



COUNCIL AGENDA - CITY OF BURBANK  
TUESDAY, JUNE 14, 2005  
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:

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:** Contracts and Retirement Issues.

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 Ross Purdy, First Presbyterian Church.

The Courts have concluded that sectarian prayer as part of City Council meetings is not permitted under the Constitution.

FLAG SALUTE:

ROLL CALL:

RECOGNITION:                    BURBANK HOMENETMEN SIPAN CHAPTER – TRAIL MAINTENANCE PROJECT.

PRESENTATION:                WATER IS LIFE VIDEO.

RECOGNITION:                FRIENDS OF THE BURBANK PUBLIC LIBRARY 25<sup>TH</sup> ANNIVERSARY.

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).

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 action items on the agenda 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 Action Agenda items only.)

COUNCIL AND STAFF RESPONSE TO AGENDA ITEM ORAL COMMUNICATIONS:

JOINT MEETINGS WITH THE REDEVELOPMENT AGENCY, HOUSING AUTHORITY, PARKING AUTHORITY AND YOUTH ENDOWMENT SERVICES FUND BOARD:

1. ADOPTION OF FISCAL YEAR 2005-06 ANNUAL BUDGET, CITYWIDE FEE SCHEDULE AND APPROPRIATIONS LIMIT:

The purpose of this report is for the Council, Redevelopment Agency Board, Housing Authority, Parking Authority and Youth Endowment Services (YES) Fund Board to adopt the Fiscal Year (FY) 2005-06 Annual Budget, Citywide Fee Schedule and Appropriations Limit.

On February 15, 2005, staff presented the mid-year report, which not only advised how the City was operating six months into the year, but also requested adjustments to the FY 2004-05 budget to address expenditures which had surfaced since its adoption in June 2004. Further, the report previewed some of the key components that were being considered in the development of the FY 2005-06 budget.

On April 19, 2005, staff presented a very preliminary overview of the Proposed FY 2005-06 budget, along with the Five-Year Forecast. The Proposed Budget documents were distributed on May 4 and 5, 2005 for the Council's review prior to the annual May Goal Setting Workshop held on May 7, 2005.

A more finalized overview of the Proposed FY 2005-06 budget was presented to the Council at its first Budget Study Session held on May 10, 2005. Additional Budget Study Sessions were held on May 17 and May 24, 2005. The purpose of these sessions was to give the Council the opportunity to review each department's budget, and provide an opportunity for questions and modifications to the budget.

Notable changes made to the budget between the April 19, 2005 and the May 10, 2005

sessions included adjusting overtime for both the Police and Fire Departments, restoring the outreach probation officer position (per Council direction) and updating the Pension Obligation Bond principal and interest payments for the Fire and Police Departments. Another item requested by the Council that was incorporated was the discontinuation of the \$475,000 General Fund transfer to the City Centre Redevelopment Project Area. The result of these changes increased the General Fund appropriations by a net \$390,651.

Additional changes totaling \$300,000 (all non-recurring) that the Council requested at the May 24, 2005 meeting included establishing a reserve interest-bearing account for the PerformArts Grant; Code enforcement pilot project funding; and, additional sidewalk repair funding to increase the annual amount to the originally planned \$500,000. The Council directed that the Utility Users Tax (UUT) In-Lieu Set Aside Account be used. In addition, the Council directed to take \$35,000 from the current soccer field project and redirect it for architectural services to refurbish both track/stadium facilities at Burbank and Burroughs High Schools (no additional fiscal impact). The Council was also in concurrence with staff's plan to expedite the Buena Vista Street improvement plan (at no additional cost).

The annual public hearing for the budget was held on June 7, 2005, and following public testimony and completing its final review, the Council made no further changes to the Proposed Budget.

