



COUNCIL AGENDA - CITY OF BURBANK
 TUESDAY, FEBRUARY 13, 2007
 5:30 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 (City as potential defendant):

Pursuant to Govt. Code §54956.9(b)(1)

Number of potential case(s): 1

When the Council reconvenes in open session, the Council may make any required disclosures regarding actions taken in Closed Session or adopt any appropriate resolutions concerning these matters.

6:30 P.M.

INVOCATION:

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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:

PROCLAMATION: AFRICAN AMERICAN HISTORY MONTH.

COUNCIL COMMENTS: (Including reporting on Council Committee Assignments)

INTRODUCTION OF ADDITIONAL AGENDA ITEMS:

At this time additional items to be considered at this meeting may be introduced. As a general rule, the Council may not take action on any item which does not appear on this agenda. However, the Council may act if an emergency situation exists or if the Council finds that a need to take action arose subsequent to the posting of the agenda. Govt. Code §54954.2(b).

6:30 P.M. PUBLIC HEARING:

1. APPEAL OF VARIANCE – 347 NORTH ONTARIO STREET:

The purpose of this report is for the Council to consider an appeal of the Planning Board's decision to deny Project No. 2006-059 Variance and Second Dwelling Unit. The appeal was submitted by the applicant, Vincent Yaniello. He states that the proposed project meets all requirements for Second Dwelling Units except for the additional parking space.

Recommendation:

Adoption of proposed resolution entitled:
A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK UPD HOLDING THE PLANNING BOARD'S DECISION AND DENYING PROJECT NO. 2006-059, A VARIANCE AND SECOND DWELLING UNIT (347 NORTH ONTARIO STREET).

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 THE 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:

CONSENT CALENDAR: (Items 2 through 5)

The following items may be enacted by one motion. There will be no separate discussion on these items unless a Council Member so requests, in which event the item will be removed from the consent calendar and considered in its normal sequence on the agenda. A **roll call** vote is required for the consent calendar.

2. CONTRIBUTION TO BURBANK, BURROUGHS AND PROVIDENCE HIGH SCHOOL STUDENTS FOR THE ANNUAL CLOSE-UP PROGRAM:

The purpose of this report is to request Council approval of a request from Burbank, Burroughs and Providence High Schools to contribute \$20,000 to aid Burbank resident students with the cost of the annual Close-Up Program.

The Close-Up Program is an educational experience designed to acquaint high school students with the operation of the three branches of the Federal government. This program has served as a tremendous learning experience for students interested in a career in government as well as those interested in community and public service. The Council continues to include as part of its budget \$20,000 to partially sponsor the participation of local high school students in the Close-Up Program. The funds are divided equally among the participating students. Only participants who are both Burbank residents and attend a high school located in Burbank are eligible to receive the City's contribution.

Last year, Burbank High School sent nine, Burroughs High School sent 12, Providence High School sent eight, and Bellarmine-Jefferson sent ten Burbank resident students to the Close-Up Program. Each of the 39 eligible students received \$512 from the City.

This year, Burbank High School expects to send nine students to the Close-Up Program from June 17-June 23, 2007. Burroughs High School expects to send 18 students from March 25-March 31, 2007. Providence High School recently sent their 14 students from January 28-February 3, 2007.

This year, Bellarmine-Jefferson High School is planning to send 14 students on a New York City excursion which will include visits to the Statue of Liberty, Ellis Island, Times Square, the United Nations Building and Ground Zero. The students will also visit two universities, Fordham University and New York University. Although this will be an exciting opportunity for Bellarmine-Jefferson students, staff feels that this type of excursion does not qualify for partial funding through the City's Close-Up Program Account. Funds in this account are specifically geared to assist Burbank resident students with the cost of attending the Close-Up Program; a nonprofit, nonpartisan foundation that has provided a "close up" experience of government to over 600,000 students since 1971. Staff has spoken with the administration at Bellarmine-Jefferson, and they are accepting of this determination.

Recommendation:

With an expected total of 41 Burbank resident students from the three participating schools attending the Close-Up Program, the City's \$20,000 contribution will provide approximately \$487 per participant. Staff recommends the Council approve a contribution totaling \$20,000 to eligible students from Burbank, Burroughs and Providence High Schools to partially offset the cost of the Close-Up Program.

