



COUNCIL AGENDA - CITY OF BURBANK  
TUESDAY, JANUARY 27, 2004  
5:00 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:** Housing Authority of the City of Burbank v. Reinoso.  
**Case No.:** BC287588  
**Brief description and nature of case:** Eminent Domain re: 1729-1735 Elliott Drive..
- b. Conference with Legal Counsel – Anticipated Litigation (City as possible plaintiff):  
Pursuant to Govt. Code §54956.9(c)  
**Number of potential case(s):** 3
- 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

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: Pastor Ron White, American Lutheran Church.  
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.

PRESENTATION: DISNEY SCHOOL AND HOME DELIVERED MEAL PROJECT.

PRESENTATION: RESERVE OFFICER PROMOTIONS.

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).

6:30 P.M. PUBLIC HEARING:

1. INCREASE OF THE CITY'S TRANSIENT PARKING TAX FROM 10 PERCENT TO 12 PERCENT:

The purpose of this report is to present information related to increasing the City's Transient Parking Tax (TPT) from 10 percent up to 12 percent.

Even before the Airport parking rates decreased, staff was looking for creative ways to increase the City's revenues to address the projected budget deficit. Increasing the TPT was one way that was suggested by staff. On October 15, 2002, staff presented a report requesting the Council to consider increasing the TPT from 10 percent. The Council directed that staff 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 the Council approved that the measure to increase the TPT tax 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 first Public Hearing on June 10, 2003 to receive public input on the 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 BWP Set-Aside Fund to cover the budget shortfall and to bring the matter back for discussion at the budget mid-year review.

At the first public hearing on this issue, it was the Council's overall concern as to how this increase would affect the parking lot owner/operators in Burbank. It should be noted that the TPT is levied on users who generally are not Burbank residents. Each parking lot owner makes the decision as to whether or not to absorb the increased tax based on their desire for profitability or market share concerns.

As presented in the First Quarter Financial Status Report for FY 2003-04 on November 18, 2003, the City's Five Year Forecast showed an increasing budget gap between recurring revenue and expenditures, from a gap of \$3 million in FY 2004-05 culminating in a deficit of approximately \$8.5 million in FY 2007-08. After considering information subsequent to the first quarter such as the Governor's budget proposal to take \$1.1 million in Property Tax revenues from the City, staff anticipates a General Fund recurring budget deficit of \$4.5 million in FY 2004-05 to \$9.8 million in FY 2007-08. Staff is in the process of updating the Five Year Financial Forecast for the mid-year financial update.

At the November 18, 2003 meeting, Council Member Golonski requested that the TPT issue be brought back for discussion. On December 16, 2003, by majority vote, the Council agreed to consider holding another public hearing to receive input and to then vote on the issue of raising the TPT from 10 percent to 12 percent.

Until recently, the TPT has been a stable source of General Fund revenue, representing approximately 1.6 to 2.0 percent of total General Fund recurring revenues. It is a flat tax (i.e., not regressive), easy to collect and is remitted quarterly by the parking owners/operators. On average, the City receives approximately \$1.78 million annually in TPT revenues. The only significant drop in this revenue has occurred in the past couple of years. This decline in revenue is in large part attributable to the September 11, 2001 tragedy as well as the recent airport parking "price wars." Based on FY 2000-01 TPT receipts, if the tax rate is increased to 12 percent, it will bring in nearly \$400,000 annually in incremental revenue to the City. Based on our FY 2003-04 TPT revenue estimate of \$1,650,000, staff anticipates receiving \$330,000 in additional revenues to the City.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE INCREASE OF THE TRANSIENT PARKING TAX TO 12 PERCENT.

REPORTING ON CLOSED SESSION:

**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:

CONSENT CALENDAR: (Item 2)

The following item may be enacted by one motion. There will be no separate discussion on this item 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.

2. **AUTHORIZING THE CITY MANAGER TO APPLY FOR GRANT FUNDS AND EXECUTE GRANT AGREEMENTS WITH THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT AND THE MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE FOR THE PURCHASE OF COMPRESSED NATURAL GAS FLEET VEHICLES:**

Staff is requesting Council approval for the City Manager to apply for the Mobile Source Air Pollution Reduction Review Committee’s (MSRC’s) Local Government Match Program and execute grant agreements with the South Coast Air Quality Management District (SCAQMD) and the MSRC to use the grant funds toward the purchase of medium and heavy-duty Compressed Natural Gas (CNG) fueled vehicles.

In 2001 and 2002, the Council approved resolutions authorizing the City Manager to apply for grant funding and execute agreements with SCAQMD and MSRC to use the grant funds toward the purchase of CNG vehicles. The City’s grant funding requests were ultimately approved bringing the total committed CNG vehicle grant funding to \$741,270.

