



COUNCIL AGENDA - CITY OF BURBANK  
TUESDAY, DECEMBER 16, 2003  
4:30 P.M.

**CITY COUNCIL CHAMBER – 275 EAST OLIVE AVENUE**

This agenda contains a summary of each item of business which the Council may discuss or act on at this meeting. The complete staff report and all other written documentation relating to each item on this agenda are on file in the office of the City Clerk and the reference desks at the three libraries and are available for public inspection and review. If you have any question about any matter on the agenda, please call the office of the City Clerk at (818) 238-5851. This facility is disabled accessible. Auxiliary aids and services are available for individuals with speech, vision or hearing impairments (48 hour notice is required). Please contact the ADA Coordinator at (818) 238-5021 voice or (818) 238-5035 TDD with questions or concerns.

CLOSED SESSION ORAL COMMUNICATIONS IN COUNCIL CHAMBER:

Comments by the public on Closed Session items only. These comments will be limited to **three** minutes.

For this segment, a **PINK** card must be completed and presented to the City Clerk.

CLOSED SESSION IN CITY HALL BASEMENT LUNCH ROOM/CONFERENCE ROOM:

- a. Conference with Legal Counsel – Existing Litigation:  
Pursuant to Govt. Code §54956.9(a)  
**Name of Case:** Deborah McMurray, et al. v. City of Burbank  
**Case No.:** BC247304  
**Brief description and nature of case:** Alleged employment discrimination.
- b. Conference with Legal Counsel – Anticipated Litigation (City as possible plaintiff):  
Pursuant to Govt. Code §54956.9(c)  
**Number of potential case(s):** 2
- c. Conference with Legal Counsel – Anticipated Litigation (City as potential defendant):  
Pursuant to Govt. Code §54956.9(b)(1)  
**Number of potential case(s):** 2
- d. Conference with Labor Negotiator:  
Pursuant to Govt. Code §54957.6  
**Name of the Agency Negotiator:** Management Services Director/Judie Sarquiz.  
**Name of Organization Representing Employee:** Represented: Burbank Management Association, Burbank City Employees Association and the Burbank Firefighters Association.  
**Summary of Labor Issues to be Negotiated:** Current Contracts and Retirement Issues.

- e. Public Employee Performance Evaluation:  
Pursuant to Govt. Code §54957 and 54957.6  
**Title of Employee's Position:** City Attorney.

When the Council reconvenes in open session, the Council may make any required disclosures regarding actions taken in Closed Session or adopt any appropriate resolutions concerning these matters.

**6:30 P.M.**

INVOCATION: Chaplain Jon Arnold, Providence Saint Joseph Medical Center. The Courts have concluded that sectarian prayer as part of City Council meetings is not permitted under the Constitution.

FLAG SALUTE:

ROLL CALL:

ANNOUNCEMENT: WEDNESDAY NIGHT PRIME TIME PROGRAMS.

ANNOUNCEMENT: DARK COUNCIL MEETINGS ON DECEMBER 23 AND DECEMBER 30, 2003.

PRESENTATION: CIVIC PRIDE COMMITTEE'S HOLIDAY DECORATING CONTEST WINNERS.

PRESENTATION: STATE FARM INSURANCE COMPANY DONATION TO THE FIRE DEPARTMENT.

PROCLAMATION: CENTENNIAL OF FLIGHT.

COUNCIL COMMENTS: (Including reporting on Council Committee Assignments)

INTRODUCTION OF ADDITIONAL AGENDA ITEMS:

At this time additional items to be considered at this meeting may be introduced. As a general rule, the Council may not take action on any item which does not appear on this agenda. However, the Council may act if an emergency situation exists or if the Council finds that a need to take action arose subsequent to the posting of the agenda. Govt. Code §54954.2(b).

REPORTING ON CLOSED SESSION:

## AIRPORT AUTHORITY MEETING REPORT:

### 1. AIRPORT AUTHORITY COMMISSIONER REPORT:

At the request of the Burbank representatives to the Airport Authority, an oral report will be made to the City Council following each meeting of the Authority.

The main focus of this report will be issues which were on the Airport Authority meeting agenda of December 15, 2003. Other Airport related issues may also be discussed during this presentation.

#### Recommendation:

Receive report.

### INITIAL OPEN PUBLIC COMMENT PERIOD OF ORAL COMMUNICATIONS: (Two minutes on any matter concerning City Business.)

There are four segments of Oral Communications during the Council Meeting. The first precedes the Closed Session items, the second and third segments precede the main part of the City Council's business (but follow announcements and public hearings), and the fourth is at the end of the meeting following all other City business.

**Closed Session Oral Communications.** During this period of oral communications, the public may comment only on items listed on the Closed Session Agenda(s). A **PINK** card must be completed and presented to the City Clerk. Comments will be limited to **three** minutes.

**Initial Open Public Comment Period of Oral Communications.** During this period of Oral Communications, the public may comment on any matter concerning City Business. A **BLUE** card must be completed and presented to the City Clerk. NOTE: Any person speaking during this segment may not speak during the third period of Oral Communications. Comments will be limited to **two** minutes.

