

TUESDAY, APRIL 23, 2002

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 4:07 p.m. by Ms. Murphy, Vice Mayor.

CLOSED SESSION

Present- - - - Council Members Golonski, Murphy, Ramos, and Vander Borcht.

Absent - - - - Council Member Laurell.

Also Present - Mr. Ovrom, City Manager; Ms. Scott, Chief Assistant City Attorney; and, Mrs. Campos, City Clerk.

Oral Communications There was no response to Vice Mayor Murphy's invitation for oral communications on Closed Session matters at this time.

4:09 P.M. Recess The Council recessed at this time to the City Hall Basement Lunch Room/Conference Room 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.
 - 3. **Name of Case:** Jack E. Korkis v. City of Burbank
Case No.: EC031538
Brief description and nature of case: Trip/slip and fall.
- 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

4/23/02

- d. Public Employee Performance Evaluation:
Pursuant to Govt. Code §54957
Title of Employee's Position: City Manager.
- e. Public Employee Performance Evaluation:
Pursuant to Govt. Code §54957
Title of Employee's Position: City Attorney.
- f. Conference with Labor Negotiator:
Pursuant to Govt. Code §54957.6
Agency Negotiator: Management Services Director/John Nicoll
Employee Organization: Represented, Unrepresented and Appointed City Employees, Burbank City Employees Association, Burbank Management Association, International Brotherhood of Electrical Workers, Burbank Firefighters Association, Burbank Police Officers Association, and Burbank Fire Fighters-Chief Officers Unit.
Terms Under Negotiation: Labor Relations/Benefits.

Regular Meeting Reconvened in Council Chambers The regular meeting of the Council of the City of Burbank was reconvened at 6:43 p.m. by Mr. Laurell, Mayor.

Invocation The invocation was given by Father Vazken Atmakjian, St. Mary's Armenian Apostolic Church.

Flag Salute The pledge of allegiance to the flag was led by Mr. Nelson, Deputy Director, Park, Recreation and Community Services Department.

ROLL CALL

Present- - - - Council Members Golonski, Murphy, Ramos, Vander Borght and Laurell.

Absent - - - - Council Members None.

Also Present - Mr. Ovrom, City Manager; Ms. Scott, Chief Assistant City Attorney; and, Mrs. Campos, City Clerk.

301-1 Armenian Remembrance Day A proclamation in honor of Armenian Remembrance Day was presented by Mayor Laurell to Stepan Boyageean and Paul Krekorian, representatives from the Burbank Chapter of the Armenian National Committee. Mr. Boyageean expressed appreciation to the Council for their support on behalf of the one and one half million victims and their families, and encouraged the Council to continue advocating for recognition

of the Armenian Genocide. Mr. Krekorian presented a historical perspective. Burbank resident Hoori Chalian shared her family's experience. John Brady, President of the Burbank Human Relations Council, expressed appreciation to the Armenian community for making a presentation to the Council on this day of remembrance and advocated for educating our youth on this topic. Mr. Krekorian stated the Armenian community donated a tree to be planted in Valley Park which would be dedicated to the memory of the victims of the Armenian Genocide, and several books on the topic. The program concluded with a reading of an Armenian poem by Arbi Ohanian. Mayor Laurell expressed appreciation to all the participants in this moving presentation.

7:06 P.M.
Recess The Council recessed at this time. The meeting reconvened at 7:12 p.m. with all members present.

Council
Comments At this time, Ms. Murphy reported on her recent trip to Washington D.C. with other California elected officials who met with a representative of Senator Barbara Boxer and representatives of the Federal Aviation Administration to discuss a regional solution to Airport problems. Mr. Vander Borcht reported that he and Mrs. Ramos had attended the League of California Cities Mayors and Council Members Institute in Sacramento.

7:18 P.M.
Hearing
1701
1705-2
Art in Public
Places (ZTA No.
2002-3) Mayor Laurell stated that "this is the time and place for the hearing on Zone Text Amendment No. 2002-3 regarding an amendment to the Burbank Municipal Code relating to art in public places and a negative declaration related thereto."

