



COUNCIL AGENDA - CITY OF BURBANK
TUESDAY, JUNE 29, 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 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 City Employees Association, Burbank Management Association, International Brotherhood of Electrical Workers, Burbank Firefighters Association, Burbank Firefighters Chief Officers Unit, and Burbank Police Officers Association; Unrepresented, and Appointed Officials.
Summary of Labor Issues to be Negotiated: Current Contracts and Retirement Issues.

- b. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Properties: 700 South San Fernando Boulevard, 206 East Cedar Avenue and 704-722 South San Fernando Boulevard (former Lance Site).
Parties With Whom Agency is Negotiating: Greg and Linda Owens (206 E. Cedar Avenue) and the Olson Company (700-722 South San Fernando Boulevard).
Agency Negotiator: Jennifer Mack, Redevelopment Project Manager.
Terms Under Negotiation: Purchase of real property located at 206 East Cedar Avenue (price and terms of payment); Sale of entire site located at 700-722 South San Fernando Boulevard and 206 East Cedar Avenue to the Olson Company (price and terms of payment).

- c. Conference with Legal Counsel – Anticipated Litigation:
Initiation of litigation pursuant to Govt. Code §54956.9(c)
Number of potential case(s): 1

- d. 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: Reverend Larry Stamper, Burbank First United Methodist 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.

ANNOUNCEMENT: DARK MEETING ON JULY 6, 2004.

RECOGNITION: REVEREND LARRY STAMPER.

RECOGNITION: MICHEAL CUNNINGHAM.

PROCLAMATION: PARKS AND RECREATION MONTH.

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. JOINT PUBLIC HEARING WITH THE REDEVELOPMENT AGENCY:

1. DISPOSITION AND DEVELOPMENT AGREEMENT, PLANNED DEVELOPMENT AND RELATED DOCUMENTS FOR 700-722 SOUTH SAN FERNANDO BOULEVARD AND 206 EAST CEDAR AVENUE (FORMER LANCE SITE):

The purpose of this report is for the Redevelopment Agency (Agency) Board and the Council to consider the proposed sale of Agency property and development entitlements for the former Lance site project. The specific land use applications for the 33-unit residential project include: Planned Development No. 2004-3; Development Review No. 2004-3; Tentative Tract Map No. 60875; a Mitigated Negative Declaration; Development Agreement; and, the associated legal documents. The terms of the proposed sale of Agency-owned property are documented in the Disposition and Development Agreement (DDA).

The former Lance site is located at 700-722 South San Fernando Boulevard and 206 East Cedar Avenue and encompasses the entire east side of South San Fernando Boulevard between Cedar Avenue and Elmwood Avenue within the South San Fernando Redevelopment Project Area.

The applicant is requesting approval to construct 33 for-sale residential units on the site, including 10 units that will be designated for moderate-income buyers. The project includes 75 parking spaces. The proposed tract map will subdivide the units for condominium purposes.

The purpose of the Planned Development process is to provide an alternate process to accommodate unique developments for residential, commercial, professional or other similar activities, including modified development standards which would create a desirable, functional and community environment under controlled conditions of a development plan. The proposed multi-family residential project meets the requirements of this process. Specifically, the land use components that were considered for this project include: density; height; setbacks; parking; lot coverage; open space; landscaping; amenities; and, design.

The Planning Board, by a vote of five to zero, recommended approval of the proposed Planned Development project on May 10, 2004. The Board discussed issues related to site circulation and project design including proposed setbacks, architecture and utility undergrounding.

Since the proposed project requires the Agency to sell property to the Developer, a DDA has been negotiated to document the real estate transaction and to outline the roles and responsibilities of both the Agency and the Developer. Salient provisions of the proposed DDA include the following:

DEVELOPER RESPONSIBILITIES

- The Developer must acquire the site for \$1,012,000;
- The Developer will make a deposit of five percent of the purchase price, or \$50,600, at the opening of escrow, which shall be non-refundable (unless the Agency defaults or both parties mutually agree to terminate the transaction);
- The balance or \$961,400 will be paid at the close of escrow on the site;
- If cost savings and/or sales revenue increases are achieved by the project, the Developer will make a participation payment to the Agency equal to 50 percent of the net profit achieved above the threshold identified in the Agreement;
- The Developer has the right to investigate the site's soils and environmental conditions prior to accepting conveyance of the site. If remediation is required, the Developer is required to fund the first \$50,000 in costs;
- The Developer is required to submit evidence that sufficient equity capital and construction financing has been committed to fund 100 percent of the project costs;
- The Developer must prepare the Declaration of Covenants, Conditions and Restrictions for the project to which the City and Agency must be named as third party beneficiaries. This document also includes the following requirements: occupancy standards for all units will allow two persons per bedroom, plus one additional person; all ongoing maintenance requirements, that meet the Agency's defined standards, will be imposed; and, the homeowners or homeowners' association cannot modify the Covenant, Conditions and Restrictions without the City's and Agency's approval;
- The Developer will develop the site in accordance with the City's Planned Development No. 2004-3;
- The Developer will complete the project in a timely manner as described in the Schedule of Performance; and,
- The Developer will sell 10 of the 1,200 square foot two-bedroom units to households earning less than 120 percent of the Los Angeles County median income (moderate-income level).