**Agenda Item Oral Communications.** This segment of Oral Communications immediately follows the first period, but is limited to comments on agenda items for this meeting. For this segment, a **YELLOW** card must be completed and presented to the City Clerk. Comments will be limited to **four** minutes.

**Final Open Public Comment Period of Oral Communications.** This segment of oral communications follows the conclusion of agenda items at the end of the meeting. The public may comment at this time on any matter concerning City Business. NOTE: Any member of the public speaking at the Initial Open Public Comment Period of Oral Communications may not speak during this segment. For this segment, a **GREEN** card must be completed and presented to the City Clerk. Comments will be limited to **two** minutes.

**City Business.** City business is defined as any matter that is under the jurisdiction of the City Council. Although other topics may be of interest to some people, if those topics are not under City Council jurisdiction, they are not City business and may not be discussed during Oral Communications.

**Videotapes/Audiotapes.** Videotapes or audiotapes may be presented by any member of the public at any period of Oral Communications or at any public hearing. Such tapes may not exceed the time limit of the applicable Oral Communications period or any public comment period during a public hearing. The playing time for the tape shall be counted as part of the allowed speaking time of that member of the public during that period.

Videotapes must be delivered to the Public Information Office by no later than 10:00 a.m. on the morning of the Council meeting in a format compatible with the City's video equipment. Neither videotapes nor audiotapes will be reviewed for content or edited by the City prior to the meeting, but it is suggested that the tapes not include material that is slanderous, pornographic, demeaning to any person or group of people, an invasion of privacy of any person, or inclusive of material covered by copyright.

Printed on the videocassette cover should be the name of the speaker, the period of oral communication the tape is to be played, and the total running time of the segment. The Public Information Office is not responsible for "cueing up" tapes, rewinding tapes, or fast forwarding tapes. To prevent errors, there should be ten seconds of blank tape at the beginning and end of the segment to be played. Additionally, the speaker should provide the first sentence on the tape as the "in cue" and the last sentence as the "out cue".

As with all Oral Communications, videotapes and audiotapes are limited to the subject matter jurisdiction of the City and may be declared out of order by the Mayor.

**Disruptive Conduct.** The Council requests that you observe the order and decorum of our Council Chamber by turning off or setting to vibrate all cellular telephones and pagers, and that you refrain from making personal, impertinent, or slanderous remarks. Boisterous and disruptive behavior while the Council is in session, and the display of signs in a manner which violates the rights of others or prevents others from watching or fully participating in the Council meeting, is a violation of our Municipal Code and any person who engages in such conduct can be ordered to leave the Council Chamber by the Mayor.

Once an individual is requested to leave the Council Chamber by the Mayor, that individual may not return to the Council Chamber for the remainder of the meeting. BMC §2-216(b).

Individuals standing in the Council Chamber will be required to take a seat. Also, no materials shall be placed in the aisles in order to keep the aisles open and passable. BMC §2-217(b).

Your participation in City Council meetings is welcome and your courtesy will be appreciated.

COUNCIL AND STAFF RESPONSE TO INITIAL OPEN PUBLIC COMMENT PERIOD OF ORAL COMMUNICATIONS:

**AGENDA ITEM ORAL COMMUNICATIONS:** (Four minutes on Agenda items only.)

COUNCIL AND STAFF RESPONSE TO AGENDA ITEM ORAL COMMUNICATIONS:

JOINT MEETING WITH THE REDEVELOPMENT AGENCY:

2. ORDINANCE TO EXTEND PLAN LIMITS OF THE GOLDEN STATE, CITY CENTRE, WEST OLIVE AND SOUTH SAN FERNANDO REDEVELOPMENT PROJECT AREAS AS AUTHORIZED BY SENATE BILL 1045 AND THE AFFIRMATION OF EXISTING INDEBTEDNESS AND A PROPOSED PUBLIC IMPROVEMENT DEBT OBLIGATION:

The purpose of this report is to receive authorization from the Redevelopment Agency (Agency) Board to extend the Plan Effectiveness Date and the Debt Repayment and Receipt of Tax Increment Date for the Golden State, City Centre, South San Fernando and West Olive Redevelopment Project Areas as authorized under Senate Bill (SB) 1045; affirm existing indebtedness for the Golden State, City Centre, and West Olive Project Areas; and, approve a new Public Improvement Debt Obligation.

Existing law required a redevelopment agency to make an Educational Revenue Augmentation Fund (ERAF) payment to the County Auditor during Fiscal Year (FY) 2002-03. This allocation was determined in accordance with the State mandate. SB 1045 requires all redevelopment agencies in the State to make similar ERAF allocations in FY 2003-04 based on a statewide aggregate allocation of \$135 million. Individual agency payments are determined as a proportion of that agency's share of the total tax increment collected statewide as in ERAF shifts of previous years. Each agency's payment is calculated based on 50 percent from gross tax increment received and 50 percent from net tax increment received after pass-throughs to other taxing entities. Each agency must allocate the specified amount to the County Auditor for deposit into the ERAF on or before May 10, 2004.