Notice
Given The City Clerk was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff
Report Mr. Bowler, Assistant Planner, reported that when the City adopted the "Art in Public Places" ordinance in 1992, it contained a "sunset" clause causing the ordinance to expire on June 1, 2002, unless the clause was modified or extended, and added that if the Council did not act to amend the ordinance this evening, there would be a lapse in the operation before a new or revised ordinance could take effect. He discussed the

following proposed amendments to the ordinance: (1) deleting the sunset clause; (2) removing the current ceiling on required art allocations; (3) changing the definition of "Development Project" to allow for multi-building projects; (4) formalizing "Art Deferral Agreements" allowing developers to proceed with their projects while in the process of commissioning an art work; and (5) authorizing the Parks, Recreation and Community Services Director to enter into such agreements on behalf of the City. He stated that although the ordinance was intended as a development standard, the actual program is implemented by the Parks, Recreation and Community Services Department with the advice and approval of the Art in Public Places Committee.

Mr. Hansen, Deputy Parks, Recreation and Community Services Director, discussed the formation and history of the program as follows: the Art in Public Places Ordinance was passed on April 7, 1992, on the recommendation of the Cultural Arts Task Force; the goals of the ordinance were to enhance the visual attractiveness in Burbank, to increase the understanding and enjoyment of art by our residents and visitors, to encourage artistic collaboration among professional disciplines responsible for urban planning, and to invite public participation in and interaction with public spaces; twenty-four art installations have been completed pursuant to the ordinance and eight additional projects have been approved by the Art in Public Places Committee; the current collection of art is varied in style, composition, fabrication material and presentation.

Mr. Hansen highlighted a new brochure on the program initially prepared by students from Woodbury University which includes additional art installations within the City, comprised of individual information sheets identifying each piece of art and the artist who created it, and a map showing the location of each art piece and designating which pieces were commissioned as a result of the Art in Public Places Ordinance. Mr. Hansen further outlined staff's recommendations and added that at the present time the maximum obligation is \$350,000, that thus far no single project has reached the maximum obligation because pursuant to the sliding scale it would take a project valued at \$50 million to reach the maximum ceiling, and that while the extremely larger projects go through the development review process, staff utilizes this ordinance as a basis for negotiation and desires consistency with all projects relative to the art in public places ordinance obligation.

Citizen
Comment

Appearing to comment were Mark Barton, supporting the program and improvements made to exteriors of buildings, and requesting the Council to write to Disney Studios and Warner

Bros. for assistance and input on interior designs; Mike Nolan, on the reasons outlined by staff in the report for adopting this ordinance, on use of the word "regularize" and on passing this item tonight because it must be adopted by April 23, 2002, on the value of the art projects and how they are determined, and on the obscurity of some of the art pieces; Dink O'Neal, requesting support of the ordinance as a permanent part of the Municipal Code, citing examples of the application of the art in public places ordinance throughout the City, on the ability to add pages to the brochure on individualized photo cards in the future, on the consequences if the Council does not pass the proposed resolution and ordinance, and requesting the Council's full approval on the ordinance; and Fred Haas, in support of the art in public places ordinance.

Hearing Closed There being no further response to the Mayor's invitation for oral comment, the hearing was declared closed.

Motion It was moved by Mr. Golonski and seconded by Ms. Murphy that "the following resolution be passed and adopted and that the following ordinance be introduced and read for the first time by title only and be passed to the second reading."

1701 RESOLUTION NO. 26,226:
1705-2 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Adopt Neg. Dec. ADOPTING A NEGATIVE DECLARATION FOR ZONE TEXT
For ZTA 2002-3 AMENDMENT NO. 2002-3.

1701 AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK
1705—2 AMENDING SECTION 31-1114 OF THE BURBANK MUNICIPAL
Art in Public CODE RELATING TO ART IN PUBLIC PLACES (ZTA NO. 2002-
Places (ZTA No. 3).
2002-3)

Adopted The resolution was adopted and the ordinance was introduced by the following vote:

Ayes: Council Members Golonski, Murphy, Ramos, Vander Borght and Laurell.

