

TUESDAY, MAY 28, 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 6:37 p.m. by Mr. Laurell, Mayor.

CLOSED SESSION

Present- - - - Council Members Golonski, Murphy, Ramos, Vander Borgh and Laurell.
Absent - - - - Council Members None.
Also Present - Mr. Ovrom, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.

Invocation The invocation was given by Thos Peterson, Elder, Little White Chapel.

Flag Salute The pledge of allegiance to the flag was led by Valerie Phillips.

ROLL CALL

Present- - - - Council Members Golonski, Murphy, Ramos, Vander Borgh and Laurell.
Absent - - - - Council Members None.
Also Present - Mr. Ovrom, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.

301-1 Mayor Laurell and Gwen Indermill, Recreation Services
Youth Art Manager, Parks, Recreation and Community Services
Expo Department, presented certificates to the following Burbank students who participated in the 2002 Youth Art Expo:
Kindergarten: Patrick Apostol, McKinley Elementary School; Michelle Hacobei and Jacob Salomon, Jefferson Elementary School; **1st Grade:** Kylie Lewis and Abigail Sims, American Lutheran Elementary School; and Kelly Tucci, St. Francis Elementary School; **2nd Grade:** Melissa Lizano, Stevenson Elementary School; Jaqueline Olivas and Jacklyn Salgado, Bret Harte Elementary School; **3rd Grade:** Tyler Do, Edison Elementary School; Makhyla Pelayo and Sandra Peyton, Providencia Elementary School; **4th Grade:** Leroy Albor, Bret Harte Elementary School; Angelina Badalian, Washington Elementary School; Harrison Bieker, Emerson Elementary School; **5th Grade:** Travis Galette, Providencia Elementary School; Samantha Harand, American Lutheran Elementary School; Liana Sposto, Emerson Elementary School; **6th Grade:** Karlee Songstad, Muir Middle School; **7th Grade:** Misho Galbo, Luther Middle School; Sunesong Oh, Jordan Middle School; **8th Grade:** Manny Alvarez and Diego Cardenas, Luther Middle School; Max Wedner, Jordan Middle School; and, **9th Grade:** James Cruz, Providence High School; **10th Grade:** Argishti Musakhanyan, Providence High School; **11th Grade:** Lilit

Barsegyan, Providence High School; and Best of Show winners: Valerie Phillips and Hala Diab, both **12th Graders** at Burbank High School.

301-1 Mayor Laurell, Captain Gordon Bowers and Glen Taylor, Rex Andrews President of the Rotary Foundation, presented the Rex Police Scholar Award to Detective J. J. Puglisi.

301-1 Alex Fey, Executive Director of the Burbank Boys & Girls Club, Boys and Girls presented the 2001 Youth of the Year Award to Jennifer Clubs of Alcalá, a student at Burbank High School. Mayor Laurell America presented Ms. Alcalá with a Certificate of Recognition to National Youth memorialize this achievement. of the Year Program

305-2 Mr. Flad introduced Teri Bastian, President of the Burbank 2003 Rose Float Tournament of Roses Association, who thanked the Council, Rendering Association Members and volunteers for past support, and presented the Council with a framed photograph of the 2002 Burbank Rose Parade float, and a rendering of the 2003 Burbank float submission, "Bathtime Friends!", designed by Julianne Buescher.

Reporting on Council Liaison Committees Council Member Vander Borgh reported on a meeting held on opportunity site 6-B, stating this was a preliminary presentation including commercial, retail, and housing uses on the site fronting on First Street near Orange Grove Avenue and Magnolia Boulevard.

Council Member Golonski reported on the Joint Action Group meeting with the Burbank Unified School District of May 24, at which one of the agenda items discussed was possible City support and budget update from the School District. Mr. Golonski stated the Council has asked the School District for 1) a schedule of budget cuts of the \$3 million the District will have to make in priority order; 2) a proposal outlining the District's policy and the steps to be taken to ensure that their buildings are as energy efficient and incorporate as many conservation techniques as possible working in conjunction with Burbank Water and Power staff; and, 3) a proposal to utilize District facilities for the City's after school programs working in conjunction with the Parks, Recreation and Community Services Department. He stated a joint Council/School Board meeting is scheduled for June 17, 2002,

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prior to the City adopting the budget on June 18. Mr. Golonski further stated there was a discussion on South San Fernando Park and the community school, a presentation on use of the City pools for the School District's aquatic programs, an update on the Peace Builders Program which has been implemented in the elementary schools, and proposed implementation of the Peace Colors Program at the middle school level.

