

**LOS ANGELES COUNTY
CITIZENS ECONOMY AND EFFICIENCY COMMITTEE**

ROOM 372, HALL OF ADMINISTRATION / 500 WEST TEMPLE / LOS ANGELES, CALIFORNIA 90012 / 825-3611, Ext. 64805

M I N U T E S

FULL COMMITTEE MEETING

DATE: APRIL 5, 1967

TIME: 9:00 A.M.

PLACE: ROOM 739 - HALL OF ADMINISTRATION

Raymond Arbuthnot
John C. Bollens
Max Candiotty
Myron J. Carr, Jr.
P. S. Magruder
Mrs. Wayne Licher
Kiyoshi Maruyama
Edward J. Macke
Irvin Mazzel
Maurice McAlister
Harold C. McClellan
Ferdinand Mendenhall
Robert Mitchell
A. C. Rubel
Mrs. Benjamin Erick Smith
J. B. Roche,
Executive Secretary

Attendance:

A. C. Rubel, Chairman
Max Candiotty
Myron J. Carr, Jr.
P. S. Magruder
Mrs. Wayne Licher
Edward J. Macke
Maurice McAlister
Ferdinand Mendenhall
Robert Mitchell
Mrs. Benjamin Erick Smith
J. B. Roche, Executive Secretary
Lloyd Halstead, Administrative Analyst

Advisors:

L. S. Hollinger, Chief Administrative Officer
John R. Leach, Assistant Chief Administrative Officer

Mr. Rubel called the meeting to order at 9:10 a.m. He announced that he was scheduled to undergo surgery at the end of the month and that he had requested Robert Mitchell to assume the responsibilities of Chairman during his absence. He indicated that this would be a period of approximately two months. Mr. Mitchell stated that he would be most happy to serve in Mr. Rubel's absence. He indicated, however, that he was leaving town on May 25 and would be gone for one month. It was agreed that Mr. Mitchell would appoint another Committee member at that time to act in his absence.

Mr. Rubel then presented a draft of the report on executive compensation to the Committee for its review. At Mr. Rubel's request, Mr. Roche reviewed the pertinent issues in the report. Mr. Roche also reported that the Committee had received twelve proposals from outside firms to conduct

the study. He had reviewed the proposals in detail with Mr. Leonetti, Deputy Director of Personnel in charge of Classification and Compensation. They concluded that the firm with the best proposal both in terms of study approach and fee was Theodore Barry and Associates. (The majority of the firms proposed fees between \$40,000 and \$50,000. The firm of Griffenhagen-Kroeger, Inc. proposed a fee of \$18,000 and the firm of Benjamin E. Smith and Associates proposed a fee of \$15,000. These firms, however, proposed a revised approach in the scope of the study with a more limited involvement by the consultant than those presented by the other firms.) The proposals and the recommendations were next reviewed with Gordon Nesvig, Director of Personnel and Lindon Hollinger, Chief Administrative Officer, who concurred with the recommendation for Theodore Barry and Associates.

Mr. McAlister moved that the report be accepted as submitted and the recommendation of Theodore Barry and Associates be approved.

Mrs. Smith voiced strong opposition to the report. She said she felt the Committee was making a serious mistake in recommending a study to develop an executive compensation plan when the real need was to improve the organization structure. Mr. Rubel pointed out that the Committee had submitted a comprehensive study of the organization structure. As a result of the study, the huge Charities Department had been divided into three separate Departments. The County was also working on other changes involving the consolidation of some of the smaller departments. These changes would be coming up in the future but he did not think the executive salary plan should be delayed because of possible organization changes. Mr. Roche added that the chaotic state of the executive salaries needed immediate correction and that once an executive plan was established, further changes in the organization could be incorporated in the basic plan with no trouble.

Mr. Macke raised the question of whether this report would be in conflict with Gordon Nesvig's current programs in the new Department of Personnel. Mr. Rubel replied that Mr. Nesvig was in full accord with the Committee's report and strongly supported the use of an outside consultant. Mr. Hollinger pointed out that there were serious anomalies in the executive salary structure and these he felt should be corrected by an objective analysis. He had asked department heads not to press for salary raises until such a study was conducted. As a consequence, a moratorium had in effect been placed on executive salaries for the past year.

Mr. Roche reported that he had reviewed the report with Mr. Mazzei who was not able to attend the meeting. Mr. Mazzei concurred with the recommendations. The Committee voted to approve the report and the recommendation to select Theodore Barry and Associates, with the exception of Mrs. Smith who voted no.

Mr. Rubel asked Mr. Roche to report on a recommendation by the Grand Jury - unanimously approved by the Board of Supervisors - that the CEEC conduct a study of the County zoning operation in close coordination with the Grand Jury. Mr. Lynne Frantz, Foreman of the Grand Jury, stated in a letter presented at the Board meeting of April 4, 1967, that the CEEC, "might properly review its progress with a special zoning committee which I will establish within the Grand Jury. Working together the Grand Jury Zoning Committee and the Efficiency & Economy Committee would effectuate a task force to accomplish a full and fair review of this subject." The question before the Committee members was whether the Committee believed that it should participate in what amounted to a joint study with the Grand Jury on zoning practices.