AGENCY RESPONSIBILITIES

- The Agency must convey the site to the Developer free of any buildings, structures and active utilities;
- All tenants shall have been relocated from the site in accordance with Federal, State and local laws;
- The site must be conveyed free and clear of tenancies, occupancies and possessory rights of any third parties;
- The Agency will assist with the acquisition of the remaining portion of the site. If negotiations to acquire the remaining parcel are unsuccessful, the Agency will schedule a hearing on a Resolution of Necessity to consider using eminent domain (but will not be obligated to adopt a Resolution of Necessity). If the Agency does not adopt a Resolution of Necessity, and thereafter does not otherwise obtain possession of the privately-owned parcel in a timely manner and transfer same to the Developer at the scheduled close of escrow for the entire site, the Developer can

terminate the DDA and the Agency will be required to return the Developer's deposit to the Developer; and,

- The Agency is conveying the site in an "as is" condition. However, if it is determined during escrow, that environmental remediation is required, the Developer will fund costs up to \$50,000. If the costs exceed \$50,000, the Agency will fund up to an additional \$50,000 in costs. If potential remediation costs exceed a total of \$100,000, the parties will meet and confer with the option to terminate the transaction. However, once escrow has closed, the Developer must indemnify the Agency and City from any hazardous materials claims related to the site.

Pursuant to the California Community Development Law, both the DDA and 33433 Summary Report have been made available for public review immediately following the initial publication (June 12, 2004) of the public notice.

In addition to the land sales proceeds of \$1.01 million, the South San Fernando Redevelopment Project Fund will realize Property Tax increment revenue. Based on the overall project value, the Project Area will collect tax increment revenue through 2043 (the last year in which the Agency can collect tax increment revenue) totaling about \$3.4 million in nominal terms or \$1.2 million in present value terms (using a six percent discount rate). These two revenue components yield a total anticipated Agency revenue projection of approximately \$ 4.4 million in nominal terms and \$2.2 million in present value terms.

When comparing the total Agency costs associated with the proposed project (approximately \$2.05 million) to the anticipated Agency revenue, the net revenue to the Agency is projected at \$2.4 million (in nominal terms) and \$178,000 in present value terms (using a six percent discount rate). The Agency will also potentially receive participation payments from the Developer and/or repayment of the silent second trust deeds placed on the affordable units.

Assuming the proposed Lance site project is approved on June 29, 2004, the Developer will proceed with design development drawings and construction plans. The project is scheduled for completion in approximately 18 months or Fall 2006.

The proposed project will redevelop an underutilized and blighted block into a 33-unit for-sale residential development while creating a pedestrian-friendly environment along the San Fernando Boulevard corridor. It will also enhance the economic viability of the area and provide support for existing businesses in the downtown. The proposed land use and project design are consistent with the principles of the Burbank Center Plan. Furthermore, the proposed project supports the goals of the South San Fernando Redevelopment Plan as well as provides additional residential units to the City's affordable housing inventory.

Recommendation:

Adoption of proposed City Council resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING A NEGATIVE DECLARATION (700-722 SOUTH SAN FERNANDO BOULEVARD AND 206 EAST CEDAR AVENUE).

Introduction of proposed City Council ordinance entitled:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK APPROVING PLANNED DEVELOPMENT NO. 2004-3 AND A DEVELOPMENT AGREEMENT RELATED THERETO (700-722 SOUTH SAN FERNANDO BOULEVARD AND 206 EAST CEDAR AVENUE).

Adoption of proposed City Council resolutions entitled:

1. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING TENTATIVE TRACT MAP NO. 60875 (OLSON URBAN HOUSING, LLC, APPLICANT).
2. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AND OLSON URBAN HOUSING, LLC.

Adoption of proposed Redevelopment Agency resolution entitled:

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE AGENCY AND OLSON URBAN HOUSING, LLC.

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:

RECESS for the Redevelopment Agency meeting.

RECONVENE for the City Council meeting.

CONSENT CALENDAR: (Items 2 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.