Mayor Laurell reported on the Mayor's Youth Task Force meeting which included discussion of a conflict resolution program at the middle schools using \$150,000 from the youth program funding proposed to be included in the City's Fiscal Year 2002-03 budget, which is currently in the conceptual stage. Mr. Golonski added that the concept is that the Youth Task Force will propose a one-time grant for financial assistance which the Burbank middle schools may apply for, and which will ultimately go to the Council for approval.

Mayor Laurell reported on the Memorial Day Ceremony held on May 27 at McCambridge Park.

7:29 P.M.
Jt. Hearing with
Redev. Agency
1401
1200
1102
Transfer of
Agency Property
for 134 Freeway
Ramp Project

Mayor Laurell stated that "this is the time and place for the joint public hearing of the Redevelopment Agency and the Council of the City of Burbank regarding the approval of the Agency's commitment of property tax increment funds to pay for costs related to the 134/Hollywood Way Ramp and City Electric Substation, and to approve various land transfers to the City as well as to the Agency."

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. Gaudio, Redevelopment and Project Manager, and Real Estate Manager, for the City of Burbank and Redevelopment Agency (Agency), stated there were two resolutions before the Council and Agency that approve a cooperation agreement between the City and the Agency, which will allow the transfer of land from the Agency to the City and also from the City to the Agency in relation to the State Route 134 (SR 134) project. Mr. Gaudio stated that the result of this trade will be construction of a new on- and off-ramp project at Cordova and Alameda off the SR 134 freeway, with a realigned off-ramp

and construction of a new on-ramp, construction of a new electric substation, reconstruction of an existing substation and elimination of the current off-ramp. Next, Mr. Gaudio identified land in renderings depicting the project, explaining why the project required the relocation of the electric substation, and identifying the remnant parcels left over from the Five Points Project construction to be transferred from the City to the Agency. Mr. Gaudio stated another element of the project was the financing, that the total project cost was \$32 million and the City's contribution was approximately \$11,120,000, which will be provided through the transfer of property worth \$1,120,000, and that the balance would be in the form of \$10 million from the issuance of Tax Increment Bonds from the West Olive Redevelopment Project area. He added that the conveyance of the Agency properties to the City requires a public hearing and certain findings set forth in Health and Safety (HS) Code Sections 33679 and 33445, and specifically discussed the HS Code requirements.

Citizen
Comment

Appearing to comment was Mike Nolan, on his contact with CalTrans at the inception of the West Olive Redevelopment Project to ascertain whether CalTrans had any interest in altering the on- and off-ramps at Hollywood Way and stating that CalTrans declined at that time, on the previous expansion of the electric station for the build-out of West Olive, on the acquisition of too much property for the Five Points Project, on the improvement of the service station at Hollywood Way and Alameda Avenue, and on his opinion that the pending action would extend the life of the West Olive Project beyond what was initially contemplated.

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 Ms. Murphy and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

1401
1200
1102
Transfer of
Agency Property
for 134 Freeway
Ramp Project

RESOLUTION NO. 26,237:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING A COOPERATION AGREEMENT BETWEEN THE AGENCY AND THE CITY; APPROVING THE PAYMENT OF THE COST OF LAND FOR, AND INSTALLATION AND CONSTRUCTION OF, PUBLIC IMPROVEMENTS TO BE OWNED AND OPERATED BY THE CITY; AND APPROVING THE TRANSFER OF LAND TO THE AGENCY.

Adopted

The resolution was adopted by the following vote:

Ayes: Council Members Golonski, Murphy, Ramos, Vander

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Borght and Laurell.

Noes: Council Members None.

Absent: Council Members None.

Redev. Reso. Adopted Redevelopment Resolution No. R-2021 Approving a Cooperation Agreement Between the Agency and the City and Approving the Payment of the Cost of Land for, and Installation and Construction of, Public Improvements to be Owned and Operated by the City was adopted.

