



COUNCIL AGENDA - CITY OF BURBANK  
TUESDAY, MARCH 30, 2004  
6:30 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.

INVOCATION: Pastor Paul Clairville, Westminster Presbyterian 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.

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).

**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: (Items 1 through 6)

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.

1. MINUTES:

Approval of minutes for the regular meetings of February 24, March 2 and March 9, 2004.

Recommendation:

Approve as submitted.

2. APPROVING CONTRACT DOCUMENTS AND AWARDING A CONSTRUCTION CONTRACT FOR BID SCHEDULE NO. 1135, 2003 SIDEWALK REPAIR PROJECT:

Staff is requesting Council approval of contract documents and award of a construction contract for Bid Schedule No. 1135, 2003 Sidewalk Repair Project.

This Project provides for repair of concrete improvements within specific areas of the City. The project was advertised on January 10 and January 14, 2004. On February 17, 2004, 13 contractors submitted bids ranging from \$457,493.83 to \$858,302.50. KALBAN Inc. of Sun Valley, California, submitted the lowest bid, 24.4 percent below the engineer's estimate of \$605,000. This contractor has previously performed work similar to the scope of work in this project for the City with satisfactory results.

Construction of this project is planned to occur between May and July 2004. The funding for this project came out of the Public Works Department's annual General Fund 370 appropriation for street/alley/concrete improvements.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING AND ADOPTING CONTRACT DOCUMENTS, PLANS AND SPECIFICATIONS, AND DETERMINING THE LOWEST RESPONSIBLE BIDDER, ACCEPTING THE BID, AND AUTHORIZING EXECUTION OF A CONTRACT FOR 2003 SIDEWALK REPAIR PROJECT, BID SCHEDULE NO. 1135.

3. APPROVAL OF FINAL MAP NO. 54037 (A SIX-UNIT CONDOMINIUM COMPLEX):

Staff is requesting Council approval of Final Map No. 54037, a six-unit condominium complex. The property covered on Final Map No. 54037 is a one-lot subdivision totaling 7,496 square feet. Located at 417 South Seventh Street, the property is in the R-4 Residential Multiple Medium Density Zone and is owned by Vanik Manooki.

The existing property was a single-family dwelling with an attached garage at the rear of the lot. The property owner requested City approval to construct a new two-story, six-unit condominium complex with semi-subterranean parking. The construction of the six-unit condominium complex has been completed. Pursuant to Burbank Municipal Code (BMC) Section 27-323, the Tentative Map was approved by the Director of Community Development on December 17, 2002. Final Map No. 54037 finalizes the conversion of the existing property to a condominium subdivision.

All Conditions of Approval and requirements of the State Subdivision Map Act have been met. The following is a summary of information pertinent to the approval of Final Map No. 54037:

1. The tentative tract map was conditionally approved by the Community Development Director on December 17, 2002, pursuant to BMC Section 27-323 (Director's

- Decision on Tentative Map).
2. The Final Map contains six condominium units at 415 South Seventh Street, which is located in the R-4 Residential Multiple Medium Density Zone.
  3. The Conditions of Approval will be satisfied when the applicant submits two recorded copies of the Covenants, Conditions, and Restrictions to the Planning Division. All other requirements as set forth in the tentative map conditions have been cleared by the Planning Division for purposes of Final Map No. 54037 approval.
  4. The Public Works Engineering Division has cleared all Conditions of Approval for the tentative tract map for purposes of Final Map No. 54037 approval.
  5. This project is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Section 15301(K). This Class 1 Categorical Exemption applies to condominiums.

According to the State Subdivision Map Act, Chapter 3, Article 4, Section 66458, and the provisions of Chapter 27 of the BMC, the Council must approve Final Map No. 54037 if it conforms to all the requirements. If such conformity does not exist, the Council must disapprove the map at the meeting it receives the map, or at its next regular meeting. If the Council has not authorized an extension to allow more time to disapprove the map, and the map conforms to all requirements, the map shall be deemed approved by operation of law.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING FINAL MAP OF TRACT NO. 54037 (417 South 7<sup>th</sup> Street).