Noes: Council Members None.

Absent: Council Members None.

Reporting on Ms. Scott reported on the items considered by the City
Closed Session Council during the Closed Session meeting.

4/23/02

First Period of Oral Communications Mr. Laurell called for speakers for the first period of oral communications at this time.

Citizen Comment Appearing to comment were Esther Espinoza, inquiring why there isn't a 40 percent minority represented in City management, making offensive comments on ethnicity, race and religious persuasion, and on Mr. Laurell's upcoming trip to Incheon, Korea in June 2002 to promote a Sister City relationship; Howard Rothenbach, on the monthly Burbank Water Power report, on the City's reliance on natural gas, and inquiring as to the possibility of burning trash to generate electricity; Mark Barton, on interruption of speakers, on the determination of value of artwork and lack of knowledge on designs; Dr. Theresa Karam, on Mr. McConkey's article regarding direct flights to Hawaii from Burbank Airport; David Piroli, requesting a report on Ms. Murphy's trip to Washington D.C., and on the interruption of speakers; and Fred Haas, on alternative energy sources.

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

Second Period of Oral Communications Mr. Laurell called for speakers for the second period of oral communications at this time.

Citizen Comment Appearing to comment were Margaret Taylor, a Planning Board applicant, on her qualifications for the position and requesting the Council's support; Don Elsmore, on difficulty in understanding the Part 161 Study because of conflicting language, on the Federal Aviation Administration's influence in the Part 161 process, and the futility of the study because it is biased in favor of the Airport; Esther Espinoza, noting the absence of a minority applicant for the Planning Board appointment, supporting lobbyist registration, and opposing Mr. Golonski's request to involve the former Council Member applicants in future participation in City matters; Howard Rothenbach, on the burning of trash in Long Beach beginning fourteen years ago and the process used to do so, and supporting the Compressed Natural Gas project; Dr. Theresa Karam, disagreeing with Mr. Vander Borgh's comment that direct flights from Burbank to Hawaii have been conducted in the past, on Ms. Murphy's article in response to Mr. McConkey's article, and inquiring as to the author of Ms. Murphy's article; Mark Barton, on interruption of his speaking

time, on the cost of designs used for art projects, and urging the Council to hire a professional consultant to make design decisions to ensure the expenditures are prudent; Fred Haas, on the BWP monthly report, on the cost of water pumped out of wells in Burbank, and on wells dug into the San Gabriel River to increase water levels; David Piroli, inquiring about the size of planes which will be used to fly from Burbank to Hawaii to make it economically viable, and on concerns with lobbyist registration criteria; and Mike Nolan, on oral communications and Council decorum rules, and on proper topics for oral communications.

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

Motion It was moved by Ms. Murphy and seconded by Mr. Golonski that "the following items on the consent calendar be approved as recommended."

Minutes Approved The minutes for the regular meetings of February 19 and February 26, 2002 were approved as submitted.

801-2
907
Narcotic
Enforcement RESOLUTION NO. 26,227:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING THE 2001-2002 ANNUAL DRUG ASSET FORFEITURE FUND BUDGET FOR THE POLICE DEPARTMENT TO INCLUDE ASSET FORFEITURE FUNDS RETURNED TO THE CITY FROM THE U.S. GOVERNMENT.

1301-3
2002 Slurry Seal
Program
(B.S. 1095) RESOLUTION NO. 26,228:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING AND ADOPTING CONTRACT DOCUMENTS, PLANS AND SPECIFICATIONS, AND DETERMINING THE LOWEST RESPONSIBLE BIDDER, ACCEPTING THE BID, AND AUTHORIZING EXECUTION OF A CONTRACT FOR THE 2002 SLURRY SEAL PROGRAM, BID SCHEDULE NO. 1095.

