



COUNCIL AGENDA - CITY OF BURBANK
TUESDAY, NOVEMBER 7, 2006
4:30 P.M.

CITY COUNCIL CHAMBER – 275 EAST OLIVE AVENUE

This agenda contains a summary of each item of business which the Council may discuss or act on at this meeting. The complete staff report and all other written documentation relating to each item on this agenda are on file in the office of the City Clerk and the reference desks at the three libraries and are available for public inspection and review. If you have any question about any matter on the agenda, please call the office of the City Clerk at (818) 238-5851. This facility is disabled accessible. Auxiliary aids and services are available for individuals with speech, vision or hearing impairments (48-hour notice is required). Please contact the ADA Coordinator at (818) 238-5021 voice or (818) 238-5035 TDD with questions or concerns.

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 Legal Counsel – Anticipated Litigation:

Pursuant to Govt. Code §54956.9(b)(c)

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.

5:00 P.M.

ASSEMBLY BILL 1234 ETHICS TRAINING STUDY SESSION:

The City Attorney's Office will be providing the state-mandated Assembly Bill (AB) 1234 Ethics Training Course in two parts on Tuesday, November 7 and Tuesday, November 14, 2006 from 5:00 p.m. to 6:30 p.m. in the Burbank City Council Chamber. Each session will consist of one and a half hours and will cover the required course curriculum and include a question and answer period. The training will be conducted as a study session before the regularly-scheduled City Council meeting.

This new law requires that all local public officials who are compensated for their service or reimbursed for their expenses receive a minimum of two hours of training on the required ethics laws and principles at least once every two years. For those in office as of January 1,

2006, their training must be completed by January 1, 2007. Those who take office after January 1, 2006, must receive the training within one year of the date of taking office. Certificates of Completion will be issued to all who complete the full training course. The training records will be kept by the City as a public record for five years.

The required curriculum for the training has been established by the Fair Political Practices Commission and the California Attorney General. Pursuant to those requirements, the training will cover ethics laws and general ethical principals relating to public service. The objectives of the training will include:

- Assisting public officials in better understanding and being alert to the kinds of financial interests, relationships and/or activities that may be prohibited, may require disclosure or even disqualification; and,
- Advising public officials of the legal and other consequences of violating the ethics laws.

The public service ethics laws which will be covered include:

- Laws relating to personal financial gain by public officials, including bribery and conflict of interest laws;
- Laws relating to office-holder perks, including gift and travel restrictions, personal and political use of public resources and prohibitions against gifts of public funds;
- Governmental transparency laws, including financial disclosure requirements and open government provisions including the Brown Act and Public Records Act; and,
- Laws relating to fair processes, including public contracting requirements, bias and due process.

6:30 P.M.

INVOCATION:

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

FLAG SALUTE:

ROLL CALL:

RECOGNITION:

TEENS IN ACTION EMMY AWARD.

PROCLAMATION:

WORLD TOWN PLANNING DAY.

PROCLAMATION:

BURBANK TEMPORARY AID CENTER MONTH.

RECOGNITION:

MILITARY SERVICE.

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).

AIRPORT AUTHORITY MEETING REPORT:

1. AIRPORT AUTHORITY COMMISSIONER REPORT:

At the request of the Burbank representatives to the Airport Authority, an oral report will be made to the City Council following each meeting of the Authority.

The main focus of this report will be issues which were on the Airport Authority meeting agenda of November 6, 2006. Other Airport-related issues may also be discussed during this presentation.

Recommendation:

Receive report.

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 MEETING WITH THE REDEVELOPMENT AGENCY:

2. REAL PROPERTY LEASE - 2721 WEST BURBANK BOULEVARD:

The purpose of this report is to provide for Council consideration, a proposed real property lease between the City and the Family Service Agency (FSA) for the property located at 2721 West Burbank Boulevard; and, to request Council and Redevelopment Agency (Agency) Board approval of necessary budget amendments and a related cooperation agreement. The Council has historically shown its ongoing commitment to and support of the non-profit service providers in Burbank and on May 9, 2006, the Council approved the acquisition of real property located at 2721 West Burbank Boulevard in an effort to assist the FSA secure a permanent facility. The FSA was established in 1953 to strengthen the Burbank community's families by providing low and no-cost professional, clinical and psycho-educational services. The FSA provides a myriad of community services including: individual, couples and family counseling; daily school-based outreach to a variety of local middle and high schools; teen substance abuse and anger management programs; family violence intervention programs; child abusers treatment programs; parenting and senior peer support programs; and, community outreach services.

