Board," and column J, item 5 will remain a "Y" to reflect that the item is not yet retired; and
- 4) Revise the note for line item 2 to state that "The maturity dates is the earlier of 6-30-2038 or the termination date of the Redevelopment Plan (6-17-2034).

The revised resolution was approved by the following vote:

AYES: Knopf, McInerney, Medina, Williams

NOES: Karlen, Mendizabal, Reliford

V. OLD BUSINESS

A. Continued Workshop Regarding the Disposition and Conveyance of Specified Governmental Use Buildings and Public Improvements to the City of Milpitas for Continued Governmental Use, Operation, and Maintenance, and Consider Directing successor Agency Staff and Oversight Board counsel to Provide Additional Information.

Ms. Gore gave a brief background on the item, including her understanding that the additional information requested by the Oversight Board at its previous meeting still had not been provided. r

Mr. Knopf then addressed the Board and presented his memo and a video of a City of Milpitas Council Meeting held September 7, 2004.

Following additional discussion, it was moved by Mr. Knopf and seconded by Mr. Williams to have the Successor Agency return with an off-agenda report to the Board addressing the two (2) questions listed in the memo. The motion passed with the following vote:

AYES: Mendizabal, Knopf, McInerney, Medina, Williams

NOES: Karlen, Reliford

It was then moved by Mr. Knopf and seconded by Mr. Williams, that this item be deferred until the Successor Agency either receives a Finding of Completion or until after January 1, 2015, or other date as amended by statute. The motion passed with the following vote:

AYES: Mendizabal, Knopf, McInerney, Media, Williams

NOES: Karlen, Reliford

VII. AGENDA ITEMS FOR NEXT MEETING

The Board requested that the following items be included on the next agenda:

Elections

The Board also agreed that other items could be placed on the agenda at the request of two Board members, pursuant to the Board's adopted Rules and Regulations.

VIII. SET NEXT MEETING DATE

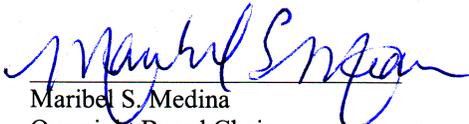
The next meeting will be Thursday, September 18, 2014, at 4:00 p.m.

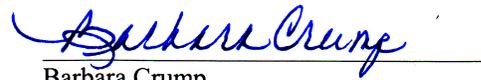
ADJOURNMENT

Chair Mendizabal adjourned the meeting at 6:43 p.m.

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

Approved on September 18, 2014:


Maribel S. Medina
Oversight Board Chair


Barbara Crump
Oversight Board Secretary