
Economy & Efficiency Commission

Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, MARCH 2, 1994
KENNETH HAHN HALL OF ADMINISTRATION
500 West Temple St., Los Angeles, CA 90012

Editorial Note: Agenda sections may be taken out of order at the discretion of the chair. Any reordering of sections is reflected in the presentation of these minutes.

I. CALL TO ORDER

Chairperson Buerk called the meeting to order at 9:40 a.m.

II. ATTENDANCE

COMMISSIONERS PRESENT:

Fred Balderrama
John FitzRandolph
Dr. Gunther Buerk
David Farrar
Louise Frankel
Dr. Alfred Freitag (late arrival)
Jonathan Fuhrman
Roman Padilla
Robert Philibosian
Randy Stockwell
Julia Sylva

COMMISSIONERS ABSENT:

Richard Barger
Jack Drown

COMMISSIONERS EXCUSED:

Judith Brennan
John Grande
Carole Ojeda-Kimbrough

Chun Lee
Betty Trotter

Others present: Robert M. Hertzberg, Productivity Commission and Sue Fetters, Bonelli Park Citizens Advisory Committee.

Motion, Second and Approve: The Commission members noted above as excused, be approved.

III. CONSIDERATION OF MINUTES

Chairperson Buerk asked for any amendments, corrections or objections to the February 2, 1994 Minutes. It was noted that Commissioner Sylva was inadvertently left off the Commission meeting roster, and should be counted as present.

Motion, Second and Carried: The Minutes of the February 2, 1994 Commission meeting be approved as amended.

IV. INTRODUCTIONS AND ANNOUNCEMENTS

Chairperson Buerk welcomed Mr. Robert Hertzberg, the new Commission liaison representative from the Productivity Commission. Commissioner Hertzberg addressed the Commission. He said he is an attorney, and the Vice Chair of the Productivity Commission. He stated that he has been active for many years on various boards and commissions dealing with public policy.

V. OLD BUSINESS

A. Unincorporated Areas Budgeting Task Force.

Task Force Chairperson Roman Padilla reported that the contract consultants Urban Research Section (URS) have had a problem presenting a draft report, due in part to their having to be involved with the emergency response to the January earthquake. They have come up with a presentation compiling a set of notes. A Task Force meeting is scheduled for March 22, 1994. He stated that Mr. Staniforth had requested a schedule for completing the work, however, there has not yet been a response. Chairperson Buerk urged the Task Force and staff to persist in their efforts with URS.

B. County Budget & Economic Growth Task Force

Task Force Chairperson Philibosian advised that he had no report as he has not had the time available to gather the information necessary, nor is there staff time available to do this. Chairperson Buerk suggested that the members of the Task Force be asked to assist. This Task Force is important and could be helpful as the budget gets into the critical phases. Commissioner Philibosian said he would try to hold a Task Force meeting this month and would call Mr. Staniforth with suggested meeting dates.

Commissioner Padilla inquired if there had been any movement on a study by the San Gabriel Valley Association of Cities. Commissioner Fuhrman advised he had gotten a copy of an RFP regarding making the member cities more business friendly. They are still seeking a funding source. He said that he would call to see how they were progressing. Commissioner Padilla indicated that these cities seemed to be doing things that may be cross-applied to the County.

C. Pension Structure Task Force.

Task Force Chairperson Dr. Alfred Freitag arrived and reported that he was pleased to report that the Board of Supervisors had acted favorably on the Commission report and recommendations. He thanked the members of the Task Force for their work and Commissioner Louise Frankel for appearing before the Board in support. He also expressed appreciation for the action by the Board.

Chairperson Buerk summarized the events of the past few weeks leading up to the vote by the Board to approve the substance of the Commission recommendations. It was reported that although some of the implementation depends on negotiations with the unions and the unions agreeing to change their contracts, the Commission has successfully completed this project. Chairperson Buerk also called attention to a letter from Emma Fishbeck, President of the Grand Jurors' Association of Los Angeles County commending the Commission for its efforts on this issue.