4. AUTHORIZING THE EXTENSION OF THE EXISTING PRICE AGREEMENT WITH CAM SERVICES:

Staff requests Council approval of a three-year extension of the existing price agreement with CAM Services. The Council is authorized to extend price agreements under Section 9-113 of the Burbank Municipal Code.

The City uses contract services to provide daily, weekly, monthly, seasonal and periodic maintenance at the Village Core, Downtown Burbank Station, Police/Fire Headquarters, AMC parking structure, Municipal Services Building parking structure, Courthouse parking structure and the Magnolia Park Core. Since November 2000, these services have been provided by CAM Services and include landscape maintenance, steam cleaning, sweeping, litter removal, touch up painting and elevator cleaning.

CAM Services is active in the City seven days a week. They enjoy a positive relationship with the business community and have taken a proactive role in maintaining the areas they are contracted to serve. Occasionally, CAM Services provides services outside their scope of work at no additional cost, which demonstrates their commitment to customer and client satisfaction.

Staff is pleased with the mutual working relationship the City has established with CAM Services. CAM Services has offered to maintain their contract cost for the next three years if the City approves an extension of their existing price agreement. CAM Services is paid \$647,000 annually to provide specified contract services. Staff has compared the services provided by CAM Services to using City staff and has determined that the City cannot provide the same level of service for \$647,000 annually. CAM Services was the lowest responsible bidder during the original bid process in 2000 and has not increased its prices since. If the extension is approved, the price will remain unchanged for the next three years.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE EXTENSION OF THE EXISTING PRICE AGREEMENT BETWEEN THE CITY OF BURBANK AND CAM SERVICES FOR THREE YEARS.

5. SUPPORTING THE RENEWAL OF THE LOS ANGELES COUNTY RECYCLING MARKET DEVELOPMENT ZONE:

Staff is requesting that the Council adopt a resolution supporting the renewal of the Los Angeles County Recycling Market Development Zone (RMDZ).

The California Legislature created the RMDZ program to increase the markets for recyclable materials collected from cities' curbside, buyback and drop-off programs. The program provides incentives to businesses that use secondary materials from the waste stream as feedstock in their manufacturing process. Recycling-based manufacturers located in the RMDZ are eligible to apply for low-interest loans and other assistance provided by local zone administrators and by the California Integrated Waste Management Board's (CIWMB) Recycling Business Assistance Team (R-Team). The RMDZ program was created in part to respond to requests from cities such as Burbank that asked the State to help create markets for recyclable materials after the Legislature passed Assembly Bill 939, requiring California cities to cut in half the amount of waste going to landfills.

The RMDZ was established in 1994 and includes the cities of Burbank, Carson, Compton, Commerce, El Monte, Glendale, Montebello, Pasadena, South El Monte, South Gate, Vernon and all Los Angeles County unincorporated areas. Burbank joined the RMDZ in 1995. Burbank Recycle Center staff provides information and technical assistance to businesses interested in the RMDZ program. As an approved participant, Burbank's ability to provide business assistance to the community is enhanced. Burbank is assessed a \$1,500 annual fee to cover its share of the RMDZ administrative costs. The funds are budgeted in the current Recycle Center budget.

The RMDZ expires at the end of this fiscal year and the County is eligible to apply for a ten-year extension. The Community Development Commission of the County of Los Angeles (CDC) will be submitting a renewal application to the CIWMB in March 2004. One of the requirements of the application is that all participating jurisdictions that wish to continue as participants in the RMDZ program submit to the CDC a City Council resolution supporting the renewal application. These resolutions will be submitted to the CIWMB with the completed application.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK SUPPORTING RENEWAL OF THE LOS ANGELES COUNTY RECYCLING MARKET DEVELOPMENT ZONE (RMDZ).

