

TUESDAY, JUNE 29, 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 5:06 p.m. by Mrs. Ramos, Mayor.

CLOSED SESSION

Present- - - - Council Members Campbell, Golonski, Murphy, Vander Borgh and Ramos.

Absent - - - - Council Members None.

Also Present - Ms. Alvord, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.

Oral Communications Mayor Ramos called for oral communications on Closed Session matters at this time.

Citizen Comment Appearing to comment were Greg and Linda Owens, owners of the property located at 206 East Cedar Avenue, on the pending acquisition of their property by the City, on the City's relocation efforts and expressing interest in a City-owned property located at 461 North Varney Street; and, Mike Nolan, inquiring whether the previous speakers or a representative from Crown Development Company will participate in Closed Session negotiations.

5:19 P.M. Recess The Council recessed at this time to the City Hall Basement Lunch Room/Conference Room to hold a Closed Session on the following:

- 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, 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: Community Development 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 (City as possible plaintiff):
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

Regular Meeting Reconvened in Council Chambers The regular meeting of the Council of the City of Burbank was reconvened at 6:40 p.m. by Mrs. Ramos, Mayor.

Invocation The invocation was given by Reverend Larry Stamper, Burbank First United Methodist Church.

Flag Salute The pledge of allegiance to the flag was led by Mr. Kramer, Community Assistance Coordinator.

ROLL CALL

Present- - - - Council Members Campbell, Golonski, Murphy, Vander Borght and Ramos.

Absent - - - - Council Members None.

Also Present - Ms. Alvord, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.

301-1 Recognition of Larry Stamper Mayor Ramos recognized Reverend Larry Stamper on the occasion of his retirement from the Burbank First United Methodist Church and expressed appreciation for his many accomplishments, dedicated service, ongoing guidance, and outstanding contributions to the City and the community. She noted his service as a member of the Burbank City Council from 1981 to 1985, during which time he served as Vice Mayor and Mayor, and his service as Burbank Police Department Chaplain from 1976 to 1990. She also recognized

6/29/04

his membership with the following organizations: Burbank Kiwanis Club since 1972; Burbank Community Hospital Board of Trustees; Verdugo Hills Council; Boy Scouts of America Board of Directors; United Way CAPS Council; Goodwill Industries Board of Governors; and, Burbank Community Hospital Foundation.

Mayor Ramos presented Reverend Stamper with a framed photo of Burbank City Hall and Mayor's Commendation.

301-1
Recognition of
Micheal
Cunningham

Chief Hoefel introduced Community Resource Officer Vee Jones. Officer Jones recognized Micheal Cunningham for his generous contribution in the amount of \$3,000 to the Burbank Police Department Youth Academy. She presented Mr. Cunningham with a plaque and T-shirt in appreciation of his generosity.

Mayor Ramos presented Mr. Cunningham with a Mayor's Commendation in recognition of his recent donation to Providence Saint Joseph Medical Center for the purchase of a custom-made bloodmobile, the first in Los Angeles County, and his donation of \$200,000 to the Burbank Historical Society for the construction of a new addition to the Gordon R. Howard Museum. Mr. Cunningham expressed appreciation and recognized the dedication of his late wife, Mayme, to the community.

301-1
Parks and
Recreation
Month

Mayor Ramos presented a proclamation in honor of Parks and Recreation Month to Todd Layfer, Chair of the Park, Recreation and Community Services Advisory Board.

Reporting on
Council Liaison
Committees

Mr. Vander Borght reported on the DeBell Golf Clubhouse Improvements Committee meeting he attended with Mrs. Ramos. He also reported that he represented the Council at the 20th Anniversary of the Glendale Bee Line.

Mr. Golonski reported that he attended a planning meeting for the National Night Out Event Committee, noting the event is scheduled for August 3, 2004 at Johnny Carson Park.

Mrs. Ramos congratulated the Veterans Commemorative Committee for the pancake breakfast held on Saturday, June 26, 2004 to benefit Hands Across the Battlefield.