Since the property was acquired, as directed by the Council, staff has been negotiating the proposed lease between the City and the FSA. As a result of these negotiations, the primary issues covered in the lease are highlighted below:

- Term of lease will be ten years with two ten-year options to extend, for a possible total term of 30 years;
- The lease rate will be \$1,000 per month, with a waiver of rent for the first three years;
- In exchange for discounted rent, the FSA will provide annual goals and performance measurements for youth, families and seniors' outreach and

service;

- Should the lease options be exercised, the rent will be adjusted per the Consumer Price Index at years 10,15, 20, 25 and 30;
- The lease also includes the option for the FSA to purchase the property within the first ten years of the lease for \$2.05 million (the price the City paid for the property, \$1.95 million plus the anticipated cost of initial major systems improvements, estimated at \$100,000);
- In the event the FSA exercises its option to purchase the property, the City will retain a variable percentage of the property's equity;
- In the event the FSA exercises its option to purchase the property, a use restriction will be recorded with the grant deed, providing a 55-year restriction of use consistent with the FSA's mission;
- The FSA will fund all tenant improvements including interior Americans with Disabilities Act (ADA) requirements;
- The FSA will be responsible for all routine maintenance and upkeep;
- The City will fund and/or install an elevator for required ADA access and will ensure ADA compliance on the front and/or rear entrances to the building shell; and,
- During the term of the lease, the City will be responsible for all major systems repairs or replacements.

Staff recommends funding the anticipated cost of initial major systems improvements of \$100,000 by the City utilizing debt reimbursement funds from the Agency.

With the Council's commitment to the community's non-profit organizations comes an opportunity to assist the FSA with its service to Burbank. In exchange for this assistance, the FSA, the second oldest non-profit organization in Burbank (53 years of service), has the opportunity to continue and expand its service and value to the community. The proposed lease agreement has been structured in such a way as to protect the City's investment, yet allow sufficient flexibility for the FSA to operate and strengthen the community.

Recommendation:

Adoption of proposed Council resolutions entitled:

1. (4/5 vote required)
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK AMENDING THE FISCAL YEAR 2006-07 ANNUAL BUDGET, APPROPRIATING FUNDS IN THE AMOUNT OF \$100,000 AND APPROVING A COOPERATION AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK.
2. A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE LEASE AGREEMENT WITH OPTION TO PURCHASE BETWEEN THE CITY OF BURBANK AND FAMILY SERVICE AGENCY OF BURBANK (2721 WEST BURBANK BOULEVARD).

Adoption of proposed Redevelopment Agency resolution entitled:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AMENDING THE FISCAL YEAR 2006-07 ANNUAL BUDGET IN THE AMOUNT OF \$100,000 AND APPROVING A COOPERATION AGREEMENT WITH THE CITY OF BURBANK.

RECESS for the Redevelopment Agency, Housing Authority and Parking Authority meetings.

RECONVENE for the City Council meeting.

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. MINUTES:

Approval of minutes for the regular meetings of August 22, August 29, September 5 and September 12, 2006.

Recommendation:

Approve as submitted.

4. ADOPTING GRIEVANCE PROCEDURES FOR THE RELOCATION RULES AND REGULATIONS PROCESS AND APPOINTING A RELOCATION APPEALS BOARD:

The purpose of this report is to provide information for consideration of a resolution of the Council adopting new Grievance Procedures for the Rules and Regulations for Relocation Assistance and appointing a new Relocation Appeals Board.

Rules and Regulations for Relocation Assistance must be formally adopted by the Council. In 1990, the City, Redevelopment Agency (Agency), Housing Authority and Parking Authority adopted Rules and Regulations for Relocation Assistance, Grievance Procedures, and appointed a Relocation Appeals Board. Because the State rules and regulations differed from those of the City and Agency's, in 1997, the City, Agency, Housing Authority and Parking Authority adopted the State Relocation Law and State Guidelines verbatim as the new Rules and Regulations for Relocation Assistance. As part of the rules and regulations, Grievance Procedures are required, which includes a Relocation Appeals Board.

According to the California Health and Safety Code, the Relocation Appeals Board must be comprised of five members and shall act in an advisory capacity, with

powers, duties and functions to hear complaints from displaced persons and to determine if the City, Agency, Housing Authority and Parking Authority have complied with the provisions of applicable relocation laws. Currently, the Planning Board serves as the Relocation Appeals Board. Given changes in the acquisition activities of the Agency, which now focus more on the acquisition of multi-family properties in Focus Neighborhoods, it is recommended that the Relocation Appeals Board reflect this residential orientation. The new Relocation Appeals Board is recommended to consist of the Assistant City Manager, Finance Director, Chief Assistant Community Development Director, Chair of the Landlord Tenant Commission and Vice-Chair of the Landlord Tenant Commission.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING GRIEVANCE PROCEDURES AND APPROVING A NEW APPEALS BOARD RELATING TO RELOCATION CLAIMS.

5. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH MARTIN & CHAPMAN CO. FOR SERVICES RELATED TO THE 2007 MUNICIPAL ELECTIONS:

The purpose of this report is to request Council approval of a Professional Services Agreement (PSA) with Martin & Chapman Co. for services related to the 2007 Primary Nominating and General Municipal Elections. The elections will be conducted on February 27, 2007 and April 10, 2007 to nominate and/or elect candidates to two offices for Member of the City Council and three offices for Member of the Board of Education.

Martin & Chapman Co. is the primary election consultant for cities in the Southern California counties of Los Angeles, Orange, San Bernardino, Riverside, San Diego, Imperial, Santa Barbara, Ventura, Kern and San Luis Obispo. The company currently provides election supplies, services and consultation to over 400 cities, counties and associations in the states of California and Nevada. Since 2001, Martin & Chapman Co. has satisfactorily provided election services to the City of Burbank.

Funds for conducting the 2007 Municipal Elections were appropriated in the Fiscal Year (FY) 2006-07 budget. The estimated total cost for both elections is not to exceed \$180,000. However, in anticipation of additional ballot measures that may be approved by the Council, staff is requesting an amendment to the PSA amount approved in the FY 2006-07 budget process from \$180,000 to \$230,000. There are sufficient funds in the City Clerk's Office's Election Account to cover the PSA amount as amended and no funding appropriation is required.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF BURBANK

AND MARTIN & CHAPMAN COMPANY.

6. APPROVING CHANGE ORDER NO. 2 FOR BID SCHEDULE NO. 1197, PUBLIC WORKS UNDERGROUND TANK RETROFIT PROJECT:

Staff is requesting Council approval of Change Order No. 2 to add \$134,007.88 to the contract with West Star Environmental Inc. for the Public Works Underground Tank Retrofit Project, Bid Scheduled 1197.

West Star Environmental Inc. submitted the lowest bid of \$739,446.00 and was awarded the contract on February 7, 2006. Staff recommended and the Council approved an additional \$169,532.00 for additional work that was anticipated to be necessary as the project progressed. However, the additional \$169,532.00 was inadvertently omitted from Resolution No. 27,165.

On August 29, 2006, the Council approved Change Order No. 1 adding \$144,755.62 and 41 work days to the contract for previously identified potential work items and additional items discovered that required correction. Change Order No. 1 increased the contract amount to \$884,201.62.

As the project has progressed, deficiencies in the existing underground piping and other fuel-related systems have been identified. Change Order No. 2 in the amount of \$134,007.88 will increase the contract price to \$1,018,209.50. In addition, the Change Order will extend the date of completion to January 19, 2007, as an additional 65 work days will be required to correct the identified deficiencies.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING CHANGE ORDER NO. 2 IN THE AMOUNT OF \$134,007.88 FOR THE PUBLIC WORKS UNDERGROUND TANK RETROFIT PROJECT, BID SCHEDULE NO. 1197 AND APPROVING THE PROJECT AS MODIFIED.

7. APPROVAL OF FINAL MAP NO. 62829 – 233 EAST ELMWOOD AVENUE:

Staff is requesting Council approval of Final Map No. 62829, a one-lot subdivision totaling 6,950 square feet located at 233 East Elmwood Avenue. The property is in the R-4 Multiple Family Medium Density Residential Zone and is owned by 233 Elmwood, LLC, a California Limited Liability Company.

On January 10, 2005, the property owner requested City approval to construct a six-unit residential condominium structure with a semi-subterranean parking garage. Final Map No. 62829 finalizes the 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 Map No. 62829:

- 1) The tentative tract map was approved by the Community Development

Director on June 21, 2005 pursuant to Burbank Municipal Code Section 27-323 (Director's Decision on Tentative Map).

- 2) The Final Map contains six condominium units at 233 East Elmwood Avenue, which is located in the R-4 Multiple Family Medium Density Residential Zone.
- 3) This project is Categorically Exempt from the provisions of the California Environmental Quality Act pursuant to Section 15268(b) (3) pertaining to approval of final subdivision maps.
- 4) Conditions of approval for Tentative Tract Map No. 62829 have been cleared by the Planning Division for the purpose of Final 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 Burbank Municipal Code, the Council must approve Final Map No. 62829 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. 62829 (233 EAST ELMWOOD AVENUE).