The following chart illustrates the source of funds and appropriations for each fund or fund type for the FY 2005-06 Budget:

<b>FUND/FUND GROUP</b>	<b>PROPOSED RESOURCES</b>	<b>PROPOSED APPROPRIATIONS</b>
General Fund	\$122,777,878	\$120,059,472
Special Revenue Funds (incl. Cap. Projects Fund)	\$17,438,456	13,940,999
Internal Services Funds	\$27,355,971	26,159,644
Water Reclamation & Sewer	\$16,897,456	16,897,456
Golf Fund	\$2,108,640	1,975,267
Water and Electric (BWP)	\$232,233,161	232,233,161
Refuse Collection and Disposal	\$11,910,897	11,910,897
Redevelopment Agency	\$51,021,372	40,067,747
Housing Authority	\$7,987,314	7,987,314
Parking Authority	\$1,036,671	1,026,571
<b>TOTAL ALL FUNDS</b>	<b>\$490,767,816</b>	<b>\$472,258,528</b>

Recommendation:

Adoption of proposed City Council resolutions entitled:

1. (4/5 vote required)

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE

BUDGET FOR FISCAL YEAR 2005-2006, AND MAKING APPROPRIATIONS FOR AMOUNTS BUDGETED.

2. (4/5 vote required)  
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK DETERMINING AND ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR FISCAL YEAR 2005-2006.
3. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE BURBANK FEE RESOLUTION.
4. (4/5 vote required)  
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING THE BUDGET FOR FISCAL YEAR 2004-2005 PROVIDING FOR THE PURPOSE OF MAKING APPROPRIATIONS FOR AMOUNTS DELINEATED.

Adoption of proposed Redevelopment Agency resolution entitled:  
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR FISCAL YEAR 2005-2006.

Adoption of proposed Housing Authority resolution entitled:  
A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR FISCAL YEAR 2005-2006.

Adoption of proposed Parking Authority resolution entitled:  
A RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR FISCAL YEAR 2005-2006.

Adoption of proposed Youth Endowment Services Fund Board resolution entitled:  
A RESOLUTION OF THE YOUTH ENDOWMENT SERVICES FUND OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR FISCAL YEAR 2005-2006.

2. UPDATE OF THE CITY COUNCIL'S ADOPTED FINANCIAL POLICIES:

Staff requests Council approval of updates and revisions to the City's Financial Policies. The Council adopted the original Financial Policies on January 9, 1990, and subsequently amended them on January 2, 1996 and May 28, 1998. Additionally, the Council adopted a Burbank Water and Power (BWP) Financial Reserves Policy on June 10, 2003. These Financial Policies serve as a solid foundation in guiding elected City officials and staff with respect to managing all the City's resources.

After the initial adoption, the policies established were modified in response to recommendations that were made by financial consulting firms that were engaged by the City. These firms provided valuable guidance and input. In the late 1990's, Barrington-Wellesley was engaged to review the utility operations, and in 2003, Public Financial

Management (PFM) assisted BWP in establishing the BWP Financial Reserves Policy.

As part of the Fiscal Year 2004-05 City Council Work Program, Financial Services staff have reviewed and updated the Financial Policies. The changes proposed are designed to enhance and strengthen the policies that will ultimately result in a better fiscal position for the City. Many of the changes were based on input from publications by the Government Finance Officers Association (GFOA), surveys and analysis of the policies in neighboring cities, as well as other industry articles from rating agencies such as Fitch's and Standard and Poor's. The policies have been presented to the City's Management Advisory Committee (MAC), as well as other affected departments.