2. ESTABLISHMENT OF A \$10 MILLION PENSION OBLIGATION BOND RESERVE:

The purpose of this report is to establish a \$10 million Pension Obligation Bond (POB) Reserve Fund with \$6 million from a note repayment by the Redevelopment Agency (Agency) and \$4 million from the Utility Users Tax (UUT) and In-lieu Set Aside Account.

On March 30, 2004, the Council authorized the issuance of POBs to pay the City's Public Employees Retirement System (PERS) Police and Fire Unfunded Accrued Actuarial Liability (UAAL). The result of the transaction reduces the City's annual pension costs by

approximately \$530,000. The Council directed staff to establish a \$10 million reserve fund within the General Fund to mitigate the future risk of rising interest rates.

The \$10 million POB Reserve Fund was to be funded from the Agency paying the City \$6 million (Hilton note proceeds) to the General Fund and \$4 million from the UUT and In-Lieu Taxes Set Aside Account.

The Cooperation Agreement transfers the \$6 million from the Golden State Redevelopment Project Area to the City Centre Redevelopment Project Area. City Centre contributes the \$6 million to the City to be held in the POB Reserve Fund. If the \$6 million is ultimately expended by the City, the amount will be applied against outstanding loans between the City Centre Project Area and the City.

Recommendation:

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

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE TERMS AND PROVISIONS OF A COOPERATION AGREEMENT BETWEEN THE CITY AND THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK RELATING TO THE PENSION OBLIGATION BONDS AND AMENDING THE FISCAL YEAR 2003-2004 ANNUAL BUDGET IN THE AMOUNT OF \$10,000,000.

3. ACCEPTING A DONATION TO THE BURBANK POLICE DEPARTMENT AND AMENDING THE FISCAL YEAR 2004-05 BUDGET FOR THE PURPOSE OF APPROPRIATING THESE MONIES:

Staff is requesting Council approval and appropriation of monies donated to the Burbank Police Department by Micheal Cunningham.

In May 2004, the Police Department received a donation from Micheal Cunningham in the amount of \$3,000. The Department would like to appropriate this money for the 2004 Summer Youth Academy program. Funding will provide each participant with a notebook, uniform shirt, cap, certificate of completion, bottled water and any other necessary supplies.

Recommendation:

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

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING FISCAL YEAR 2004-2005 BUDGET ACCEPTING MICHAEL CUNNINGHAM'S DONATION OF \$3,000 FOR THE 2004 SUMMER YOUTH ACADEMY PROGRAM.

4. ACCEPTING GRANT FUNDS FOR THE USED OIL BLOCK GRANT 10TH CYCLE

AND AMENDING THE FISCAL YEAR 2004-05 BUDGET TO APPROPRIATE THE GRANT FUNDS:

Staff is requesting Council approval to accept grant funds from the California Integrated Waste Management Board (CIWMB) Used Oil Recycling Block Grant Tenth Cycle 2004-05 in the amount of \$31,711, and to amend the Fiscal Year (FY) 2004-05 budget to appropriate the grant funds.

On March 5, 2002, the Council approved Resolution No. 26,202, authorizing submittal of the California Used Oil Recycling Block Grant application to the CIWMB. The CIWMB had requested that cities apply only once for a three-year grant term and that the appropriate resolution include three fiscal years (FY 2002-03 through 2004-05).

Every year, the Burbank Recycle Center (BRC) recycles approximately 20,000 gallons of used motor oil and at least three tons of filters. Asbury Environmental Services (AES), a used oil recycling facility, removes the oil from the underground tank at the BRC and takes it to its plant to be re-refined into recycled petroleum products. AES also collects and recycles the oil filters. Costs for AES collection and recycling are paid from the used oil recycling block grant funds.

The CIWMB formula for grant funds distribution is based on a city's population. Burbank is eligible to receive \$31,711 in annual grant funds for FY 2004-05. The FY 2004-05 grant funds allotted are based on approximately 31 cents per capita, using the Department of Finance population statistics.

Used oil recycling block grant funds are intended for use in collecting used oil and oil filters. Eligibility is contingent upon meeting certain CIWMB requirements such as hours of operation, notification to the public of its used oil collection/recycling program, oil filter recycling, advertising and public education. The CIWMB must receive the Used Oil Recycling Block Grant Tenth Cycle 2004-05 application and signed resolution covering FY 2004-05 by June 2004.