6. APPROVAL OF AS-BUILT RECORD DRAWINGS FOR BID SCHEDULE NO. 1123, LEFT TURN SIGNALS AT TEN INTERSECTIONS:

Staff requests Council approval of the As-Built Record Drawings for traffic signal improvements at nine intersections as a part of Bid Schedule (B.S.) No. 1123. The Council approved contract documents for B.S. No. 1123 on October 22, 2002 for the construction of left turn traffic signals at ten intersections in Burbank. The project began on December 6, 2002 and construction was completed on May 15, 2003. The Notice of Completion was dated October 8, 2003. The As-Built Record Drawings were reviewed and approved by staff on February 18, 2004. The locations were:

1. Alameda Avenue and San Fernando Boulevard
2. Alameda Avenue and Glenoaks Boulevard
3. Buena Vista Street and Olive Avenue
4. Glenoaks Boulevard and Olive Avenue
5. Magnolia Boulevard and Buena Vista Street
6. Hollywood Way and Burbank Boulevard
7. Burbank Boulevard and Buena Vista Street
8. Victory Boulevard and Magnolia Boulevard
9. Victory Boulevard and Olive Avenue
10. Riverside Drive and Buena Vista Street

This project constructed left turn traffic signal phasing at nine locations. The tenth location, Riverside Drive and Buena Vista Street, was not constructed because the California Department of Transportation (Caltrans) would not agree to the signal modification. The existing level of left turning traffic and the intersection accident experience does not currently meet Caltrans minimum criteria for the installation of separate left turn phasing.

During the construction period, minor changes were made in the design plan at some locations due to unforeseen conditions encountered during the construction or due to

changes in left turn signal operation. The change from protected left turn phasing to protected-permissive left turn phasing at a number of locations was one change that required some hardware modifications.

At the completion of construction, the initial design plans were updated to reflect the as-built modifications that were included during construction. The As-Built Record Drawings show the actual equipment used, the location of hardware and actual signal operation in place at each location.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE AS-BUILT DRAWINGS FOR THE INSTALLATION OF LEFT-TURN PHASING AT TEN INTERSECTION PROJECT, BID SCHEDULE NO. 1123.

END OF CONSENT CALENDAR                    \*\*\*                    \*\*\*                    \*\*\*

REPORTS TO COUNCIL:

7. POSTING STREETS FOR "NO PARKING" FOR STREET SWEEPING

Staff is requesting Council authorization to proactively seek individual neighborhood approval to post streets for no parking during street sweeping hours.

In 1975 the City was divided into five sweeping districts, each to be cleaned weekly. At the time, most residential streets were not posted for no parking during street sweeping hours because staff believed that the frequency of the sweeping would compensate for the fact that parked cars prevent the entire curb line of a street from being swept. Streets were swept on alternate sides (designated as side "A" or side "B") on consecutive days. The City received many complaints from residents who were confused by A/B designations. Residents were not sure which side of the street was "A" and which side was "B". Following a survey of residents, staff concluded that public support for sign installation in most neighborhoods was weak. Consequently, the Council established a policy that a petition, submitted to the Traffic Engineer, signed by more than 50 percent of the residents or property owners on a requesting block was necessary before a street would be posted. By 1978 most residential blocks interested in posting had requested signage.

In conjunction with the City's conversion to an automated refuse collection program in 1993, street sweeping scheduling adjustments were made to eliminate conflicts in the sweeping and refuse collection schedules, and the A/B designation was dropped from street sweeping signs. In the latter part of 1995, the Council further refined the signage policy for street sweeping by reducing the hours of no parking from four to two hours and



changing the schedule so sweeping occurs the next two days following a street's regular refuse collection day.