7:05 P.M.
Jt. Hearing with

Mayor Ramos stated that "this is the time and place for the joint public hearing of the Redevelopment Agency and the

Redev. Agency 1702 1102 DDA and PD for 700-722 S. San Fernando Blvd. and 206 E. Cedar Ave. (Former Lance Site)

Council of the City of Burbank regarding the Former Lance Site Residential Project located at 700-722 South San Fernando Boulevard and 206 East Cedar Avenue. The Applicant is Olson Urban Housing, LLC. The various components of this project are a Disposition and Development Agreement; a rezoning to the Planned Development No. 2004-3 zone to allow for a thirty-three unit townhome-style condominium project with ten affordable units; a Development Agreement; and a Tentative Tract Map No. 60875 to allow for the subdivision of the site. In addition, a Negative Declaration will be considered which addresses the project."

Notice Given

The City Clerk was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff Report

Ms. Mack, Redevelopment Project Manager, Community Development Department, requested that the Council and Redevelopment Agency (Agency) Board consider the proposed sale of Agency property and development entitlements for the Former Lance Site Project. She explained that the 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. She informed the Council that the proposed project consists of 33 for-sale residential units including 10 units that would be sold to moderate-income households. She noted that since 1995, the Agency has assembled and completed abatement and demolition activities for the majority of the site, initiated a relocation process for the remaining two tenants and the acquisition process for the remaining private property.

Mr. Ochsenein, Senior Planner, Community Development Department, noted that the subject property is currently zoned BCC-3, which allows the construction of a residential project through the Conditional Use Permit process and that surrounding properties are zoned R-4, BCC-3, and BCCM. He noted that the proposed Robert R. Ostrom Park is located across the street to the north of the subject property. He reported that the Olson Company is proposing to construct a 33-unit condominium project on the site. He added that each unit will be served by an attached two-car garage and an additional nine guest parking spaces are proposed to be provided from the alley. With a visual aid, he illustrated that the Olson Company has proposed two different floor plans as part of the project with 12 units with the smaller 1,255 square

foot floor plan and the remaining units with 1,354 square feet. He noted that both plans include front entry porches, balconies and three levels of living area. He further stated that the project is designed as six separate buildings, with five or six units for each building and that the smaller units will be located at the end of each building. He also noted that the individual unit garages will be accessed through three drive aisles that are located between the buildings and that ingress and egress to the drive aisles is from the alley to the rear of the property. He added that due to the location of existing utility infrastructure, the middle drive aisle is slightly curved and will be restricted to left-in right-out turns with two common courtyards, which will be landscaped in excess of the City's multi-family standards.

Mr. Ochsenbein stated that it is the goal of the Burbank Center Plan to create a pedestrian-friendly environment within the South San Fernando corridor, therefore, the units facing public streets have been oriented towards the street and the façade will incorporate landscaping that is consistent with the South San Fernando Streetscape Project. He added that in accordance with the California Environmental Quality Act, a Negative Declaration has been prepared for the project indicating that the project will not result in any significant environmental impacts. He noted that on May 10, 2004, the Planning Board held a public hearing regarding this project and recommended that the Council approve the project.

Ms. Mack reported that since the proposed project requires the Agency to sell property to the Developer, a Disposition and Development Agreement (DDA) has been negotiated to document the real estate transaction and to outline the roles and responsibilities of both the Agency and the Developer. She then discussed the Developer and Agency responsibilities as outlined in the DDA as well as the total Agency costs and projected revenues.

Ms. Mack informed the Council that upon approval, the Developer will proceed with design development drawings and construction plans for the project which is scheduled for completion in approximately 18 months or Fall 2006. She noted that 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. She added that the economic viability of the area will be enhanced and existing businesses in the downtown will be supported. She also noted that the proposed land use and project design are consistent with the principles of the Burbank Center Plan and support the goals of the South San Fernando Redevelopment Plan as well

as provide additional residential units to the City's affordable housing inventory.

