

TUESDAY, OCTOBER 30, 2001

A regular meeting of the Council of the City of Burbank was held in the Council Chamber of the City Hall, 275 East Olive Avenue, on the above date. The meeting was called to order at 5:01 p.m. by Mr. Kramer, Mayor.

CLOSED SESSION

Present- - - - Council Members Golonski (arrived at 5:03 p.m.), Laurell, Ramos and Kramer.
Absent - - - - Council Member Murphy.
Also Present - Mr. Ovrom, City Manager; Mr. Barlow, City Attorney; Ms. Alvord, Assistant City Manager; and, Mrs. Moioffer, Deputy City Clerk.

Oral Communications Mayor Kramer called for oral communications on Closed Session matters at this time.

Citizen Comment Appearing to comment was Marie Paino, suggesting that the Deputy City Clerk also be an elected position so they could assume office if a vacancy exists.

5:03 P.M. Recess The Council recessed at this time to the Training Room, 1st Floor of City Hall Annex, 301 East Olive Avenue, to hold a Closed Session on the following:

- a. Conference with Legal Counsel – Existing Litigation:
Pursuant to Govt. Code §54956.9(a)
 - 1. **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.
 - 2. **Name of Case:** City of Burbank v. Burbank-Glendale-Pasadena Airport Authority.
Case No.: BC259852
Brief description and nature of case: Declaratory Relief.
- 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

Regular Meeting Reconvened in Council Chambers The regular meeting of the Council of the City of Burbank was reconvened at 6:41 p.m. by Mr. Kramer, Mayor.

Invocation The invocation was given by Dr. Paul Sago, First United Methodist Church.

Flag Salute The pledge of allegiance to the flag was led by Honorable Jack Scott, State Senator.

ROLL CALL

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

Absent - - - - Council Member Murphy.

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

301-1
Senator Jack Scott Senator Jack Scott thanked the City Council for the opportunity to come before them to discuss the past legislative session which concluded on September 14, 2001. He began by stating that the entire Country has been devastated by the September 11, 2001 Tragedy and noted that California, following the lead of the federal government, is appropriately reacting by implementing security measures and having a heightened police presence.

Next, he discussed that California has had a remarkable positive adjustment following the recession of the 1990's and noted that if it were a nation it would be the 5th economy in the World. However, he did say that California recently began to see a slowing economy and noted that in light of the September 11, 2001 Tragedy, the economy will continue to be negatively impacted.

He then presented a brief snapshot of the legislative session. He said the number one topic when the session began was the electric crisis. However, he did note that Burbank is fortunate in this regard due to the fact that they have their own generation capabilities. He then said that although the State is beginning to recover from the crisis, he said that California residents responded positively by changing behavior and conserving energy. He said that even though California is not out of the woods, there is hope for the future because new plants will be built over the next few years which will put California in a position in three years to have adequate supply to meet the demand.

Senator Scott said that as a former President of a University, education is obviously a priority of his. He said that California has seen the following education reform measures which have resulted in test scores rising 10 percent over the past year: class size reduction; standardized testing; passage of a \$9 billion education bond; enhanced after-school tutoring; accountability measures for the teachers and schools; and, the creation of a high school exit exam that will be implemented in the next few years.

He also said that he authored Senate Bill 57 which was approved and has made it easier for out-of-state teachers to obtain a credential in California as well as for teachers who have had experience teaching in private schools. Further, he said this Bill increased the beginning salary of a teacher.

Senator Scott then explained that the State revenues for this fiscal year were projected at \$75 billion, \$3 billion less than last year's revenues. He noted that it has already been discovered that this year's revenues have been overestimated by \$1 billion but noting the State will still have a small reserve at the end of the year; however, next fiscal year will be challenging.

He also explained that the State has seen a significant drop in violent crime. He said this drop has been, in part, attributed to the following: stricter sentencing; more money to law enforcement; and, the passage of Senate Bill 52 which requires that instruction be given to any person purchasing a handgun on how to handle and store it, and to leave a thumbprint so their identity can be known.

He concluded by inviting the City Council to share their goals and priorities with him for the next legislative session. He also expressed his desire to continue working with the City and its residents.

Lastly, Mr. Scott presented a Senate Resolution to Ron Davis, General Manager, Burbank Water and Power, in recognition of National Public Power Week to be celebrated October 7th through the 13th, 2001.