Approximately 60 percent of residential streets have been posted for a two-hour period of no parking during sweeping operations. These street sections receive the highest level of sweeping service because the sweeper can sweep the entire curb line of the street and not have to detour around any obstacles. Generally, any material on a street will naturally migrate to the side of the street as traffic drives through the area. Unless the material along the curb line is collected through our sweeping operation or through private efforts it remains in the curb line and blocks drainage causing debris build-up and/or is carried into the storm drain system.

Effective street sweeping has grown in importance as concerns over material in storm water discharged to flood control systems and the problem of mosquito breeding in stagnant water have gained public attention. Regular street sweeping on all City streets is now a requirement of the City's municipal storm water permit.

Recognizing the benefits of sweeping the entire curb length on a street, staff would like to proactively seek neighborhoods willing to post their street for no parking during street sweeping hours. Staff will utilize the same petition process established in 1975, which requires more than 50 percent of the residents or property owners to sign a petition requesting posting. Staff has not previously sought street postings beyond providing petition information and answering questions regarding the process. Staff will first approach neighborhoods whose streets are not impacted by heavy street parking.

Funds currently available in the budget will be used to pay for this effort. Staff expects to spend approximately \$3,000 annually in staff time and about \$3,000 annually in materials, which include the signage.

Recommendation:

Provide direction to staff regarding the proposal to proactively seek individual neighborhood approval to post streets for no parking during street sweeping hours.

8. ISSUANCE AND SALE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY:

The purpose of this report is to request Council authorization to issue and sell bonds to refund certain pension obligations of the City, approving the form and authorizing the execution of a bond purchase agreement, authorizing judicial validation proceedings related to the issuance of such bonds, and authorizing related actions.

The City's Public Employees Retirement System (PERS) obligation consists of two parts: 1) the normal cost which is the cost of the current pension benefits offered by the City; and, 2) an amortization of the Unfunded Accrued Actuarial Liability (UAAL). The UAAL is the difference between the liability of current pension benefits earned compared

to the actuarial value of assets on hand. PERS amortizes the UAAL using an 8.25 percent interest rate. A Pension Obligation Bond (POB) is considered a general obligation debt as it refunds an existing general obligation of the City.

The POB is backed by the General Fund of the City. The City's credit rating by Standard & Poor's is "AA". Since the POB refunds an existing obligation to pay retirement costs, it does not require voter approval. The bonds are issued pursuant to Section 53570 of the California Government Code, which provides general authority to issue refunding bonds. Because there is no explicit authority to issue POB, each issue in California has been validated. Each prior validation action has been upheld, but the City is not able to rely on those prior adjudications. The validation action validates the specific transaction approved by the bond resolution.

The Police and Fire Safety UAAL is \$24,946,810 as of the latest PERS actuarial date of June 30, 2002. Current interest rates in the taxable markets combined with PERS investment earnings to-date during Fiscal Year (FY) 2003-04 create an opportunity to generate a positive spread on refunding the UAAL. To explore the financing options the following financing team was selected:

Peter Ross, Ross Financial	Financial Advisor
Brian Quint, Quint & Thimmig	Bond Counsel
John Bartel, Bartel & Associates	Actuary

Based on the review of financing options available the Financing Team recommends the issuance of variable rate POB of not to exceed \$25.15 million. To provide an internal hedge of the risk of increasing interest rates, the following is recommended:

- The savings between the variable rate debt service versus a fixed rate will be used to prepay bond principal. This will reduce the exposure to interest rates increasing as principal should be paid more quickly.
- \$10 million will be set-aside as a reserve for the POB within the General Fund. Interest associated with the \$10 million will be credited to the POB reserve. As short-term interest rates rise, interest earned on the \$10 million reserve fund will increase as well. The City would also have the flexibility to use the \$10 million reserve fund to prepay the variable rate POB every 30 days.

The \$10 million POB reserve fund will be funded from the Redevelopment Agency paying the City \$6 million (Hilton note proceeds) related to City Centre Redevelopment Project Area debt with the General Fund and \$4 million from the Burbank Water and Power Utility Users Tax and In-lieu Taxes Set-Aside Fund.