3. APPROVAL OF FINAL MAP NO. 62116 – 355 NORTH MAPLE AVENUE:

Staff is requesting Council approval of Final Map No. 62116, a one-lot subdivision totaling 40,669 square feet located at 355 North Maple Avenue. The property is in the MDR-5 Multiple-Family High Density Residential Zone and is owned by Entourage-Burbank, L.P., a California Limited Liability Company.

On October 4, 2005, the property owner requested City approval to subdivide a three-story, 82-unit multi-family residential building over one lot, to be converted to multi-family residential condominiums with a semi-subterranean parking garage. Final Map No. 62116 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. 62116:

1. The tentative tract map was approved by the Community Development Director on December 8, 2005 pursuant to Burbank Municipal Code Section 27-323 (Director's Decision on Tentative Map);
2. The Final Map contains 82 condominium units at 355 North Maple Avenue, which is located in the MDR-4 Multiple-Family High 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. 62116 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); and,
5. 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. 62116 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. 62116 (355 NORTH MAPLE AVENUE).

4. RESOLUTION OF INTENTION FOR THE ANNUAL WEED ABATEMENT PROGRAM:

The annual weed abatement program removes the nuisance created on various properties by weeds, rubbish, refuse and brush. These nuisances create a potential fire hazard and a haven for rodents and vectors. The purpose of the Resolution of Intention is threefold:

1. To declare weeds and debris to be a public nuisance;
2. To declare the Council's intent to abate the nuisance; and,
3. To establish the date of March 6, 2007, at 6:30 p.m. as the date and time for a public hearing relating to this issue.

This resolution is a necessary legal step in the execution of the 2007 Weed Abatement Program under the provisions of the State of California Government Code Title 4, Division 3, Part 2, Chapter 13, Article 2, Sections 39560 to 39588.

The County has compiled a list of properties within the City, which need to be cleared of weeds, rubbish, refuse and debris during the 2007 Weed and Debris Clearance Program. Data used in compiling this list has been developed from the official weed maps of the County of Los Angeles, which identify private property locations by parcel number. Staff inspected each property to verify the nuisance.

Notices to destroy weeds will be mailed to the property owners as required by the Government Code of the State of California upon receipt of Council approval. An

affidavit of mailing will be returned to the City by the County of Los Angeles Department of Agricultural Commissioner/Weights and Measures when the mailing of notices, as provided by law, has been completed.

This resolution declares weeds and debris a public nuisance and is the first Council action necessary for the City to carry out the annual program of abating weeds and debris on certain private properties throughout the City. The owners of the private property involved may either complete the abatement themselves or the County will do the work and recover the cost of the abatement through a Property Tax lien. There is no cost impact on the City General Fund or Redevelopment Agency's budget for this program other than incidental administrative costs.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK DECLARING THAT WEEDS GROWING UPON AND IN FRONT OF, AND BRUSH, RUBBISH, REFUSE, AND DIRT UPON AND IN FRONT OF CERTAIN PRIVATE PROPERTY IN THE CITY ARE A PUBLIC NUISANCE, AND DECLARING ITS INTENTION TO PROVIDE FOR THE ABATEMENT THEREOF.

5. ADOPTING THE MODEL GOVERNMENTAL DEFINED CONTRIBUTION PLAN AND TRUST (401(a) PLAN) AND APPROVING THE ADOPTION AGREEMENT BETWEEN THE CITY AND NATIONWIDE RETIREMENT SOLUTIONS, INC. TO ESTABLISH A 401(a) PLAN FOR THE BURBANK FIRE FIGHTERS AND BURBANK FIRE FIGHTERS – CHIEF OFFICERS UNIT LOCAL NO. 778:

As part of the 2006-09 Memorandum of Understanding (MOU) between the Burbank Fire Fighters (BFF) and the Burbank Fire Fighters – Chief Operating Unit (BFF-COU) approved in October 2006, the City agreed to match a \$15 per month contribution to a Post Employment Health Plan (PEHP) and a \$15 per month contribution to a 401(a) Plan from Nationwide Retirement Solutions. Both of these plans are unique programs authorized by the Internal Revenue Code to give employees the ability to set aside money for the payment of post employment benefit. The City has previously established the PEHP and is now in the process of establishing the 401(a) Plan.