301-1
Professional
Esteem Award
To Police
Detective Ron

Mayor Kramer and Police Chief Hoefel presented a Police Professional Esteem Award to Police Detective Ron Miller for his diligent work over a four month period to find the criminals who stole 252 Compaq laptop computers from a Fed Ex facility in Burbank and sold them over the internet. Police Chief Hoefel

Miller	noted that his effective and professional pursuit of the matter led to the recovery of all but four of the 252 computers.
301-1 Professional Esteem Award To Communications Operator Deni Siedschlag	Mayor Kramer and Police Chief Hoefel presented a Police Professional Esteem Award to Communications Operator Deni Siedschlag for her dedication, tenacity and investigative skills in locating a suspect who was involved in a number of sex crimes in the City.
Reporting on Closed Session	Mr. Barlow reported on the items considered by the City Council during the Closed Session meeting.
First Period of Oral Communications	Mr. Kramer called for speakers for the first period of oral communications at this time.
Citizen Comment	Appearing to comment were Esther Espinoza, on concern with the City's workforce not being reflective of the community; Ron Vanderford, on the City previously providing City funds to present legal aid to a City employee and Airport Commissioner in the "slander station" lawsuit, asking whether the City will fund litigation costs for the 11,000 people who supported Measure A, and requesting information on the lawsuit related to the "slander station"; and Howard Rothenbach, asking for information in the General Plan related to Airport noise (specifically aviation easements), and asking how much was spent on the complaint filed against Measure A.
Staff Response	Members of the Council and staff responded to questions raised.
Second Period of Oral Communications	Mr. Kramer called for speakers for the second period of oral communications at this time.
Citizen Comment	Appearing to comment were Mark Barton, on concern that the Federal Aviation Administration will not be concerned with the mitigation measures requested by the City noting their main concern is security not curfews, cap on flights etc.; Esther Espinoza, expressing her belief that the City needs to obtain a more diverse workforce, asking for the names of specific

materials in the City's water, and on concern with Burbank's economy; Ted McConkey, on concern with the City's hiring of the Washington law firm to lobby for the City regarding Airport matters and on concern with the report presented by the firm to the Council noting the \$10,000 fee was abusive; Don Elsmore, stating that although the Airport is a separate entity, they must be encouraged to work with the other parties who have an interest in the Airport; Ron Vanderford, asking whether Measure B faces the same legal challenges as Measure A in that it impermissibly delegates Council powers to the voters and asking if it is possible that a vote on Airport expansion taken under Measure B could be invalidated because it impermissibly delegates Council powers to the voters; Howard Rothenbach, asking for information in the General Plan related to Airport noise, on concern that Charlie Lombardo was not a City official when the City defended him in the "slander station" lawsuit, suggesting the Council hire an attorney to defend Measure A, and suggesting the City wait to settle the Airport dispute in light of recent matters; Dr. Theresa Karam, on concern that the City filed charges against her for unlawfully entering the Council Chambers and stating she has filed a malicious suit against the City as a result, and on the importance of freedom of speech; David Piroli, stating his belief that Charlie Lombardo was not on the Airport Authority when he was sued in the "slander station" lawsuit, supporting the establishment of a minority outreach advisory committee and asking how it will be created, and asking questions about the lawsuit filed by the City on Measure A; and Mike Nolan, stating he heard that the City Council or staff is concerned with the volume of his voice during his presentations and noting the importance of free speech, and suggesting a cap on the in-lieu transfer and utility users tax and opposing staff's position on this matter.

Staff
Response

Members of the Council and staff responded to questions raised.

8:20 P.M.
Joint Mtg. w/
Redev. Agency,
Housing
Authority,
Parking
Authority, and
YES
802-1
Treasurer's
Report

Mrs. Anderson, City Treasurer, presented the City Treasurer's report on investment and reinvestment of temporarily idle funds for the third quarter ending September 30, 2001. She noted that the City, Redevelopment Agency, Parking Authority and Housing Authority have adequate funds available to meet the projected expenditures for the next six months, and are operating within the City's Investment Policy. She explained that the total portfolio is \$252 million and noted that most of the portfolio is earning a 5.2 percent rate of return. She did however note that due to the economy, the rates are

continuing to lower.
The Council noted and filed the report.

Item Removed From Consent Calendar The item regarding Updating and Modifying the Energy Cost Adjustment Charge Provisions of the Burbank Fee Resolution was removed from the consent calendar for the purpose of discussion.

Motion It was moved by Mr. Laurell and seconded by Mrs. Ramos that "the following items on the consent calendar be approved as recommended."

