

TUESDAY, JUNE 10, 2003

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 5:31 p.m. by Ms. Murphy, Mayor.

CLOSED SESSION

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

Absent - - - - Council Member Campbell.

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

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

5:31 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)
Name of Case: Rubin v. City of Burbank.
Case No.: LASC No. BC 221942
Brief description and nature of case: City Council meeting invocation.
- b. Conference with Labor Negotiator:
Pursuant to Govt. Code §54957.6
Name of the Agency Negotiator: Management Services Director/John Nicoll.
Name of Organization Representing Employee: Burbank Firefighters and Burbank Firefighter Chief Officers Unit.

Regular Meeting Reconvened in Council Chambers The regular meeting of the Council of the City of Burbank was reconvened at 6:34 p.m. by Ms. Murphy, Mayor.

Invocation The invocation was given by Chaplain Sally Kinarthy, Providence Saint Joseph Medical Center.

Flag Salute The pledge of allegiance to the flag was led by Dennis Barlow, City Attorney.

ROLL CALL

Present- - - - Council Members Campbell, Golonski, Ramos, Vander Borgh

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and Murphy.
Absent - - - - Council Members None.
Also Present - Ms. Alvord, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.

301-1
Flag Day
Mayor Murphy invited Sam Engel, Sr., representing the Burbank Noon Kiwanis Club, to receive a proclamation in honor of Flag Day. Mr. Engel invited the community to participate in the annual Pause for the Pledge ceremony and displayed the posters of the first prize winners of the poster contest commemorating Flag Day in the elementary, middle and high school categories.

301-1
Future Problem Solving Youth Competition Champions
Mayor Murphy invited Barbara Weiss, Team Coach of the Luther Burbank Middle School (Luther Burbank) Future Problem Solving Team, to the podium to give brief background information on the State finals of the Future Problem Solving Competition. She stated Luther Burbank had five teams invited to the State finals of which one finished in second place and was requested to represent California at the International Conference in Connecticut. She informed the Council Future Problem Solving was an academic competition involving studying five different topics each year and identifying ways of solving problems related to those topics. She noted the team finished in the top half of all teams in the junior division, while Eric Parker finished second in the Alternate Competition. She introduced co-coach, Annie Souter, and team members Chanel Chun, Kelly Bonner, Ari Alfaro, Stephanie Cortes and Eric Parker, an alternate. Mayor Murphy presented Certificates of Recognition to the team members.

Reporting on Council Liaison Committees
Mr. Vander Borght reported on the Public Information Office Subcommittee meeting which he attended with Mr. Golonski and stated minutes of the meeting would be emailed to each Council Member.

6:48 P.M.
Jt. Hearing with Redev., Housing, Parking and YES
801-2
804-2
804-5
Proposed FY 2003-04 Budget
Mayor Murphy stated that "this is the time and place for the hearing on the proposed budget for the Fiscal Year 2003-04 for the City, Redevelopment Agency, Housing Authority, Parking Authority, and Youth Endowment Services Fund budgets."

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. Hanway, Financial Services Director, presented the proposed Fiscal Year (FY) 2003-04 Budget for the City, Redevelopment Agency, Housing Authority, Parking Authority, and Youth Endowment Services Fund; the Fee Resolution; and Appropriations Limit. He noted staff proposed a combination of expenditure reductions and fee increases to address the deficit facing the City. He informed the Council the Fee Resolution also included a recommendation to increase the Transient Parking Tax from 10 percent to 12 percent of gross receipts.

He stated the total proposed budget was \$431,375,943 with the General Fund comprising a quarter of the budget. Regarding appropriations, he stated all fund appropriations totaled \$411,066,749 with General Fund appropriations totaling a little over a quarter of the total appropriations amount. He highlighted the major components in the budget and stated total General Fund revenues were \$113,428,850, .9 percent higher than last fiscal year, and that Property Tax, Sales Tax and Utility Users Tax (UUT) revenues constituted more than half of the General Fund revenues. He noted the projections for a 2.2 percent growth rate in Sales Tax revenues; a 5.5 percent growth rate in Property Tax revenues; and reported a 2.7 percent decrease in UUT revenues with projections still remaining low.