7:59 P.M. Mayor Laurell stated that "this is the time and place for the
Jt. Hearing with joint public hearing of the Redevelopment Agency and the
Redev. Agency Council of the City of Burbank regarding the Housing and
1702 Childcare Demonstration Project proposed by M. David Paul
709 and Associates. The item that requires Council and Agency
1102 consideration is a First Amendment to the Disposition and
1st Amend. to Development Agreement."
DDA for
Housing
And Childcare
Center Demo.
Project

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. Garcia, Project Analyst in the Community Development Department, stated that in July of 2001 the Redevelopment Agency (Agency) entered into a Disposition and Development Agreement (DDA) with M. David Paul to construct twenty single-family units and a childcare center to accommodate up to 92 children, that the project is located in the general area of the 2300 block of Ontario Street in the Golden State neighborhood near the Airport, that the intent of the project was to clean up a portion of a neighborhood that is blighted by vacant lots, substandard apartment buildings and non-conforming industrial uses, and to provide a quality child care center in the City. He said that while the City cleared the site for development, the developer proceeded with preparation of construction documentation but since then the developer has been faced with a growing number of changes including significantly higher construction costs as well as increased insurance rates. Mr. Garcia indicated that normally, a developer would pass on these costs by charging higher rents or increasing the sales price at completion, but in this case the developer is restricted in their ability to raise other revenues

due to their agreement with the Agency in that the only source of revenue for this project is in the sale of the twenty homes for the developer. He stated the agreement strictly limits the sale of ten homes to a sales price of \$190,000 for moderate-income homebuyers, and for the remaining ten market-share homes, the developer is required to share one-half of the profits with the Agency for any home that sells above \$240,000.

Mr. Garcia informed the Council that the developer has requested the Agency raise the price level on which the Agency shares profits with the developer to help defray the rise in development costs, and that the amendment before the Council modifies the sale price for the ten moderate-income homes from \$190,000 to \$205,000 and increase the profit participation with the Agency for the remaining ten market-income homes from \$240,000 to \$273,000. He stated that an economic analysis prepared to determine whether the developer will realize a higher rate of return based on these changes concluded that the rate of return would be the same as was determined for the original project, and that the proposed amendment will not put any additional cost burden on the Agency.

Applicant Paul Krueger, representing the developer, stated the developer was in complete support of staff's recommendation.

Citizen Comment Appearing to comment were Howard Rothenbach, on risks accepted by developers being an inherent part of any project and inquiring as to the Agency's exposure to date, and inquiring as to the implication of lower interest rates and higher unemployment rates to the project; Mike Nolan, inquiring what specific radical changes justify amending the original agreement, and stating that an unfinished childcare center is useless to the community.

Applicant Mr. Krueger responded by stating many things have changed since the original agreement was negotiated which are reflected in higher costs of the development itself and subcontractor rates, as well as insurance, and that the developer is committed to delivering a quality project at the agreed-upon profit margin. In response to a question regarding increasing square footage per unit, Mr. Krueger stated that the developer wanted to provide a little more value for the money of buyers, and that the increased square footage transcended all three levels of the project, thereby significantly increasing costs.

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Kathy Head, representing Keyser-Marston Associates, stated the analysis of the direct costs of the project indicated an increase of \$1.1 million over the original estimates, and the total cost increase was approximately \$580,000, that the change in interest rates was a factor in the analysis, and that the cost of square footage had gone from \$55 per square foot in the original proposal to \$72 for the current, larger units. She noted that since the original agreement, the Los Angeles County median income had increased by about seven percent, which allowed the affordable price to increase significantly, and hence the change in the participation formula allowing developer to realize the same 10.6 percent profit margin anticipated in the original transaction.

Hearing
Closed

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

Mr. Golonski stated he supported staff's recommendation on changing the price of the affordable units to \$205,000, and supported increasing the amount at which the Agency shares in the profits of the market-rate homes to be \$255,000, reflecting the \$15,000 per unit in direct cost for increasing the unit size.

Mrs. Murphy requested that the terms of the amendment be changed to reflect an increase to \$205,000 for the moderate-income units and an increase to \$255,000 for the market-rate units after which point the developer is required to share one-half of the profits with the Agency.

