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Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, MARCH 3, 1993
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.

II. APPROVAL OF COMMISSIONER'S ABSENCES

COMMISSIONERS PRESENT:

Gunther Buerk, Chair
Betty Trotter, Vice-Chair
George Ackerman
Fred Balderrama
Richards Barger
Judith Brennan
Marshall Chuang
David W. Farrar
Louise Frankel
Jon Fuhrman
Dr. Mike Gomez
Chun Lee
Carol Ojeda-Kimbrough
Roman Padilla
Robert Philibosian

COMMISSIONERS EXCUSED:

Jack Drown
Dr. Alfred Freitag
Daniel Shapiro

Randy Stockwell
Efrem Zimbalist, III

III. CONSIDERATION OF MINUTES

FEBRUARY 3, 1993 COMMISSION MEETING

Commissioner Buerk asked if there were any amendments or objections to the February minutes. There were none.

Resolved that the Commission approve the minutes of the February Commission meeting.

Motion was seconded, voted, and approved.

IV. OLD BUSINESS

SECURITY TASK FORCE UPDATE

Commissioner Frankel stated that in light of the violent incident at USC Hospital, she felt that a security update was needed. She gave some background about the Security Task Force and the two reports the Commission has published since 1983. She recounted the background and focus of the two studies, the recommendations made in the reports and those that were implemented. It was felt that a centralized security control was needed for all security operations for the different County departments. At the time, there was no data base of information to determine where security was needed.

Based on the recommendations of the Commission, two individuals from the Sheriff's Department were assigned to the CAO's Office. They are a central security resource that are available to departments. They have carried out a number of the recommendations that the Commission has made. Progress has been made, but there are still noticeable deficiencies in the County security system. In light of the Commission's past involvement, it is appropriate that the Commission return to the Board and point out some of the same problems that still exist. This can be accomplished through a letter to the Board or revising the recommendations in the 1990 Security Report.

Commissioner Frankel introduced Lieutenant Soll and Sergeant Nixon from the Sheriff's Department. She asked if they would give the Commission a summary of the Security Incident Reports and what is done with that data.

Lieutenant Soll explained the details of the report and how the department heads and designated security coordinators use this information. He then explained the present structure of the Safety Police for County facilities. There are five County Departments that have Safety Police. Within those five departments there are seventeen Safety Police units, with seventeen different chiefs, which answer to seventeen different administrators. He explained some of the problems associated with this system and talked about efforts to consolidate these different entities while improving security in County facilities.

Chairperson Buerk asked if there was a report on the cost- savings associated with consolidation of the Security Police.

Lieutenant Soll stated that the figures would have to be updated, but he would make sure that the Commission received those numbers.

Chairperson Buerk stated that the Commission will follow-up with recommendations to consolidate the safety police in a letter to the Board.

Resolved that: The Commission prepare a detailed letter with recommendations that the Board go back to the original reports, review them, and that the Commission firmly supports the steps the Board is presently taking in security matters.

Motion was seconded, and Approved.

Chairperson Buerk thanked Lieutenant Soll and Commissioner Frankel for their work.

Lieutenant Soll thanked the Commission for its support of his work since the inception of the position in the CAO's office.

DEPARTMENT OF HEALTH SERVICES STUDY STATUS

Commissioner Zimbalist being absent, Mr. Staniforth stated that the board directed the Task Force to contact the UCLA School of Management for their possible participation in the DHS Management Study. He had called the Dean of the Graduate School of Management and was referred to the Associate Dean for Academic Programs and the Director of Field Studies. A meeting is being set up with the Dean and Director to determine at what level they can be involved in this study.

Commissioner Philibosian questioned whether graduate students could be expected to devote the time needed to do this study.

PENSION FOLLOW-ON STATUS

Commissioner Freitag was absent. Mr. Staniforth reported that Drew James of W.F. Corroon met with the Task Force and discussed the project schedule and addressed various concerns of the Task Force. He reported on the dates of the project milestones.

PROPOSITION A\ CONTRACTING STATUS

Commissioner Trotter reported on the progress of the Task Force response to the CAO's report on the implementation of Proposition A. The CAO's implementation has brought up issues that are being explored in the Task Force report.

UNINCORPORATED AREAS BUDGETING TASK FORCE

Commissioner Gomez reported that the Task Force had their first meeting one week ago. The Task Force will look into accounting for expenses and revenues in unincorporated areas.

Chairperson Buerk asked that volunteers who wish to serve on the Task Force speak to him after the meeting.

LIABILITY AND RISK MANAGEMENT STUDY STATUS

Commissioner Lee gave an update concerning the progress of the study. The Task Force met with the consultants and discussed the project schedule. A letter had been sent to the consultants concerning contractual obligations that were of concern to the Task Force in order to ensure the delivery of a timely and quality report.

Chairperson Buerk felt that some of the security issues discussed earlier are typical liability and risk management problems. The Task Force might want to consider some of these issues.

PUBLIC ACCESS

Commissioner Trotter gave an update on a meeting with the Executive Office concerning implementation of the report's recommendations. She reported on the status of each recommendation.

V. PRESENTATION

Chairperson Buerk introduced three representatives from the Intergovernmental Relations Branch and the Finance Office of the Chief Administrative Office. The topic of the presentation was how the State budget will impact the County budget.