Adopted The consent calendar was adopted by the following vote:

Ayes: Council Members Golonski, Murphy, Ramos, Vander Borcht (abstaining on the Minutes) and Laurell.
Noes: Council Members None.
Absent: Council Members None.

4/23/02

202-6
Planning Board
Appointment

Mrs. Campos stated the current vacancy on the Planning Board was created due to the appointment of Board Member Jef Vander Borcht to the City Council on March 19, 2002. She said that the City Clerk's Office began advertising and accepting applications for the vacancy on March 21, 2002, with a deadline for applications of April 12, 2002, and as of the deadline, applications had been received from Michael M. Bergfeld, Lee Jay Dunayer, Richard J. Irvin, and Margaret Ann Taylor. She discussed advertising was done through a variety of media, including individual notification of candidates for the recent Council Member vacancy; and that a random drawing had been conducted to determine the order that the four applicants appeared on the voting sheets as follows: Michael Bergfeld, Lee Dunayer, Richard Irvin and Margaret Taylor.

Mrs. Campos further stated that since Council votes are based on the number of vacancies, each Council Member was allowed one vote for this appointment, that applicants receiving a majority of the votes in the first round then move into the second round, and that the process continues for as many rounds as are necessary to fill the vacancy. She concluded by stating that this voting process is based on past practice, and that if the Council chose to change it, staff recommended the process be clarified prior to any voting.

Following a vote of the Council, Margaret Ann Taylor was appointed to serve the Planning Board unexpired term to June 1, 2003.

9:12 P.M.
Recess

The Council recessed at this time. The meeting reconvened at 9:27 p.m. with all members present.

1503
1504
Monthly Electric
& Water
Monthly
Operations
Reports

Mr. Davis, General Manager, Burbank Water and Power (BWP), reported that water quality in March throughout the system met or exceeded State and Federal drinking water standards, including the administrative standards set by the Council on Chromium 6; that the Valley Plant and the Burbank Operable Unit continue to operate near the City's goals for the year, and efforts to resolve issues with Lockheed and the Environmental Protection Agency and upgrading the plant are continuing; and that installation of the small hydro units was complete and staff is currently working on getting the complex control system computerized so that it can be automated and the units can be left to run reliably without human intervention.

With respect to electric operations, Mr. Davis reported as follows: the development of the Magnolia Power Project is

going well, the Councils of the respective base cities of Anaheim, Glendale, Pasadena, Colton and Burbank have all acted on participation in the project, and a plan has been prepared as to how the program would be subscribed should the additional cities of Cerritos and San Marcos choose not to participate; Lake Unit One currently under construction continues ahead of schedule, and to date there have been no dollar value change orders; because Burbank is largely a coal dependent utility, staff supports a third coal unit which is being considered for the Intermountain Power Project, and staff is currently negotiating support of the third unit in exchange for extending indefinitely Burbank's rights, which are currently set to expire in 2027; that considerable time and effort has gone into continued market restructuring issues, both State and Federal, on Regional Transmission Organizations (RTO), and the Federal Energy Regulatory Commission and others are putting the pressure on utilities to participate; staff has conducted studies to ascertain the feasibility of retrofitting for emissions on Olive Units One and Two and informally the consultant has concluded that the units are definitely worth retrofitting which would extend their life between ten and twenty years; and with regard to Receiving Station "E," staff continues to work towards the goal of increasing import or export of electricity by 50 percent, Los Angeles Department of Water and Power is performing that work for Burbank, but due to the power outage experienced with the first transformer, Burbank has stopped installation by Los Angeles on the second unit until either Olive 1 or 2 are back on line, but nevertheless the project is scheduled to be completed by June 2002.

The Council noted and file the report.