Applicant	<p>Kim Prijatel, Vice President of Development for the Olson Company, gave a brief overview of the Olson Company and described several projects that the company has completed in other jurisdictions in addition to the Burbank Village Walk project which is currently under construction.</p> <p>Jamie Walton, Landscape Architect from Professional Design Associates, discussed the landscape plan and features.</p> <p>Beatrix Barker, Public Art Consultant, Barker and Associates, discussed the selection process for an artist for the project. She noted that Anne Marie has been selected and noted her accomplishments including art projects for the North Hollywood Metropolitan Transportation Authority Subway Station and the Paseo Colorado in Pasadena.</p>
Citizen Comment	<p>Appearing to comment were John Dincher, owner of West Coast Auto Resale, who leases the property, stating he has been served with eviction notices, expressing disagreement with the relocation process and stating that the only attempts to relocate him have been to substandard lots outside of Burbank and requesting the Council's assistance in resolving his issues; Linda Owens, stating the Redevelopment Agency (Agency) does not own the property located at 206 East Cedar Avenue, summarizing the history of ownership, stating the City has not given them enough time to come to a mutual agreement and now is aggressively pursuing relocation; Mike Nolan, on past businesses located on subject property, the process of eminent domain, noting the anticipated Agency revenue and stating that the City is not charging enough for the land; and, Mark Barton, on the benefits of the project outweighing the land sale proceeds.</p>
Hearing Closed	<p>There being no further response to the Mayor's invitation for oral comment, the hearing was declared closed.</p>
Council Deliberation	<p>Mr. Vander Borcht requested background information on the acquisition and relocation process and on specific setback and wall height dimensions of the project. Ms. Davidson-Guerra, Assistant Community Development Director/Redevelopment and Housing, and Mr. Ochsenbein responded.</p>

6/29/04

The Council was supportive of the project and expressed their desire for staff to negotiate an amicable resolution with the remaining property owners and tenants. Mr. Golonski also requested that staff retain the services of secondary consultants to review the current relocation recommendations and to re-assess the value of goodwill and the leasehold interest.

Motion It was moved by Mr. Vander Borgh and seconded by Ms. Murphy that "the following resolutions be passed and adopted and the following ordinance be introduced and read by title only and be passed to the second reading:"

1702 RESOLUTION NO. 26,741:
Adopt Neg. Dec. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
(700-722 S. San ADOPTING A NEGATIVE DECLARATION (700-722 SOUTH SAN
Fernando and FERNANDO BOULEVARD AND 260 EAST CEDAR AVENUE).
260 E. Cedar)

1702 AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK
Approve PD No. APPROVING PLANNED DEVELOPMENT NO. 2004-3 AND A
2004-3 and DA DEVELOPMENT AGREEMENT RELATED THERETO (700-722
for 700-722 S. SOUTH SAN FERNANDO BOULEVARD AND 206 EAST CEDAR
San Fernando AVENUE).
and 206 E.
Cedar

1702 RESOLUTION NO. 26,742:
Approve Tent. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Tract Map No. APPROVING TENTATIVE TRACT MAP NO. 60875 (OLSON
60875 (Olson URBAN HOUSING, LLC, APPLICANT).
Urban Housing)

1702 RESOLUTION NO. 26,743:
Approve DA A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
with Redev. APPROVING A DISPOSITION AND DEVELOPMENT
Agency and AGREEMENT BY AND BETWEEN THE REDEVELOPMENT
Olson AGENCY OF THE CITY OF BURBANK AND OLSON URBAN
HOUSING, LLC.

Redev. Agency Redevelopment Agency Resolution No. R-2111 Approving a
Reso. Adopted Disposition and Development Agreement by and Between the
Agency and Olson Urban Housing, LLC was adopted.