The Bill looks at the ERAF payment as an obligation of the agency. Therefore, if an agency has more than one Redevelopment Plan, thereby more than one fund, the Bill does not require each fund to pay its proportionate share of the agency payment. Finally, ERAF payments made in FYs 2002-03 and 2003-04 can be subtracted from revenues that count against a redevelopment plan's tax increment ceiling. For the Agency, this would only apply to the West Olive Redevelopment Project Area that has a tax increment cap of \$60 million.

Based on the formula described above, the Agency's payment is calculated to be \$1,343,094. SB 1045 authorizes an agency having to make an ERAF payment to amend its Redevelopment Plan(s) to extend the time limit on the effectiveness of the

plan by one year. The Bill further authorizes an agency having to make an ERAF payment to amend its Redevelopment Plan(s) to extend the time limit on use of tax increment to repay indebtedness by one year.

SB 1045 requires the Agency to make an ERAF payment for the FY 2003-04. However, the Bill authorizes the City to extend its Redevelopment Plan limits to help minimize the impact of the ERAF payment on the Agency's ability to execute projects and repay debt, by allowing agencies to extend the Plan Effectiveness Date, and the date to use tax increment to repay debt. SB 1045 makes no mention of timeframes for passing the appropriate ordinance to make these amendments, however, the California Redevelopment Association recommends that agencies complete these amendments as soon as possible. By extending the Plan Effectiveness Date and the date for Debt Repayment and Receipt of Tax Increment by one year for the Golden State, City Centre, West Olive and South San Fernando Redevelopment Project Areas, the Agency will have another year to complete projects, receive tax increment and repay debt. The Agency will receive an estimated \$47,840,630 in net tax increment during the one-year period. The estimated present value equivalent of this amount is \$13,590,277.

Each year the Agency files a Statement of Indebtedness with the State outlining all the Agency debt obligations. Recently, staff has undertaken a review of the various debt obligations, to ensure that the Agency maintains sufficient debt obligations in order to obtain all of the tax increment over the course of the term of each project area. This is particularly important for the Golden State and City Centre Redevelopment Project Areas, which currently cannot incur additional debt beyond 2003. It was noted that a number of the documents had minor deficiencies such as not having a stated termination date, and in the case of the Youth Endowment Services Fund, the debt obligation was in the form of a resolution rather than a promissory note. Also, an additional debt obligation is recommended to fund public infrastructure projects, if and when tax increment funds become available beyond the debt obligations already identified.

Recommendation:

Introduction of proposed City Council ordinances entitled:  
(Motion and voice vote only)

1. AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK EXTENDING THE TIME LIMITS ON THE LIFE OF THE SOUTH SAN FERNANDO REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN AND THE TIME LIMITS TO COLLECT TAX INCREMENT FROM THE SOUTH SAN FERNANDO REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN FOR THE PAYMENT OF INDEBTEDNESS.
2. AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK EXTENDING THE TIME LIMITS ON THE LIFE OF THE CITY CENTRE REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN AND THE TIME LIMITS TO COLLECT TAX INCREMENT FROM THE CITY CENTRE REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN FOR THE PAYMENT OF INDEBTEDNESS.

3. AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK EXTENDING THE TIME LIMITS ON THE LIFE OF THE GOLDEN STATE REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN AND THE TIME LIMITS TO COLLECT TAX INCREMENT FROM THE GOLDEN STATE REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN FOR THE PAYMENT OF INDEBTEDNESS.
4. AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK EXTENDING THE TIME LIMITS ON THE LIFE OF THE WEST OLIVE REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN AND THE TIME LIMITS TO COLLECT TAX INCREMENT FROM THE WEST OLIVE REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN FOR THE PAYMENT OF INDEBTEDNESS.

Adoption of proposed City Council resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AFFIRMING EXISTING REDEVELOPMENT AGENCY DEBT AND AMENDING AND ESTABLISHING CERTAIN OTHER REDEVELOPMENT AGENCY DEBT TO THE CITY.

Adoption of proposed Redevelopment Agency resolution entitled:

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AFFIRMING EXISTING AGENCY DEBT AND AMENDING AND ESTABLISHING CERTAIN OTHER AGENCY DEBT TO THE CITY OF BURBANK.

RECESS for the Redevelopment Agency, Housing Authority, Parking Authority and Youth Endowment Services Fund Board meetings.

RECONVENE for the City Council meeting.

CONSENT CALENDAR: (Items 3 through 9)

The following items may be enacted by one motion. There will be no separate discussion on these items unless a Council Member so requests, in which event the item will be removed from the consent calendar and considered in its normal sequence on the agenda. A **roll call** vote is required for the consent calendar.

3. DESTRUCTION OF RECORDS IN THE CUSTODY OF THE CITY CLERK AND/OR THE DEPARTMENT MANAGERS:

Staff is requesting Council authorization for the destruction of specific records. These records are either located in the Records Center in the custody of the City Clerk or located in the various Department offices in the custody of the Department Manager. In compliance with the Departmental Records Retention Schedules, these records are over two years old and are no longer needed. California Government Code Section 34090 provides for the annual destruction of municipal records that are no longer

needed, if: they are at least two years old; the City Attorney consents to their destruction; and, the Council approves.

The City Clerk, the Department Managers, and the City Attorney have reviewed this listing and consented to the destruction in accordance with California Government Code Section 34090.