1503 1506 411 Magnolia Power Project – Site Lease and Interconnection Agreement	Mr. Davis, General Manager, Burbank Water and Power (BWP), introduced Mr. Morillo, Assistant City Attorney, and Mr. Fletcher, Burbank Water and Power Assistant General Manager/Power Supply, to present the reports on the Magnolia Power Project Site Lease and Interconnection Agreements.
	Mr. Morillo highlighted specific points of the Site Lease and Services Agreement, and the Interconnection Agreement. He reminded the Council that the Power Sales Agreement and the Construction Management and Operating Agreement had been

previously approved in February 2002, that the Power Sales Agreement defined Burbank's interest in the Magnolia Power Project as a participant, and the Construction Management and Operating Agreement defined Burbank's role as the construction manager and eventually the operating agent once the project is completed.

With respect to the Site Lease and Services Agreement, Mr. Morillo outlined the following specific points: the basic term of the agreement is 30 years with an option to extend up to a total of 55 years as allowed by law; the site is a three-acre parcel in the northeast quadrant of BWP property, with an option to expand to an additional acre if it becomes necessary to construct a water treatment facility; joint use of the Control and Services Building which is required and will be built by the project; the terms of an annual lease payment to Burbank for the three-acre site; the Control and Services Building is required for the project and the plan is to renovate the existing structure which houses the Magnolia 1 and 2 units as the most cost-effective approach; Burbank will have access to 13,000 square feet of the 40,000 square feet of space to be built, and the space would be usable for offices, training facilities and control facilities; and that the lease rate was calculated by a fair market value of the project, with Burbank retaining title to the land, and that the Southern California Public Power Authority (SCPPA) will maintain its facilities, including its portion of the Control and Services Building.

As to the Interconnection Agreement, Mr. Morillo stated that this agreement defines Burbank's duties, obligations and rights with respect to the use of Burbank's facilities to connect the project to the designated points of delivery; that the project would share in the operation and maintenance of Burbank's distribution system and the Olive Switching Station, and in the cost of any capital improvements to this system. He concluded by stating that the operating standards would be comparable to current practices and would provide for the possibility of connection to a joint three-city project.

Mr. Fletcher reported on two major issues with respect to the status of the project: a license delay from a six-month to a twelve-month process because of water treatment issues, and consider action of a transmission option related to the Interconnection Agreement. He stated the license is expected by year-end as the California Energy Commission requires a draft discharge permit before issuing the license to assure the plant can be built to meet the standards for that discharge, and that the project provides for a Zero Discharge option, and under the Zero Discharge technology BWP would not discharge any other cooling tower water, but rather it would be

processed until the mineral and salts are removed as a solid waste rather than being discharged to the wash, and that using both appears to be the best option. He explained the reclaimed water option as follows: if BWP sells reclaimed water to the project, the City would sell two streams of water; one is a stream which would be filtered and used directly by the project to cool the cooling tower, and the second would be a stream of water needed to mix with that so that it would be within the discharge permit standard. He stated this option would produce about \$3 million revenue per year to the reclaimed water operations of the utility; it would significantly expand the reclaim water system, and that water used by the project mixed with other reclaimed water could be used for irrigation; that using reclaimed water to cool the power plant and then reusing it for irrigation rather than discharging it to the Los Angeles River is a new concept; that the Metropolitan Water District and the Water Master support reuse of reclaim. He stated BWP is looking at proceeding with the zero liquid discharge option without the reclaimed water reuse so that BWP may obtain a license by year end, and that they will incorporate reuse of reclaimed water when the Regional Water Quality Control Board issues a draft National Pollutant Discharge Elimination System (NPDES) permit to Burbank; that by using both systems it allows the City to use the funds to build up the reclaim system; and that using zero liquid discharge assures operation of the project during droughts and the costs to operate the zero liquid discharge system is only slightly more than buying reclaimed water.

As to the Interconnection Agreement, Mr. Fletcher reported an evaluation is underway to determine the cost of the right of way needed to construct a transmission system that would connect the project to the California Independent System Operators (ISO) without using the Los Angeles Department of Water and Power (LADWP) system, such a three-city transmission system may provide reliability and additional options to the project independent of Los Angeles, LADWP's published transmission rate is much higher than it would cost the City to build this transmission system, LADWP'S rate requires payment for use of the entire system even though Burbank is relatively close to the edge of the Los Angeles system, the connection to Southern California Edison (SCE) is in Sylmar, the LADWP transmission rate includes the same facilities that participating Cities' already own and LADWP transmission service is not as cost-effective as a new transmission service; therefore SCPPA is conducting a study of cost to build transmission between Pasadena, Glendale and Burbank, and connect to the California ISO.