Adopted	The resolution was adopted by the following vote: Ayes: Council Members Campbell, Golonski, Murphy, Vander Borcht and Ramos. Noes: Council Members None. Absent: Council Members None.
Motion	It was moved by Mr. Golonski, seconded by Mr. Campbell and carried that "staff be directed to retain the services of secondary consultants to review the current relocation recommendations and to re-assess the value of goodwill and the leasehold interest."
8:08 P.M. Recess	The Council recessed at this time. The meeting reconvened at 8:28 p.m. with all members present.
Reporting on Closed Session	Mr. Barlow reported on the items considered by the City Council and the Redevelopment Agency during the Closed Session meetings.
Initial Open Public Comment Period of Oral Communications	Mrs. Ramos called for speakers for the initial open public comment period of oral communications at this time.
Citizen Comment	Appearing to comment were Sam Asheghian, representing the Magnolia Park Merchants Association, distributing a newsletter and announcing an upcoming event; Tom Strachan, requesting that land sale transactions be put on the ballot for voter consideration and commenting on R-1 single-family development standards; Mark Barton, on the wayfinding signage program; and, Howard Rothenbach, Chair of the Restore Our Airport Rights Committee, on the proposed Airport Development Agreement.
Staff Response	Members of the Council and staff responded to questions raised.
Agenda Item Oral Communications	Mrs. Ramos called for speakers for the agenda item oral communications at this time.

6/29/04

Citizen Comment	Appearing to comment were Mike Nolan, on the City's water rights; Mark Barton, on land sale benefits to the community; and, David Piroli and Howard Rothenbach, on the proposed Transient Parking Tax increase.
Staff Response	Members of the Council and staff responded to questions raised.
9:01P.M. Recess	The Council recessed to permit the Redevelopment Agency to hold its meeting. The Council reconvened at 9:03 p.m. with all members present.
Motion	It was moved by Ms. Murphy and seconded by Mr. Campbell that "the following items on the consent calendar be approved as recommended."
804-4 Coop. Agmt. w/ Redev. Agency for \$10 Million Pension Obligation Bond	<u>RESOLUTION NO.26,744:</u> 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.
304-1 801-2 Donation to the Police Dept.	<u>RESOLUTION NO. 26,745:</u> 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.
804-3 916 801-2 Used Oil Block Grant 10 th Cycle	<u>RESOLUTION NO. 26,746:</u> 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.
907 801-2 Drug Asset Forfeiture	<u>RESOLUTION NO. 26,747:</u> 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.

1004-2 RESOLUTION NO. 26,748:
Revisions to the A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Deferred Comp. APPROVING REVISIONS TO THE CITY OF BURBANK §457
Plan and Trust DEFERRED COMPENSATION PLAN AND TRUST TO INCLUDE A
For a Loan LOAN PROGRAM.
Program

907 RESOLUTION NO. 26,749:
404 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
L.A. County APPROVING THE AGREEMENT FOR CONSTRUCTION OF
Probation Dept. SERVICE CONNECTION B-06, AGREEMENT NO. A0-5045,
for Contract BETWEEN THE CITY OF BURBANK AND THE METROPOLITAN
Probation WATER DISTRICT OF SOUTHERN CALIFORNIA.
Officer

201-1 RESOLUTION NO. 26,750:
Order of A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Business AMENDING RESOLUTION NO. 26,527, REGARDING THE
Amendment ORDER OF BUSINESS OF CITY COUNCIL MEETINGS.

Adopted The consent calendar was adopted by the following vote:

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

Noes: Council Members None.

Absent: Council Members None.

804-5 Mr. Hanway, Financial Services Director, reported that at the
Transient June 22, 2004 Council meeting, a resolution approving an
Parking Tax increase to the City's Transient Parking Tax from 10 percent to
Increase 11 percent was postponed by the Council due to the absence
of Council Member Golonski. He noted that this item was
included as part of the overall adoption of the Fiscal Year
2004-05 Budget. He added that if approved, the increase
would generate approximately \$165,000 in additional,
recurring revenue to the City.