Recommendation:

Adoption of proposed resolutions entitled:

1. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING DESTRUCTION OF CERTAIN RECORDS IN THE CUSTODY OF RECORDS CENTER DEPARTMENT.
2. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING DESTRUCTION OF CERTAIN RECORDS IN THE CUSTODY OF VARIOUS DEPARTMENTS.

4. ANNUAL REPORT OF FINANCIAL TRANSACTIONS OF THE REDEVELOPMENT AGENCY FOR FISCAL YEAR 2002-03:

The purpose of this report is to present to the Council the Annual Report of Financial Transactions of the Burbank Redevelopment Agency (Annual Report) and to request authorization to submit the Annual Report to the State Controller.

As required by California Redevelopment Law (Health and Safety Code Section 33080), a redevelopment agency must annually prepare for its legislative body's approval an Annual Plan and then submit a copy to the State Controllers Office within six months of the end of the agency's fiscal year. The Annual Report contains the following essential elements:

- a Fiscal Statement of the Previous Year's Achievements which includes information about the amount of tax increment generated by each project area, the amount of indebtedness and other fiscal information;
- an Independent Financial Audit Report along with the Comprehensive Annual Financial Report that includes the auditor's opinion of the Redevelopment Agency's (Agency) operation, conformance with laws and administrative standards of the Agency, as well as the Agency's financial position; and,
- a Statement of Activities Affecting Housing and Displacement which identifies Agency activities during the reporting period that affected housing affordable to elderly and non-elderly households, with very low, lower or moderate-income. Information about these target populations includes, for example: the number of units removed from the market place (replacement housing requirements); the number of new or substantially rehabilitated units produced (inclusionary housing requirements); the number of Agency-assisted units constructed, rehabilitated, acquired or subsidized during the prior year; a statement that the



Agency accumulated no excess surplus; an estimate of the affordable housing projects to be developed; target populations to be displaced over the next two program years; and, Low and Moderate-Income Housing Fund balances.

A copy of the Annual Report was available for review at the Agency's public counter at 141 North Glenoaks Boulevard, and the Central Public Library located at 110 North Glenoaks Boulevard, since December 8, 2003. Copies have been available for review and purchase at the City Clerk's Office.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ACCEPTING AND AUTHORIZING THE TRANSMITTAL OF THE REDEVELOPMENT AGENCY'S ANNUAL REPORT OF FINANCIAL TRANSACTIONS TO THE STATE CONTROLLER.

5. ANNUAL ADJUSTMENT TO THE DEVELOPMENT IMPACT FEE SCHEDULE AND NEXUS STUDY UPDATE:

This report provides the Council with the opportunity to review the annual adjustment to the Development Impact Fee Schedule and serves as an update on the status of the Development Impact Fee Nexus Study currently being conducted.

In March 1993, the Council adopted the Development Impact Fee Ordinance (No. 3340-Chapter 31, Article 22 of the Burbank Municipal Code (BMC)). The Ordinance was created to ensure that the growth needed to support a vital economy would not jeopardize the quality of the community's services. An Infrastructure Blueprint for the 21<sup>st</sup> Century was developed, combining an infrastructure improvement package with a strategy to promote economic development. This program established funding for improvements, including Transportation, Libraries, Parks, Police, and Fire services, through the use of Development Impact Fees imposed on new developments.

The Development Impact Fee Ordinance requires that the fees be adjusted annually by a percentage equal to the inflation rate for the prior year for construction costs as determined by the Building Official on December 1 of each calendar year. Since adoption of the Ordinance, this fee adjustment has been based solely on the Construction Cost Index. However, during the December 2002 annual adjustment, staff indicated to the Council, that a Nexus Study would be conducted to review and update the existing fee structure to reflect current economic and growth projections (non-transportation).

To properly assess development impact fees, a reasonable connection, or nexus, must exist between new development and the anticipated improvements to city facilities and services required to support that development. As a result, a nexus study is required to review and revise the fee structure. Council approved the study

request in September 2003, and since that time staff has been working to finalize the Capital Improvement Program (CIP), which defines the projects to which the fees apply. In addition, land use projections and densities, as well as service level standards are also being studied. This combination of anticipated future construction coupled with the projected densities of those uses provides the City with a forecast of future growth, and based on current trends, how that growth will impact existing City facilities. The CIP represents the City's effort to offset any impact attributable to new development by providing a funding source through the fee structure.

Future phases of the study will include finalizing new fee levels and analyzing those fees by conducting a cost-burden analysis to ensure that the market will support a new fee structure without negatively affecting development activity. When these tasks are completed, staff will solicit input from the public and the development community. On October 16, 2003, during the first public/stakeholder meeting, developers provided insight to the potential effects on development. A second meeting is expected to prove equally beneficial. A Planning Board hearing is anticipated for February 2004 and in March 2004, the Council will review and consider adoption of the revised fee structure. Although the proposed Development Impact Fee adjustment will be re-evaluated in early 2004, after completion of the Nexus Study, the BMC mandates that these fees be adjusted at this time.