Mr. Rubel stated that the Grand Jury, in his opinion, is an investigating body with the power to indict individuals for criminal activities. The CEEC had no such authority nor purpose. A discussion followed on the appropriate course of action for the CEEC to take. It was agreed that it was not proper for the Committee to undertake a joint study with the Grand Jury. The consensus was that it would be appropriate for the CEEC to conduct a study covering the organization and administration of the Regional Planning Commission Department. Like the Welfare Service Commission, the Regional Planning Commission functions as executive head over this department. There is evidence that like the former operation of the Civil Service Commission, serious problems result from the Commission's becoming involved in administrative details. The Committee agreed that Mr. Rubel and Mr. Roche should meet with Mr. Frantz and inform him of the Committee's decision.

Mr. Rubel reported that he had talked to several people who were interested in offering their services to the Committee. Mr. Roche and he had discussed the problem of communications in the County with Mr. Hiram Cassidy, Senior Vice President of the advertising firm of Botsford, Constantine & McCarty, Inc., who is interested in assisting the Committee. The study would cover communication both internally with County employees and externally with the public. Mr. Roche reported that on the instruction of Mr. Rubel, he had met with Mr. Cassidy to discuss the issues involved in such a study. They agreed that the study would probably take at least six months. Mr. Rubel stated that Mr. Cassidy's firm had agreed to his serving on a part-time basis to conduct the study.

Mr. Rubel next asked Mr. Halstead to give a progress report on the capital projects study. Mr. Halstead reported that Mr. Roche and he were scheduled to meet with the County Engineer and the Chief, Capital Projects Division, next Monday to discuss the respective responsibilities of the County Engineer and the Chief Administrative Office in the administration of the capital projects program. After this meeting, Mr. Halstead expected to have the draft of the report covering the selection of architects and the use of architectural services completed for review with the Chief Administrative Officer.

Mr. Macke asked whether the Grand Jury had recommended this study. Mr. Rubel stated that it had and that the Grand Jury had specifically stated that it be referred to the CEEC.

Mr. Rubel requested that Mr. Roche give a brief review of the Employee Relations Program in the County. Mr. Roche stated that the Committee members had received a copy of the letter, of March 6 which Mr. Rubel sent to the Board reflecting the Committee's concern over the Board's becoming directly involved in negotiations with employee and union representatives and bypassing the Director of Personnel. Subsequent to the letter, Mr. Rubel, Mr. Hollinger, Mr. Nesvig and he had met with Supervisors Bonelli, Debs and Hahn to discuss the matter further. At that meeting, Supervisor Bonelli thanked the Committee for warning the Board that the whole purpose of the Director of Personnel conducting negotiations is to insulate the Board from preliminary involvement and so avoid a repetition of the unfortunate events which occurred last year.

At the Board meeting the following week, on March 28, Mr. Nesvig presented a recommendation to the Board covering raises for hospital nurses. Mr. Nesvig reported that he had reached agreement with the California Nurses Association on all classifications except one, but had not been able to reach agreement with the Building Service Employees Union on salaries for other hospital workers - attendants, custodians, etc. The Board supported Mr. Nesvig and refused to become engaged in any direct negotiations. Mr. Roche reported that it was one of the most effective performances that he had witnessed by the Board of Supervisors.

Mr. Rubel reported on the progress of the study to consolidate the bailiffing and process serving functions of the Sheriff and the Marshal. He reported that he had arranged for the loan of three systems analysts to assist the Committee with the study, two from Thompson, Ramo, Wooldridge and one from the Garrett Corporation. It is expected that the study will take approximately three months.

Mr. Rubel next reported on a course of action for the Committee with respect to welfare administration. He said that he did not think that the Committee, at this time, should become involved in welfare philosophy. Rather, he felt that the Committee should work with the concerned people, both at the County and State levels, to simplify administrative procedures and reduce the paper work and red tape that is inundating welfare operations. He reported that at his instigation, Ellis Murphy, County Director of Public Social Services (formerly the Bureau of Public Assistance) had outlined twenty recommendations for improving welfare operations in California. Mr. Rubel conveyed these recommendations to Spencer Williams, the new Agency Director of Health, Welfare and Rehabilitation. Mr. John Montgomery, the Director of the State Department of Social Welfare, under Mr. Williams, had responded immediately with a letter indicating his interest and willingness to cooperate with the County in a joint effort to work toward the solution of these problems. Mr. Rubel stated that he felt the Committee should insure that this effort be continued and that it not be allowed to degenerate into mere letter writing.

Mr. Roche reported that Mr. Rubel had been invited to speak at the Kern County Taxpayers Association in Bakersfield the previous Wednesday on the Committee's activities and that his talk had received an enthusiastic response.

At Mr. Rubel's request, Mr. Roche reported on how the Sheriff-Police Department consolidation was progressing. He said he had spoken to Los Angeles Police Chief Thomas Reddin who voiced support of a merger of such functions as record keeping, training, and communications. The plan is to organize a task force composed of members of the Los Angeles City Police Department, the Sheriff's Department and the two Chief Administrative Offices to conduct the study. Mr. Carr reported that the Past Grand Jurors Association is also studying this area.

Mr. Candiotty asked the question as to whether the results of previous Committee recommendations had been publically reported. Mr. Roche stated that there had been no systematic report published, but that most of the results had received press coverage. It was agreed that the Committee should keep in close touch with the progress being made. Mr. Roche reported that Mr. Durkee, Division Chief in charge of the management audit and work measurement program, had submitted two comprehensive reports to the Board covering their recommendations resulting from their extensive studies of the Department of Public Social Services and the Health Department.

Minutes
April 5, 1967

-6-

There being no further business, Mr. Rubel adjourned
the meeting at 10:50 a.m.

ACR:JBR:lpj

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