D. Liability and Risk Management Task Force.

In the absence of Task Force Chairperson Chun Lee, Chairperson Buerk asked Mr. Staniforth to bring the Commission up to date. Mr. Staniforth reported that the CAO had requested an extension of time, due to the earthquake, for the review portion of the Commission project. He also advised that he is examining additional charges on an invoice from McGladrey & Pullen to determine if they are appropriate.

E. Real Property Management Task Force.

Task Force Chairperson Daniel Shapiro reported that they were still waiting for the CAO's report. It seems that the earthquake has made additional demands on County administration. Commissioner Shapiro inquired if Mr. Staniforth had had any response to the request for another meeting. Mr. Staniforth replied that he had contacted Mr. Eric Webber of the CAO's office, who advised that he had been reassigned and was no longer working in this area. The new person assigned has requested some time to get up to speed before meeting with the Commission. Mr. Staniforth also reported that the Productivity Commission is to be assigned a task in asset management. There may be a possibility that the Task Force can fit into that project in some manner. He advised that he had sent a copy of the Commission's last study on Real Asset Management to the Productivity Commission and to Supervisor Burke's office as the maker of the motion.

Chairperson Buerk observed that this is an opportunity for Mr. Hertzberg as the Productivity Commission liaison, to ensure that his Commission is aware of the work already done by the Economy and Efficiency Commission. This includes keeping the Commission informed of any additional efforts Productivity undertakes on this subject. He also suggested that Mr. Hertzberg spend some time speaking with Commissioners Shapiro and Farrar in order to avoid possible future confusion.

Commissioner Shapiro advised that he had spoken with Commissioner Farrar who has suggested that the Task Force expand its efforts. This would include an examination of the vacant office space in downtown Los Angeles. The County now has an opportunity to review outstanding County leases to ascertain if it is not possible to renegotiate them. This may enable the County to achieve substantial long-term savings.

Commissioner Philibosian reported that a related matter has come to his attention. In Ventura County there has been some consolidation of service locations. This is an 18 month pilot program to provide "one-stop" locations for related services. He suggested that perhaps the Task Force can look at the potential benefits of housing related services in common locations.

Commissioner Shapiro observed that the County also has other substantial "intangible" assets, e.g., mapping, statistical information and other data, which is valuable and can be marketed. Commissioner Shapiro invited Commissioner Fuhrman to join the Task Force and use his MIS background to advantage.

Chairperson Buerk stated that it is his belief that this is the area in which the County can save money by simply improving the assets management.

Commissioner Stockwell commented that, coincidentally, he is taking a class in Advanced Real Estate Analysis and that in the past few days they have been reviewing the County's Signal Hill and Marina Del Rey projects. This study includes how the County has managed those assets. He continued by suggesting that the Commission may have resources available at the University of Southern California (USC) on how to create relationships with developers and maximize the County's economic benefits.

Commissioner Padilla inquired as to the movement by the CAO, Auditor-Controller, and County Counsel in response to the Commission recommendations. Chairperson Buerk responded that this is the question that the Task Force is addressing. The data base has not yet been assembled. The County Steering Committee has met only once or twice. It appears that they could be more active. Commissioner Hertzberg responded that he will do what he can to coordinate past actions with the present task force. He will also try to foster collaboration between the Productivity and the Economy and Efficiency Commissions. He reported that he is heading up a marketing committee which is attempting to come up with possible means to increase revenue from the departments' activities.

F. Commissions, Task Forces, and Committees Evaluation Task Force.

Task Force Chairperson Louise Frankel reported that the Task Force had a most productive meeting and came up with a meaningful product. It has been based on input from the Task Force members, previous work done in regard to the Childrens Services project, and the Grand Jury report. A meeting was

scheduled with the Audit Committee and the Task Force. The Task Force members cancelled as the result of inclement weather. However, Mr. Staniforth did attend the Audit Committee meeting and reviewed the form and recommendations with them. The Audit Committee concurs with the Task Force form. After discussion, Commissioner Frankel suggested that a recommendation be added that an overview of all the commissions, task forces and committees at this time is appropriate. It was also suggested that those with similar characteristics be placed in categories and compared to identify overlapping functions, obsolescence, etc.