On the appropriations side, Mr. Hanway stated General Fund appropriations totaled \$109,161,685, 1.5 percent less than last fiscal year's budget, with the Police and Fire Departments representing almost half of the General Fund's appropriations. He added departments were requested to provide scenarios of expenditure reductions and revenue enhancements and that almost all departments met the required 10 percent reduction, while a few exceeded the required reductions. He also noted Public Employee Retirement System (PERS) costs were anticipated to increase by \$2.48 million over the next fiscal years, coupled with Memorandum of Understanding (MOU) costs which are projected to increase by \$3.2 million. He added other significant increases comprised of Internal Service Funds, specifically the General Liability and Workers Compensation Funds by almost \$1.35 million; increase in the Communications Replacement Fund in the amount of \$314,000 that was previously approved for incorporation into the recurring budget in FY 2003-04; and increase in the Computer Equipment Replacement Fund in the amount of

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\$103,000 to accommodate the purchase of new computers at the Buena Vista Library.

In addition, he reported departments were informed that no new position requests would be granted unless they were revenue off-set, with the exception of positions added at mid-year; positions that were frozen last fiscal year would continue to be frozen; there was no allowable increase in Material, Supplies and Services accounts (MS&S) unless non-discretionary; and that no new capital outlay requests would be granted.

He recounted at the May 22, 2003 Budget Study Session, staff projected to use \$1,206,186 from the Burbank Water and Power (BWP) Set-Aside Fund and that pursuant to Council direction regarding the wish-list, the anticipated revenue amount from fee increases in the Aquatic Program has been decreased; savings were realized from Fund 532 resulting from lower replacement costs for the aerial truck; two positions proposed for lay-offs without Supplemental Employee Retirement Plan (SERP) offers have been extended for six months; the City Clerk's training budget was restored; Planning Board meals were restored; half of the Positive Alternative for Youth (PAY) grants appropriations was added for the phase-out approach, culminating in a total deficit of \$1,186,925 to be off set by the BWP Set-Aside Fund, of which \$92,047 is a non-recurring and \$1,094,878 is a recurring appropriation.

Mr. Hanway informed the Council the proposed budget did not assume any loss of revenues related to the State budget process and noted the Governor's May Revision to the State budget proposed cuts in redevelopment funding estimated to cost the City's Redevelopment Agency \$2.8 million; the proposed budget included \$92,575 in Public Library Funds versus the State's \$2,800 allocation; the City budget included booking fees in the amount of \$12,772 but the line item was eliminated by the May Revision; and that State mandate payments continued to be suspended while some were being repealed to reduce the amount loaned by the City to the State.

He highlighted a few significant components of the Fee Schedule which included: increase in Transient Parking Tax from 10 to 12 percent; the second of a five-year water rate increase plan of 4.8 percent per year; an 8.5 percent increase in sewer rate fees; elimination of a \$.43 monthly street sweeping fee; increase in film permit fees from \$200 to \$300 and incorporating the new street and sidewalk use fee of \$200; increase in animal adoption fee from \$15 to \$25 for altered dogs and \$45 to \$60 for dogs altered through the

Animal Shelter; increase in the safety personnel rates based on current MOUs; various License and Code Services fees were removed from the Burbank Municipal code and added to the Fee Resolution with minimal increases; increase in monthly parking permit fees from \$20 to \$24 as part of a three-year ramp up of \$4 per year; and, increase in group picnic fees at Robert Gross Park from \$250 to \$350.

Regarding the Appropriations Limit, Mr. Hanway stated for legal compliance, the City was required by State law to establish an appropriation limit each fiscal year. He stated for FY 2003-04 the limit was \$116,604,407 and the appropriation subject to that limit was 86,174,216 to provide a significant gap of \$30,433,191.