The Development Impact Fee Ordinance requires the fees (transportation and community facility) to be automatically adjusted to keep pace with changing construction costs. The guidelines for determining the construction cost rate adjustment are established by the Engineering News Record Construction Cost Index. Although this adjustment is automatic, the Ordinance also grants the Council the authority to revise the fee adjustment by making the adjustment either greater or less than required by the Cost Index factor.

The November 3, 2003 Engineering News Record has a Cost of Construction Index reflecting a 3.3 percent increase in the Los Angeles area. Therefore, staff intends to increase the existing fee schedule for both the transportation and community facility fees by 3.3 percent. The fees will increase effective January 16, 2004, 31 days after adoption. Development Impact Fees are dependent on new construction activity, and assuming construction in 2004 maintains the current pace, this action may result in an increase in Development Impact Fee revenues for the calendar year 2004.

Recommendation:

Note and file.

6. AUTHORIZING THE ACCEPTANCE OF FISCAL YEAR 03-PART 2 STATE HOMELAND SECURITY GRANT PROGRAM FUNDS, AND AMENDING THE FISCAL YEAR 2003-04 BUDGET BY APPROPRIATING THE FUNDS:

Staff is requesting Council approval of a proposed resolution that authorizes the City Manager to accept \$308,190.27 in Fiscal Year (FY) 03-Part 2 State Homeland Security Grant Program (SHSGP) funds for the Fire, Police, and Public Works Departments.

The Fire, Police and Public Works Departments were awarded \$308,190.27 for the FY 2003-04 FY 03-Part 2 State Homeland Security Grant Program. These funds are to be used to purchase specialized equipment to respond to chemical, radiological, biological, nuclear, and explosive incidents. The purpose of the FY 03-Part 2 SHSGP is to enhance the capabilities of State and local first responders by allowing for the purchase of advanced types of equipment to enhance homeland security and response capabilities.

Grant funding will continue giving the highest priority to personal protective equipment and also enhance the chemical, biological, radiological, nuclear, and explosive response capabilities of the entire Los Angeles Operational Area by enhancing and expanding existing specialized resources. The City received funding priority due to the fact that a certified Hazardous Materials team and an Urban Search and Rescue program were already in place.

The strategy of the Operational Area grant is to enhance the capability of local agencies to respond to terrorism incidents and is consistent with Fire and Police Department goals.

Recommendation:

Adoption of proposed resolution entitled:

(4/5 vote required)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURBANK AUTHORIZING THE ACCEPTANCE OF A \$308,190.27 FY 03-PART 2 STATE HOMELAND SECURITY GRANT PROGRAM AND AMENDING THE FISCAL YEAR 2003-04 BUDGET, BY APPROPRIATING FUNDS.

7. SUBMISSION OF THE FISCAL YEAR END 2002-03 COMPREHENSIVE ANNUAL FINANCIAL STATEMENT:

The Council engaged an independent certified public accounting firm to perform an annual audit of the City and its component units. The results of the audit performed are formally published in the Comprehensive Annual Financial Statement (CAFR). This is the second year that the City has reported the annual financial results under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements-and Management's Discussion and Analysis (MD&A) for State and Local Governments.

The CAFR will be submitted for a national achievement award to the Government Finance Officers Association (GFOA). In order to earn this award, the City must publish an easily readable and efficiently organized CAFR, whose contents conform to the standards of the award program. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. This award is valid for a one-year period. The City has received this award for **19 consecutive years**, and staff believes that the report submitted to the Council will continue to conform to the standards

established by this award program. Additionally, the CAFR is sent out to numerous financial institutions in order to comply with various financial and subsequent bond disclosure requirements.

The overall financial status of the City is presented pursuant to GASB 34 on a government-wide basis which is designed to provide readers with a broad overview of the City's finances, similar to a private sector business. These statements show the June 30, 2003 fiscal year balances and overall results of operations for the period then ended, for all funds of the City, Redevelopment Agency, Housing Authority, Parking Authority, Burbank Community Services Fund, and Youth Endowment Services (YES) Fund. The statements are as follows:

- **Statement of net assets** which presents information on all City assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- **Statement of activities** which presents information on how the City's net assets changed during the most recent fiscal year.

**Management's Discussion and Analysis (MD & A).** This analysis starts the financial section of the CAFR and serves as an executive summary. GAAP require that management provide this narrative introduction, overview and analysis to accompany the basic financial statements. The letter of transmittal, which precedes the MD & A in the introductory section is designed to compliment the MD & A and should be read in conjunction with it. The MD & A immediately follows the report from the independent auditors.

Following the government-wide statements in the CAFR, a Balance Sheet, and Statement of Revenues, Expenditures and Changes in Fund Balances are presented for all major and non-major governmental funds. A major fund is one of material significance and is determined through prescribed calculations. The General Fund is always a major fund by definition.

Proprietary fund statements follow the governmental funds and include the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets, and Statement of Cash Flows. As with the governmental funds, these are also divided into major and non-major fund categories. All of these statements are followed by the Notes to the Basic Financial Statements.

The next two sections of the CAFR provide statements for each individual non-major governmental fund, as well as the Internal Service Funds. The governmental funds are presented in their various categories: special revenue funds, debt service funds, and capital project funds.