END OF CONSENT CALENDAR

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REPORTS TO COUNCIL:

8. STATUS UPDATE OF THE LOS ANGELES INTEGRATED RESOURCES PLAN/GLENDALE-BURBANK INTERCEPTOR SEWER:

The Energy and Environment Committee of the Los Angeles City Council met on November 1, 2006 and approved a recommendation that the Los Angeles City Council certify the Final Environmental Impact Report and approve the Integrated Resources Plan. The Los Angeles City Council's consideration of this matter is tentatively scheduled for November 14, 2006.

Recommendation:

Note and file.

9. ORDINANCE ORDERING A SPECIAL ELECTION TO BE HELD IN CONJUNCTION WITH THE GENERAL MUNICIPAL ELECTION ON APRIL 10, 2007, FOR THE PURPOSE OF SUBMITTING A BALLOT QUESTION TO THE VOTERS REGARDING INCREASING THE TRANSIENT OCCUPANCY TAX:

The purpose of this report is to request Council approval of an ordinance that would place a measure on the April 2007 General Election Ballot requesting voter approval to allow the Council to increase the City's Transient Occupancy Tax (TOT) from 10 percent up to a maximum of 12 percent. If the voters approve the increase, the Council would be able to establish the actual rate, and to either raise or lower it in future years, provided the maximum rate of 12 percent is not exceeded.

The TOT, or "bed tax," rate is currently 10 percent. It was initially adopted in 1964 at a rate of 4 percent, and increased over the years to 10 percent in 1983. It has remained at 10 percent since 1983.

On September 12, 2006, staff requested Council direction on how to proceed regarding placing this issue before the voters. During Fiscal Year 2005-06, the Council renewed its interest in re-evaluating increasing this tax as a way to generate revenue to help fund City services such as public safety, transportation, library, parks and open space, development services and capital projects, as well as many other municipal services. Not only are the City's costs increasing, but also the Utility Users Tax and/or Franchise Fees are at risk due to pending Federal and State legislation. Therefore, this requested increase in the TOT is a viable means to help cover any shortfalls.

The Council voted to present the ballot measure to the voters on April 10, 2007 as a general tax increase, setting the maximum amount of the tax not-to-exceed 12 percent. Pursuant to Council direction, the City Attorney's Office has prepared the ordinance. The ballot measure language is proposed to read as follows:

"Shall the Burbank Municipal Code be amended to allow the City Council to increase the City's existing transient occupancy tax from 10 percent to a maximum rate of 12 percent on persons occupying a room in a hotel, motel, inn or other lodging facility within the City for less than 30 days?"

If the TOT were increased to the maximum rate of 12 percent, the impact to the City's General Fund would be approximately \$1 million in annual incremental revenue. For hotel clientele, the 12 percent rate would raise their daily stay cost by two percent. The actual dollar amount will vary based on the daily hotel rates.

Recommendation:

Introduction and adoption of ordinance:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF BURBANK ORDERING A SPECIAL ELECTION TO BE HELD IN CONJUNCTION WITH THE GENERAL

MUNICIPAL ELECTION ON APRIL 10, 2007, FOR THE PURPOSE OF SUBMITTING A BALLOT QUESTION TO THE VOTERS REGARDING AN INCREASE TO THE TRANSIENT OCCUPANCY TAX.

10. BURBANK WATER AND POWER WATER AND ELECTRIC MONTHLY OPERATIONS REPORT:

WATER UPDATE

Water Quality

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

Fiscal Year-To-Date (FYTD) 2006-07 Water Fund Financial results as of September 30, 2006:

September 2006 Year-to- Date

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Water put into the system (CCF)	3,094,764	3,077,514	17,250	1%
Potable water sales (CCF)	2,963,208	2,931,036	32,172	1%
Recycled water sales (CCF)*	269,186	446,818	(177,632)	(40%)
Potable Revenues	\$4,905	\$5,491	(\$587)	(11%) (A)
Recycled and Power Plant Revenues	423	663	(239)	(36%) (B)
Total Operating Revenues	\$5,328	\$6,154	(\$826)	(13%)
WCAC	2,108	2,432	324	13%
Gross Margin	\$3,220	\$3,722	(\$502)	(13%)
Operating Expenses	2,114	2,502	387	15%
Operating Income	\$1,106	\$1,220	(\$115)	(9%)
Interest and Other Income	238	349	(111)	(32%)
Interest Expenses	73	77	4	5%
NI before Contr. & Transfers	\$1,270	\$1,492	(\$222)	(15%)
Transfers (In Lieu)	270	275	4	2%
Contributed Capital (A.I.C)	123	280	(157)	(56%)
Change in Net Assets (Net Income)	\$1,124	\$1,498	(\$374)	(25%)

(A) WCAC adjustment decreased Potable Water Revenues by \$500k.