902 RESOLUTION NO. 26,120:
405-1 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
913 FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT
415 WITH LARRY WALKER ASSOCIATES TO PERFORM A STUDY
PSA w/Larry Walker for Site Specific Objectives for Ammonia in LA River

911 RESOLUTION NO. 26,121:
102-1 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
915 APPROVING THE PROFESSIONAL SERVICES AGREEMENT FOR
PSA w/Kennedy/Jenks for Sewer Master Plan

1301-3 RESOLUTION NO. 26,122:
2000-2001 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
CDBG Street, Alley, Sidewalk, & Pedestrian Ramp Project (B.S. 1069)

410 RESOLUTION NO. 26,123:
1501-3 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Lease Agmt. w/ MTA for Rail Right-of-Way on San Fernando

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Blvd.
Adopted

The consent calendar was adopted by the following vote:

Ayes: Council Members Golonski, Laurell, Ramos and Kramer.

Noes: Council Members None.

Absent: Council Member Murphy.

1503-2
804-2
Updating and
Modifying the
ECAC

Mr. Davis, General Manager, Burbank Water and Power, reported that staff is currently authorized, per Burbank Fee Resolution, to change the Energy Cost Adjustment Charge (ECAC) month to month with the following restrictions: the ECAC can change by no more than 15 percent from the prior month's value and the Council expects to be informed before the ECAC change is to take place. He then noted that at the September 25, 2001 meeting, the City Council directed staff to return with an amendment to the Burbank Fee Resolution that would allow the General Manager to change the ECAC by no more than 10 percent from the prior month's values.

Motion

It was moved by Mr. Laurell and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

1503-2
804-2
Amend Fee Reso
Relating to
Electric Rates
And Charges

RESOLUTION NO. 26,124:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING ARTICLE X, OF RESOLUTION NO. 26,032, THE BURBANK FEE RESOLUTION, RELATING TO ELECTRIC RATES AND CHARGES.

Adopted

The resolution was adopted by the following vote:

Ayes: Council Members Golonski, Laurell, and Ramos.

Noes: Council Member Kramer.

Absent: Council Member Murphy.

1101
General Plan
Review

Ms. Lazar, Senior Planner, reported that State planning law requires each city's planning agency provide an annual report to the legislative body on the status of the general plan and progress in its implementation. She said that this report needs to be filed with the State Department of Housing and Community Development and with the Office of Planning and Research.

Ms. Lazar stated that the Planning Division uses this annual report as an opportunity to bring to the Council's attention any General Plan issues or recommendations including an annual update of all new development and development opportunity allocated in the Media District as required by the Media District Specific Plan Environmental Impact Report. She concluded by stating that the report reviews implementation measures required in the current Land Use Element adopted in 1988 and General Plan actions proposed for 2002.

Council Member Golonski requested quarterly updates to the Council on the Housing Element with statistics on the success or failure of housing programs currently offered by the City.

The Council noted and ordered the report filed.

8:40 P.M.
Recess

The Council recessed at this time. The meeting reconvened at 8:53 p.m. with the same members present.

802
General Fund's
Financial Status
As of Sept. 30,
2001

Mr. Hanway, Financial Services Director, reported that staff has reviewed the City's financial status as it pertains to the General Fund. He began by discussing the General Fund Financial Status as of June 30, 2001. He said that during the Fiscal Year (FY) 2001-02 budget adoption process, staff estimated that the General Fund available fund balance would be \$599,304. Based on actual results, he said the General Fund available balance was \$4,442,406, which is greater than the estimate by \$3,843,102. He said the additional balance is due to additional revenues being collected as well as departmental budgetary savings greater than two percent. He then noted that this balance is subject to change pending the completion of the annual audit of the City's financial statements.

Next, he discussed the City's recurring revenues. He said that, overall, the General Fund has expended approximately 21.2 percent of recurring appropriations as of September 30, 2001. In comparison, he said that as of September 30, 2000, the General Fund expenditures represented 22.6 percent of recurring appropriations for FY 2000-01.

Mr. Hanway then explained that staff believes that General Fund resources are exposed in the following areas: Increased

departmental expenditures relating to the aftermath of the September 11th disaster; Transient Occupancy Tax, Transient Parking Tax, and Sales Tax revenues are at risk; and, Risk that the State will take City revenues to balance its budgetary needs.

In light of the aforementioned concerns, he said that staff believes that it is prudent not to appropriate the available fund balance at this point. Instead, he said the available fund balance should be retained until there is a better understanding of the impact the current recession will have on Burbank. He also said that staff believes the City should plan for the worst as it relates to the State by assuming the loss of the \$3.7 million vehicle license fee backfill.

Additionally, Mr. Hanway said that in light of the tragic events of September 11, 2001, staff has given considerable thought to recommending restrictive budget controls; however, staff does not feel such measures are necessary at this time. But, he did say, that staff is recommending that the City Council and staff not consider any new programs or projects until after the mid-year budget review which will occur after December 31, 2001.