The last section of the CAFR, which is unaudited, contains statistical data about the City. All tables and schedules contain numerous facts about the City, such as population

figures, principal taxpayers, and assessed valuations of taxable property, for up to the last 10 years.

Recommendation:

Note and file.

8. AUTHORIZING THE ESTABLISHMENT OF A CHECKING ACCOUNT FOR THE CITY ATTORNEY'S OFFICE TO PAY LITIGATION-RELATED EXPENSES:

The City Attorney's Office is requesting that the Council adopt a resolution authorizing the establishment of a checking account to pay certain expenses associated with litigation. These expenses would normally include jury and court reporter fees for trial, and expert witness fees for depositions. These fees are required by law to be paid immediately upon demand, and both the amount and the timing of payment are many times not known until the very last minute, including after an attorney arrives in court. Although the current City process for paying litigation-related expenses works well most of the time and the Financial Services staff is always willing to process rush checks, there are still occasions where the City Attorney's Office needs to have the flexibility to write a check on the spot. This action would not change any of the accounting procedures or processes which ensure that the money is spent from the appropriate account or for an appropriate expenditure. As with all other City checking accounts, the checks would be kept in a secure location, and only designated members of the City Attorney's Office, would be authorized signatories.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AUTHORIZING THE ESTABLISHMENT OF A CHECKING ACCOUNT FOR THE CITY ATTORNEY'S OFFICE TO PAY LITIGATION-RELATED EXPENSES.

9. AUTHORIZING THE ACCEPTANCE OF A DONATION FROM STATE FARM COMPANY AND AMENDING THE FISCAL YEAR 2003-04 BUDGET BY APPROPRIATING THE FUNDS

Staff is requesting Council approval of a resolution that authorizes the City Manager to accept \$25,000 in State Farm Insurance Companies' donated funds for the Fire Department, and amends the Fiscal Year (FY) 2003-04 budget by appropriating the funds.

In light of budgetary constraints, the Fire Department is currently unable to support the costs associated with Community Emergency Response Team (CERT) training in 2004. The Disaster Services Division pursued the State Farm Insurance Companies' Good Neighbor Citizenship Program as a potential one time funding source for CERT

training. Through the Good Neighbor Citizenship Program, State Farm Insurance Company commits resources to help people manage the risks of everyday life with an eye towards preventing or reducing injury and loss. Their mission statement states that the goals for providing these resources include creating safe neighborhoods and supporting disaster recovery services. The CERT training and Community Disaster Volunteer (CDV) programs share those same goals.

The charitable contributions focus on education, safety, and community revitalization. The financial assistance will enable the Fire Department to purchase equipment, provide student training supplies, and develop volunteer capabilities for responding to a disaster. This training and equipment will better enable our Community Disaster Volunteers to augment existing public safety resources which could be overwhelmed following a disaster.

Recommendation:

Adoption of proposed resolution entitled:  
(4/5 vote required)

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING FISCAL YEAR 2003-2004 BUDGET FOR THE PURPOSE OF ACCEPTING STATE FARM INSURANCE COMPANIES' GOOD NEIGHBOR CITIZENSHIP PROGRAM DONATION OF \$25,000.

END OF CONSENT CALENDAR

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REPORTS TO COUNCIL:

10. OPPOSING ASSEMBLY BILL 1160 REGARDING SECOND DWELLING UNITS:

Assembly Bill (AB) 1160 (Steinberg) is a follow up to last year's AB 1866. AB 1160, if passed, will mandate adoption of several State standards relating to the location, occupancy, design, size and parking standards for second dwelling units. The Bill also mandates certain requirements for low income housing in the general plan, lower parking standards for low income housing and designation of all school sites for residential use. In addition to the second dwelling unit standards which could have negative consequences for single-family neighborhoods, the Bill represents a serious intrusion by the State into an area of regulation heretofore reserved to local jurisdictions. Staff is recommending adoption of a resolution opposing AB 1160, and also requesting authorization to contact other cities on behalf of the Council to urge them to pass similar resolutions and take other steps to oppose this Bill. These actions were requested/suggested by the League of California Cities, and Burbank's Legislative Analyst, Ken Emanuels.

Recommendation:

Adoption of proposed resolution entitled:  
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK EXPRESSING  
OPPOSITION TO ASSEMBLY BILL 1160 (STEINBERG).

11. REGULATION OF ENGINE IDLING ACTIVITIES:

At the October 14, 2003 Council meeting, staff presented a report prepared by the City Attorney's Office addressing the manner in which loading and unloading activities are regulated in residentially-adjacent commercial and industrial areas. The item was in response to previous concerns relating to the idling of engines during deliveries, specifically concerns about the air quality and noise impacts of such activities. Staff was directed to prepare a report on how to address the issue of an idling truck or noise generating vehicle in a residentially-adjacent commercial zone, including recommendations on how to address issues specifically related to noise, pollution, light, glare, etc., within the current Code parameters.

The City generally regulates business activities that may result in impacts on surrounding residential properties in two ways: through the establishment of conditions of approval for entitlement projects; and, the establishment of Municipal Code requirements.