Like the PEHP, the 401(a) plan will be sponsored by the City and administered by Nationwide Retirement Solutions. The Trustee for this plan will be LaSalle National Bank. The Trust is a multi-employer trust comprised of over 800 public sector entities across the United States. As the sponsor, the City has the authority to appoint and remove the Trustee and the Administrator; as well as amend the provisions of the Plan, subject to the terms of the BFF and BFF-COU MOUs.

The 401(a) will be effective February 15, 2007. The City will begin deducting the required employee contribution from each association member on that date and depositing that amount in their individual accounts with Nationwide. The proposed resolution provides administrative authority for the contribution amounts to be changed annually if necessary as determined by the unions.

The Council approved the City's matching portion of the PEHP and 401(a) contribution when the 2006-09 BFF and BFF-COU MOUs were adopted in October, 2006. As such, there is no further fiscal impact to the City to establish this 401(a) Plan as any new monies to be deposited will come from the employees' salaries. Furthermore, all administrative costs and asset fees will be charged to the individual employee's account. The only responsibility the City has is to wire transfer the established contribution amount to Nationwide on a regular basis.

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE MODEL GOVERNMENTAL DEFINED CONTRIBUTION PLAN AND TRUST (401(a) PLAN) AND APPROVING THE ADOPTION AGREEMENT AND ADMINISTRATIVE AGREEMENT BETWEEN THE CITY OF BURBANK AND NATIONWIDE RETIREMENT SOLUTIONS, INC. TO ESTABLISH A 401(a) PLAN FOR THE BURBANK FIRE FIGHTERS (BFF) AND BURBANK FIRE FIGHTERS – CHIEF OFFICERS (BFF – COU) UNIT LOCAL NO. 778.

END OF CONSENT CALENDAR

REPORTS TO COUNCIL:

6. APPROVAL OF COMMUNITY DEVELOPMENT BLOCK GRANT CAPITAL PROJECTS FOR FISCAL YEAR 2007-08:

Staff requests the Council approve capital project uses funded with Community Development Block Grants (CDBG) and include them in the Fiscal Year (FY) 2007-08 Annual Plan and Final Statement of Community Development Objectives and Projected Use of Funds.

Burbank submits an Annual Plan and applications for Federal funds, including CDBG, pursuant to regulations covering 24 Code of Federal Regulations Part 91, Consolidated Submissions for Community Planning and Development Programs. The Annual Plan and the Final Statement describe activities/projects planned to accomplish goals and objectives stated in the Consolidated Plan (FY 2003-08).

The Annual Plan and Final Statement of Community Development Objectives and Projected Use of Funds are scheduled for formal submission in May 2007. Capital project requests are accepted earlier for City approval to allow sufficient lead time to complete pre-development tasks such as project design, preparation of specifications and bid scheduling. This advanced implementation process permits projects to go forward immediately when Federal applications are approved by the United States Department of Housing and Urban Development (HUD); and further enables the City to spend CDBG funds in a timely manner to meet HUD expenditure requirements.

Burbank's CDBG entitlement allocation for FY 2007-08 is estimated at \$1.36 million based on the City's entitlement, HUD reallocated funds and program income for 2006. The latest update from Congress indicates HUD's fiscal 2007 budget will not be approved until mid-February, at the earliest.

When the Annual Plan and Final Statement are approved by the Council in April 2007, capital project approvals will be adjusted to coincide with the actual 2007 entitlement and any HUD reallocated funds. For now, however, CDBG capital project funds are estimated at \$881,875. Likewise, program administration and public services funding will be adjusted in April and will be appropriated at the statutory limits of 20 percent and 15 percent, respectively.

FY 2007 CDBG FUND RESOURCES

CDBG Fund Source	Fund Amount
2007 Entitlement (Est.)	\$1,214,390.00
HUD Reallocated Funds	\$ incl. above
Program Income (FY 2005-06)	\$ 142,341.00
Total FY 2007 CDBG (Est.)	\$1,356,731.00

FY 2007 CDBG FUNDS By CATEGORY

Capital Project Funds	\$ 881,875.00
Public Service Funds	\$ 203,510.00
Program Administration Funds	\$ 271,346.00
Total Funds Available (Est.)	\$1,356,731.00

Capital project fund availability and a request for proposals were noticed to departments/agencies on September 27, 2006 and advertised October 4 and 7, 2006, with proposals accepted until October 27, 2006. Four City departments/organizations submitted five projects totaling \$1.463 million in requests, creating a gap of \$581,125 compared with available funding.