Following are highlights of some of the proposed changes:

- Changes and Enhancements to Policy #2:
  - The Budget Stabilization Fund has formally been added. This fund has been used to assist in dealing with various budget challenges, and will, at Council direction, serve as a safety valve to mitigate short-term budget deficits.
  - A Public Employees Retirement System (PERS) Stabilization fund has been defined to assist in dealing with the impact of fluctuating PERS rates. It will be funded by budgeting rates in excess of the actual rates to prepare for future increases.
  - A Utility Users Tax (UUT) & In Lieu Tax (ILT) Set Aside Account has been formally added. This account will be used to track revenues derived from these two taxes that are projected to decrease when electric rates decrease. Traditionally, these amounts are used for one time projects or to assist in balancing the budget.
  - A Pension Obligation Bond (POB) reserve has been included. The purpose of this fund, which was established when the bonds were issued, will serve to mitigate the future risk of rising interest rates.
  - A Reserve for Infrastructure Replacement has been added. This reserve will help address citywide infrastructure needs, and initially has been funded with \$2 million. The goal is to fund an additional \$1 million per year out of excess budget savings, if available.
  
- Enhancements to Policy #6:
  - Formally added a \$500,000/year reserve in-lieu of earthquake insurance. This reserve will be funded at \$500,000 per year until \$10 million is accumulated for major disasters to City facilities.
  
- Revisions to Policy #7 and Policy #8
  - Revision and refinement of operating reserves for the enterprise funds. Working capital reserve has been redefined to 60 days. Other refinements address fleet replacement reserves as well as capital funding reserves.

- Incorporation of the Financial Reserve Policies established for BWP.
- Policy #11 is new and defines methods and reasons for incurring debt.

The Financial Policies will provide a framework for future compliance and establish many of the fiscal practices that are currently in place. Council direction, as well as available resources will always impact the extent that these policies are fully realized.

The update of the City's Financial Policies should strengthen the City's financial condition. Staff believes that these revisions will have a positive impact with bond rating and insurance agencies, which could lead to lower interest payments related to City debt.

Recommendation:

Adoption of proposed City Council resolution entitled:  
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE  
UPDATED FINANCIAL POLICIES.

CONSENT CALENDAR: (Items 3 through 7)

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.

3. APPROVAL OF FINAL TRACT MAP NO. 61072 – 715 EAST ANGELENO AVENUE:

Staff is requesting Council approval of Final Tract Map No. 61072, a one-lot subdivision totaling 7,627 square feet located at 715 East Angeleno Avenue. The five-unit condominium subdivision will consist of a two-story condominium building over a semi-subterranean garage. In March 2002, owners Samuel and Erma Bonyade requested City approval through a Development Review to demolish a single-family dwelling to construct a five-unit apartment building. Final Tract Map No. 61072 finalizes the conversion of apartments to a condominium subdivision.

All requirements of the State Subdivision Map Act have been met. The following is a summary of information pertinent to the approval of Final Tract Map No. 61072:

1. The tentative tract map was approved by the Community Development Director on August 26, 2004, pursuant to Burbank Municipal Code (BMC) Section 27-323 (Director's Decision on Tentative Map).
2. The Final Tract Map contains five condominium units at 715 East Angeleno Avenue, which is located in the R-3 Multiple Family Low Density Residential Zone.



3. This project is Statutorily Exempt from the provisions of the California Environmental Quality Act pursuant to Section 15268(b)(3) relating to approval of final subdivision maps.
4. Conditions of Approval for Tentative Tract Map No. 61072 have been cleared by the Planning Division for purposes of Final Tract Map approval. The condition of approval relating to Covenants, Conditions and Restrictions (CC&Rs) will be satisfied when the applicant submits two recorded copies of the CC&Rs to the Planning Division (applicant cannot record the CC&Rs until this tract map is approved by the Council and recorded at the Los Angeles County Recorder's Office).

According to the State Subdivision Map Act, Chapter 3, Article 4, Section 66458, and the provisions of Chapter 27 of the BMC, the Council must approve Final Tract Map No. 61072 if it conforms to all the requirements. If such conformity does not exist, the Council must disapprove the map at the meeting it receives the map, or at its next regular meeting. If the Council has not authorized an extension to allow more time to disapprove the map, and the map conforms to all requirements, the map shall be deemed approved by operation of law.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE FINAL MAP OF TRACT NO. 61072 (715 East Angeleno Avenue).