This latest grant, administered by the SCAQMD, presents yet another financial opportunity for the City of Burbank to further offset the costs for medium and heavy-duty CNG vehicle purchases. By securing this additional grant funding, staff anticipates that the City will be able to offset 35 percent or \$270,000 of the estimated \$780,000 additional costs for CNG vehicle purchases over the next two fiscal years.

The CNG vehicles are being purchased in phases. The City has already placed 33 CNG vehicles (light, medium and heavy-duty) in service and has 23 more on order. Over the next four years, an additional 48 CNG vehicles will be placed in service.

If the City’s grant application is approved, the additional grant funding of \$270,000 from MSRC for medium and heavy-duty CNG vehicle purchases will offset 35 percent of the estimated \$780,000 in “up charge” costs for CNG vehicle purchases over the next two years.

**Recommendation:**

Adoption of proposed resolution entitled:  
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AUTHORIZING THE CITY MANAGER TO APPLY FOR GRANT FUNDS AND EXECUTE GRANT AGREEMENTS WITH THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT AND THE MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE FOR THE PURCHASE OF COMPRESSED NATURAL GAS FLEET VEHICLES.

**END OF CONSENT CALENDAR**

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## REPORTS TO COUNCIL:

### 3. CLOSEOUT OF THE 83-1 (ROCKMORE) ASSESSMENT DISTRICT):

In 1983, the City established Improvement District No. 83-1 (Rockmore Subdivision) for the purpose of issuing 20-year bonds to build streets, gutters and sidewalks in the hillside area above Brace Park. The \$6.2 million bond issue equated to a \$50,983 assessment on each of the 122 parcels. In 1993, the City refunded the existing 1983 bonds due to a favorable interest rate environment and issued new bonds with a shortened maturity that ended in 2001. When the refunding was done, there were only 85 parcels that remained unpaid, as many homeowners, through sales or refinancing their property, paid off their assessments.

As of December 2003, funds in the amount of \$280,396 remained in the District Redemption Fund. Financial Services staff contacted Muni Financial, the firm that administered this District from 1991 until conclusion, for input on how to properly close out the remaining funds of the District. Correspondence from Muni Financial, provided a number of options, and at the same time, raised additional questions. Direction was needed related to the following issues:

- Should the funds be transferred to the General Fund or refunded to property owners?
- If the amounts are retained for City use, what can they be used for? Can amounts be used for any General Fund purpose or be restricted for any other purpose?
- Should a refund to property owners be considered, would it be to the original District in 1983 (122 parcels), or to the property owners that existed in 1993 (85 parcels) when the original bond issue was refunded and a new District was formed?

Staff requested clarification from the City Attorney's office related to the options. Additionally, these issues were discussed with the 1993 Bond Counsel, Quint and Thimmig. Subsequent to these discussions, Quint and Thimmig provided an opinion letter containing the legal options on the disposition of both reserve funds (if any exist) and redemption fund balances. For redemption fund amounts, there are a lot of options; however, reserve fund amounts, if over \$1,000, must be refunded to property owners. Based on the review of the balances and discussions with Muni Financial, staff is confident that all the remaining funds are redemption fund dollars.

To that end, based on all the input received, below are options for the disposition of the redemption fund amounts.

1. Transfer all the remaining funds into the City's General Fund. Bond Counsel recommends this approach because of the potential difficulties that are described in option no. 2 below. Council could use these dollars for any purpose, or earmark the funds for improvements in the District, or any combination thereof.

Public Works staff can survey the District to compile a list of specific uses of these funds which might include slurry seal or other infrastructure work. Other potential projects that may be funded could include brush clearance from the hillsides, flood control maintenance, or other area related work.

2. Refund all the remaining redemption funds to property owners that remained in the 1993 refunded District. The process is extremely difficult because the refunds would have to be made proportionately to all the property owners who paid assessments between 1993 and 2001, and not just parcel owners at the time of the last levy in 2001. This can be a very labor intensive and time consuming process to attempt to track down all the property owners of this time period. Many properties have been sold, some multiple times, so allocating the proper amounts, and then actually finding the individual may not be possible. For this reason, Bond Counsel recommends against this option due to the difficulty in facilitating this process. Additionally, staff has discussed this refunding process with Muni Financial, and while they are willing to provide this service to the City, an accurate cost estimate cannot be provided without investing considerable time and effort, however, it could easily range between \$30,000 and \$50,000. This fee, as well as internal City costs associated with this refunding process would be taken out of the redemption funds prior to refunding if this option was selected.
3. A combination of options 1 and 2 listed above: refund a portion of the remaining funds, and transfer the balance to the General fund.