(B) Power Plant requirements were lower than planned.

* Includes Power Plant Sales, Commercial and Industrial Reclaimed Sales.

() = Unfavorable

Fiscal Year (FY) 2006-07 Water Fund Financial Reserve balances as of September 30, 2006 are summarized in the following table:

Water (In thousands)	Balance 9/30/2006	Recommended Reserves
Unrestricted Cash		
General Operating Reserve	\$5,222	\$4,430
Capital Reserve	\$2,807	\$3,580
Sub-Total Unrestricted Cash	\$8,029	\$8,010
Restricted Cash		
Water Replenishment Reserve	\$1,000	\$1,000
WCAC	\$2,143	\$2,143
Distribution Main Reserve	\$1,100	\$1,100
Debt Service Fund	\$495	\$495
Parity Reserve Fund	\$620	\$620
Sub-Total Restricted Cash	\$5,358	\$5,358
Total Cash	\$13,388	\$13,368

ELECTRIC UPDATE

Electric Reliability

The following table shows the system-wide reliability statistics for FY 2006-07 through September 2006, as compared to the same time period for FY 2005-06:

Reliability Measure	Fiscal Year 2005-06	Fiscal Year 2006-07 (through Sept. 30, 2006)
Average Outages Per Year	0.0357	0.0986
Average Outage Duration	60.33 minutes	86.16 minutes
Average Service Availability	99.9984%	99.9940%

Financial and Operations Update

FYTD 2006-07 Electric Fund Financial results as of September 30, 2006:

	September 2006 Year-to-Date			
	Actual	Budget	Variance	% Variance
NEL MWh	368,166	339,398	28,767	8%
Retail Sales MWh	359,398	324,797	34,601	11%
Retail Revenues	46,940	42,401	\$4,539	11%
Other Revenues	1,005	920	85	9%
Retail Power Supply & Transmission Expenses	30,274	28,253	(2,022)	(7%) (A)
Retail Gross Margin	17,670	15,068	\$2,602	17%
Wholesale Revenues	38,866	51,200	(12,334)	(24%)
Wholesale Power Supply	36,604	50,080	13,476	27%
Wholesale Gross Margin	\$2,262	\$1,120	\$1,142	102%
Gross Margin	19,932	\$16,188	\$3,744	23%
Operating Expenses	9,491	10,257	767	7%
Operating Income	10,441	\$5,931	\$4,510	76%
Interest and Other Income	965	1,045	(80)	(8%)
Interest Expense	1,046	1,046	(0)	0%
NI before Contr. & Transfers	10,360	5,930	4,431	75%
Transfers In/(Out) - (In lieu)	2,945	2,650	(295)	(11%)
NI before Contributions	7,415	\$3,279	\$4,136	126%
Contributed Capital (A.I.C)	7	901	(894)	(99%) (B)
Change in Net Assets (Net Income)	\$7,422	\$4,181	\$3,242	78%

() = Unfavorable

Higher than planned purchased power costs correspond with higher than planned sales.

To date no Aid-in-Construction, Work for Others or misc. revenues have been recorded.

FY 2006-07 Power Fund Financial Reserve balances as of September 30, 2006 are summarized in the following table:

Electric (In thousands)	Balance 9/30/2006	Recommended Reserves
Unrestricted Cash		
General Operating Reserve	\$42,838	\$41,000
Capital and Debt Reduction Fund	\$10,000	\$15,100
Fleet Replacement Reserve	\$3,000	\$4,500
General Plant Reserve	\$800	\$1,170
Bond Cash	\$3,857	\$0
Sub-Total Unrestricted Cash	\$60,495	\$61,770
Debt Service Fund & other	\$4,560	\$4,560
Parity Reserve Fund	\$10,005	\$10,005
Sub-Total Restricted Cash	\$14,565	\$14,565
Total Cash	\$75,060	\$76,335

Recommendation:

Note and file.

11. COUNCIL DIRECTION REGARDING ASSEMBLY BILL 1234 ETHICS TRAINING STUDY SESSION:

The purpose of this agenda item is to allow for subsequent public comment and Council action and direction as a result of the Assembly Bill 1234 Ethics Training Study Session.

RECONVENE the Redevelopment Agency, Housing Authority and Parking Authority 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: To Tuesday, November 14, 2006 at 5:00 p.m. in the City Council Chamber, 275 East Olive Avenue, for an Assembly Bill 1234 Ethics Training Session.

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