The financing team received fee quotations from underwriters, bond insurers and liquidity providers related to the issuance of variable rate debt. Based on the results of these proposals the financing team recommends a direct bond purchase by DEPFA Bank. A direct bond purchase simplifies the proposed transaction which leads to lower costs of issuance and a lower all in annual borrowing cost. DEPFA Bank has offered a direct bond purchase at a spread of 30 basis points over the 30 day LIBOR interest rate with a

20 year maturity. The British Bankers' Association LIBOR is the primary benchmark used by banks, securities houses and investors to fix the cost of borrowing in capital markets around the world. The 30 day LIBOR rate is used to peg the interest rate for variable rate bond issue. The current 30 day LIBOR rate is 1.09 percent.

The direct bond purchase eliminates cost of issuance fees related to underwriting, rating agencies, bond insurance, trustee and printing costs. Ongoing fees associated with remarketing, liquidity facilities, trustee, rating surveillance and continuing disclosure are also eliminated. The total estimated cost of issuance fees of \$175,000 are significantly less than the estimated fees of \$480,000 related to insured variable rate demand bonds. The 30 basis point spread over the 30 day LIBOR interest rate compares favorably to a 40 basis point estimated spread related to insured variable rate demand bonds.

For the last 10 years, the taxable variable rate debt interest has averaged approximately 4.55 percent. During this same period PERS has earned 8.7 percent on its investment portfolio. PERS accomplished this even without achieving its 8.25 percent actuarial rate of return during the last three fiscal years. PERS investment return this fiscal year through January 31, 2004 is 14.25 percent which is significantly greater than the assumed 8.25 percent.

The proposed financing is estimated to generate average annual savings of approximately \$900,000, based on the interest rates assumed in the analysis as measured against the PERS actuarial rate of return. If the City were to issue fixed rate bonds in the current market, its annual savings as measured against the PERS actuarial rate of return would be approximately \$530,000. This is the amount that the City will reflect in annual budgetary savings. The \$530,000 savings represents a 2.2 percent reduction in the PERS rate paid by the City related to the Police plan and a 2 percent reduction related to the Fire plan.

In addition to the above savings, it is anticipated that additional savings above the \$530,000 will retire the bonds one year earlier than a fixed rate bond issue.

The judicial validation proceedings are necessary to validate the approved transaction prior to the issuance of the bonds.

The difference between the interest rates charged by PERS and the anticipated variable rate computes to an estimated net present value savings of approximately \$11 million which represents a 43 percent savings factor.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AUTHORIZING THE ISSUANCE AND SALE OF BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$25,150,000 TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT, AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS

RELATING TO THE ISSUANCE OF SUCH BONDS AND AUTHORIZING ACTIONS RELATED THERETO.

9. BURBANK WATER AND POWER MONTHLY WATER AND POWER OPERATIONS REPORT:

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

WATER UPDATE

Water Quality

- Water quality during February met or exceeded State and Federal drinking water standards.
- Fiscal Year 2002-03 Year-To-Date preliminary Water Fund Financial Results as of February 29, 2004:

	Year - to - Date			
	Actual	Budget	Variance	% Variance
CCF	6,514,393	6,624,476	(110,083)	(2%)
Potable Revenues	10,542	10,761	(219)	(2%)
Reclaimed and Power Plant Revenues	434	351	83	24%
Purchased Water	4,421	4,417	(3)	(0%)
<b>Gross Margin</b>	<b>6,555</b>	<b>6,695</b>	<b>(139)</b>	<b>(2%)</b>
Direct Operating Expenses	4,575	4,848	273	6%
Allocated Operating Expenses	661	865	204	24%
<b>Operating Income</b>	<b>1,319</b>	<b>981</b>	<b>338</b>	<b>34%</b>
Other Income/(Expenses)	401	167	234	140%
<b>Income before Contr. &amp; Transfers</b>	<b>1,719</b>	<b>1,147</b>	<b>572</b>	<b>50%</b>
Contributed Capital (A.I.C)	673	825	(151)	(18%)
Transfers (In Lieu)	532	538	(6)	1%
<b>Change in Net Assets</b>	<b>1,861</b>	<b>1,434</b>	<b>427</b>	<b>30%</b>

