

BURBANK REDEVELOPMENT AGENCY
JUNE 12, 2007

A regular meeting of the Burbank Redevelopment Agency was held in the City of Burbank Council Chamber, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:37 p.m. by Mrs. Ramos, Chairman.

Invocation The invocation was given by Pastor Paul Clairville, Westminster Presbyterian Church.

Flag
Salute The pledge of allegiance to the flag was led by Sam Engel, Sr.

ROLL CALL

Present- - - - Members Bric, Golonski, Gordon, Reinke and Ramos.

Absent - - - - Members None.

Also Present - Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

7:03 P.M.
Jt Hearing w/the
Council, Housing
Auth., Parking
Auth, Pub. Fin
Auth, YES Fund-
FY 2007-08
Citywide Fee
Schedule and
Council Goals Chairman Ramos stated that "this is the time and place for the hearing on the proposed budget for the Fiscal Year 2007-08 for the City, Redevelopment Agency, Housing Authority, Parking Authority, Public Financing Authority, Youth Endowment Services Fund, the 2007-08 Citywide Fee Schedule and Council Goals, including fees and charges for water, refuse and sewer service."

Notice
Given There were no meeting disclosures.

Notice
Given The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that the Secretary's Office received 13 written protests concerning fees and charges for water, refuse and sewer service proposed for the 2007-08 Citywide Fee Schedule, and two e-mails pertaining to the proposed budget.

Staff Report Mr. Torrez, Financial Services Director, requested consideration of the proposed Fiscal Year (FY) 2007-08 Annual Budget, Citywide Fee Schedule and Appropriations Limit. He also presented the Council with the FY 2007-08 Council Goals implementation matrix, and requested the Council verify those items which are not to be included as part of the FY 2007-08 Council Goals and provide any final direction. He reported that citywide resources total \$731.6 million while expenditures total \$719.6 million. He

noted that after deducting the recurring appropriations from revenues, the recurring Fund Balance for the General Fund was \$312,222. With regard to non-recurring expenditures, he stated that staff anticipated beginning the new fiscal year with an available balance of \$2.1 million but after subtracting one-time appropriations including items added by the Council, the non-recurring balance was depleted and there was a need to use \$25,496 of Recurring Fund Balance to cover all proposed non-recurring appropriations. This would result in a recurring balance of \$286,726. He added that if the additional discussion paper requests pertaining to parking enforcement tools and Secondhand Smoke Control Ordinance education/ ambassador program were approved, the recurring balance would be further reduced to \$147,722.

Mr. Torrez also requested Council approval of the following rate increases in the Enterprise Funds to cover related costs and comply with Bond Rate covenants: a six percent sewer rate increase; nine percent refuse rate increase; two and a half percent electric rate increase effective January 1, 2008; and, 4.8 percent water rate increase. He noted that the combined impact on residential customers is approximately \$7 to \$8 per month. He informed the Council that the public hearing fully complies with new noticing and hearing requirements for water, sewer and refuse charges, and that affected rate payers had the opportunity to vote against the rate increases.

Mr. Torrez further stated that the GANN appropriations limit is a State constitutional limit on the amount of total tax revenue that may be collected or received and appropriated by each local government agency in California. He noted that the City's FY 2007-08 appropriations limit is estimated to be \$143,579,990 and the actual amount of the appropriations contained in the budget that is subject to the limit is \$105,803,101. As such, the City is well below its appropriations limit. He also noted that although the Five Year Financial Forecast has improved, there is a deficit projected for FY 2011-12 and as such, staff will continue to monitor and provide options with regard to mitigating the projected deficit. He requested the Council conduct the public hearing, direct staff to prepare a resolution for adoption of the budget, adopt resolutions approving the water, refuse and sewer fees, and verify the Council Goals Matrix.

Public Comment Appearing to comment were: Robert Phipps, on funding for the Secondhand Smoke Control Ordinance enforcement; Joan Swanson, on funding for additional maintenance of the palm trees along Bel Air Drive; Roland Kaali, on refuse fees; Rose Prouser,

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on water rates and charges, refuse collection fees and management of the recycling program; Esther Espinoza, on funding for the Youth Endowment Services Fund; Eden Rosen, on the proposed utility rate increases pertaining to Lifeline customers, Burbank Water and Power's sponsorship of the Starlight Bowl and expenditures for public art projects.