Citizen
Comment

Appearing to comment were Bud Alleman, President of the Burbank Chamber of Commerce, in opposition to the increase in the Transient Parking Tax (TPT) from 10 percent to 12 percent, noting the voter approval was passed by a small margin, businesses are already inundated with costs and this increase would impact both businesses utilizing the parking as well as the parking businesses themselves, requesting the Council remain business-friendly, as by reducing taxes you stimulate economic growth; Doug Carter, owner/operator of VSP Parking, in opposition to increasing the TPT due to the current parking fee price wars at the Burbank Airport, stating his business was already hard hit by decreasing revenues and such a tax would have to be absorbed by the business owners; Stan Hyman, citing Assembly Bill (AB) 1690 and stating this bill allows the City to form a public safety finance agency with the power to impose an income tax on residents, expressing concern that the Council may be in support of this bill, requesting the Council formally oppose the bill and contact Senator Jack Scott to express their opposition; David Piroli, expressing concern with increased spending and tax increases, as this decreases the public's spending power, noting redevelopment projects cost the City money, and urging the Council to not support AB 1690 and to reduce spending; Molly Hyman, commenting on a loan made by the City to the Redevelopment Agency; and Mark Barton, inquiring how the Council can cut spending.

Hearing
Closed

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

Transient
Parking Tax

Mr. Golonski stated in view of the fact that demand for parking remained constant, he was supportive of raising the Transient Parking Tax (TPT) to 12 percent, and added even

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with the increased TPT, customers would continue to pay less for parking compared to what they paid prior to the price wars at the Airport, and noted that the tax would be applied equally among the competing businesses.

Mr. Vander Borcht acknowledged the impossibility of achieving a fair balance on the budget but voiced his concern regarding the impetus for the TPT increase. He expressed his objection to the increase since the impact would fall heavily on small business owners.

Ms. Murphy stated she was not supportive of the tax increase and noted the price wars and the current unfavorable economic condition that would heavily impact small business owners, especially around the Airport.

Mrs. Ramos pledged her commitment to assist in resolving the Zelman/Airport parking issue and stated she was not supportive of increasing the TPT at this time, but would consider reviewing the issue in a year, recognizing future budget challenges.

Mr. Campbell stated he was supportive of deferring the decision on increasing the TPT to a future date.

Mr. Golonski requested the matter be brought back at the mid-year budget review and recognized the need to address the additional \$300,000 shortfall in the budget. Mr. Hanway recommended using the Burbank Water and Power (BWP) Set-Aside Fund to offset the deficit.

The Council directed staff to use the BWP Set-Aside Fund and bring the matter back for discussion at the budget mid-year review.

Reporting on
Closed Session

Mr. Barlow reported on the items considered by the City Council during the Closed Session meetings.

First Period of
Oral
Communications

Ms. Murphy called for speakers for the first period of oral communications at this time.

Citizen
Comment

Appearing to comment were Jim Goss, inviting the community to attend the combined baccalaureate service of Burbank and Burroughs High Schools; Rolf Darbo, stating the Platt Project was voted down by both the Council and the Planning Board

and yet the developer continues to lobby the Council about a future project; Mark Barton, commenting on the City's sign regulations; Esther Espinoza, stating the City is doing business with unlicensed contractors; Stan Hyman, commenting that Mrs. Ramos recused herself unnecessarily from the Platt Project discussion because her residence lays within a specific radius; and Molly Hyman, inquiring why the City's lobbyist has not informed the Council regarding Assembly Bill 1690;

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

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

Citizen Comment Appearing to comment were Mark Barton, inquiring how the Council can cut expenses without cutting services to the residents; Esther Espinoza, in opposition to funding the Ota Student Exchange Program because it is not reflective of the minority student population, inquiring as to the purpose of the item regarding decorum at public meetings; Eden Rosen, commenting on decorum at public meetings and suggesting the Council validate the opinions of speakers in an effort to diffuse their anger or violence, in opposition to funding the Ota Student Exchange Program due to the state of the economy; David Piroli, disagreeing with the purpose of the agenda item regarding decorum at public meetings because anger is a subjective word, stating the criteria for removing someone from a public meeting should not be arbitrary, stating the issue of the crosswalk at the Airport is the subject of a Court action and that a Judge has ruled against an injunction to keep pedestrians from crossing at that location, noting police duties can easily be offered to other law enforcement agencies; Howard Rothenbach, stating withdrawal of Burbank Police Officers from the Airport would only hurt our own officers, stating in the years he has attended Council meetings he has never seen a speaker get violent and indicating there was no need to revise the rules pertaining to decorum at Council meetings; and Mike Nolan, stating he has attended Council meetings for 43 years and has never seen a member of the public jeopardize the safety of a public official, stating the agenda item regarding decorum at public meetings is unnecessary, expressing appreciation to the Council for not increasing aquatic fees for Burbank children, and objecting to the City's contribution towards the printing of the Burbank Chamber of Commerce's Business Guide.