Mr. Krueger requested to take the modifications back to the developer for discussion.

Motion

It was moved by Ms. Murphy and seconded by Mr. Golonski "to continue the item to the meeting of June 4 and re-open the public hearing for comment on and consideration of developer's response."

Carried

The motion carried by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

Reporting on Closed Session	Mr. Barlow reported on the items considered by the City Council and Redevelopment Agency during the Closed Session meetings.
First Period of Oral Communications	Mr. Laurell called for speakers for the first period of oral communications at this time.
8:42 P.M. Mr. Laurell Left The Meeting	Mr. Laurell left the meeting at this time.
Citizen Comment	Appearing to comment were Gary Garrison, stating he missed Burbank On Parade because he was in the hospital; Craig Bullock, requesting Council support for another term on the Heritage Commission; Howard Rothenbach, on the \$25 permit fee collected when people purchase a dishwasher or water heater, on the L.A. County Vector Control ending its Africanized honeybee program, and asking what Burbank can do to keep the program from ending; Esther Espinoza, making derogatory racial remarks;
8:46 P.M. Mr. Laurell Returned to the Meeting	Mr. Laurell returned to the meeting at this time.
Citizen Comment Continued	Cecil Selman, on parents having to stand in line overnight to sign kids up for summer camp, suggesting a lottery system be implemented, and on City employees being allowed to register their children before the general public; Dany Carol, requesting support for appointment to the Heritage Commission; David Piroli, suggesting the building of a new Central Library on the former police block site, and inquiring about the \$150,000 price tag to provide the Peace Colors Program at the Middle Schools; Margie Gee, in opposition to redevelopment in general and to the issuance of bonds to finance infrastructure improvements; and Mark Barton, on the status of the vacant property at Verdugo Avenue and First Street.
Staff Response Second Period	Members of the Council and staff responded to questions raised. Mr. Laurell called for speakers for the second period of oral

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of
Oral
Communications

communications at this time.

Citizen
Comment

Appearing to comment were Teddie-Joi Remhild, Member of the Advisory Council on Disabilities, in support of the audible traffic signal installation at Virginia Avenue/Olive Avenue and San Fernando Boulevard/Olive Avenue; Howard Rothenbach, supporting alternative fuel vehicles and requesting the City share any information on such vehicles with the public via the City's website; Mark Barton, requesting the City drop the Declaratory Relief lawsuit, on the security enhancements at the Airport being in the conceptual stage only and stating any questions at this time would be premature; Eden Rosen, requesting Council support for her application to the Civic Pride Committee or Art in Public Places Committee; Margie Gee, on the Airport Variance Hearing, stating one of the items discussed was regarding the contours around the Airport (CNEL) and the Baker case, that this case was lost due to a technicality because the residents filed the case too late, and on the Airport claiming a prescriptive avigation easement as a result of this case although they have not filed such an easement with the County Recorder;

Mike Nolan, on debt increment financing, stating if you incur more debt you extend the life of the project, on the South San Fernando infrastructure loans, on the audible street signals not being a new concept, and on the Safe Routes to School Grant and the pedestrian detection devices; and David Piroli, on the Safe Routes to School Grant, on the high cost of maintaining sidewalks and inquiring why the City now wants to construct new sidewalks, on the San Fernando Boulevard/Buena Vista Street intersection and construction of the pedestrian walk extension system after completion of the intersection improvements.

Staff
Response

Members of the Council and staff responded to questions raised.

Jt. Meeting with
Redev. Agency
1104
1108
1209
1102
Infrastructure
Loans – Golden
State & South

Ms. Davidson-Guerra, Redevelopment Agency Project Manager, stated the purpose of this item was to present two loan agreements for public improvement projects calling for:

- 1) The Golden State Redevelopment Project to create debt obligation for two infrastructure projects:
 - a) The Empire Interchange/San Fernando Connector and IS-5 HOV Lane (estimated to cost \$20 million), and
 - b) The other project is the Burbank Boulevard

- San Fernando
- Streetscape Project (estimated to cost \$5.2 million), and
- 2) The second loan agreement calling for the South San Fernando Redevelopment Project to create debt obligation for two infrastructure programs,
- a) The South San Fernando Boulevard Streetscape Project (estimated to cost \$4.5 million) and
- b) A utility undergrounding program which would commit the Agency to fund roughly \$300,000 annually towards undergrounding of utilities in the project area.