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

804-5 RESOLUTION NO. 26,752:
Transient A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Parking Tax APPROVING THE INCREASE OF THE TRANSIENT PARKING

6/29/04

Increase TAX FROM 10% TO 11%.

Adopted The resolution was adopted by the following vote:

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

Noes: Council Members Murphy and Ramos.

Absent: Council Members None.

412
1503-1
Revised
Electrical Svcs.
Agmt. with
BWP and BUSD

Mr. Simay, Assistant General Manager, Burbank Water and Power, presented the revised Electrical Services Agreement (Revised Agreement) between Burbank Water and Power (BWP) and the Burbank Unified School District (BUSD) for Council consideration. He noted that under the existing Electrical Services Agreement, the 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. He added that at a joint meeting between the Council and the BUSD Board in July 2003, it was apparent that electric rates were not going to drop by July 2004, and the BUSD Board intended to reopen negotiations. He noted that pursuant to Council 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.

Mr. Simay discussed that the Revised Agreement will be in effect for 14 years; July 1, 2004 through June 30, 2018, during which time the BUSD agrees to continue purchasing all electrical needs from BWP. Also, he noted that the 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 high school 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). He noted that 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.

Discussion ensued on solar installation discounts, establishing an energy usage baseline, exploring performance-based incentives and on the services of the RCM.

Mr. Bradley, representing the BUSD, expressed appreciation to the Council and stated that the Revised Agreement will be

considered by the BUSD Board on Thursday, July 1, 2004 following Council approval.

Motion It was moved by Mr. Vander Borgh and seconded by Ms. Murphy that "the following resolution be passed and adopted:"

412 RESOLUTION NO. 26,753:
1503-1 A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
Revised APPROVING THE ELECTRIC SERVICE AGREEMENT BETWEEN
Electrical Svcs. THE CITY OF BURBANK AND THE BURBANK UNIFIED SCHOOL
Agmt. with DISTRICT FOR THE PURPOSE OF PROVIDING UTILITY
BWP and BUSD SERVICES.

Adopted The resolution was adopted by the following vote:

Ayes: Council Members Campbell, Golonski, Murphy,
Vander Borgh and Ramos.
Noes: Council Members None.
Absent: Council Members None.

907 Captain Lowers presented an update on the City's traffic
Traffic education efforts. She reported that during the last three
Education years, the Burbank Police Department has averaged about 1100
Programs reported traffic accidents per year of which 500 resulted in
some type of injury. She added that an average of six
accidents annually result in fatalities and also noted that
traffic is the number one quality of life issue in the City.

Captain Lowers informed the Council that the City has three ways of addressing traffic issues; engineering, education and enforcement. She noted that the Police Department works in conjunction with the Public Works Department to affect engineering, and with the community on traffic education programs. She then discussed the various educational and enforcement tools used by the Department and other proposed programs as well.

Captain Lowers stated that it is the mission and the duty of the Police Department to find innovative educational and enforcement methods to minimize traffic accidents to protect the community and increase the quality of life in the City.

The Council noted and filed the report.

500
Loan Program
For Wood Roof
Replacement

Mr. Lynch, Senior Redevelopment Project Manager, Community Development Department, presented the Wood Roof Replacement Loan Program for Council consideration. He reported that since homes with woodshake roofs are more likely to be destroyed during a major fire, the Council adopted an ordinance in 1992 mandating that no wood roofs be permitted to remain on any building or structure after 20 years from the date of the ordinance. He noted that following major fires which occurred in Fall 2003, the Fire Department recommended modifying the ordinance and 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. He noted that the Council also expressed some concerns about the imposition these requirements may place on homeowners and directed 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.