State funding for the City's used oil collection/recycling programs benefits the BRC and the City's waste reduction efforts by:

- Promoting the City's used motor oil and oil filter collection program specifically, while promoting the overall recycling program;
- Financing improvements to and operations of the BRC's used oil facility;
- Maintaining and enhancing a convenient buyback/dropoff location to facilitate proper recycling of used oil (oil filters and anti-freeze);
- Reducing illegal disposal of oil and the costs associated with it; and,
- Encouraging the environmental protection of storm drains, groundwater and waterways.

Recommendation:

Adoption of proposed resolution entitled:

(4/5 vote required)

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING THE FISCAL YEAR 2004-2005 BUDGET BY ACCEPTING AND APPROPRIATING FUNDS IN THE AMOUNT OF \$31,711 FROM THE STATE OF CALIFORNIA USED OIL BLOCK GRANT – TENTH CYCLE.

5. AMENDING THE FISCAL YEAR 2004-05 DRUG ASSET FORFEITURE FUND BUDGET:

Under the Federal Drug Asset Forfeiture Law, the City has received funds from the State and Federal Government in the amount of \$123,656.04, which represents the City's share of drug cases involving the Burbank Police Department Narcotics Detail.

Recommendation:

Adoption of proposed resolution entitled:

(4/5 vote required)

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING THE FY 2004-2005 BUDGET TO APPROPRIATE ASSET FORFEITURE FUNDS IN THE AMOUNT OF \$123,656.04.

6. PROPOSED REVISIONS TO THE CITY OF BURBANK §457 DEFERRED COMPENSATION PLAN AND TRUST TO INCLUDE A LOAN PROGRAM:

The purpose of this report is to recommend that the Council approve revisions to the City's §457 Deferred Compensation Plan and Trust to include a loan program that provides eligible participants the ability to borrow funds from their plan account balance.

The proposed Loan Policy includes the following provisions:

- **Eligibility to Participate:** Eligibility would be limited to employees who are actively employed with the City and work 30 or more hours per week. Employees working less than 30 hours per week, temporary employees and seasonal employees would not be eligible to participate since their fluctuating work hours make them a high risk of defaulting on their loan.
- **Loan Limits:** The minimum loan amount available would be \$1,000. The maximum loan amount would be half of the participant's total vested deferred compensation account balance, not to exceed \$50,000. To facilitate administration of the program, participants would only be allowed to have one loan in the Plan at a time.
- **Loan Fees:** Participants may be charged fees including a one-time loan origination

fee and/or an annual loan maintenance fee. All fees associated with the loan will be paid for by the participant requesting the loan.

- **Repayment of the Loan:** Loan payments must be made through payroll deduction. Loans shall bear an interest rate at prime rate (as published in the Wall Street Journal the first business day of each month) plus 0.5 percent and will be fixed for the life of each loan. All interest paid is credited to the participant's account. The loan must be repaid within 5 years unless it is for the purchase of a primary residence, which allows for 15 years. Upon termination of employment, participants would have ninety days to pay any unpaid balance on the loan. If the participant fails to do so, the outstanding balance of the loan would be treated as a taxable distribution to the participant.

Adoption of these changes to the City's §457 Deferred Compensation Plan and Trust will have no financial impact on the City.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING REVISIONS TO THE CITY OF BURBANK §457 DEFERRED COMPENSATION PLAN AND TRUST TO INCLUDE A LOAN PROGRAM.

7. APPROVING AN AGREEMENT BETWEEN THE CITY OF BURBANK AND THE LOS ANGELES COUNTY PROBATION DEPARTMENT FOR A CONTRACT PROBATION OFFICER:

Staff is requesting authorization to continue an agreement with the Los Angeles County Probation Department (County) to provide a contract Probation Officer for the City of Burbank.

The agreement with the County is for a one-year period and has been renewed annually since 1992. This Probation Officer works directly with the Police Department Outreach Center and fulfills a number of community-based needs, including targeting at-risk youth, providing intensive community-based supervision to juveniles on probation, and allowing the Department a more timely method of dealing with juvenile detainees. The Probation Officer's detachment from a full County caseload enables him to quickly take action on anti-social behavior occurring in the local schools, which although serious, fails to rise to the level of criminal behavior.

The annual cost of this program is approximately \$120,000 and is shared between the City and the County. The City's portion has already been appropriated as part of the Department's Fiscal Year 2004-05 budget. The Department continues to feel this is an appropriate use of funds, as the contract Probation Officer's efforts have proven to be a strong tool to reduce gang activity, drug abuse and juvenile-related criminal activity.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE AGREEMENT BETWEEN THE CITY OF BURBANK AND THE COUNTY OF LOS ANGELES TO PROVIDE GANG ALTERNATIVE AND PREVENTION PROGRAM SERVICES (GAPP).