Commissioner Padilla recommended that each commission, committee or task force be asked to specify which departments and legislative level are impacted by their activities. This would facilitate the Audit Committee review. Chairperson Buerk suggested that the recommendation not be that specific and that the Audit Committee simply group them into similar categories.

Commissioner Fuhrman recommended that the section recommending that the Executive Officer conduct briefings of all new Commissioners be deleted as it presents a logistical problem and it does not seem to be a priority matter. Commissioner Frankel countered that it is not as complicated as that. New commissioners can be provided with basic documents and be given an hour of orientation by someone designated by the Executive Office.

Chairperson Buerk observed that in a broad sense the County should have fewer commissions, but have commissioners that are more effective because they are better informed. Commissioner Frankel explained that based on her past experiences with other commissions, it was obvious that new appointees had little or no knowledge of the mission and function of their commission. This can create animosities and management problems, which she believes, may be avoided by the briefing and orientation process recommended. Commissioner Padilla observed that most commissions do not have staff like the Economy and Efficiency Commission, and that it is appropriate for the Executive Office to determine who should do the briefing.

There was additional discussion about the format of the evaluation form. Commissioner Fuhrman suggested that the form be changed to request total expenditures and itemization of the three largest expenditures during the period be presented. Executive Director Staniforth explained the CAO would normally budget for commissions in the categories on the draft form. The change being discussed would affect a change to recommendation No. 7 in the report dealing with financial information. It would also multiply the work of the staff submitting the form. He suggested that the form keep this set of figures and be changed in the narrative to ask for a listing of the three major expenditures. Mr. Staniforth also observed that if the form, which has been reviewed with the Audit Committee, is changed substantially, it should go back to them for review, or change the Board letter to eliminate their concurrence. However, minor changes could be made and reviewed with Mr. Burke Roche.

Chairperson Buerk suggested that this form may be a good starting point and that the text be changed to reflect the recommendations of the Commissioners regarding the percentages of expenditures. Commissioner Padilla asked that the recommendations be consolidated in the report to allow the Board to read them without having to sift through the report.

Motion, Second and Carried: That the Task Force report approved with the Commissioners' additional recommendations included.

G. Other Old Business.

Executive Director Staniforth advised that he had sent notification of the intent to calendar the Commission's Report on "Proposition A" Contracting Requirements to the each of the Supervisors and has had no response. Therefore, with the concurrence of the Commission he will submit it for the Board agenda.

VI. PRESENTATION

Chairperson Buerk advised that there would be no presentation, as it was intended to have a presentation by a representative of the CAO on the status of Real Asset Management in Los Angeles County. The newly assigned Assistant Administrative Officer has requested additional time to get better prepared to address the issue and will be scheduled for the next Commission agenda.

Chairperson Buerk advised that Commissioner Trotter has expressed interest in starting a project concerning the current Jury System Management. It was noted that it would be placed on the Commission's April 6, 1994 agenda.

VII. NEW BUSINESS

A. Civil Service Reforms.

Commissioner Fuhrman reported that he had spoken with the County Executive Office of Sacramento County concerning this issue. They appear to be undertaking a rather substantial measure similar to what was attempted by Los Angeles County in the past, i.e., removing Department Heads from Civil Service. They are going even farther by removing other levels of management as well. They are presenting their proposal to their Board today for the June ballot and will be sending him a copy of their recommendations and the proposed ballot measure. When it is received Commissioner Fuhrman said he will provide it to Mr. Staniforth so that it may be circulated to each Commissioner. He also said he will keep track of the circumstances in Sacramento and report on the public reaction to their proposal.

B. Jury Service.

Chairperson Buerk suggested that this is an area in which the Commission could recommend significant improvements.

C. Data Base Management.

Commissioner Frankel stated that as mentioned earlier and found to be true in the Risk Liability study, the County's data management requires significant attention. She proposed that this be the subject of a review to determine if contracting out could contribute to a solution. Chairperson Buerk said that an adequate data base is not generated by contracting for someone to do it, rather, it gets done when someone wants it and is able to spend the money. Once the Department Heads or the Supervisors determine that it is needed, then it can be determined if it is better done in-house or outside.