The Community Development Goals Committee met on November 16, 2006, and the Executive Staff met on December 6, 2006 to make their capital project recommendations.

This year both Committees agree on the projects to be funded:

Department/Agency	FY 2007 Project(s)	Request Amount	Goals Committee	Executive Staff
Public Works Dept.	Sidewalk Reconstruction	\$ 600,000	\$ 348,875	\$ 348,875
Public Works Dept.	Pedestrian Ramp Construction	\$ 300,000	Included above	Included above
CDD-License & Code Services Div.	Code Enforcement	\$ 141,000	\$ 141,000	\$ 141,000
Build Rehabilitation Industries	New Electrical System	\$ 102,000	\$ 72,000	\$ 72,000
Build Rehabilitation Industries	New Floor Drain	Included above	Included above	Included above
Build Rehabilitation Industries	Replace Concrete Floor	Included above	*Not Eligible	*Not Eligible
Parks, Recreation & Community Services Dept. (Joslyn Adult Center)	New Computer Lab & Conference Room	\$ 320,000	\$ 320,000	\$ 320,000
Total(s)		\$1,463,000	\$ 881,875	\$ 881,875
CDBG Capital Funds Available		\$881,875	\$ 881,875	\$ 881,875

*** Repair & Maintenance Items Are Not CDBG Eligible**

Recommendation:

Adoption of proposed resolution entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK APPROVING CAPITAL PROJECT USES TO BE FUNDED WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR FISCAL YEAR 2007-08 AND AUTHORIZING THEIR INCLUSION IN THE ANNUAL PLAN AND FINAL STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES AND PROJECTED USES OF FUNDS.

7. WATER AND POWER OPERATING REPORT:

WATER UPDATE

Water Quality

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

Fiscal Year-To-Date 2006-07 Water Fund Financial results as of December 31, 2006:

	December 2006 Year-to-Date			
	Actual	Budget	Variance	% Variance
Water put into the system (CCF)	5,520,141	5,504,677	15,464	0%
Potable water sales (CCF) ^(A)	5,373,704	5,242,504	131,200	3%
Recycled water sales (CCF) ^(B)	526,539	705,660	(179,121)	(25%)
Potable Revenues	\$8,968	\$9,822	(\$854)	(9%) (C)
Recycled and Power Plant Revenues	728	1,046	(318)	(30%) (D)
Total Operating Revenues	\$9,696	\$10,868	(\$1,172)	(11%)
WCAC	3,957	4,169	212	5%
Gross Margin	\$5,739	\$6,699	(\$960)	(14%)
Operating Expenses	4,305	4,946	641	13%
Operating Income	\$1,433	\$1,753	(\$320)	(18%)
Interest and Other Income	566	697	(131)	(19%)
Interest Expenses	147	154	7	5%
NI before Contr. & Transfers	\$1,853	\$2,296	(\$443)	(19%)
Transfers (In Lieu)	488	491	3	1%
Contributed Capital (A.I.C)	575	561	14	3%
Change in Net Assets (Net Income)	\$1,940	\$2,366	(\$425)	(18%)

(A) Retail Sales in CCF's reflect unaccrued CCF sales based on actual customer billings and have not been adjusted for payment cycles.

(B) Includes Power Plant Sales, Commercial and Industrial Reclaimed Sales.

(C) WCAC adjustment decreased Potable Water Revenues by \$785k.

(D) Power Plant requirements were lower than planned.