The Federal and State governments have primary responsibility for the regulation of air quality. The South Coast Air Quality Management District (SCAQMD) was established as the local air pollution control agency for the Basin. The SCAQMD has jurisdiction over a four-county area that includes Orange County, the non-desert portions of Los Angeles, Riverside and San Bernardino Counties. The SCAQMD has also adopted a series of Air Quality Management Plans (AQMP) to meet the California Ambient Air Quality Standards and the National Ambient Air Quality Standards. Because air quality is not a localized issue, the SCAQMD works closely with the Southern California Association of Governments (SCAG) in the development of regional plans, particularly regional transportation plans.

Engine idling can be defined as the continued operation of a vehicular engine while the vehicle is no longer moving. Idling activities are of concern to governments for a variety of reasons including traffic congestion, noise impacts, and air quality concerns. There are a number of different reasons why vehicles idle. Some of these reasons are wholly within the control of the operator such as leaving a vehicle running while dropping off or picking up an item while other causes, traffic gridlock for example, are entirely out of an operator's control. Most anti-idling ordinances are designed to regulate the former and provide exemptions for the latter.

The City already addresses issues such as light, glare and noise through the Municipal Code. Likewise, the City has the ability to restrict hours of deliveries through the Municipal Code, conditions of approval, or both. For discretionary projects, the City also

has the ability to address the location of delivery areas, particularly as they relate to neighboring residential properties. Through its police powers, the City even has the ability to restrict engine idling activities provided that an impact to public health, safety, and welfare can be demonstrated. However, in the State of California, local agencies are generally preempted from regulating vehicle emissions by Section 40000 of the California Health and Safety Code. Thus, the City Attorney's Office has expressed concerns regarding the ability of the City to adopt an ordinance regulating engine idling due to concerns regarding tailpipe emissions.

Recommendation:

Staff recommends that the Council direct staff on the next appropriate course of action. Should the Council direct staff to develop a new ordinance addressing these issues, staff would recommend that the Council specify the scope which the new ordinance is intended to address and the applicability of the new standards to existing uses.

12. CITY'S PROPOSED COMMENTS ON THE DRAFT 2004 REGIONAL TRANSPORTATION PLAN:

The Southern California Association of Governments (SCAG) has released the Draft 2004 Regional Transportation Plan (RTP) for public comment. Updated every three years, the RTP is intended to serve as a long-range blueprint for transportation investment and development within the six county SCAG region. Projects that receive State or Federal funds must be consistent with the RTP and must be included in the Regional Transportation Improvement Program when ready for funding. The Plan covers all transportation modes, including aviation. The staff report provides an overview of the Draft RTP and includes a proposed City comment letter for submittal to SCAG prior to the January 16, 2004 deadline.

Recommendation:

Staff is requesting Council approval of the proposed City's comment letter and direction to submit the letter to SCAG.

13. FIRST STEP DISCUSSION OF DESIGN REVIEW COMMITTEE/PROCEDURES:

At the November 4, 2003 meeting, the Council requested that step one of a one-step, two step discussion of the pros and cons of a design review committee be agendized. Staff has presented the Council with a written report discussing two models of design review: administrative review which includes developing detailed design guidelines that make the process of actual review fairly automated; and, discretionary review which is a more process-oriented approach that allows for more individualized consideration of each project but also requires more staff and committee work in evaluating each project as proposed. Staff also discusses the pros and cons of using



a citizen design review committee vs. a design review conducted by professional City staff. The committee approach usually involves considerably more time to process applications. The professional staff approach allows for faster processing, but reduces possibilities for citizen input, and usually requires very detailed guidelines to avoid the impression that staff is simply imposing their preferences vs. community preferences or objective review standards. The report includes a brief analysis/estimate of the potential ongoing and start-up fiscal costs of implementing design review and a discussion of different points of view of the impact of design review on development costs.

The report also includes a table briefly summarizing pro and con positions on: a) ability to control physical development; b) potential impact on community appearance; c) fiscal impacts for the City and developers; d) the potential for delay in project approval and consequences thereof; e) possible legal liabilities; f) possible effects on property values; and, g) the possibility for conflicts arising between boards and commissions over design issues.

Recommendation:

Staff recommends that if its the Council's pleasure to consider investigating the possibility of implementing a design review committee/procedures, staff be directed to perform a more detailed analysis, and estimate. This would require about six months to complete.

14. REQUEST FOR THE COUNCIL TO CONSIDER ANOTHER PUBLIC HEARING TO INCREASE THE CITY'S TRANSIENT PARKING TAX FROM 10 PERCENT TO 12 PERCENT:

The purpose of this report is to request the Council to consider a public hearing to increase the City's Transient Parking Tax (TPT) from 10 percent to 12 percent. On December 12, 1995, the Council approved an ordinance that authorized the collection of a TPT. The TPT, set at 10 percent, has been collected by the City since February 1, 1995. The Council then decided to place the TPT on the ballot for voters to approve due to Proposition 218 (which requires that any general tax imposed after January 1, 1995, be approved by a majority of the voters) in late 1996. The voters approved the TPT by 61 percent at the April 8, 1997 General Municipal Election.