4. APPROVAL OF FINAL TRACT MAP NO. 53500– 421 EAST SANTA ANITA AVENUE:

Staff is requesting Council approval of Final Tract Map No. 53500. The property covered on Final Tract Map No. 53500 is a one-lot subdivision totaling 10,500 square feet located at 421 East Santa Anita Avenue. The 12-unit condominium subdivision will consist of a three-story condominium building over a subterranean garage. The property owner is Henry Kazagian.

In April 2001, the property owner requested City approval through a Development Review to demolish existing two-unit and four-unit apartment buildings to construct a 12-unit apartment building. Final Tract Map No. 53500 finalizes the conversion of apartments to a condominium subdivision.

All requirements of the State Subdivision Map Act have been met. The following is a summary of information pertinent to the approval of Final Tract Map No. 53500:

1. The tentative tract map was approved by the Community Development Director on August 29, 2002, pursuant to Burbank Municipal Code (BMC) Section 27-323

(Director's Decision on Tentative Map).

2. The Final Tract Map contains 12 condominium units at 421 East Anita Avenue, which is located in the R-4 Residential Multiple Family Medium Density Zone.
3. This project is Statutorily Exempt from the provisions of the California Environmental Quality Act pursuant to Section 15268(b)(3) relating to approval of final subdivision maps.
4. Conditions of Approval for Tentative Tract Map No. 53500 have been cleared by the Planning Division for purposes of Final Tract Map approval. The condition of approval relating to Covenants, Conditions and Restrictions (CC&Rs) will be satisfied when the applicant submits two recorded copies of the CC&Rs to the Planning Division (applicant cannot record the CC&Rs until this tract map is approved by Council and recorded at the Los Angeles County Recorder's Office).

According to the State Subdivision Map Act, Chapter 3, Article 4, Section 66458, and the provisions of Chapter 27 of the BMC, the Council must approve Final Tract Map No. 53500 if it conforms to all the requirements. If such conformity does not exist, the Council must disapprove the map at the meeting it receives the map, or at its next regular meeting. If the Council has not authorized an extension to allow more time to disapprove the map, and the map conforms to all requirements, the map shall be deemed approved by operation of law.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING FINAL MAP OF TRACT NO. 53500 (421 East Santa Anita Avenue).

5. APPROVING AN AGREEMENT WITH THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT AUTHORIZING THE COUNTY TO INSTALL TRASH EXCLUDERS IN APPROXIMATELY 16 CATCH BASINS OWNED BY THE CITY:

Staff is requesting Council approval of an agreement between the Los Angeles County Flood Control District (District) and the City to allow the District to construct trash excluders in approximately 16 catch basins owned by the City.

The Los Angeles River Trash Total Maximum Daily Load (TMDL) requires that municipal storm water dischargers reduce the amount of trash that is carried to the Los Angeles River. The District has obtained grant funding from the California Integrated Waste Management Board (CIWMB) to install trash excluders into catch basins that have been classified as receiving the greatest amount of trash which will help meet the requirements of the Los Angeles River Trash TMDL.

The City is required to reduce the quantity of trash that is being discharged into the Los

Angeles River from its storm drain system and plans to systematically retrofit its catch basins with trash excluders. The District's installation of trash excluders on some City-owned catch basins will reduce the amount the City will spend in catch basin retrofitting.

The estimated value of the 16 trash excluders being installed is approximately \$35,000. The City will be responsible for the trash excluders once installation is complete which includes operation, maintenance and repair, and costs will be absorbed into the Public Works Department's existing flood control program budget.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING AN AGREEMENT BETWEEN THE CITY OF BURBANK AND LOS ANGELES COUNTY FLOOD CONTROL DISTRICT TO INSTALL TRASH EXCLUDERS IN APPROXIMATELY 16 CATCH BASINS OWNED BY THE CITY OF BURBANK.