Mr. Fletcher emphasized that it is vital that the costs to

4/23/02

construct this network be fully and carefully evaluated, stated the LADWP transmission may be needed until the new transmission network is developed, and in addition that the Federal Energy Regulatory Commission (FERC) is considering requiring that utilities provide transmission using rate approaches that would possibly make LADWP's rate lower, so LADWP strongly opposes the regulation. He discussed that if the FERC is able to secure the authority to compel LADWP to charge different transmission rates as they are seeking for Investor Owned Utilities, the feasibility of the new three-city transmission network may change, and FERC is developing this option relatively fast.

Motion It was moved by Ms. Murphy and seconded by Mr. Vander Borch that "the following resolutions be passed and adopted:"

1503 RESOLUTION NO. 26,229:
1506 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Magnolia Power APPROVING AND AUTHORIZING OFFICIALS TO EXECUTE AND
Project Site DELIVER THE MAGNOLIA POWER PROJECT SITE LEASE AND
Lease and SERVICES AGREEMENT.
Services Agmt.

1503 RESOLUTION NO. 26,230:
1506 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Magnolia Power APPROVING AND AUTHORIZING OFFICIALS TO EXECUTE AND
Project DELIVER THE MAGNOLIA POWER PROJECT BURBANK
Interconnection INTERCONNECTION AGREEMENT.
Agmt.
10:02 P.M. Ms. Murphy left the meeting at this time due to a potential
Ms. Murphy conflict.
Left the Meeting

1501-1 Mr. Van Hazelen, Assistant Public Works Director/Fleet and
902 Building, stated that this item requests approval for two
Compressed contracts, one to design and build the Compressed Natural Gas
Natural Gas (CNG) station, and the second contract for the 10-year
Station (RFP No. operation of the station, and that both are designed to be
1108) awarded to one company. He reported that in the year 2000,
the South Coast Air Quality Management District (SCAQMD)
adopted the 1190 series of rules which mandates that public
fleets with fifteen or more vehicles purchase alternate fuel
vehicles when those vehicles are replaced, including both
heavy- and light-duty vehicles. He stated that clean gasoline-
power sedans, light and heavy trucks certified by the
SCAQMD as ultra low emission vehicles, are the only

exceptions to the rules; and that over the next five years, the City will purchase approximately 125 CNG vehicles ranging from sedans to heavy trucks as the CNG vehicles are classified by the SCAQMD as ultra low emission vehicles. He noted that a CNG station needed to be built in the City to support the City's current and future CNG fleet, and to encourage the public to purchase CNG vehicles.

Mr. Van Hazelen further stated that on September 18, 2001, the Council approved a resolution authorizing the City Manager to solicit proposals for the design, construction, and ten-year operation of the CNG fuel station and the Council also authorized the successful application for grant funding and execution of agreements with the California Energy Commission (CEC) and the SCAQMD for a total of \$410,000 in grant funds for construction of the station. He stated that in response to Request for Proposal 1108, three proposals were received and a selection committee ranked the proposal from ENRG Corporation highest, and proceeded to successfully negotiate the final details of the contract with them. He stated ENRG's proposal would provide construction of a station capable of producing 1000 cubic feet per minute, or 8.3 gallons per minute of fuel, which is two and one-half times the minimum requirement for the City's and private customers' needs; the compressed fuel is stored in large pressure tanks allowing much higher flow rates when all four pumps are working simultaneously, resulting in less waiting time for customers during peak hours of fueling; utilization of partially redundant systems would minimize the possibility of not being able to obtain fuel due to mechanical malfunction; and unconditional commitment of \$405,000 of their own funding, including some of their own grant funding, towards the project would bring the total grant and non-City funds allocated to station construction to \$815,000, so the City would not incur any out-of-pocket expenses towards the construction of the proposed CNG station.