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Staff Response	Members of the Council and staff responded to questions raised.
8:25 P.M. Recess	The Council recessed to permit the Parking Authority and Youth Endowment Services Fund Board to hold their meetings. The Council reconvened at 8:26 p.m. with all members present.
Motion	It was moved by Mrs. Ramos and seconded by Mr. Campbell that "the following items on the consent calendar be approved as recommended."
Minutes Approved	The minutes for the regular meetings of March 25, April 1 and April 8, 2003 were approved as submitted.
102-1 404 Thomas Bros. Map License Renewal	<u>RESOLUTION NO. 26,498:</u> A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE DATABASE LICENSE AGREEMENT BETWEEN THE CITY OF BURBANK AND THOMAS BROS. MAPS.
1007-1 Revise Spec. of Senior Civil Eng/ BWP	<u>RESOLUTION NO. 26,499:</u> A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK REVISING THE SPECIFICATION OF SENIOR CIVIL ENGINEER/ BWP (CTC NO. 0768).
Adopted	The consent calendar was adopted by the following vote: Ayes: Council Members Campbell, Golonski, Ramos, Vander Borcht and Murphy. Noes: Council Members None. Absent: Council Members None.
305-4 412 Close-Up Funding for Sister City Program	Mrs. Cohen, Library Services Director, referred to Council Member Ramos' previous request to provide \$10,000 to the Sister City Committee to be used for the Student Exchange Program and stated the Council directed staff to provide options of how the funds would be spent. She added after much discussion, the Sister City Committee made the following recommendations: scholarships for needy students who otherwise might not be able to participate in the exchange would be established; the funds would be available to provide scholarships for the 2005 and 2007 student exchange trips and beyond as funding allowed; no more than

three scholarships would be offered per year to prevent difficulties in meeting the hosting commitments for subsequent years; the funds would be designated for airfare; and a scholarship application would be developed to determine financial need for the students. She added prospective students would still need to apply for the program, with the option of applying for the scholarship and the Committee would continue to use normal resources for advertising the scholarships' availability though the schools, Library, Burbank Television (Channel 6), the Outreach Center, etc., as well as investigate other effective outreach methods.

Motion Following Council deliberation, it was moved by Mrs. Ramos and seconded by Mr. Campbell that "the Council approve \$10,000 from the remaining Close-Up Program Funds to the Sister City Committee to establish scholarships to assist qualified Burbank students with demonstrated financial need to pay airfare for the Burbank Sister City Student Exchange with Ota, Japan."

Carried The motion carried by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

406 Mr. Barlow, City Attorney, reported this item was placed on
Use of Burbank the agenda at Council Member Golonski's request to discuss
Police Officers the use of Burbank Police Officers at the Burbank-Glendale-
at Pasadena Airport. He stated following the events of
BGPA September 11, 2001, the Airport was mandated to upgrade its
police force which was initially accomplished by adding police
officers from other agencies, including Burbank, and that
reliance on these additional officers has been gradually
reduced as the Airport increased the numbers and expertise of
its own force.

He added the Airport was also involved in a dispute with the owner of a neighboring parking lot, prompting the removal of the previously-marked crosswalk and installation of a "no crossing" sign at the corner of the private parking lot to stop pedestrians from crossing the perimeter road. He further reported citations have been issued to pedestrians who continue to cross at that location and clarified there was no information suggesting Burbank Police Officers were performing this function. He informed the Council, following

court action, the issuance of citations at that location has been suspended.

Ms. Murphy inquired as to the Airport's future plans regarding this crosswalk and Dios Marrero, Airport Executive Director, testified as to the Authority's reasons for concern with pedestrians crossing at this location posing safety and liability concerns, but noted the issue was being considered by the Authority in closed session and he was not able to provide more details.

The Council noted and filed the report.

1503
1504
BWP Financial
Reserves Policy

Mr. Corbi, Chief Financial Officer, Burbank Water and Power (BWP) presented BWP's proposed Financial Reserve Policy. He noted in previous years, the Water Fund was in a negative cash position with the Electric Fund in no better position. He noted following deregulation, the utility faced higher costs and increased volatility in the energy markets and reported risk mitigation measures had now been put in place including a Risk Management Policy; a diversified Energy Resource Portfolio; and the ability to adjust rates.