8. REQUEST FOR AUTHORIZATION TO EXECUTE SERVICE AGREEMENT A0-5045 WITH THE METROPOLITAN WATER DISTRICT FOR THE CONSTRUCTION OF A NEW SERVICE CONNECTION, B-06, FOR THE CITY OF BURBANK:

Staff is requesting Council authorization to execute Service Agreement AO-5045 with the Metropolitan Water District of Southern California (MWD) for the construction of Service Connection B-06. Burbank will pay MWD for their engineering and construction costs related to the service turnout, control valve structure and meter structure. The estimated reimbursement to MWD is \$878,000. MWD will grant Burbank a renewable 50-year license for the construction, operation, access, repair and maintenance of the delivery pipeline that Burbank will construct in the MWD right-of-way to deliver water from the service turnout to the Pacoima Wash. The project is budgeted for \$2 million in the Fiscal Year 2004-05 budget.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE AGREEMENT FOR CONSTRUCTION OF SERVICE CONNECTION B-06, AGREEMENT NO. A0-5045, BETWEEN THE CITY OF BURBANK AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA.

9. AMENDING RESOLUTION NO. 26,527 REGARDING THE ORDER OF BUSINESS OF CITY COUNCIL MEETINGS:

Resolution 26,527 establishes the order of business of Council meetings, to have the Airport Authority report follow the public hearings and the reporting on Closed Session items. Typically, if there is a public hearing the Council will change the order of business so that the Airport Authority report will be heard before the public hearings. Staff recommends changing the order of business so that the Airport Authority report precedes the public hearings and the reporting on closed session items as a matter of course.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING RESOLUTION NO. 26,527, REGARDING THE ORDER OF BUSINESS OF CITY COUNCIL MEETINGS.

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

REPORTS TO COUNCIL:

10. INCREASE IN THE TRANSIENT PARKING TAX FROM 10 PERCENT TO 11 PERCENT:

At the June 22, 2004 Council meeting, a resolution approving an increase to the City's Transient Parking Tax was postponed by the Council due to the absence of Council Member Golonski. This item was included as part of the overall adoption of the Fiscal Year 2004-05 Budget. If approved, the increase would generate approximately \$165,000 in additional, recurring revenue 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 FROM 10% TO 11%.

11. REVISED ELECTRICAL SERVICES AGREEMENT BETWEEN BURBANK WATER AND POWER AND THE BURBANK UNIFIED SCHOOL DISTRICT:

Staff presents the revised Electrical Services Agreement (Revised Agreement) between Burbank Water and Power (BWP) and the Burbank Unified School District (BUSD) for the Council's consideration.

Under the existing Electric Services Agreement, BUSD has the "right to reopen negotiations on or after July 1, 2004, should the average cost of electricity not drop 25 percent or more" by July 1, 2004. At a joint meeting between the Council and the BUSD Board in July 2003, BWP staff stated that rates were not going to drop by July 2004, and the BUSD Board stated that they intended to reopen negotiations. Under the Council's direction, BWP reopened negotiations with the BUSD before July 2004, enabling BWP and BUSD staff to arrive at a Revised Agreement that could take effect as of July 1, 2004. The term renews for 14 years; July 1, 2004 through June 30, 2018. BUSD agrees to continue purchasing all of its electrical needs from BWP during the term of the Revised Agreement.

Despite rising fuel costs, BWP has been lowering its costs and developing new revenue sources in order to establish its fiscal health and to position it to be competitive in volatile energy markets. The Revised Agreement allows BUSD to benefit from BWP's efforts, but ties BUSD's benefits to how successfully BUSD lowers its energy costs through its own internal efforts. In this regard, the Revised Agreement also gives BUSD the opportunity to develop the internal ability to generate energy savings.

Under the Revised Agreement, BUSD could receive up to \$1,672,000 in benefits from BWP: up to \$490,000 from the waiving of the 10 percent premium; up to \$95,000 for the installation of solar heating for the swimming pools; up to \$287,000 from discounted electric rates for the operation of solar heated swimming pools; and, up to \$800,000 from supporting a BUSD Resource Conservation Manager (RCM).

- BWP discontinued the 10 percent premium on the equivalent of the generation rate that would otherwise take effect for seven years beginning July 1, 2004. However, there is no automatic electric rate discount. BUSD will pay the appropriate standard rates.
- Over the next two fiscal years, BUSD can earn up to a 20 percent discount on the energy portion of its electric bill if it operates passive solar heating systems for its two high school swimming pools. BWP could pay up to \$95,000 to partially support the cost of installing passive solar heating systems at Burbank High School and Burroughs High School.
- Over the next five fiscal years, to a limit of \$160,000 dollars per year, BWP will pay for a BUSD RCM, who is to facilitate the conservation of electricity, natural gas, water, solid waste and other resources used by BUSD. A RCM for BUSD would be an effective means to provide benchmarking and tracking of results.