She said the proposed funding sources for all of the projects is a bond issuance, that a bond issuance in the Golden State Redevelopment Project area was expected to result in available cash in the amount of \$26 million, and in the South San Fernando Project Area the bond is expected to result in available cash in the amount of roughly \$6.5 million. She noted the timing of the agreements was particularly important in light of the current State funding deficiencies, and that staff was hopeful this may be a mechanism to secure Agency funds for these infrastructure projects, and that taking these measures now and identifying these projects and their related costs may be a way to secure the funds for the projects. Next, she highlighted the findings which must be made pursuant to Section 33445 of the California Redevelopment Law, and stated that each project will return to the Council/Agency for subsequent consideration.

Motion

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

1104 RESOLUTION NO. 26,238:
 1209 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
 1102 APPROVING AND AUTHORIZING THE EXECUTION OF AN
 Reimbursement AGREEMENT WITH THE REDEVELOPMENT AGENCY FOR THE
 of City's Costs REIMBURSEMENT OF CITY'S COSTS FOR CERTAIN PUBLIC
 For Certain IMPROVEMENTS IN THE GOLDEN STATE PROJECT AREA.
 Public Imp. in
 Golden State
 Project Area

1108 RESOLUTION NO. 26,239:
 1209 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
 1102 APPROVING AND AUTHORIZING THE EXECUTION OF AN
 Reimbursement AGREEMENT WITH THE REDEVELOPMENT AGENCY FOR THE
 of City's Costs REIMBURSEMENT OF CITY'S COSTS FOR CERTAIN PUBLIC
 For Certain IMPROVEMENTS IN THE SOUTH SAN FERNANDO PROJECT

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Public Imp. in
South San
Fernando Project
Area

AREA.

Adopted

The resolutions were adopted by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

Redev. Reso.
Adopted

Redevelopment Resolution No. R-2022 Approving and
Authorizing the Execution of an Agreement with the City for
the Reimbursement of Certain Public Improvement Costs in the
Golden State Project Area was adopted.

Redev. Reso.
Adopted

Redevelopment Resolution No. R-2023 Approving and
Authorizing the Execution of an Agreement with the City for
the Reimbursement of Certain Public Improvement Costs in the
South San Fernando Project Area was adopted.

Motion

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

Minutes
Approved

The minutes for the regular meetings of May 1, 2002 and the
adjourned meeting of May 4, 2002 were approved as
submitted.

305-2
Tournament of
Roses Assoc.
2003 Float
Rendering

A report was received from the Park, Recreation and
Community Services Department presenting a request from the
Burbank Tournament of Roses Association to secure approval
from the City Council for the 2003 Tournament of Roses Float.

The Council approved the rendering theme and conceptual
design of the 2003 Burbank Tournament of Roses parade float.

1004-2

RESOLUTION NO. 26,240:

Approve Revisions to the Deferred Comp. Plans (EGTRRA) A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING REVISIONS TO THE CITY'S DEFERRED COMPENSATION PLANS AND AUTHORIZING AND DIRECTING THE FINANCIAL SERVICES DIRECTOR TO PREPARE REVISIONS.

1205-2 Vacation of Pole Line Easement at 1036 East Providencia (V-346) RESOLUTION NO. 26,241:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ORDERING THE SUMMARY VACATION OF A PUBLIC SERVICE EASEMENT AT 1036 EAST PROVIDENCIA AVENUE, BURBANK, CALIFORNIA (V-346).

404 General Services Agmt. w/L.A. County RESOLUTION NO. 26,242:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING A GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF BURBANK AND THE COUNTY OF LOS ANGELES.

Adopted The consent calendar was adopted by the following vote:

Ayes: Council Members Golonski, Murphy, Ramos, Vander Borght and Laurell.
Noes: Council Members None.
Absent: Council Members None.