6. ACCEPTING PROPOSITION A GRANT FUNDS FROM THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT FOR YOUTH EMPLOYMENT SERVICES DURING SUMMER 2005:

The purpose of this report is to request Council approval of a resolution that authorizes the City Manager to accept \$9,282.07 in Proposition A grant funds from the Los Angeles County Regional Park and Open Space District for the Management Services Department to provide employment for at-risk Burbank youth during the summer of 2005, and amends the Fiscal Year (FY) 2004-05 budget by appropriating grant funds.

The Los Angeles County Park and Open Space District notified the City that Proposition A funding was available. Staff submitted an application on May 27, 2005, and the grant in the amount \$9,282.07 was awarded on June 10, 2005. The City has 30 days from the date of the award to accept the grant and sign the Program Agreement. Therefore, this grant is being brought before the Council for official approval.

The Proposition A grant will fund hands-on work experience for approximately nine to ten at-risk youth participating in the City's existing Summer Trails Program (STP). Participants in the STP work in small teams (8-10 members each) under the direct supervision of two adults. These youth will work on projects involving the improvement, refurbishment or maintenance of public parks and open space areas in Burbank. Current staffing levels are adequate to support the increase in youth participants.

Accepting the grant will have no fiscal impact on the City. There is no match or recurring cost associated with the Los Angeles County Park and Open Space District Proposition A grant.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING THE FISCAL YEAR 2004-2005 BUDGET FOR THE PURPOSE OF RECEIVING AND APPROPRIATING PROPOSITION A GRANT FOR YOUTH EMPLOYMENT FUNDS IN THE AMOUNT OF \$9,282.07 FROM THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT TO PROVIDE EMPLOYMENT FOR AT-RISK YOUTH DURING THE SUMMER OF 2005.

7. APPROPRIATING FUNDS FOR A CITY DONATION TO THE NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL FUND:

On June 7, 2005, the Council considered making a donation to the National Law Enforcement Officers Memorial Fund for the construction of a museum honoring the thousands of officers who have been killed in the line of duty.

The Council recommended a City donation in the amount of \$10,000. The funds will be forwarded to the Burbank Police Officer's Association (BPOA), which is holding a fundraising event on July 9, 2005. The BPOA will present all contributions to the National Law Enforcement Officers Memorial Fund.

The proposed resolution would appropriate the \$10,000 donation from the Utility Users Tax In-Lieu Set Aside Account to an expenditure account so that a check may be sent to the BPOA.

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 APPROPRIATING \$10,000 FOR THE PURPOSE OF MAKING A DONATION TO THE NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL FUND.

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

REPORTS TO COUNCIL :

8. COMPACT PARKING FOR GENERAL OFFICE AND INDUSTRIAL USES:

In 2004, the Council adopted an amendment to the Burbank Municipal Code (BMC) that eliminated provisions for compact parking in Multiple-Family Residential Zones. At that

time, the Council requested that staff return with a report on the feasibility of eliminating compact parking provisions for general office and industrial uses. This report responds to that request.

The BMC currently provides for two sizes for parking spaces: standard and compact. Up to 45 percent of all required parking spaces for general office and industrial uses may be compact spaces. Compact parking is not permitted for any other uses. It is generally recognized that compact parking does not work well for uses with high rates of parking turnover such as retail stores, service uses, banks and medical offices. Burbank, like most cities, does not allow compact parking for such uses. However, there are other reasons why compact parking often does not work well.

The most common reason given by cities for reducing or eliminating compact parking is the rise in the proportion of larger vehicles, particularly large sport utility vehicles (SUVs), vans and light trucks, being sold. In 1987, almost half of all new vehicles sold were small cars. By 1998 this share had fallen to less than 25 percent and by 2004, to less than 20 percent of all vehicles sold. The average size of passenger cars has increased only modestly, but the average size of SUVs, vans and light trucks has grown substantially. Drivers of intermediate and even large vehicles are often tempted to park their cars in compact spaces if the spaces are located in a prime location or if there are few other spaces available. Drivers may also park with their vehicle overhanging the adjoining space, creating a domino effect down the row and eventually rendering a space unusable.

