

SATURDAY, MAY 5, 2001

An adjourned meeting of the Council of the City of Burbank was called to order this date in the Celebration Room at the Burbank Airport Hilton, 2500 Hollywood Way, at 9:07 a.m., by Mr. Kramer, Mayor.

ROLL CALL

Present- - - - Council Members Golonski, Laurell, Murphy, Ramos and Kramer.

Absent - - - - Council Members None.

Also Present - Mr. Ovrom, City Manager; Ms. Alvord, Assistant City Manager; Mr. Barlow, City Attorney; and, Mrs. Sarquiz, City Clerk.

9:07 A.M. Meeting Convened Mr. Kramer said that the purpose of this meeting was to conduct the annual City Council Goal Setting Workshop.

Oral Communications Mr. Kramer called for oral communications at this time.

Citizen Comment Appearing to comment were Don Elsmore, supporting the Council conducting interviews of the Airport Authority Commissioner applicants, on concern with the City not properly communicating with the Airport Commissioners, and stating next Tuesday he will discuss the Airport Part 150 Study; Rory Zipp, opposing an interview process for the applicants to the Boards, Commissions and Committees, and asking the Council to keep the first period of oral communications to five minutes; David Uehlen, asking the Council to keep the first period of oral communications to five minutes noting his belief that most people use that time to speak about matters concerning the business of the City and suggesting the Council find ways to enforce the rules to minimize speakers who do not talk about the business of the City; and Liz Wilhelm, asking the Council to keep the first period of oral communications to five minutes.

Expectations of Staff The City Council received a report from Mr. Ovrom which identified their expectations of staff. The report included the following major expectations which were developed to give staff clear direction on the Council's needs in order to provide for an effective working relationship: effective communication; objective analysis; providing a professional recommendation; faithful compliance; no surprises, always keep the Council apprised and forewarned of information; playing no favorites; availability, all staff available to the Council but department managers would like to know what is going on; direction, staff will take direction from the Council as a body and not from individual Council Members; differences, any discord should be

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raised with the whole Council for discussion/resolution; job security, no employee should feel so secure as to act with impunity; and, implementation, the City Manager and key management are responsible to see that these values are faithfully implemented.

How We Work Together

The City Council received a report from Mr. Ovrom which identified a list of goals that were established and adopted by the Council in 1996 entitled "How We Work Together." The Goals provide guidelines for how the Council can establish and maintain effective working relationships. The Council discussed their desire to continue their effective working relationship.

Following discussion, Mr. Golonski suggested that the Council add a goal that Council subcommittees be directed to report back more frequently to the remainder of the City Council.

Council Member Laurell's Request To Consider Interviewing Appl. to the Airport Auth., Planning Board and Park, Recreation and Community Services Board

A report was received from Mrs. Sarquiz in response to a request from Vice Mayor Laurell at the April 17, 2001 City Council meeting for staff to agendaize an opportunity for the City Council to consider conducting interviews during a special City Council meeting for the purpose of selecting members to the Airport Authority Commission, Planning Board, and Park, Recreation and Community Services Board.

Mr. Laurell stated that although he was supportive of conducting the interviews as he felt it would be of benefit to both the Council and the public, he noted that maybe the timing was not appropriate because the applicants were not informed that they would be subjected to an interview process.

Following discussion, due to the timing and the fact that the applicants did not apply knowing interviews would be conducted, the City Council decided not to conduct interviews of the applicants to the Airport Authority, Planning Board, and Park, Recreation and Community Services Board.

However, the Council agreed to send a letter to each applicant encouraging them to express their views to both the Council and the public, and asked that a policy be established for future application processes to provide for public interviews of the major Boards and Commissions like the Planning Board, Park, Recreation and Community Services Board, and Airport Authority.

Goals and
Priorities of
Individual
Council
Members

Mayor Kramer asked each Council Member to state their goals and priorities for the upcoming Fiscal Year:

Mr. Laurell listed the following items:

1. Resolve Airport dispute.
2. Resolve future development of the Old Police Block.
3. South San Fernando development, including a park site.
4. Moving forward on the 10-Year Strategic Plan.
5. Moving forward on the Economic Diversity Study strategy.
6. Improving communications with the public.
7. Resolve AMC development as well as revitalizing the remainder of the Burbank Village.
8. Conduct Joint Meetings with the major Boards and Commissions and Burbank Unified School District School Board.
9. Improve working relationships between the Boards and Commissions and the City Council.