Alex Burnett, Managing Director of Public Financial Management (PFM) gave a PowerPoint presentation on the objectives of the policy, the methodology and basis for recommendation. He noted the Financial Reserve Policy was based on three tenets; national practices for comparable utilities; industry benchmarks from the financial and credit markets including the rating agencies; and, most importantly, very specific risk methodology to BWP, with the objective to mitigate risk while promoting long-term fiscal and rate stability and balancing competing pressures to decrease rates while funding reserves. He added the Reserves Policy did not require any electric rate changes and recommended the creation of four reserves: General Operating Reserve; Debt Reduction and Capital Funding Reserve to fund capital projects and/or debt prepayments; Fleet Replacement Reserve to provide funds to cover future acquisition for the Electric Division and for shared vehicles between the Electric and Water Divisions; and General Plant Reserve to cover the renewal and replacement of existing plant infrastructure, with a methodology of providing a minimum and recommended level for each reserve. He added the policy was developed consistent to the credit rating agencies, and that risk mitigating tools were also considered. He explained the components of each recommended reserve, and described the minimum and recommended operating reserve levels.

Regarding the Water Division, Mr. Burnett stated a similar approach was taken with recommendation for two reserves: General Operating Reserve, and a Capital Reserve to provide capital funding and flexibility to implement capital projects on an emergency basis or as opportunity arose, including the fleet replacement costs. He explained the different reserves and concluded with staff's recommendation for the Council to adopt the Financial Reserves Policy.

Motion It was moved by Mr. Golonski and seconded by Mr. Vander Borcht that "the Council adopt BWP's Financial Reserves Policy for recommended reserve levels and funding strategies as discussed in the staff report."

Carried The motion carried by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

201-1
Decorum at
City Council,
Boards,
Commissions,
and Committee
Meetings

Mr. Barlow, City Attorney, stated the Ralph M. Brown Act acknowledges the right and necessity of occasionally removing persons from Council meetings for disturbance. He added although rarely used, the Council has adopted such rules to assure the ability to conduct the business of the people of the City. He informed the Council staff has reviewed these rules from time to time and noted a gap in the regulations that allows for the individual to be removed from the meeting but not barred from staying on the property posing possible safety concerns. He stated staff recommended an amendment which would require the individual to not only leave the building, but the property on which the meeting is held, including adjacent parking lots, and not return for three hours after the meeting was adjourned.

Ordinance
Introduced

Following Council discussion it was moved by Mr. Golonski and seconded by Mrs. Ramos that "the following ordinance be introduced and read for the first time by title only and be passed to the second reading." The ordinance was introduced and the title read:

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Decorum at

AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK AMENDING ARTICLE 2, CHAPTER 2, SECTIONS 2-216 AND 2-

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City Council,
Boards,
Commissions,
and Committee
Meetings

217 OF THE BURBANK MUNICIPAL CODE RELATING TO DECORUM AND ENFORCEMENT OF DECORUM AT MEETINGS OF THE CITY COUNCIL, BOARDS, COMMISSIONS AND COMMITTEES.

Carried

The motion carried by the following vote:

Ayes: Council Members Campbell, Golonski, Ramos, Vander Borgh and Murphy.

Noes: Council Members None.

Absent: Council Members None.

9:30 P.M.
Reconvene
Redev.,
Housing,
Parking, and
YES
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

Ms. Murphy called for speakers for the third period of oral communications at this time.

Citizen
Comment

Appearing to comment were Eden Rosen, expressing concerns with traffic at Clark Avenue and Victory Boulevard, suggesting communication between Boards/Committees and members of the public be improved to avoid confrontations; Mike Nolan, citing an instance where he was removed from a Council meeting, commenting on remodeling of a business located in close proximity to senior housing during late hours, and in opposition to a recent Council decision to close a traffic lane on Magnolia Boulevard; and Howard Rothenbach, expressing concern with the installation of restrictive left-turn signals which keep drivers from making a left turn when there is no oncoming traffic.

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 9:44 p.m.

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Margarita Campos, City Clerk

APPROVED JULY 29, 2003

Mayor of the Council
of the City of Burbank