On October 15, 2002, staff presented a report requesting the Council to consider increasing the TPT from 10 percent. The Council directed staff to return with additional information to determine the appropriate tax increase to be placed on the April 2003 ballot. This information was provided to the Council by staff on December 17, 2002 wherein Council approved that the measure to increase the TPT from 10 percent to 12 percent be placed on the April 8, 2003 ballot. It was subsequently approved by the voters, but still required Council approval.

The City held its Public Hearing on June 10, 2003 to receive public input on its Fiscal Year (FY) 2003-04 Proposed Budget and Citywide Fee Schedule, which included a proposal to increase the TPT to 12 percent. The Council voted 4-1 against raising the TPT at that time and directed staff to use the Burbank Water and Power Set-Aside Fund to cover the budget shortfall and to bring the matter back for discussion at the budget mid-year review.

As presented in the First Quarter Financial Status Report for FY 2003-04 on November 18, 2003, the City's Five Year Forecast currently shows an increasing budget gap between recurring revenue and expenditures, culminating in a deficit of approximately \$8.5 million in FY 2007-08. At the meeting, Council Member Golonski requested the TPT issue be brought back. This report serves as the first step in a one-step, two-step process to consider whether or not to proceed with another public hearing to increase the tax.

The TPT has been a stable source of General Fund revenue, representing approximately 1.5 percent of recurring revenue. It is a flat tax (i.e., not regressive), easy to collect and is remitted quarterly by the parking owners/operators. Based on FY 2000-01 TPT receipts, if the tax rate is increased to 12 percent, it will bring in approximately \$400,000 annually in incremental revenue to the City (\$373,606) and assist in balancing the budget shortfalls for the upcoming fiscal years.

Recommendation:

It is staff's recommendation that the Council consider holding another public hearing on increasing the Transient Parking Tax from 10 percent to 12 percent.

ADOPTION OF PROPOSED ORDINANCE:

15. AMENDMENT TO PLANNED DEVELOPMENT NO. 97-4 AND AMENDMENT TO CONDITIONAL USE PERMIT NO. 2001-17 (GRACIELA HOTEL):

Planned Development (PD) No. 97-4 was approved in 1998 to allow for construction of a 119-room Homestead Village extended-stay hotel. In 1999, then-Community Development Director Robert Tague approved a substantial conformance finding to allow the 101-room Graciela Hotel to be built as it exists today. The applicant is now proposing to convert two of the hotel guest rooms on the ground floor into a single conference room with a maximum capacity of 30-35 people. The wall between the two rooms would be removed, and the bathroom in one of the rooms would be converted to a small pantry area to serve the meeting room. The other bathroom would remain. The meeting room would have fold-up beds along one wall such that the room could be used as a guest room if necessary. No additional square footage would be added to the existing building and no exterior modifications would occur. Because the existing facility is based upon the 1999 substantial conformance finding in addition to the original conditions of approval, it would be difficult to amend the PD without formally recognizing the project as it exists today. As such, the proposed

conditions of approval would amend the original conditions and incorporate the as-built plans such that the PD would formally recognize the Hotel as it exists today.

In January 2002, the Council approved Conditional Use Permit (CUP) No. 2001-17 for a one-year trial period to allow the Graciela Hotel to serve alcoholic beverages in conjunction with hotel room and food service throughout the hotel, including the lounge area, and in-room self-service bars. In November 2002, the Council renewed the CUP for an additional one-year trial period, and amended the CUP to allow parties, meetings and other events at the Hotel which had been prohibited by the original CUP. The CUP is now due to expire in January 2004. Staff is recommending that the Council act now to renew the CUP for an additional one-year trial period until January 31, 2005. This would eliminate the need for staff to bring this item back to the Council in one month.

This ordinance was introduced at the December 9, 2003 Council meeting.

Recommendation:

Adoption of proposed ordinance entitled:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK AMENDING PLANNED DEVELOPMENT ZONE No. 97-4 AND APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR PLANNED DEVELOPMENT NO. 97-4 (Graciela Hotel--Applicant: Belvedere Hotels and Resorts, LLC/ Pass Avenue Associates LLC).

RECONVENE the Redevelopment Agency, Housing Authority, Parking Authority and Youth Endowment Services Fund Board meetings for public comment.

**FINAL OPEN PUBLIC COMMENT PERIOD OF ORAL COMMUNICATIONS:** (Two minutes on any matter concerning the business of the City.)

This is the time for the Final Open Public Comment Period of Oral Communications. Each speaker will be allowed a maximum of **TWO** minutes and may speak on any matter concerning the business of the City. However, any speaker that spoke during the Initial Open Public Comment Period of Oral Communications may not speak during the Final Open Public Comment Period of Oral Communications.

For this segment, a **GREEN** card must be completed, indicating the matter to be discussed, and presented to the City Clerk.

**COUNCIL AND STAFF RESPONSE TO THE FINAL OPEN PUBLIC COMMENT PERIOD OF ORAL COMMUNICATIONS:**

ADJOURNMENT.

**For a copy of the agenda and related staff reports,  
please visit the  
City of Burbank's Web Site:  
[www.ci.burbank.ca.us](http://www.ci.burbank.ca.us)**