Mr. Golonski listed the following items:

1. Improve dialogue between the Youth Task Force and the City Council and engage the City's youth to implement solutions to youth community issues.
2. Resolve Airport dispute.
3. Focus on the issues facing the City's Electric Utility.
4. Focus on increasing affordable housing stock.
5. Neighborhood revitalization.
6. Focus on downtown future development.
7. Water Quality issues.
8. South San Fernando public/private development including the park and youth center.
9. Completion of Buena Vista Library and reuse of old library site/childcare.
10. Improve communication with the public.
11. Infrastructure (streets/sidewalks/alleys).

Mrs. Murphy listed the following items:

1. Resolve Airport dispute.
2. Deregulation and the City's Electric Utility and more Council involvement at the State level regarding the Utility.
3. Housing stock (all categories).
4. Revitalization of Magnolia Park area.

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5. Improve oral communication process at Council meetings.
6. South San Fernando development goals.
7. Better communication with the public.
8. Options for reuse of the old Buena Vista Library.
9. Consistency in processing permits.

Mrs. Ramos listed the following items:

1. Improving communication about neighborhood services and resources.
2. Community outreach.
3. Resolve Airport dispute.
4. Education of water and power issues including conservation.
5. Impacts of traffic and transportation issues on neighborhoods.
6. Accurate and timely financial reporting.
7. Improve business environment of the downtown, Magnolia Park and South San Fernando areas.
8. Conflict resolution training for Boards and Commissions that help mediate citizen problems.
9. Infrastructure (streets/sidewalks/alleys).

Mr. Kramer listed the following items:

1. Resolve Airport Dispute.
2. Infrastructure improvements (streets/sidewalks/alleys).
3. Car dealer on the Zero site.
4. Vacancies in the Burbank Village.
5. Development of the Old Police Block.
6. AMC development.
7. Water quality issues.
8. Electric Utility issues.
9. Completion of new Buena Vista Library and reuse of the old site.
10. Better communication with the public.

10:45 A.M.
Recess

The Council recessed at this time. The meeting reconvened at 11:05 a.m. with all members present.

Discussion of
Projected 2001-
2002 Budget &
5 Year Financial

Mr. Hanway, Financial Services Director, reported that the City continues to maintain a strong, stable financial position. He said that the City was expected to end Fiscal Year (FY) 2000-2001 with a net projected total amount available of \$599,887.

Plan

He explained that the proposed General Fund Budget for FY 2001-02 includes personnel costs associated with Memorandums of Understanding that have been negotiated for FY 2001-02. He also said that Departments were allowed to increase materials, services and supplies (MS&S) budgets by one percent. He further said the proposed budget includes new rates for internal service funds.

In addition to the aforementioned, he said the proposed budget also includes the following: new positions requested by Departments; additional increases in MS&S of \$330,990 have been included, of which, \$74,940 has been funded from non-recurring resources; and, capital outlay of \$1,160,768, of which \$1,100,768 has been funded from non-recurring resources.

Next, Mr. Hanway discussed that General Fund revenues for FY 2001-02 were expected to increase by approximately 3.3 percent over anticipated recurring revenues from FY 2000-01. He said that sales, property, and utility users taxes were the three largest sources of revenues and represent 50 percent of General Fund revenues for FY 2000-01.

With regard to the City's sales tax, he said that staff was projecting a 4.5 percent growth factor for FY 2000-01, which reflects a 2.5 percent growth rate in the base, plus anticipated sales tax revenues from the Burbank Empire Project offset by an anticipated loss of sales tax revenues related to e-commerce of one percent. He then briefly discussed that the explosion of electronic commerce was a risk area to the future growth of the City's sales tax revenues because it causes a loss to Burbank businesses, loss in point of sale for Burbank and lack of tax compliance. He said that the solution to the potential negative impact of local sales tax revenues from internet sales can only be made with state and federal legislation. He then noted that currently, both the state and federal government have a three-year moratorium on establishing any new taxation of the electronic commerce. However, he said that proposals exist to either permanently ban or to extend this ban on taxation. He then noted that staff will continue to closely monitor the activities relating to this area.

Mr. Hanway then said that staff was projecting a 3.9 percent growth in property taxes. He further said that staff was projecting a .5 percent growth factor for utility users tax (UUT) revenues noting this estimate includes UUT revenues related to

the Gas Company based on the original FY 2000-01 budget estimate plus a 2.5 percent growth rate. He noted that staff will return to the City Council for direction as to the disposition of any amounts collected over and above the budgetary estimate for UUT revenues from the Gas Company. He then further said that all other revenues were expected to increase by 3.7 percent.