7:45 P.M.
Hearing Closed

There being no further response to the Chairman's invitation for oral comment, the hearing was declared closed.

Motion

Following Agency Board deliberation, it was moved by Mr. Golonski, seconded by Mrs. Reinke and carried with Dr. Gordon voting no that "staff be directed to return with the documents necessary to adopt the budget as presented, with a one-time \$100,000 allocation to a parking enforcement holding account and \$59,004 for an Ordinance Education/Ambassador Program."

Motion

It was moved by Mr. Golonski, seconded by Mr. Bric and carried that "staff perform some more due diligence on possible ways to maintain the original refuse rate smoothing plan or develop a modified rate increase that mitigates the need for a nine percent refuse rate increase in any year, while remaining in compliance with the refuse bond covenants. The information would be brought back for consideration with the budget adoption."

Motion

It was moved by Mr. Bric, seconded by Mrs. Reinke and carried that "the Council Goals be approved as presented."

9:34 P.M.
RA 40
Audit Scope for
BHC Corp. &
PSA w/Diehl
Evans & Co. LLP
& Keyser Marston
Asso. for Audit

Mr. Torrez, Financial Services Director, presented the Redevelopment Agency (Agency) Board with a proposed scope of services to perform a comprehensive operational audit of the Burbank Housing Corporation (BHC) pursuant to the Agency Board's direction on March 20, 2007. He stated that the scope will: include BHC's historical perspective; comment on the evolution and current role of the BHC; review the relationship between the City, Agency and BHC; review the property acquisition process and policies; review the funding and financial controls; provide a comparison of the BHC with other comparable operations in other cities and agencies; comment on the role and value that the BHC brings to the community; and, provide recommendations on how the BHC can perform its duties better. He reported that staff recommends retaining the services of Diehl Evans & Company, LLP (DE&Co.) and Keyser Marston and Associates (KMA) to perform the operational audit. He estimated that the audit would

cost \$81,000. He also requested Agency Board direction with regard to the draft scope of work for the review of the property appraisal of 261 West Verdugo Avenue. He noted that there will be an additional cost associated with the retention of an appraiser to perform the appraisal review, which is unknown at this time.

Motion It was moved by Mr. Golonski and seconded by Mrs. Reinke "to approve the scope of work for the BHC operational audit as proposed by staff with direction that the appraiser's notes for 261 West Verdugo Avenue be provided to the auditors and Agency Board Members, and that the following resolutions be passed and adopted."

RA 40 RESOLUTION NO. R-2182:
PSA w/Diehl, A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
Evans & Co. for CITY OF BURBANK APPROVING A PROFESSIONAL
BHC's Audit SERVICES AGREEMENT BETWEEN THE AGENCY AND DIEHL,
EVANS & COMPANY TO PERFORM THE OPERATIONAL AUDIT
OF BURBANK HOUSING CORPORATION.

RA 40 RESOLUTION NO. R-2183:
PSA w/Keyser A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
Marston Asso., CITY OF BURBANK APPROVING A PROFESSIONAL
Inc. for BHC's SERVICES AGREEMENT BETWEEN THE AGENCY AND
Audit KEYSER MARSTON ASSOCIATES, INC. TO PERFORM THE
OPERATIONAL AUDIT OF BURBANK HOUSING
CORPORATION.

Adopted The motion and resolutions were adopted by the following vote:

Ayes: Members Bric, Golonski, Gordon, Reinke and Ramos.
Noes: Members None.
Absent: Members None.

Motion It was moved by Mr. Golonski, seconded by Mrs. Reinke and carried with Dr. Gordon voting no "to direct staff to work with Burbank Housing Corporation to proceed with the activities necessary to bring the 261 West Verdugo Avenue property into their portfolio."

10:26 P.M. The Agency recessed at this time to permit the City Council to
Recess continue its meeting. The Agency reconvened at 10:41 p.m. for public comment with all members present.

10:41 P.M. There being no further business to come before the Agency Board,

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Adjournment the meeting was adjourned at 10:41 p.m.

Margarita Campos, CMC
Secretary

APPROVED JANUARY 22, 2008

Chairman