Mr. Van Hazelen then stated the ten-year operation contract sets the guidelines for the pricing of fuel at the station, and the price of natural gas fuel would be linked to the Southern California Gas Company (Gas Company) Natural Gas Vehicle (NGV) Tariff, which is a published cost, to which a compression charge covering the contractor's operation, maintenance, overhead and profit, would be added. He added that natural gas pricing does not necessarily follow gasoline pricing because natural gas is a domestic commodity and not foreign oil based.

Next, Mr. Van Hazelen discussed the two contract options available to the City for the Ten-Year Operation Contract: a

"Pure Business" option and a "Business-Environment" option. He explained that under the *Pure Business* option, the City's price for fuel will vary depending on the volume of usage and the commodity procurement fluctuation, that in return for providing the land and managing the construction and operations contracts, the City would pay a reduced price for fuel and would receive royalty payments from ENRG based on the volume of private sales, that ENRG would have the right and responsibility to determine the price per gallon that would be charged to non-City customers and the City would have no control over this charge. With respect to the *Business-Environmental* option, Mr. Van Hazelen explained that this option locks the commodity procurement charge at the Gas Company published rate and established a fixed compression charge of \$0.53/gallon for all customers, both City and private, with the exception of Federal taxes and credit card surcharges, that the price at the pump will still vary on the commodity procurement cost of natural gas, and that staff believes the uniform and minimally subsidized pricing structure may be an incentive for others to purchase CNG vehicles, achieving a benefit of a 50 to 95 percent vehicle emission reduction level that will serve to improve the air quality. He added that although the City will pay a higher price for fuel under the *Business-Environmental* option of approximately \$0.09/gallon, and will not receive any royalties, the cost would still be less than what the City currently pays for gasoline and diesel fuel, and that additional savings will be realized because CNG vehicles can be serviced less frequently.

Mr. Van Hazelen discussed that under both options, private customers will pay an additional charge for state and federal taxes as well as credit card surcharges, that Visa and MasterCard will be accepted and will require a three to five percent surcharge, that the Gas Company will provide gas purchase cards to non-City customers free of charge, that these Gas Company cards do not have a surcharge and can be used at other CNG stations as well, that the City will not pay federal taxes and will use ENRG's fuel card and therefore will not pay any credit card surcharges. Mr. Van Hazelen summarized the comparison of the options by stating that over the life of the ten-year contract, ENRG's *Pure Business* proposal would cost \$801,460 less than the next lowest proposal when station construction and anticipated ten-year fuel costs are considered, and ENRG's *Business-Environmental* proposal would cost \$651,700 less than the next lowest proposal.

Mr. Van Hazelen identified the location of the proposed CNG station at 810 North Lake Street, providing convenient access to and from Interstate 5, stated the station would be open to

both public and private customers twenty-four hours per day, seven days per week, and if the Council approved the proposed resolution, construction is expected to begin in May 2002 and be completed by September 2002. He stated many private customers will be using the Burbank CNG station, and estimated 25 percent, or about 95 vehicles, from these fleets will be regular customers, that this number should rise as more CNG vehicles are purchased and that if the volume of private traffic increases to the point where it hampers City operations, the City reserves the right to restrict the hours of public access as necessary, and that in the event the proposed CNG station is unable to dispense fuel, there are four alternate CNG stations within ten miles of the City, and three additional stations within 19 miles of Burbank.

Mr. Golonski inquired as to the profit margin to ENRG since they are willing to commit a substantial amount of capital, in a public/private venture, and stated he wants to establish that the profit margin is reasonable and suggested that the proposal be reviewed by a financial firm.