There are various approaches to dealing with compact parking. Many cities have opted to prohibit compact spaces altogether. Other cities, like Burbank, have elected to allow compact spaces only for those land uses that have a low parking turnover rate and/or have parking areas that are utilized largely by employees. When allowing compact parking, the ratio of compact spaces permitted may be varied based upon business type, user or location. Burbank's current allowance for up to 45 percent compact spaces for general office and industrial uses is higher than ratios used by most cities.

#### Recommendation:

Staff recommends that the Council consider the elimination of compact parking in Burbank. Compact parking spaces are not compatible with the current mix of vehicles on the road and are not intended to accommodate the pickup trucks and SUVs that are common today. If the Council wishes to retain compact parking, staff recommends that the permitted ratio of compact spaces be substantially reduced. To be generally consistent with the current mix of vehicles on the road, staff recommends that the percentage of allowed compact spaces be reduced to no more than 20 percent of all spaces.

If the Council wishes to proceed with staff's recommendation to eliminate compact parking or reduce the allowed ratio of compact parking, the Council should direct staff to prepare the appropriate ordinance.

9. PENDING LEGISLATION AFFECTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PROCESS:

At the April 26, 2005 Council meeting, Council Member Campbell requested that staff bring back a discussion of pending State legislation that would affect or change the California Environmental Quality Act (CEQA) process as a first step in the one-step two-step process. This staff report is the first step to determine if the Council would like staff to bring back a second-step report and what that report should include.

Staff has submitted a report summarizing the process followed in monitoring all pending legislation, including the bills that would affect the CEQA process. The report also indicates that staff will begin providing a monthly update to the Council beginning in July 2005 on pending planning-related legislation and the bills staff is monitoring.

Recommendation:

Staff recommends that the Council determine if they would like the matter placed on a future agenda, and also give direction on what additional information would be desired for that report.

10. NBC MASTER PLAN:

On May 17, 2005, the Council asked that staff bring back a report discussing the NBC Master Plan, the environmental review conducted for that project, and when new development would trigger additional environmental review. This discussion was prompted because of the potential sale of the Catalina property.

Recommendation:

Staff recommends that the Council note and file this report. Staff will notify the Council if any changes are proposed that would make the matter discretionary for additional environmental review.

11. MEMBERSHIP EXPANSION OF VARIOUS CITY BOARDS, COMMITTEES AND/OR COMMISSIONS AND ABSENCES AND VACANCIES DUE TO MILITARY SERVICE:

The purpose of this report is to request that the Council consider amendments to Chapter 2 of the Burbank Municipal Code relating to membership expansion of various City boards, committees and/or commissions. The report also pertains to procedures to appoint and/or replace board, committee and/or commission members who are not able to currently serve their appointments due to military leaves of absence.

At the May 10, 2005 Council meeting, the Council voted to expand the Burbank Civic

Pride Committee from 10 members to 11 members. The Council also voted to expand the Traffic and Transportation Committee from five members to eight members, and the Board of Library Trustees from five members to seven members.

The Council had previously indicated the desire of the City to support persons belonging to or on active military duty, but recognized that such military leaves of absence may interfere with the ability of appointed members of a board, committee and/or commission to fulfill the duties of their appointment during such time of military service. The Council also recognized that the military leave of absence of such a member might also interfere with the ability of the board, committee and/or commission to function effectively.

The Council must have the discretion to provide for temporary replacement appointees during the period of absence of members due to military service while ensuring that persons fulfilling the duties of their military service will not have to forfeit their board, committee and/or commission positions.