() = Unfavorable Variance

Fiscal Year (FY) 2006-07 Water Fund Financial Reserve balances as of December 31, 2006 are summarized in the following table:

Water (In thousands)	Balance 12/30/2006	Recommended Reserves
Unrestricted Cash		
General Operating Reserve	\$5,962	\$4,430
Capital Reserve	\$2,807	\$3,580
Sub-Total Unrestricted Cash	\$8,769	\$8,010
Restricted Cash		
Water Replenishment Reserve	\$1,000	\$1,000
WCAC	\$2,429	\$2,376
Distribution Main Reserve	\$1,100	\$1,100
Debt Service Fund	\$609	\$668
Parity Reserve Fund	\$634	\$634
Sub-Total Restricted Cash	\$5,772	\$5,778
Total Cash	\$14,542	\$13,788

ELECTRIC UPDATE

Electric Reliability

The following table shows the system-wide reliability statistics for FY 2006-07 through December 31, 2006 as compared to the same time period for FY 2005-06:

Reliability Measure	FY 2005-06	FY 2006-07 (through Dec. 31, 2006)
Average Outages Per Year	0.2319	0.1611
Average Outage Duration	64.91 minutes	73.48 minutes
Average Service Availability	99.9943%	99.9955%

Financial and Operations Update

Fiscal Year-To-Date 2006-07 Electric Fund Financial results as of December 31, 2006:

	December 2006 Year-to-Date			
	Actual	Budget	Variance	% Variance
NEL MWh	655,221	619,037	36,183	6%
Retail Sales MWh ^(A)	641,813	592,405	49,408	8%
Retail Revenues	82,331	77,337	\$4,995	6% (B)
Other Revenues	1,963	1,840	124	7%
Retail Power Supply & Transmission Expenses	51,905	52,212	307	1% (C)
Retail Gross Margin	32,390	26,965	\$5,425	20%
Wholesale Revenues	79,532	88,000	(8,468)	(10%)
Wholesale Power Supply	76,013	86,075	10,062	12%
Wholesale Gross Margin	\$3,519	\$1,925	\$1,594	83%
Gross Margin	35,908	\$28,890	\$7,019	24%
Operating Expenses	19,347	19,837	490	2%
Operating Income	16,562	\$9,053	\$7,509	83%
Interest and Other Income	2,505	2,089	416	20%
Interest Expense	2,092	2,092	(0)	0%
NI before Contr. & Transfers	16,975	9,050	7,925	88%
Transfers In/(Out) - (In lieu)	5,120	4,834	(286)	(6%)
NI before Contributions	11,855	\$4,216	\$7,639	181%
Contributed Capital (A.I.C)	171	1,803	(1,632)	(91%) (D)
Change in Net Assets (Net Income)	\$12,026	\$6,019	\$6,007	100%

(A) Retail Sales in MWh reflect unaccrued MWH sales based on actual customer billings and have not been adjusted for payment cycles.

(B) Higher sales are attributable to record high summer temperatures and retail load growth.

(C) The favorable power supply expense variance is due to operational efficiency, and the annual MPP true-up for the prior fiscal year.

(D) To date minimal Aid-in Construction, Misc., and Work for Others revenues have been recorded, however projects are in process that will be billed.

Variance () = Unfavorable

FY 2006-07 Power Fund Financial Reserve balances as of December 31, 2006 are summarized in the following table:

Electric (In thousands)	Balance 12/30/2006	Recommended Reserves
Unrestricted Cash		
General Operating Reserve	\$48,247	\$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	\$3,904	\$0
Sub-Total Unrestricted Cash	\$65,951	\$61,770
Debt Service Fund & other	\$5,536	\$6,592
Parity Reserve Fund	\$10,230	\$10,160
Public Benefit	\$3,425	\$0
Sub-Total Restricted Cash	\$19,191	\$16,752
Total Cash	\$85,142	\$78,522

Recommendation:

Note and file.

FINAL OPEN PUBLIC COMMENT PERIOD OF ORAL COMMUNICATIONS: (Two minutes on any matter concerning the business of the City.)

This is the time for the Final Open Public Comment Period of Oral Communications. Each speaker will be allowed a maximum of **TWO** minutes and may speak on any matter concerning the business of the City. However, any speaker that spoke during the Initial Open Public Comment Period of Oral Communications may not speak during the Final Open Public Comment Period of Oral Communications.

For this segment, a **GREEN** card must be completed, indicating the matter to be discussed, and presented to the City Clerk.

COUNCIL AND STAFF RESPONSE TO THE FINAL OPEN PUBLIC COMMENT PERIOD OF ORAL COMMUNICATIONS:

ADJOURNMENT.

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