( ) Unfavorable

(1) Purchased water expenses are higher due to reduced production from the treatment plant resulting in higher Metropolitan Water District (MWD) water purchases.

- Fiscal Year 2003-04 preliminary Water Fund Financial Reserve balances as of February 29, 2004 are summarized in the following table:

Water (In thousands)	Beginning 1/31/2004	Ending 2/29/2004	Recommended Reserves
General Operating Reserve	\$7,595	\$7,387	\$4,430
Capital Reserve	\$2,807	\$2,807	\$3,580
<b>Total Reserves</b>	<b>\$10,402</b>	<b>\$10,194</b>	<b>\$8,010</b>
Water Replenishment Reserve	\$650	\$650	
<b>Total Available Cash</b>	<b>\$11,052</b>	<b>\$10,844</b>	
Parity Reserve Fund	\$777	\$777	
Debt Service Fund	\$800	\$893	
<b>TOTAL CASH BALANCE</b>	<b>\$12,629</b>	<b>\$12,515</b>	

## ELECTRIC UPDATE

### Electric Reliability

The following table shows the systemwide reliability statistics through February 2004 for Fiscal Year 2003-04 as compared to Fiscal Year 2002-03:

Reliability Measure	Fiscal Year 2002-03	Fiscal Year 2003-04, Through Feb 29
Average Outages Per Year	0.16634	0.1976
Average Outage Duration	91.75 minutes	68.21 minutes
Average Service Availability	99.9971%	99.9955%

## **Financial and Operations Update**

- MWh sales of 81,416 for February were above the budgeted amount of 77,741. Year-to-date MWh sales remain above budget due to warmer average temperatures during the summer months and cooler average temperatures during the winter months.
- Wholesale gross margins were above budget for the month of February due to BWP's ability to utilize its assets to increase sales in the wholesale market.
- Fiscal Year 2003-04 year-to-date preliminary Power Financial Results as of February 29, 2004:

	Year - to - Date			
	Actual	Budget	Variance	% Variance
NEL MWh	782,955	772,069	10,886	1%
Weather Normalized NEL MWh	772,194	772,069	125	0%
Sales MWh	754,751	733,471	21,280	3%
Retail Revenues	95,031	94,749	282	0%
Retail Power Supply Expenses	53,370	60,920	7,551	12%
<b>Retail Gross Margin</b>	<b>41,662</b>	<b>33,829</b>	<b>7,833</b>	<b>23%</b>
Wholesale Revenues	91,756	10,733	81,023	755%
Wholesale Expenses	87,338	8,333	(79,004)	(948%)
<b>Wholesale Gross Margin</b>	<b>4,418</b>	<b>2,400</b>	<b>2,018</b>	<b>84%</b>
<b>Gross Margin</b>	<b>46,080</b>	<b>36,229</b>	<b>9,851</b>	<b>27%</b>
Telecom Revenues	510	695	(185)	(27%)
Operating Expenses	27,734	26,297	(1,437)	(5%)
<b>Operating Income</b>	<b>18,856</b>	<b>10,627</b>	<b>8,229</b>	<b>77%</b>
Other Income & (Expense)	(987)	(1,436)	449	31%
<b>Net Inc. before Contributed Capt.</b>	<b>17,870</b>	<b>9,191</b>	<b>8,679</b>	<b>94%</b>
Contributed Capital (A.I.C)	2,437	1,603	833	52%
<b>Change in Net Assets (N.I.)</b>	<b>20,306</b>	<b>10,794</b>	<b>9,512</b>	<b>88%</b>
Net Power Supply Cost-Cents/Kwh	6.49	7.98	1.49	19%

**Comments:**

Cooler than average temperatures for February, HDD were 289 vs. 30 yr. ave. of 235.