The costs can be weighed against the guaranteed retention of BUSD as a retail customer of BWP, the benefits of using the RCM for City concerns (up to 200 hours per year) and the public policy benefit of lowering ongoing facility costs for Burbank's public schools.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE ELECTRIC SERVICE AGREEMENT BETWEEN THE CITY OF BURBANK AND THE BURBANK UNIFIED SCHOOL DISTRICT FOR THE PURPOSE OF PROVIDING UTILITY SERVICES.

12. TRAFFIC EDUCATION PROGRAMS STAFF UPDATE:

According to the United States Department of Transportation, motor vehicle collisions are the leading cause of death nationwide among Americans up to 34 years of age, and

the total societal cost of traffic accidents exceeds \$150 billion annually. During the last three years, the Burbank Police Department has averaged about 1100 reported traffic accidents per year; almost 500 accidents per year resulted in some type of injury. An average of six of those accidents resulted in fatalities. Traffic is also the number one quality of life issue in this City.

The secret to success in traffic safety is the “three E’s” – engineering, education and enforcement. While the Burbank Police Department works closely with the Public Works Department to affect engineering, the purpose of this report is to update the Council on traffic education and enforcement efforts.

It is the mission and the duty of the Burbank Police Department to find innovative educational and enforcement methods to minimize traffic accidents to protect our community and increase the quality of life in the City. The Police Department is engaged in a number of efforts to positively impact the problem. This is not something that will be a short term commitment. Long term plans and programs have been established and will be continually monitored for effectiveness.

Recommendation:

Note and file.

13. PROPOSED LOAN PROGRAM FOR WOOD ROOF REPLACEMENT:

Major fires occur every year as a result of human carelessness combined with dry climate and high winds. During these fires, many homes with wood shake or wood shingle roofing material have sustained greater damage or have been totally destroyed when compared to homes with clay tile or asphalt shingle roofing material. As a result, the Council adopted Ordinance 3296 (effective August 14, 1992) mandating that no wood roofs be permitted to remain on any building or structure after 20 years from the date of the Ordinance. Therefore, all homes in the City of Burbank having wood roofs made of exposed cedar shingles (wood) or shake material, or composition roofs installed over wood shake roofs must be removed or replaced by 2012. Subsequently, the Council adopted Ordinance No. 3636 mandating that all homes located in the Mountain Fire Zone have their wood roofs replaced by August 14, 2005. As a result, the Council expressed some concerns about the imposition these requirements may place on homeowners, and requested staff to analyze creating a City-sponsored loan program to assist homeowners in the Mountain Fire Zone with the cost of replacing these roof types.

While reviewing several options for a City program and the existing Income-Restricted Rehabilitation Loan Program, staff was approached by the Burbank City Employees Federal Credit Union (BCEFCU) about a potential loan program that could be created specifically to assist homeowners meet the new roof replacement requirement. BCEFCU proposes a newly-created program that would offer attractive loan rates and minimal underwriting criteria to assist property owners being required to replace existing

wood shake and wood shingle roofs. Funding for this program would be made available through BCEFCU and would be administered by credit union staff members. The loan program would offer two options for repayment which would include a five-year payback period at 3.95 percent Annual Percentage Rate (APR) along with a second option that has a 10-year payback period at 4.95 percent APR.

The BCEFCU loan program would not be restricted to any minimum or maximum income limitations and would feature loan amounts up to \$25,000. Also, there would be no minimum loan-to-value requirements as well as other favorable terms including zero points and no closing costs. However, the property for which this loan is applied for must be the primary residence of the owner at the time of filing of any loan application. City staff would not be responsible for administering this program as BCEFCU is better prepared to process the amount of new loan applications anticipated for this loan program. Homeowners on a limited fixed-income would also be eligible to take advantage of the existing Income-Restricted Residential Loan Program, if qualified.

Staff proposes to mail special notices to those homeowners having wood roofs located in the Mountain Fire Zone, in an attempt to provide them with information pertaining to the new roof replacement requirement and the loan program offered by the BCEFCU. In order to inform all other homeowners with wood roofs throughout the City, staff proposes more general marketing efforts and would work with BCEFCU to distribute other marketing material regarding the proposed loan program being offered.

Recommendation:

Staff recommends that the Council support the proposed loan program offered by the Burbank City Employees Federal Credit Union to assist homeowners in meeting the newly-adopted requirements for all homes with wood roofs in the City by August 14, 2005 and August 14, 2012, respectively.