Currently, Section 2-403 sets out the general procedures for absences and vacancies on boards, committees and/or commissions but does not specifically provide for temporary replacements and appointments due to military leaves of absence. The proposed changes to Section 2-403 provide the Council with the discretion to appoint a replacement board, committee and/or commission member for that period of time during which a vacancy shall occur due to the leave of absence caused by the military service of a member. The replacement appointee shall serve only until such time as the absent board member returns from military leave and only for the remaining term of the absent board member. In addition, the Council has the discretion to appoint board, committee and/or commission members who due to their military leave shall serve their term upon return from active military service.

The proposed amendments pertain to continuing administrative or maintenance activities, such as general policy and procedure making, and are exempt from the California Environmental Quality Act. There will be no significant fiscal impact.

Recommendation:

Introduction of proposed ordinance entitled:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK AMENDING SEVERAL SECTIONS OF CHAPTER 2 OF THE BURBANK MUNICIPAL CODE RELATING TO MEMBERSHIP EXPANSION OF VARIOUS CITY BOARDS, COMMITTEES AND/OR COMMISSIONS AND ABSENCES AND VACANCIES DUE TO MILITARY SERVICE.

12. NATURAL GAS PROJECT GAS SALES AGREEMENT WITH SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY:

Staff requests that the Council introduce the proposed ordinance and approve the

proposed resolution authorizing the General Manager of Burbank Water and Power (BWP) to enter into a Natural Gas Project Sales Agreement with Southern California Public Power Authority (SCPPA) to facilitate the acquisition of 1,000 Deca-therm (Dth)/day of natural reserves for BWP's natural gas fuel portfolio. A Dth represents 1,000,000 British Thermal Units of energy, approximately the amount of energy in eight gallons of gasoline.

On June 29, 2004, the Council authorized BWP to become a participant with SCPPA to study the feasibility of purchasing non-operating working interests in natural gas producing properties. That effort was to identify potential reserves and consultants, prepare a Gas Sales Agreement and begin work on the financing documents. As anticipated, work has now progressed to the point where the Gas Sales Agreement needs to be approved by the participants. The authority requested under this item is for BWP to enter into this Gas Sales Agreement to purchase 1,000 Dth/day of gas reserves with SCPPA.

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. With the amount of volatility of prices in the short-term gas market combined with the large amount of gas BWP requires, typically 3,000 to 20,000 Dth/day, BWP seeks to pursue the strategy to secure natural gas at a stable fixed price and have the assurance to rely on its availability for the next 5-20 years.

BWP has determined that it would be prudent to acquire a small portion of its fuel portfolio, reserved for long term purchases, by procuring 1,000 Dth/day of natural gas reserves. The remaining long-term portion of the portfolio could come from either contracts with marketers or importers of liquefied natural gas. The remaining fuel portfolio will be a combination of mid-term (three to five years in length) and short-term (less than three years in length) gas supply contracts, monthly purchases such as those currently used for the local generating facilities, and the use of natural gas storage to take advantage of seasonal price variations.

Owning reserves has a production risk, the risk associated with the capability of a gas well to perform. To reduce the production risk associated with gas reserves and the risk of the gas market falling below the unit cost of gas delivered from the reserve properties, SCPPA will pursue a diversified portfolio of up to eight gas property acquisitions in different locations, purchased at different times and will evaluate all acquisitions thoroughly.

Once purchased, the gas rights and related facilities will be real property holdings and will not be subject to market price volatility or counterparty risk as might other long-term gas purchase agreements. The reserves will have an estimated life provided by an independent reservoir engineer, however, SCPPA will retain a perpetual right to all gas associated with the property. Therefore, there is a possibility that the properties will yield more gas than originally estimated.



Ownership introduces other risks associated with the amount of gas in the ground and the extraction of the gas, but these risks are mitigated by the type of reserves being pursued, i.e., proven, developed producing reserves and the due diligence program employed prior to the acquisitions. The due diligence program will include an analysis by a nationally recognized reservoir engineering firm to estimate the amount of gas associated with the reserve field and the cost of production over the life of the reserve. Land-title and environmental consultants will also be employed during the due diligence process to ensure clear title and limit environmental liability associated with the reserves.