- Fiscal Year 2003-04 preliminary Power Fund Financial Reserve as of February 29, 2004 are summarized in the following table:

<b>Electric (In thousands)</b>	<b>Beginning 1/31/2004</b>	<b>Ending 2/29/2004</b>	<b>Recommended Reserves</b>
<b>General Operating Reserve</b>	<b>\$35,788</b>	<b>\$37,961</b>	<b>\$41,000</b>
<b>Debt Reduction and Cap. Funding Reserve</b>	<b>\$7,473</b>	<b>\$7,473</b>	<b>\$15,100</b>
<b>Fleet Replacement Reserve</b>	<b>\$300</b>	<b>\$300</b>	<b>\$4,500</b>
<b>General Plant Reserve</b>	<b>\$200</b>	<b>\$200</b>	<b>\$1,170</b>
<b>Total Reserves</b>	<b>\$43,761</b>	<b>\$45,934</b>	<b>\$61,770</b>
Bond Cash	\$6,532	\$6,559	
<b>Total Available Cash</b>	<b>\$50,293</b>	<b>\$52,492</b>	
Parity Reserve Fund	\$10,652	\$10,652	
Debt Service Fund	\$5,874	\$6,821	
<b>TOTAL CASH BALANCE</b>	<b>\$66,819</b>	<b>\$69,965</b>	

Recommendation:

Note and file.

ADOPTION OF PROPOSED ORDINANCE:

10. AN ORDINANCE AMENDING THE BURBANK MUNICIPAL CODE TO DEFINE CHAIR MASSAGE AND EXEMPT CHAIR MASSAGE FROM CERTAIN REQUIREMENTS OF MASSAGE ESTABLISHMENTS AND MASSAGE TECHNICIANS:

At the December 9, 2003 Council meeting, the Council directed staff to return with an ordinance amending the Burbank Massage Ordinance to.....”not require tub or shower facilities at businesses whose primary business is not massage, and the business provides the service of chair massage on their premises.” An example of such a circumstance would be if a beauty salon wanted to provide the additional service of chair massage and did not have a tub or shower facility on their premises.

The proposed ordinance recommends that the Burbank Massage Ordinance be amended to: exclude such facilities from the requirement of having a tub or shower on the premises; define “chair massage” and “fully clothed”; and, add the following restrictions as part of the Burbank Massage Ordinance:

- a. At all times during the massage both the massage technician and the person receiving the chair massage shall remain fully clothed in non-revealing opaque clothing;
- b. At all times during the massage, the massage must take place within public view in a well lit area and shall not take place in a private area of any building, structure or room;



- c. At no time may any part of the massage technician's body or any mechanical device or apparatus operated by the massage technician touch any specified anatomical areas, as defined in Burbank Municipal Code Section 8-2201(j); and,
- d. Chair massage may not take place in any business establishment which has as a primary business activity the serving of food, alcoholic beverage or entertainment.

This ordinance was introduced at the March 23, 2004 Council meeting.

Recommendation:

Adoption of proposed ordinance entitled:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK AMENDING SECTION 8-2201 AND 8-2205(b)(2) OF CHAPTER 8, ARTICLE 22 OF THE BURBANK MUNICIPAL CODE TO DEFINE CHAIR MASSAGE AND EXEMPT CHAIR MASSAGE FROM CERTAIN REQUIREMENTS OF MASSAGE ESTABLISHMENTS AND MASSAGE TECHNICIANS.

**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. To Tuesday, April 6, 2004 at 5:00 p.m. in the Council Chamber for a Traffic and Transportation Study Session.

**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)**