804-3 403 Safe Routes to School Grant Mr. Johnson, Traffic Engineer, stated staff sought authorization from the Council to apply for a grant through Caltrans in the Safe Routes to School Program. He explained that there was about \$20 million available annually to all the communities and school districts in the State so it is a very competitive grant application. He stated staff has selected two types of programs, one is for construction of sidewalks at three elementary schools, Washington, Emerson and Bret Harte, and the other is for the installation of pedestrian detection devices to extend pedestrian walk time during time periods when schoolchildren are present at four selected intersections. In response to a question about maintenance costs for sidewalks, Mr. Johnson replied that the only maintenance costs incurred for sidewalks were due to damage caused to sidewalks by tree roots or because of improper installation problems.

Motion It was moved by Mr. Golonski and seconded by Ms. Murphy that "the following resolution be passed and adopted:"

Ayes: Council Members Golonski, Murphy, Ramos, Vander Borght and Laurell.
 Noes: Council Members None.
 Absent: Council Members None.

1503
 1504
 BWP Monthly
 Water and
 Power Report

Mr. Davis, General Manager, Burbank Water and Power, reported water quality throughout the system in April met or exceeded State and Federal drinking water standards. With regard to Lockheed-Martin, the Environmental Protection Agency (EPA) has levied fines against Lockheed for failing to meet the terms of the Consent Decree, Lockheed is currently working with staff to make the Burbank Operable Unit more efficient and more reliable.

With regard to electric operations, Mr. Davis stated loads were down about eight percent for the year and the forecast has been modified accordingly as permanent savings. He added that despite the problems with deregulation, the Federal Energy Regulatory Commission (FERC) is still pursuing the idea of Regional Transmission Organizations (RTOs), that Burbank is participating in them although the City maintains its right to remain independent, and then discussed the parallel process going on in California involving gas industry restructuring. Mr. Davis gave a brief update on the proposal to build a third unit at the Intermountain Power Project, and reiterated that if such a unit is built Burbank would like guaranteed rights to renew perpetually the City's interest in Units 1 and 2. He noted licensing continues on the Magnolia Power Project, and that the remaining issue is the reuse of reclaimed water for the cooling towers and Burbank's National Pollutant Discharge Elimination System (NPDES) permit, which is supported by the Metropolitan Water District and the Watermaster, and if the process does not progress this month with the CEC and the Regional Water Board, staff is prepared to recommend to our partners that we go to zero liquid discharge, invest the money so that we don't have a discharge permit issue and essentially bypass the Regional Water Board. He stated that this will result in the inability to produce the value Burbank otherwise could have gotten, and the power will cost more. Mr. Davis concluded by highlighting construction projects underway which will allow the City to increase import/export capabilities.

The Council noted and filed the report.

202
 203
 City Boards,
 Commissions &

Mrs. Campos reported that on April 6, 2002, the City Clerk's Office began advertising and accepting applications for vacancies, created by June 1, 2002 term expiration, on various City Boards, Commissions and Committees. She noted that

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Committees the deadline to submit applications was May 17, 2002.

She explained that the City Clerk's Office conducted a random drawing to select the order that the Boards, Commissions and Committees would be placed on the agenda for Council voting. In addition, she said a random drawing was conducted to select the order the applicants will appear on the voting sheets. She noted that the Council votes based on the number of vacancies on the Board, Commission or Committee but said no Council Member is obligated to vote the allowed number of times.

As a result of the random drawing, she said the following was the order presented to the City Council for voting: Civic Pride Committee (five vacancies) – Mary Lou Wagner, Elisa Freeman, Mihran Toumajan, Mary Alice O'Connor, Eden Rosen, and Shelley Davies; Traffic and Transportation Committee (three vacancies) – Tracey Lovejoy-Johnson, Joseph Terranova, and Daniel Humfreville; Senior Citizen Board (three vacancies) – Masami Brooks, Joe Disparte, Hagop Der Megerdichian, Forrest Barker, Vartan Thomasian, Marilyn Vincent, Mary Brady, and L. Lou Kubasak; Heritage Commission (three vacancies) – Mary Stancavage, Craig Bullock, Dany Carol, R. Ricki Stambaugh, and Richard G. Frankel; Art in Public Places Committee (one vacancy) – Masami Brooks, Robert Coontz, Eden Rosen, Kevin McKenna, Jennifer Hemphill, and Gina Galbo; Downtown Parking Management Committee (three vacancies) – Wendy James and Charles Zidell; and, Community Development Goals Committee (four vacancies) – Gay Maund and Garen Yagparian.

