

TUESDAY, MARCH 30, 2004

A regular meeting of the Council of the City of Burbank was held in the Council Chamber of the City Hall, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:36 p.m. by Ms. Murphy, Mayor.

- Invocation The invocation was given by Pastor Paul Clairville.
- Flag Salute The pledge of allegiance to the flag was led by Ms. Dolan, Administrative Analyst II, City Manager's Office.
- ROLL CALL
- Present- - - Council Members Campbell, Golonski, Ramos, Vander Borght and Murphy.
- Absent - - - Council Members None.
- Also Present - Ms. Alvord, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.
- Initial Open
Public Comment
Period of Oral
Communications Ms. Murphy called for speakers for the initial open public comment period of oral communications at this time.
- Citizen
Comment Appearing to comment were Robert Norlemann, Sergeant with the Los Angeles County Sheriff's Department and founder of the Downed Officers Support Ride, announcing a motorcycle ride on May 2, 2004 in honor of slain Officer Matthew Pavelka and in support of Officer Campbell; Edward Guerrero, alleging false claims against him by the City; and, Mark Barton, denying allegations that he represented himself as a City employee.
- Staff
Response Members of the Council and staff responded to questions raised.
- Agenda Item
Oral
Communications There was no response to the Mayor's invitation for speakers for the agenda item oral communications at this time.
- Motion It was moved by Mr. Campbell and seconded by Mr. Vander Borght that "the following items on the consent calendar be approved as recommended."
- Minutes
Approved The minutes for the regular meetings of February 24, March 2 and March 9, 2004 were approved as submitted.

3/30/04

1301-3
2003 Sidewalk
Repair Project
(B.S. 1135)

RESOLUTION NO. 26,687:
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.

1204-1
Final Map No.
54037
(417 S. Seventh
St.)

RESOLUTION NO. 26,688:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING FINAL MAP OF TRACT NO. 54037 (417 SOUTH 7TH STREET).

1300
Extend Price
Agmt. with
CAM Services

RESOLUTION NO. 26,689:
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.

916
LA County
Recycling
Market Dev.
Zone

RESOLUTION NO. 26,690:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK SUPPORTING RENEWAL OF THE LOS ANGELES COUNTY RECYCLING MARKET DEVELOPMENT ZONE (RMDZ).

1301-1
As-Built
Drawings for
Left-Turn
Phasing
(B.S. 1123)

RESOLUTION NO. 26,691:
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.

Adopted The consent calendar was adopted by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

1414
Posting for "No
Parking" for
Street Sweeping

Mr. Fischer, Assistant Public Works Director/Streets and Sanitation, requested Council authorization to proactively seek individual neighborhood approval to post streets for no parking during street sweeping hours. He recounted that in 1964 the City posted no parking for street sweeping signs where parked cars blocked curb access. He added that in 1975 the City was divided into five sweeping districts, each to be cleaned weekly and that the streets were swept on alternate sides designated as side "A" or side "B" on consecutive days. He noted that the City received many complaints from residents who were confused by the A/B designations. Also, he noted that following a survey of residents, staff concluded that public support for sign installation in most neighborhoods was weak. Consequently, he stated that 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.

Mr. Fischer stated that 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 designations were dropped from street sweeping signs. He added that in the latter part of 1995, the Council further refined the signage policy for street sweeping by reducing the no parking hours from four to two hours and changing the schedule so that sweeping occurs the next two days following a street's regular refuse collection day.

Mr. Fischer informed the Council that approximately 60 percent of residential streets are currently posted for a two-hour period of no parking during sweeping operations and that the City's Municipal Storm Water Permit requires regular sweeping of streets and parking lots. He noted that any material on a street will naturally migrate to the side of the street as traffic flows through the area and that unless the material along the curb is collected through the sweeping operation or through private efforts, it remains in the curb and blocks drainage causing debris build-up and/or is carried into the storm drain system.

Mr. Fischer stated that staff is proposing to proactively seek neighborhoods willing to post their street for no parking during street sweeping hours. He explained that staff will continue to utilize the petition process established in 1975, which requires more than 50 percent of the residents or property owners to sign a petition requesting posting. Staff was directed to provide the neighborhoods with educational information on the need for protecting the storm

water drainage system from debris prior to seeking approval to post streets for no parking during street sweeping hours. The Council also suggested a 60- to 90-day grace period from issuing parking tickets for new streets posted for no parking.

804-4
1005
Issuance and
Sale of Bonds
To Refund
Certain Pension
Obligations of
the City

Mr. Hanway, Financial Services Director, requested Council authorization to sell up to \$25,150,000 of pension bonds to refund an Unfunded Accrued Actuarial Liability (UAAL) of the City. He explained that the UAAL is the difference between the liability of current pension benefits earned compared to the actuarial value of assets on hand. He added that the Public Employees Retirement System (PERS) amortizes the UAAL at an 8.25 percent interest rate and noted that issuing bonds at a lower interest rate creates economic gain to the City for the difference between the two rates. He explained that the City's 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 UAAL.