Commissioner Shapiro advised that he is aware that IBM and EDS have been considering proposing to do this. Contract data management is a trend in business, local government, and state government. With these large companies it is possible to share the costs of developing the systems world-wide and not have to spend as much. It also avoids having an obsolete system as soon as it is in place. There are many opportunities for technology to provide significant savings, but the County does not have the internal resources necessary to make it happen.

Chairperson Buerk asked Commissioner Hertzberg if the Productivity Commission is doing anything in this regard. Commissioner Hertzberg responded that there is something being done. He will review it and report back on this at the next meeting.

D. Annual Report.

Executive Director Staniforth reported that staff is working on the Annual Report. He asked that each Commissioner review the biographical information given to them today and make any changes. It was decided that all present Commissioners and those serving during 1993 would be listed in the Annual Report. A notation would be made to indicate those whose terms have expired and those who have been appointed recently. Chairperson Buerk requested that when the final draft is ready that it be circulated to the Executive Committee for review and approval. He also requested that former Commissioners be added to the distribution list.

E. Executive Director's Contract.

Chairperson Buerk reported that the Executive Committee has discussed the Executive Director's contract, which expires April 10, 1994, and recommends that the contract be extended and a ten percent increase in compensation be approved. He also observed that the contract review falls into a time when there is always uncertainty about the budget and it is recommended that it be extended for a period of eighteen months, rather than twelve months so that the renewal time falls when the budget is certain.

Motion, Second and Discussion; The recommendations of the Executive Committee regarding the extension of the Executive Director's contract for eighteen months with a ten percent increase in compensation be approved.

There was discussion regarding the recommendation for a ten percent increase in compensation. Justification for the increase relies primarily on the Executive Director's performance over the past two years. It also considered that no increase was granted last year, County employees may receive step increases, in-class promotions, or other such opportunities, comparison of pay levels of County

employees with similar levels of responsibilities, and the fact that the contract provides for no separate fringe benefits. The motion was amended to have a six percent increase be considered during this time of cutting back within the County.

Motion, Second and Failed: Amend the motion to increase the compensation by six percent.

Motion, Second and Carried: The recommendations of the Executive Committee regarding extension of the Executive Director's contract for eighteen months, and an increase in compensation of ten percent be approved.

Commissioner Padilla commented that it should be recognized that the Commission is able to remain independent, in part, because the Executive Director is not a County employee, but is under contract. He also observed that the recommendations of the Commission have saved the County a great deal of money.

VIII. PUBLIC COMMENT

Ms. Sue Fetters, of the Bonelli Park Citizens Advisory Committee expressed concerns that the County of Los Angeles is taking undue risks with the development of Bonelli Park and that the Board is not receiving accurate information from the Department Heads of Parks and Recreation and Public Works. Her concern was that the reservoir in Bonelli Park has had 90 percent of its storage capacity taken away by recreation development, and that the flood protection of the east San Gabriel Valley has been compromised. She alleged that this is being done to raise revenues and to foster privatization. However, commercial tenants are receiving substantive rent credits and the County is not getting the revenue benefits intended.

Chairperson Buerk asked Ms. Fetters how the Economy and Efficiency Commission may be of help. Ms. Fetters said that she was not certain, but that she was aware that the Commission considers issues regarding contracts and risk liability to the Board. She thought that this issue is relevant and that the Commission could call attention to the need for accountability by the department heads.

Chairperson Buerk asked if she had spoken with her Supervisor. She explained that she had, and that a report had been called for but the problem remains. Chairperson Buerk advised that if all the normal channels had been followed, then it appears that Ms. Fetters needs to acquire legal support in the matter. He suggested that since she has already advised her Supervisor of the circumstances, it would serve no productive purpose for the Commission to advise the Board also. Commissioner Stockwell suggested that this may be a topic to add to Real Assets Management study. Commissioner Shapiro suggested that Ms. Fetters contact the Hillside Federation of Homeowners which may provide technical support as well.

VIII. ADJOURNMENT

At 12:10 p.m.

Motion, Second and Approve: The meeting be adjourned.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

[Go to March 2, 1994 Agenda](#)

[Return to April 6, 1994 Agenda](#)



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