Procedure The Council voted on each Board, Commission and Committee separately, and at the conclusion of the open voting, the following individuals were appointed to serve on the respective Board, Commission or Committee, for terms expiring June 1 of the year indicated, unless otherwise specified.

203-3
Civic Pride
Committee For the Civic Pride Committee, the Council made the following selections: Mary Lou Wagner (2004), Elisa Freeman (2004), Mihran Toumajan (2004), Mary Alice O'Connor (2004), and Shelley Davies (2004).

203-2
Traffic and
Transportation
Committee For the Traffic and Transportation Committee, the Council made the following selections: Tracey Lovejoy-Johnson (2004), Joseph Terranova (2004), and Daniel Humfreville (2004).

202-9 For the Senior Citizen Board, the Council made the following

- Senior Citizen Board selections: Forrest Barker (2006), Mary Brady (2006), and L. Lou Kubasak (2006).
- 202-13 Heritage Commission For the Heritage Commission, the Council made the following selections: Mary Stancavage (2006), Craig Bullock (2006), and Dany Carol (2006).
- 203-4 Art in Public Places Committee For the Art in Public Places Committee, the Council made the following selection: Robert Coontz (2006).
- 203 Downtown Pkg. Management Committee For the Downtown Parking Management Committee, the Council made the following selections: Wendy James and Charles Zidell.
- 203-1 Community Dev. Goals Committee For the Community Development Goals Committee, the Council made the following selections: Gay Maund (2006) and Garen Yagparian (2006).
- 902 Emissions Retrofit of Olive 1 and Olive 2 Mr. Fletcher, Burbank Water and Power Assistant General Manager/Power, began the presentation by requesting approval for proposed environmental measures, to authorize the General Manager to enter into a design/build agreement with Applied Utility Systems and to authorize the financing of the retrofit using municipal bonds. Mr. Fletcher discussed that in response to the Energy Crisis, generation throughout the region increased which resulted in increased Nox emissions, that the price of emission credits skyrocketed when electric generators were forced to purchase additional Nox credits, and that due to the limited supply of Nox credits many industries were forced to shut down and the high prices threatened the ability of other industries to operate. He continued by stating that, in an effort to stabilize the price of Nox credits in May, 2001, the South Coast Air Quality Management District (SCAQMD) separated electric generators from other industries and mandated the implementation of the best available retrofit control technologies for existing power plants.
- Mr. Fletcher noted that BWP had plans to reduce Nox emissions by 50 percent at a cost of \$2,500,000, but in May 2001 Best Available Retrofit Control Technology required Flue Gas Recirculation and Selective Catalytic Reduction to a Nox standard of nine parts per million, increasing the cost to

reduce Nox emissions to an estimated \$7 to \$9 million, which would have reduced emissions by 90 percent. He added that in October 2001, the SCAQMD raised the standard from nine ppm to five ppm, thereby increasing the cost of the retrofit from \$7-\$9 million to \$15 million. He explained that the SCAQMD's measures would require steam electric generators to be retrofitted by January 1, 2003 or retired; gas turbines are required to be retrofitted by January 1, 2004; and electric utility Nox credits were capped at pre-energy crisis levels. Mr. Fletcher explained that the Olive 1 and 2 Power Plants are vital components of Burbank's power supply, that retrofitting Olive 1 and 2 is less costly than constructing new facilities or making power purchases, that Magnolia 3, 4 and 5 and Olive 3 and 4 will be retired, so local generation after January 1, 2004 will consist of Olive 1 and 2 and Lake, with the Magnolia Power Plant coming on line the following year.

Mr. Fletcher noted that an economic analysis concluded it is more cost-effective to install the controls to the cleaner standard, as long as the retrofitted units are capable of operating ten years or more, and an evaluation of the units was undertaken by APTECH, which found the units to be in very good condition, absent minor maintenance issues. He discussed that the boiler tubes were noted to be an uncertainty because it is impossible to estimate their lifespan as the life is very dependent upon proper operating care but the study found the Olive 1 and 2 boiler tubes to be in very good condition.