The City Council noted and ordered the report filed.

804-5
UUT and In-Lieu
Transfer
Revenues

Mr. Hanway, Financial Services Director, reported that the City increased electric rates by an average of 10 percent effective July 1, 2001 and 11 percent effective October 1, 2001. He said that everything else being equal, the two rate increases potentially could increase General Fund Utility User Tax (UUT) and In-Lieu Tax (ILT) revenues related to electric sales by \$2.5 million. He noted that although the increase in these revenues could be of benefit to the General Fund, concerns have been expressed regarding what should be done with the additional revenues.

Before addressing the options, he discussed the history of the accumulation of resources in the General Fund's Burbank Water and Power (BWP) Competitiveness Reserve. He said that as directed by the City Council, the General Fund contributed \$6 million from its BWP Competitiveness Reserve for the LM 6000 project. Based on recent discussions surrounding the electric rate increases, he said it is clear that there is a misunderstanding on the source of the \$6 million.

Thus, he explained the source as follows: During the Fiscal Year (FY) 1999-00 Budget adoption process, the City Council established the commitment of accumulating \$10 million by July 1, 2003 in the BWP Competitiveness Reserve. The resources targeted for this were excess UUT and ILT revenues generated by the 1998 5 percent and 1999 3.45 percent electric rate increases plus interest earnings on the amounts set-aside. Based on a net present value analysis performed by staff, it was determined that the City would be \$2,835,000 short of the \$10 million commitment. To resolve this shortfall, the Council approved the deposit of \$2,835,000 of General Fund resources into the BWP Competitiveness Reserve.

Mr. Hanway then discussed that it is reasonable to expect that the City could reduce its kWh consumption by at least 10 percent in FY 2001-02, and thereby cancel the effect of the July increase. However, he said the additional 11 percent increase effective October 1 would increase the electric bill by about \$90,000, unless there were additional conservation efforts.

He said the anticipated benefit of about \$2.1 million can be applied to short term or longer term purposes for the General Fund or could be set aside for BWP competitiveness as the two prior rate increases: To repay the General Fund's \$2.835 million contribution to the LM 600 project; to meet unbudgeted General Fund expenses in the current fiscal year; to provide funding for major capital projects; to establish a reserve for the future decline in electric UUT and ILT revenues; or, to provide additional funding for BWP as a result of the current energy crisis.

He concluded by stating that due to the fact that there has been a lack of growth related to UUT and ILT from electric sales and the fact that electric rate decreases could start as soon as FY 2003-04 as power supply costs significantly decline, staff recommends that the General Fund retain the anticipated increase in UUT and ILT revenues. He noted that these revenues should be used for one-time capital projects or set aside as a reserve to mitigate the future decline in UUT and ILT.

Motion

It was moved by Mr. Golonski, seconded by Mr. Laurell and carried with Mrs. Murphy absent that "staff be directed to continue setting aside the incremental Utility User Tax and In-

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Lieu Tax revenues in a separate account in the General Fund.”

9:28 P.M.
Mr. Golonski
Left the Meeting

Mr. Golonski left the meeting at this time due to a conflict with the following item because a family member works for the firm.

1301-3
701
703
Buena Vista
Library and
Lincoln Park
Project
(B.S. 1090A)

Mr. Clifford, Capital Projects Manager, reported on the request for City Council approval to award a construction contract to Pepper Construction to construct the Buena Vista Library and Lincoln Park Project. He noted the following main project components: a 28,200 square foot, single story library with a 1930's Art Deco, Spanish style motif, 200 seat community room, children's library with story-telling room, young adult library and adult library, public study rooms, complete staff facilities, a Friends Bookstore, and computer internet connections for public use; on-grade parking for 153 vehicles; and, a two-acre neighborhood passive park, small tot lot, and small story-telling area.

He explained that Pepper Construction's \$6,763,673 bid was 6.4 percent less than the Engineer's Estimate of \$7,225,600 and 3.9 percent less than the budget amount of \$7,035,545. He noted that staff evaluated the proposal and determined that the company has the requisite qualifications to satisfactorily complete this project.

Mr. Clifford discussed that the \$271,872 difference between the amount budgeted and Pepper Construction's bid represents a 3.9 percent construction contingency reserve. He noted that staff was recommending that the City establish a 5 percent construction contingency reserve to cover potential unanticipated construction costs. Thus, he noted that the Council will need to approve the use of an additional \$90,000 from the General Capital Projects account to establish the 5 percent contingency.