14. AGREEMENT WITH SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY TO PROCURE NATURAL GAS RESERVES:

Staff requests that the Council adopt the proposed resolution which will enable the General Manager of Burbank Water and Power (BWP) to execute an agreement with Southern California Public Power Authority (SCPPA), to participate in the initial phase of a SCPPA project intended to lead to the acquisition of 1,000 Dth/day of natural gas reserves for BWP's natural gas fuel portfolio.

In the last few years, natural gas prices have become very volatile with prices ranging from \$3/Dth to as high as \$58/Dth. Natural gas price volatility is expected to continue. BWP along with several members within SCPPA believe that long-term gas supplies would be a practical strategy to lock-in the certainty of gas availability as well as provide stable pricing for budgeting for fuel cost for the next five to twenty years of operation. One way to achieve this is to acquire existing proven in-ground gas reserves in fields that

can deliver gas to Southern California.

Parties who have agreed to be involved in the agreement include the following SCPA members: Los Angeles Department of Water and Power; the Cities of Anaheim, Glendale, Burbank, Pasadena and Colton; and the following non-SCPA utilities: Redding, Turlock Irrigation District and Southern Nevada Water Authority. The total expenses associated with the project are estimated to be as shown in the following table.

Project Budget - \$'s				
<u>Phase</u>	<u>Development Costs</u>	<u>Financing Costs</u>	<u>Gas Sales Agreement Development Costs</u>	<u>Total</u>
Initial Costs	305,000	360,000	75,000	740,000
Post Election Costs	3,685,000	240,000	-	3,925,000
	<u>3,990,000</u>	<u>600,000</u>	<u>75,000</u>	<u>4,665,000</u>

Burbank's share of the total project costs are estimated to be as shown in the following table.

Burbank's Maximum Anticipated Share of Project Budget - \$'s (1)				
<u>Phase</u>	<u>Development Costs</u>	<u>Financing Costs</u>	<u>Gas Sales Agreement Development Costs</u>	<u>Total</u>
Initial Costs	5,200	38,000	6,000	49,200
Post Election Costs (2)	62,600	25,200	-	87,800
	<u>67,800</u>	<u>63,200</u>	<u>6,000</u>	<u>137,000</u>

(1) If Pasadena elects to finance its share, Burbank's share of financing costs decreases by \$7,000.
(2) Will come back to Council for approval of these expenditures.

Putting all these expenses together, it is estimated that the actual cost of gas to Burbank from these reserves should be in a range of \$4.75 to \$5.25/Dth over the life of the reserves. Based on current conditions, these prices are competitive with expected future prices.

The authority requested under this resolution is for the initial phase of the project. This work is to be completed in September 2004. At the conclusion of this initial phase,

Burbank will then make its election on whether to continue with the project. The authority requested under this resolution is limited to the initial phase. Should Burbank decide not to participate in the project at all, it only loses its share of the initial agreement development costs, which are not expected to exceed \$50,000.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING AND AUTHORIZING OFFICIALS TO EXECUTE AND DELIVER THE NATURAL GAS PROJECT DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF BURBANK, VARIOUS OTHER PUBLIC AGENCIES, AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY.

15. BURBANK WATER AND POWER 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 June 2004.

WATER UPDATE

Water Quality

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

Fiscal Year (FY) 2003-04 Year-To-Date preliminary Water Fund Financial Results as of May 31, 2004:

Year-to-date purchased water is slightly higher than budget due to construction of the Liquid Phase Granulated Activated Carbon (LPGAC) units, therefore, reducing operating capacity to 62 percent, compare to the budgeted capacity of 70 percent.

Year-to-date direct expenses are lower than budget due to lower operating capacity and items budgeted but not expensed yet this fiscal year. To date, electricity, chemical, professional and private contractual service expenses are approximately \$400,000 under budget.

Year-to-date allocated operating expenses are lower than budget mostly because the overhead allocations in the Fleet and Warehouse section are recorded as contra expenses rather than revenues.

Year-to-date other income is higher than budget primarily due to water treatment and pumping income from Valhalla Memorial Park.