Mr. Hanway reported that the Police and Fire Safety UAAL is \$24,946,810 as of the latest PERS actuarial date of June 30, 2002. To explore the financing options, he stated that a financing team was selected, including: Peter Ross, Ross Financial, Financial Advisor; Brian Quint, Quint & Thimmig, Bond Counsel; and, John Bartel, Bartel & Associates, Consulting Actuary. Based on the review of financing options available, he stated that the Financing Team recommends the issuance of variable rate Pension Obligation Bonds (POB) of not to exceed \$25.15 million. He added that in order to provide an internal hedge of the risk of increasing interest rates, the Financing Team recommended that: the savings between the variable rate debt service versus a fixed rate be used to prepay bond principal to reduce the exposure to interest rates increasing as principal should be paid more quickly; and that \$10 million be set-aside as a reserve for the POB within the General Fund. He noted that the interest associated with the \$10 million will be credited to the POB reserve and as short-term interest rates rise, interest earned on the \$10 million reserve fund will increase as well. He also added that the City would have the flexibility to use the \$10 million reserve fund to prepay the variable rate POB every 30 days.

Mr. Hanway further explained that the \$10 million POB reserve fund will be funded from the Redevelopment Agency paying the City \$6 million (Hilton note proceeds) related to the 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. He added that the financing team received fee quotations from underwriters, bond insurers and liquidity providers related to the issuance of variable rate debt and based on the results of these proposals, the financing team recommends a direct bond purchase by DEPFA Bank. He explained that a direct bond purchase simplifies the proposed transaction which leads to lower costs of issuance and a lower all in annual borrowing cost. He noted that 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.

Mr. Hanway informed the Council that 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. He noted that 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. He added that 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, he stated that it is anticipated that additional savings above the \$530,000 will retire the bonds one year earlier than a fixed rate bond issue.

Mr. Hanway also noted that if approved, judicial validation proceedings will proceed to validate the approved transaction prior to the issuance of the bonds.

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

804-4
1005
Issuance and
Sale of Bonds
To Refund
Certain Pension
Obligations of
the City

RESOLUTION NO. 26,692:
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.

Adopted The resolution was adopted by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

3/30/04

1503
1504
BWP Monthly
Water and
Power
Operations
Report

Mr. Davis, General Manager, Burbank Water and Power (BWP), presented BWP's monthly Water and Power Operating Report for the month of March 2004. He stated that water quality continued to meet or exceed State, Federal and the administrative standards set by the Council.

Mr. Davis informed the Council that the Water Division's financial results are above budget and the reserves are adequate. On the electric side, he reported that there were no power outages, the revenues are on budget, the power supply costs are under budget and wholesale margins continue to exceed expectations. He also noted that steady progress is being made towards building reserves with anticipation of reaching the recommended levels next year despite capital expenditures.

Mr. Davis also gave a status update on the power plant operations and the Magnolia Power Project. He also stated that the new customer billing information system will be in operation the following week and commended Public Works, Information Technology and Financial Services staff who have contributed much to the project.

With regard to undergrounding utilities, Mr. Davis reported that staff's research revealed that the approach undertaken by other cities was much more aggressive than what was being proposed and that the expenditures were substantial as well. He stated that staff is also analyzing legal issues and that a Utility Undergrounding Study Session will be scheduled as soon as all the information is compiled.

The Council noted and filed the report.

Ordinance
Submitted

It was moved by Mr. Vander Borcht and seconded by Mr. Campbell that "Ordinance No. 3635 be read for the second time by title only and be passed and adopted." The title to the following ordinance was read:

604
Chair Massage
And Massage
Technicians

ORDINANCE NO. 3635:
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.

- Adopted The ordinance was adopted by the following vote:
- Ayes: Council Members Campbell, Golonski, Ramos,
 Vander Borgh and Murphy.
 Noes: Council Members None.
 Absent: Council Members None.
- Final Open Ms. Murphy called for speakers for the final open public
Public Comment comment period of oral communications at this time.
Period of Oral
Communications
- Citizen Appearing to comment were Theresa Karam, commenting on
Comment the case of Karam v. City of Burbank; Ron Vanderford,
 commenting on the case of Karam v. City of Burbank; Eden
 Rosen, distributing information from Visa and MasterCard with
 regard to fees, commenting on liability of pet owners who do
 not keep their pets on a leash and on residents expressing
 anger towards the Council if their concerns are not addressed;
 and, Mike Nolan, commenting on the issuance of bonds to
 refund certain pension obligations of the City.
- Staff Members of the Council and staff responded to questions
Response raised.
- Adjournment There being no further business to come before the Council,
 the meeting was adjourned at 8:48 p.m. to Tuesday, April 6,
 2004 at 5:00 p.m. in the Council Chamber for a Traffic and
 Transportation Study Session.

Margarita Campos, City Clerk