He then said that the General Fund expenditures for FY 2001-02 were expected to increase by 4.6 percent over FY 2000-01. He then noted the following major impacts on the General Fund expenditures: the Police and Fire Departments together represent 46.4 percent of recurring appropriations; adjustments to salaries in effect on July 1, 2001, according to approved Memorandum of Understandings (MOU); a one percent increase by all departments for MS&S; a 2.6 percent increase in Internal Service charges; the addition of several new departmental programs, positions, and capital outlay; \$1,386,000 to complete the Oracle implementation, upgrade to Oracle 11i, and to enhance functionality; \$500,000 for information technology projects; restoration of \$600,000 for the revolving fund related to compensated absences payouts; and, \$2,000,000 for continued Airport related costs.

Mr. Hanway then stated that although the other funds will be addressed during the Budget Study Sessions, it does appear that the other funds will generate sufficient revenue to cover expenses, after considering proposed fee increases. He also stated that during the Budget Study Sessions, staff will recommend increasing user rates related to the Water Reclamation and Sewer Fund and the Refuse Collection and Disposal Fund. He further stated that an additional rate increase related to the Electric Utility will be discussed at the Budget Study Sessions.

Five-Year
Financial Plan

At this point, Mr. Hanway presented the Five-Year Financial Plan. He explained that the purpose of the Five-Year Plan was to create a financial planning tool that should help the City identify projects and needed funding in the five-year future. He noted that the Plan will fluctuate as goals and finances change from year to year.

First, he explained that the revenue assumptions were updated annually based on current results and anticipated events or trends. He noted the following assumptions: decrease of one percent with further reductions over the next five years as a

result of the trend to purchase electronically; impact of the Burbank Water and Power Revised Competitiveness Plan on the utility users and in-lieu taxes; and, the impact of economic development revenues coming in one year after many projects were expected to come on line or three months if the project is under construction.

He then explained that beyond the economic and growth/trend factors, the following information, specific to Burbank was included in the forecast: known MOU's or inflation plus .5 percent for general City employees and an additional .5 percent for safety employees; estimated amounts for MS&S have been increased based on an assumed rate of inflation; anticipated operating costs related to the new Buena Vista Library and Development and Community Services Building; amounts to ramp-up for the new Buena Vista Library and the Development and Community Services Building, including debt service; estimated PERS rates; budgetary savings are proposed to be used to fund increases in the emergency and working capital reserves to be in full compliance with the City Council's adopted Financial Policies, fund compensated absences revolving fund, and one-time needs; and, use of \$1,750,000 from the FY 2000-01 budget along with \$2,000,000 for FY 2001-02 and \$1,000,000 per fiscal year thereafter for Airport related expenses.

Mr. Hanway concluded by stating that the update of the Five-Year Financial Forecast continues to show that the City is in compliance with its adopted Financial Policies for FY 2001-02 through FY 2004-05; however, recurring revenues are not sufficient to fund recurring expenditures for the fiscal years beginning 2005-06.

Adjournment
12:50 P.M.

The City Council Goal Setting Workshop ended at this time and the City Council met in the Burbank Room to conduct a Closed Session on the following matters:

- a. Conference with Legal Counsel – Existing Litigation:
Pursuant to Govt. Code §54956.9(a)
Name of Case: In the matter of the application of Burbank-Glendale-Pasadena Airport Authority – Administrative (Variance) Hearing conducted by Cal Trans.
Case No.: OAH No. L-9701269
Brief description and nature of case: Administrative review of Airport noise variance standards.

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- b. Conference with Legal Counsel – Anticipated Litigation (City as possible plaintiff):
Pursuant to Govt. Code §54956.9(c)
Number of potential case(s): 1

- c. Conference with Legal Counsel – Anticipated Litigation (City as potential defendant):
Pursuant to Govt. Code §54956.9(b)(1)
Number of potential case(s): 1

- d. Conference with Labor Negotiator:
Pursuant to Govt. Code §54957.6
Name of the Agency Negotiator: Management Services Director/John Nicoll
Name of Organization Representing Employee: Represented, Unrepresented, and Appointed City Employees, Burbank City Employees Association, Burbank Management Association, International Brotherhood of Electrical Workers, Burbank Firefighters Association, Burbank Firefighters Chief Officers Unit, and Burbank Police Officers Association.
Summary of Labor Issues to be Negotiated: Contract for Fiscal Year 2000-2001.

- e. Public Employee Performance Evaluation:
Pursuant to Govt. Code §54957
Title of Employee’s Position: City Manager.

- f. Threat to Public Services or Facilities:
Pursuant to Govt. Code §54957
Consultation with: Burbank Police Department, Police Chief Hoefel.

Judie Sarquiz, City Clerk

APPROVED JUNE 19, 2001

Mayor of the Council
of the City of Burbank