	Year - to - Date			
	Actual	Budget	Variance	% Variance
Potable water sales (CCF)	8,807,563	8,625,125	182,438	2%
Reclaimed water sales (CCF)*	220,071	182,081	37,990	21%
Potable Revenues	14,125	14,011	114	1%
Reclaimed and Power Plant Revenues	523	479	44	9%
Total Revenues	14,648	14,490	158	1%
Purchased Water	5,983	5,751	(232)	(4%)
Gross Margin	8,665	8,739	(74)	(1%)
Direct Operating Expenses	6,046	6,624	578	9%
Allocated Operating Expenses	875	1,190	314	26%
Operating Income	1,743	925	819	88%
Other Income/(Expenses)	432	229	203	89%
Income before Contr. & Transfers	2,176	1,154	1,022	89%
Contributed Capital (A.I.C)	747	1,134	(387)	(34%)
Transfers (In Lieu)	727	701	26	(4%)
Change in Net Assets (Net Income)	2,196	1,587	608	38%

() = Unfavorable

* Excluding Power Plant sales.

FY 2003-04 preliminary Water Fund Financial Reserve balances as of May 31, 2004 are summarized in the following table:

Water (In thousands)	Balance			Recommended Reserves
	6/30/2003	4/30/2004	5/31/2004	
General Operating Reserve	\$8,880	\$6,671	\$6,911	\$4,430
Capital Reserve	\$1,307	\$2,807	\$2,807	\$3,580
Total Reserves	\$10,187	\$9,478	\$9,718	\$8,010
Water Replenishment Reserve	250	\$650	\$650	
Total Available Cash	\$10,437	\$10,128	\$10,368	
Parity Reserve Fund	777	\$777	\$777	
Debt Service Fund	350	\$1,079	\$1,170	
TOTAL CASH BALANCE	\$11,564	\$11,984	\$12,316	

ELECTRIC UPDATE

Electric Reliability

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

Reliability Measure	Fiscal Year 2002-03	Fiscal Year 2003-04, Through May 31
Average Outages Per Year	0.16634	0.3568
Average Outage Duration	91.75 minutes	45.06 minutes
Average Service Availability	99.9971%	99.9966%

Financial and Operations Update

Year-to-date retail margins were higher than budget mainly due to cost savings from power contract negotiations and cost savings from the resale of coal related to the IPP.

Year-to-date wholesale gross margins were higher than budget due to BWP's ability to utilize its assets to increase sales in the wholesale market.

Year-to-date other income was higher than budget mainly attributed to the FEMA grant due to the 1994 earthquake for the Sylmar retrofit project.

Fiscal Year 2003-04 year-to-date preliminary Power Financial Results as of May 31, 2004:

	Year - to - Date			
	Actual	Budget	Variance	% Variance
NEL MWh	1,062,176	1,042,293	19,883	2%
Weather Normalized NEL MWh	1,050,848	1,042,293	8,555	1%
Sales MWh	993,440	990,184	3,256	0%
Retail Revenues	128,178	127,930	248	0%
Retail Power Supply Expenses	74,871	81,391	6,520	8%
Retail Gross Margin	53,307	46,539	6,768	15%
Wholesale Revenues	119,371	14,758	104,613	709%
Wholesale Expenses	114,477	11,458	(103,019)	(899%)
Wholesale Gross Margin	4,894	3,300	1,594	48%
Gross Margin	58,201	49,839	8,362	17%
Telecom Revenues	862	909	(47)	(5%)
Operating Expenses	35,513	36,011	499	1%
Operating Income	23,551	14,737	8,814	60%
Other Income & (Expense)	(1,387)	(1,975)	588	30%
Net Inc. before Contributed Capt.	22,165	12,763	9,402	74%
Contributed Capital (A.I.C)	2,718	2,205	514	23%
Change in Net Assets (Net Income)	24,883	14,967	9,916	66%

() = Unfavorable

FY 2003-04 preliminary Power Fund Financial Reserve as of April 30, 2004 is summarized in the following table:

Electric (In thousands)	Balance			Recommended Reserves
	6/30/2003	4/30/2004	5/31/2004	
General Operating Reserve	\$22,979	\$35,870	\$36,164	\$41,000
Debt Reduction and Cap. Funding Reserve	\$5,548	\$7,473	\$7,473	\$15,100
Fleet Replacement Reserve	\$0	\$300	\$300	\$4,500
General Plant Reserve	\$0	\$200	\$200	\$1,170
Total Reserves	\$28,527	\$43,843	\$44,137	\$61,770
Bond Cash	\$9,166	\$6,559	\$6,559	
Total Available Cash	\$37,693	\$50,401	\$50,695	
Parity Reserve Fund	\$10,841	\$10,653	\$10,653	
Debt Service Fund	\$1,651	\$8,716	\$9,661	
TOTAL CASH BALANCE	\$50,185	\$69,770	\$71,010	

* Note: There is a payment of approximately \$9 million for principal and interest on Fund 496 Bonds due on June 1, 2004.

Recommendation:

Note and file.

RECONVENE the Redevelopment Agency meeting 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**