Mr. Fletcher stated that Applied Utility Systems (AUS), the lowest responsible bidder, has been selected as the Design/Build contractor for the retrofits, summarized AUS' excellent history of successfully implementing emissions controls in power plants, and stated the contract will be for \$14,500,000. He noted additional expenses required for regulatory compliance, bringing the total cost to \$15,000,000, plus \$300,000 for maintenance.

Next, Mr. Fletcher discussed the CEQA Study which identified the issue of the use of ammonia, needed for the selective chemical reduction matrix to work, and stated that the ammonia will be mixed with water to make it non-hazardous and staff will continuously monitor the ammonia emissions to reduce the Nox emissions from the current 1.5 pounds per MWh to about .05 pounds per MWh, or about 95 percent, and concluded by stating that construction can be completed by summer 2003.

Mr. Corbi, Chief Financial Officer, addressed the financing summary as follows: the project financing for Olive 1 and 2 is

\$15.3 million, plus \$300,000 for parts for the LM6000 which brings the total project cost to \$15.6 million, financing costs total \$3.8 million, and the potential refunding of outstanding bonds (2001 issue) in the amount of \$10.6 million, if Council concludes that this is feasible. He summarized the financing schedule, which is similar to the aggressive schedule used for financing the 2001 bonds, and staff's recommendations. At the request of the Council, Mr. Corbi explained the justification for the potential refunding of the 2001 bond issue as a result of the delayed principal payment and generation of cash savings for the utility.

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

902 RESOLUTION NO. 26,245:
1503 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Adopt Mitigated APPROVING AND ADOPTING (1) A MITIGATED NEGATIVE
Neg. Dec. for DECLARATION FOR THE BURBANK WATER AND POWER
Olive 1 and 2 BOILER UNITS OLIVE 1 AND 2 MODIFICATIONS FOR NO_x
EMISSION REDUCTION, AND (2) A MITIGATION MONITORING
CHECKLIST.

902 RESOLUTION NO. 26,246:
1503 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
BWP Electric AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$30
Revenue Bonds, MILLION PRINCIPAL AMOUNT OF BURBANK WATER AND
Series 2002 POWER ELECTRIC REVENUE BONDS, SERIES OF 2002;
APPROVING AND AUTHORIZING THE IMPROVEMENTS TO BE
FINANCED THEREBY AND THE EXECUTION OF A CONTRACT
FOR SUCH IMPROVEMENTS; APPROVING THE ENGAGEMENT
OF PROFESSIONAL SERVICES IN CONNECTION THEREWITH;
APPROVING AND AUTHORIZING AND DIRECTING EXECUTION
OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST
RELATING THERETO; APPROVING THE FORM AND
AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL
STATEMENT FOR USE IN CONNECTION WITH THE SALE OF
SUCH BONDS; APPROVING THE FORMS OF AND
AUTHORIZING CERTAIN DOCUMENTS IN CONNECTION WITH
THE ISSUANCE, SECURING AND SALE OF SUCH BONDS;
AND AUTHORIZING CERTAIN OTHER ACTIONS RELATING
THERETO.

Adopted The resolution was adopted by the following vote:

Ayes: Council Members Golonski, Murphy, Ramos, Vander
Borgh and Laurell.
Noes: Council Members None.
Absent: Council Members None.

5/28/02

10:52 P.M.
Reconvene
Redev. Agency
Meeting

The Redevelopment Agency meeting was reconvened at this time.

Third Period of
Oral
Communication

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

Citizen
Comment

Appearing to comment were Eden Rosen, thanking Mr. Vander Borcht for supporting her application to the Civic Pride Committee, on difficulty in new people being appointed to Boards and Commissions, and stating that the Los Angeles County Vector Control will remove bees as long as the hive is not in or on a structure; and Mike Nolan, on his disagreement with the City spending \$10 million for the SR-134 ramp improvement project, on potential financial assistance to the School District for their \$3 million deficit, on the lack of school personnel to maintain the water quality of the pool at Burroughs High School, and on the need for joint use of school facilities for the City's after school program.

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 11:02 p.m. to Wednesday, May 29, 2002 at 5:00 p.m. in the Police/Fire Executive Conference Room for 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. L2001-110412
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

Margarita Campos, City Clerk

APPROVED JULY 16, 2002

Mayor of the Council
of the City of Burbank