SCPPA will likely have a minority interest in each acquisition, with the gas field operator holding the majority interest. SCPPA will sell 100 percent of the gas produced by its interest in the acquisitions to certain of its members, i.e., Anaheim, Burbank, Colton, Glendale and Pasadena, under the Gas Sales Agreements recommended for approval hereunder. SCPPA will also be required to enter into an operating agreement that will establish the relationship among the gas field owners and provide a means of extracting, processing and delivering the gas from the property to the inlet of an interstate pipeline.

SCPPA has chosen Merrill Lynch as the lead underwriter for Project A. SCPPA will secure interim financing for the initial purchase of the acquisitions. After the acquisitions are complete, SCPPA will issue permanent financing at the direction of the Project A participants. The Gas Sales Agreement will serve as the security for the bonds, including rate covenants and step-ups as required by the bond indentures.

Fulbright and Jawarski were retained by SCPPA as bond and tax counsel under the Development Agreement. Fulbright has the opinion that it is possible for SCPPA to issue bonds yielding interest that is exempt from Income Tax for the project. This opinion allows SCPPA to secure the funds to make these acquisitions at the lowest rate of interest.

The Gas Sales Agreement between Burbank and SCPPA will require Burbank to use 95 percent of the gas to generate electricity for sale in its electric service area.

As a requirement of the contract, Burbank will have to maintain records showing that the gas was used to serve Burbank customers without displacing energy from other tax-exempt resources held by Burbank, i.e. Intermountain Power Project, Palo Verde Project and Boulder Canyon Project. The amount of gas purchased under the Agreement is expected to generate approximately six megawatts of energy from the Magnolia Power Project, which amounts to about four percent of Burbank's average demand, so contract compliance should be easily fulfilled. Also, to further facilitate compliance, the tax regulations allow the use of a gas intermediary to bank surplus gas during plant outages for use by Burbank within a rolling 12-month period. Finally, the gas can be burned in any other Burbank generator if Magnolia experiences a sustained outage.

Before SCPPA acquires a particular reserve property, an analysis will be undertaken to determine that its gas is competitively priced. Only parcels that are attractively priced will

be acquired. It is estimated that the actual cost of gas acquired under this Project will be at a relatively stable price below the long-term forward market over the life of the reserves.

This effort to acquire a secure supply of 1,000 Dth/day of competitively priced natural gas is expected to lower the cost of electricity and will result in lower costs for power to our customers than would other purchases of gas.

Recommendation:

1. Adoption of proposed resolution entitled:  
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AUTHORIZING OFFICIALS TO EXECUTE AND DELIVER (I) THE NATURAL GAS PROJECT GAS SALES AGREEMENT (PROJECT A) AND (II) APPROVING THE SHARE OF PRODUCTION CAPACITY TO BE PURCHASED PURSUANT TO SUCH GAS SALES AGREEMENT.
  
2. Introduction of proposed ordinance entitled:  
AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK APPROVING ENTERING INTO THE NATURAL GAS PROJECT GAS SALES AGREEMENT (Project A).

RECONVENE the Redevelopment Agency, Housing Authority, Parking Authority and Youth Endowment Services Fund Board meetings 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. Monday, June 20, 2005 at 6:00 p.m. in the City Council Chamber, 275 East Olive Avenue, for a Joint Council/School Board meeting to discuss the following: Discussion and status of the energy consultant working with the Burbank Unified School District and

Burbank Water and Power; Memorial Field discussion; and, Collaborative Ventures Matrix.

**For a copy of the agenda and related staff reports,  
please visit the  
City of Burbank's Web Site:  
[www.ci.burbank.ca.us](http://www.ci.burbank.ca.us)**