There is no negative fiscal impact to the closeout of Improvement District No. 83-1 (Rockmore Subdivision). The General Fund could be positively impacted if the Council chose to transfer the remaining funds to the General Fund.

Recommendation:

Staff recommends that due to the current General Fund budget crisis the remaining Improvement District 83-1 (Rockmore Subdivision) Funds be transferred to the General Fund and dedicated for brush removal in the hillsides. Should the Council agree with staff's recommendation the related budget appropriations will be included within the mid-year financial update report scheduled for February 10, 2004.

4. MONTHLY WATER AND POWER OPERATING REPORT:

Staff has prepared the Burbank Water and Power (BWP) Water and Electric Monthly Report regarding water quality and power issues for January 2004.

**WATER UPDATE**

Water quality during December met or exceeded State and Federal drinking water standards.



Fiscal Year 2003-04 Year-To-Date preliminary Water Fund Financial Results as of December 31, 2003:

	Year - to - Date			
	Actual	Budget	Variance	% Variance
CCF	5,208,530	5,388,921	(180,391)	(3%)
Potable Revenues	8,440	8,754	(314)	(4%)
Reclaimed and Power Plant Revenues	370	296	74	25%
Purchased Water	3,726	3,593	(132)	(4%)
<b>Gross Margin</b>	<b>5,085</b>	<b>5,457</b>	<b>(372)</b>	<b>(7%)</b>
Direct Operating Expenses	3,441	3,673	233	6%
Allocated Operating Expenses	491	649	158	24%
<b>Operating Income</b>	<b>1,153</b>	<b>1,134</b>	<b>18</b>	<b>2%</b>
Other Income/(Expenses)	292	125	167	133%
<b>Income before Contr. &amp; Transfers</b>	<b>1,445</b>	<b>1,259</b>	<b>185</b>	<b>15%</b>
Contributed Capital (A.I.C)	612	618	(7)	(1%)
Transfers (In Lieu)	422	438	(16)	4%
<b>Change in Net Assets</b>	<b>1,634</b>	<b>1,440</b>	<b>194</b>	<b>13%</b>

**ELECTRIC UPDATE**

The following table shows the systemwide reliability statistics through December 2003 for Fiscal Year 2003-04 as compared to Fiscal Year 2002-03:

Reliability Measure	Fiscal Year 2002-03	Fiscal Year 2003-04, Through Dec. 31
Average Outages Per Year	0.16634	0.1965
Average Outage Duration	91.75 minutes	68.21 minutes
Average Service Availability	99.9971%	99.9948%

Fiscal Year 2003-04 year-to-date preliminary Power Financial Results as of December 31, 2003:

	Year - to - Date			
	Actual	Budget	Variance	% Variance
NEL MWh	611,838	600,683	11,155	2%
Weather Normalized NEL MWh	601,069	600,683	386	0%
Sales MWh	586,461	570,654	15,807	3%
Retail Revenues	74,418	73,695	723	1%
Retail Power Supply Expenses	40,601	47,659	7,058	15%
<b>Retail Gross Margin</b>	<b>33,817</b>	<b>26,036</b>	<b>7,781</b>	<b>30%</b>
Wholesale Revenues	72,311	8,050	64,261	798%
Wholesale Expenses	68,907	6,250	(62,657)	(1003%)
<b>Wholesale Gross Margin</b>	<b>3,404</b>	<b>1,800</b>	<b>1,604</b>	<b>89%</b>
<b>Gross Margin</b>	<b>37,221</b>	<b>27,836</b>	<b>9,385</b>	<b>34%</b>
Telecom Revenues	378	403	(25)	(6%)
Operating Expenses	21,078	19,887	(1,191)	(6%)
<b>Operating Income</b>	<b>16,521</b>	<b>8,352</b>	<b>8,169</b>	<b>98%</b>
Other Income & (Expense)	(601)	(1,077)	476	44%
<b>Net Inc. before Contributed Capt.</b>	<b>15,920</b>	<b>7,275</b>	<b>8,645</b>	<b>119%</b>
Contributed Capital (A.I.C)	1,709	1,203	506	42%
<b>Change in Net Assets (N.I.)</b>	<b>17,629</b>	<b>8,477</b>	<b>9,151</b>	<b>108%</b>
Net Power Supply Cost - Cents/Kwh	6.34	8.04	1.69	21%

December 2003 Unit Data

Unit	Availability	Operating Hours	MW Net	NOx, lbs.
M-5	100%	1.96	24.7	-
L-1	100%	155.93	6212	1133.4
O-1	100%	0	-172	91.7
O-2	55%	0	-182	1045.8
O-3	0%	0	-34	-
O-4	100%	0	-13.1	-

Recommendation:

Note and file.

**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)**