David Harradon, from ENRG, indicated their return is in the 20 percent range and, based on today's current price, their prices at other stations are 30 cents a gallon higher than what is proposed for this facility, and that although the City is donating the land, all the maintenance and repair is ENRG's responsibility, and time is of the essence due to the mandated use of grant money. Mrs. Ramos requested that the financial review include a breakdown of how the fixed compression charge was established.

It was the consensus of the Council that this item be continued to April 30, 2002 to allow for a review by a financial firm.

10:29 P.M.
Ms. Murphy
Returned to the
Meeting

Ms. Murphy returned to the meeting at this time.

201
Alternatives for
Involving the
Recent City
Council
Candidates in
City Issues

Mrs. Wolfe, Administrative Analyst, stated the purpose of this report was to allow the Council an opportunity to discuss alternatives for including the recent Council Member Candidates in City issues. She reported that the current process allows applicants to identify a total of three areas of interest on their application to City Board, Commission, or Committee, and that the applications are kept on file for one

year during which time if a vacancy occurs on any of the applicant's identified area of interest, the applicant would be notified of the vacancy. Mrs. Wolfe advised that staff recommends the Council direct them to research and create a "hot sheet" of other civic opportunities available for residents who wish to get involved in City issues, that among other alternatives for involvement there are a number of service clubs, non-profit organizations and training opportunities located in the City that would lend themselves to public participation, and that staff recommends a "civic opportunities" information list identifying each of these opportunities be made available to all future applicants and interested residents and that it be regularly updated.

201
Lobbyist
Registration

After Council discussion, staff was directed to formulate a Blue Ribbon Committee charged with how to provide educational outreach efforts to the community on airport issues. Staff was also directed to prepare a civic opportunities listing for Board, Commissions, and Committee candidates.

Ms. Scott, Chief Assistant City Attorney, reported that this item was requested to be placed on the agenda by Council Member Golonski, and that the purpose of the item is to determine if there is Council support for staff to prepare a report and/or draft an ordinance to require the registration of lobbyists as well as impose other restrictions on lobbyists and/or other persons who appear before the Council, meet with individual council members and/or specific City officials as representatives of applicants, developers, appellants, citizen groups, individual citizens or neighborhood groups.

Following Council discussion, Ms. Scott clarified Council's direction to assess the current revolving door ordinance as it relates to employees and look at the City of Los Angeles and other cities in the region who have an ordinance applying to elected officials to determine how this issue is handled.

Ordinance
Submitted

It was moved by Ms. Murphy and seconded by Mr. Golonski that "Ordinance No. 3596 be read for the second time by title only and be passed and adopted." The title to the following ordinance was read:

1602-11
Preferential
Parking

ORDINANCE NO. 3596:
AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK AMENDING VARIOUS SECTIONS OF THE BURBANK MUNICIPAL CODE RELATING TO PREFERENTIAL PARKING (SECTIONS 29-1003 THROUGH 20-1005.1).

- Adopted The ordinance was adopted by the following vote:
- Ayes: Council Members Golonski, Murphy, Ramos, Vander
 Borght and Laurell.
 Noes: Council Members None.
 Absent: Council Members None.
- Third Period of Mr. Laurell called for speakers for the third period of oral
Oral communications at this time.
Communication
- Citizen Appearing to comment were Chris Olin, Drum Major,
Comment representing the Burbank High School Instrumental Music
 Association, on an upcoming dance event on Saturday, April
 27, from 7:00 p.m. to midnight in the gym at Burbank High
 School, which is a fundraiser for the band, and emphasizing
 that this dance will bring together people from all ages in the
 community for swing dancing; Eden Rosen, on voluntary caps
 on rent increases, and on unethical landlords; and Mike Nolan,
 on the Mayor not regularly enforcing decorum during Council
 meetings but singling him out for laughing at Council
 comments.
- Staff Members of the Council and staff responded to questions
Response raised.
- Adjournment There being no further business to come before the Council,
 the meeting was adjourned at 11:15 p.m.

Margarita Campos, City Clerk

APPROVED MAY 21, 2002

Mayor of the Council
of the City of Burbank