Mr. Lynch informed the Council that 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. He explained that the BCEFCU proposes a newly-created program that would offer attractive loans of up to \$25,000 with interest rates ranging from 3.95 percent for five-year terms to 4.95 percent for 10-year loans. He added that the loans would require no upfront fees, points, closing costs, income restrictions or minimum loan-to-value requirements. He also noted that homeowners on a limited fixed-income would be eligible for the existing Income-Restricted Residential Loan Program.

The Council supported 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.

411
Agmt. with
SCPPA to
Procure Natural
Gas Reserves

Mr. Fletcher, Assistant General Manager, Burbank Water and Power, requested 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 natural gas reserves for BWP's

natural gas fuel portfolio. He noted that with the completion of the Magnolia Power Project, the City's use of natural gas will triple while producing four times the amount of electricity. He added that in the last few years, natural gas prices have become very volatile and that volatility was expected to continue. He also stated that with the increased need for natural gas, the City will have the opportunity to better manage gas supply and have more options following the Intermountain Power Plant model.

Mr. Fletcher then discussed the proposed purchase program which will entail teaming with other municipal electric utilities. He added that the formal program will develop eight separate gas reserve sites over an 18-month period and conduct: due diligence with a nationally-recognized gas reservoir engineering firm; legal review for clear title; and, environmental review of the site. He noted that the program will be implemented in two phases, with Phase One entailing the development of the first project and the associated natural gas purchase agreement at a cost of \$750,000, of which BWP's share is approximately \$50,000. He added that in Phase Two, the Council will review and approve the results of the first phase by the execution of a natural gas purchase agreement at a cost of \$4 million, of which BWP's share will be approximately \$100,000. He also discussed the delivered cost of gas which will save BWP approximately \$300,000 per year and gave an overview of the implementation strategy.

Motion It was moved by Mr. Campbell and seconded by Mr. Vander Borght that "the following resolution be passed and adopted:"

411 RESOLUTION NO. 26,754:
 Agmt. with A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK
 SCPPA to APPROVING AND AUTHORIZING OFFICIALS TO EXECUTE AND
 Procure Natural DELIVER THE NATURAL GAS PROJECT DEVELOPMENT
 Gas Reserves AGREEMENT BY AND AMONG THE CITY OF BURBANK,
 VARIOUS OTHER PUBLIC AGENCIES, AND THE SOUTHERN
 CALIFORNIA PUBLIC POWER AUTHORITY.

Adopted The resolution was adopted by the following vote:

Ayes: Council Members Campbell, Golonski, Murphy,
 Vander Borght and Ramos.
 Noes: Council Members None.
 Absent: Council Members None.

6/29/04

1503
1504
BWP Monthly
Operating
Report

Mr. Davis, General Manager, Burbank Water and Power, presented the monthly water and power operating report for the month of June. He noted that drinking water quality continues to meet or exceed State, Federal and the Council's administrative standards. He noted that year-to-date, the Water Division is \$1 million better than budget and water reserves are healthy. On the electric side, he noted the continuing cost-savings on the retail side and stated that despite the small wholesale power margins, sales are approximately \$2 million better than budget. He noted that the Electric Division will be approximately \$10 million better than budget which will help the utility rebuild reserves and be positioned to fund its needs.

Mr. Davis also reported on the progress of the Magnolia Power Project and noted that staff is working on several legislative matters.

Mr. Golonski noted the need to discuss a utility rate reduction strategy.

The Council noted and filed the report.

10:31 P.M.
Reconvene
Redev. Agency
Meeting

The Redevelopment Agency meeting was reconvened at this time.

Final Open
Public Comment
Period of Oral
Communications

Mrs. Ramos called for speakers for the final open public comment period of oral communications at this time.

Citizen
Comment

Appearing to comment were Mike Nolan, on the Airport Trust Agreement; and, Robert Mageed, on the Plan Evaluation and Review Committee's recommendations to the Council on Airport issues.

Staff
Response

Members of the Council and staff responded to questions raised.

Adjournment

There being no further business to come before the Council, the meeting was adjourned at 10:35 p.m.

6/29/04

Margarita Campos, City Clerk