Motion

It was moved by Mr. Laurell and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

1301-3
701
703
Buena Vista
Library and
Lincoln Park

RESOLUTION NO. 26,125:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING AND ADOPTING REVISED CONTRACT DOCUMENTS, PLANS AND SPECIFICATIONS, AND DETERMINING THE LOWEST RESPONSIBLE BIDDER, ACCEPTING THE BID, AND AUTHORIZING EXECUTION OF A

Project (B.S. 1090A) CONTRACT FOR CONSTRUCTION OF THE BUENA VISTA BRANCH LIBRARY AND LINCOLN PARK PROJECT, BID SCHEDULE NO. 1090A.

Adopted The resolution was adopted by the following vote:

Ayes: Council Members Laurell, Ramos and Kramer.

Noes: Council Members None.

Absent: Council Members Golonski and Murphy.

9:42 P.M.
Mr. Golonski
Returned to the
Meeting

Mr. Golonski returned to the meeting at this time.

406
213
Services
Provided by
Copeland,
Lowery and
Jacquez

Mr. Barlow reported on the request from the City Council for staff to return from time to time with a report on the services and information provided by the City's Washington lobbyists. He noted that since the last report the consultant's services have included the following: Provided a report on the Senate Commerce Committee Aviation Security Hearing held on September 20; provided a report on the House Aviation Subcommittee Hearings held on September 21 and 26; provided an October 1 press release from the United States Conference of Mayors Task Force on Airport Security; provided a report of the Secretary of Transportation's rapid Response Team on Airport Security dated October 1; brought to the City's attention an October 2 article in the Washington Post entitled "Airports Seek Federal Bailout as Traffic Falls, Expenses Rise"; reported to the City concerning the October 10 tentative compromise agreed to by the Senate leadership regarding aviation security legislation; and, presented a Status Report on two bills H.R. 2107 (Lipinski) and S. 1290 (Grassley) that are entitled "End Gridlock at Our Nation's Airports Act of 2001." The report stated that there have been no amendments to the Lipinski Bill and the Grassley Bill was referred to the Senate Commerce, Science and Transportation Committee but no further action has been taken.

The Council noted and ordered the report filed.

203
Minority
Outreach
Advisory
Committee

Mr. Nicoll, Management Services Director, updated the Council of staff's program to establish a Minority Outreach Advisory Committee to assist the Human Resources Division in improving its contact with and recruitment of minority candidates. He noted that Burbank recognizes that it is to its advantage as an employer to attract employees from all ethnic and racial groups

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because a diverse workforce ensures that the City stay in touch with the needs of all of the community.

He explained that the Minority Outreach Advisory Committee will be composed of a representative from each of the two safety employee organizations and one from the other three employee organizations along with representatives of the Hispanic, Asian, African American and Armenian communities. He said the Committee will assist the City by creating new and innovative ways of reaching the minority communities and reviewing the City's recruitment procedures and outreach proposals and making recommendations accordingly.

Mr. Nicoll concluded by stating that the Committee will help improve the City's overall candidate pool and continue in helping the City to build a positive relationship with all members of the Burbank community.

The Council noted and ordered the report filed.

9:55 P.M.
Reconvene
Redev. Agency,
Housing
Authority,
Parking
Authority and
Youth
Endowment
Services Fund
Board Meetings

The Redevelopment Agency, Housing Authority, Parking Authority and Youth Endowment Services Fund Board meetings were reconvened at this time.

Third Period of
Oral
Communication

Mr. Kramer called for speakers for the third period of oral communications at this time.

Citizen
Comment

Appearing to comment were Kevin McKenna, stating he belongs to a group that is forming a non-profit organization whose purpose is to educate the public of the many social issues facing the 21st Century including homelessness, addiction and noting they will be developing documentaries to assist in the education process and playing a portion of one of the documentaries on homelessness; Mark Barton, on concern with what response the Federal Aviation Administration will have to Burbank's demands regarding the Airport, on the need for security at the Airport to be the priority, and on financial

implications with the airline industry related to the September 11, 2001 Tragedy; Dr. Theresa Karam, on concern with the lawsuit filed by the City against her, and on concern with statements made by Vice Mayor Laurell related to her; David Piroli, asking questions about land use matters and the General Plan as it relates to the Airport, and asking for a clarification on the differences between Measure A and B; and Mike Nolan, asking for the reason for why the area behind City Hall will not be a parking lot until February 2002, and on concern with parking in the Downtown area.

Staff Response Members of the Council and staff responded to questions raised.

Adjournment There being no further business to come before the Council, the meeting was adjourned at 10:19 p.m.

Judie Sarquiz, City Clerk

APPROVED JANUARY 8, 2002

Mayor of the Council
of the City of Burbank