Mr. Marshall Langberg introduced himself and his two colleagues, Mr. Dave Estrada and Ms. Barbara Uyeda of the Finance Office of the CAO. He reported that the Board agreed with the Legislative Analyst's Office on the proposed State Budget in that it is unworkable. The Board has directed the CAO and the departments to take a number of actions, starting with a series of impact statements involving potential service

Mr. Marshall Langberg introduced himself and his two colleagues, Mr. Dave Estrada and Ms. Barbara Uyeda of the Finance Office of the CAO. He reported that the Board agreed with the Legislative Analyst's Office on the proposed State Budget in that it is unworkable. The Board has directed the CAO and the departments to take a number of actions, starting with a series of impact statements involving potential service reductions of up to 25%. They are charged to look at how these actions will effect the quality of life in the County, and the economic recovery. Finally, the Board instructed the CAO and department heads to look at alternatives to the Governor's Budget, including a multi-year budget.

The Board's direction to examine alternative budgeting methods are related to a permanent loss of jobs,

especially in the manufacturing and aerospace sectors. It is estimated that it will take five years to achieve pre-recession job levels. This will impact revenues for the State. He spoke about last year's budget agreement and the shifting burdens of the budget and revenue allocations between the County and the State. The County is looking at a property tax loss of \$575 million dollars. Some of these funds are reallocated to schools.

The budget shortfall cannot be solved on a one year basis and that is why many people are looking at a multi-year budget. The County is also working through many organizations. The County has been speaking to the staff at the legislative level about the multi-year budget.

Chairperson Buerk asked for some more information on the multi-year budget concept.

Mr. Langberg stated that you can run a deficit the first year or two and make up the shortfall in the latter two to three years. The State, to fund education, is borrowing from future years, which in concept, is similar to a multi-year budget.

Commissioner Philibosian stated that the multi-year budget presupposes a slight increase in revenue without a tax increase. What is Los Angeles County doing to attain greater revenues from taxes without a tax increase by expanding the tax base? There are a number competitiveness studies and proposals to overhaul worker's compensation and bring business back to California. What is Los Angeles County doing?

Mr. Langberg stated that the multi year budget concept assumes that the State will be more aggressive in asset management, engaging in sales and lease-back agreements.

Commissioner Philibosian countered by stating there is no one to sell those assets to if there is no economy. There is no market for this property because of a bad economy. Businesses are not moving to California. If they did move to California, then sales of real assets would be a good idea. This goes back to the original question: What is the County doing to enhance the economy of California by assisting business?

Mr. Langberg reported that in recent studies accounting for employment loss, half was attributable to the recession and a quarter was due to a downturn in aerospace and then the remainder was due to congestion, environmental regulation, workers' compensation. The Board has supported workers' compensation reform but they have not backed specific reforms.

Commissioner Philibosian stated that someone, maybe the Commission, should explore the idea that the County take a position to advocate some of the measures that many groups have already proposed. Much of this coordination has been done by the County Economic Development Corporation. A bipartisan effort of Assembly Democrats, Legislative Republicans, the Governor's Council, and one other group have all developed positions that they agree upon. He did not see Los Angeles County, the League of Cities, or any other similar group coming forward to push the Legislature to enact these reforms. Los Angeles County could put a lot of pressure on the Legislature if they became focused. A five year budget does not get the State out of an endemic problem. He suggested that instead of supporting a position in the Legislature, that the County become an advocate on issues that would generate revenues without tax increases. This is the long term approach the County needs. Capping expenditures will not solve the problem.

Commissioner Brennan added that the advocacy Commissioner Philibosian is suggesting should come from a staff level.

Mr. Langberg stated that the staff cannot go out and take a position without Board authorization.

Commissioner Buerk stated that the staff can make recommendations to the Board.

Commissioner Fuhrman stated that maybe the Commission should start a task force on the matter and offer this type of input to the Board, and potentially advocating these proposed reforms. Mr. Langberg stated that the new CAO was a strong believer in the legislative advocacy role. The County already has a greater presence in Sacramento.

Chairperson Buerk thanked Mr. Langberg and his colleagues for their presentation. He remarked that there were several suggestions during the presentation and asked if the Commission should be involved with the issues brought up in the presentation.

Commissioner Philibosian noted that the County has not been as aggressive as they could have been in proposing growth producing, competitive enhancement projects to bring more revenue to the state\county. There are number of issues to address that could boost the competitiveness of the state and the county. The Commission could prepare recommendations for the Board. Upon adoption, the Board could then assume an advocacy position. L.A. County could work to get other counties behind this approach and propose legislature to enact changes such as those proposed by groups already mentioned.

The Los Angeles County Economic Development Corporation has done a lot of work on this matter already. They have synthesized a number of reports on competitiveness. The Commission can build on the work of the Economic Development Corporation. The focus should be on the proposals that the Commission feels to be important and then approach the Board with a recommendation that they take a strong position with the legislature. He offered a motion to create a task force.

Resolved that: The Commission create a Task Force on County Budget and Economic Growth.

Motion was seconded, and Approved unanimously.

Chairperson Buerk asked for volunteers to join the Task Force.

Commissioner Philibosian volunteered to sit on the Task Force but asked that he be relieved of his responsibilities as a member of the Risk Management Task Force.

Chairperson Buerk responded to a number of the Commissioners who volunteered to sit on the Task Force by stating that the membership should be limited to five Commissioners. There were other task forces that needed members so he will contact the Commissioners for membership on the various task forces.

VI. NEW BUSINESS

METHODS OF CONTRACTING FOR COMMISSION REPORTS

Chairperson Buerk brought up the report by staff concerning alternatives to contracting for the Commission projects.

Commissioner Philibosian felt that the meeting was running overtime and that instead of discussion, ask for Mr. Staniforth 's recommendation.

Mr. Staniforth stated that the model employed by the Grand Jury seems to meet the needs of the Commission in the most effective manner.

Commissioner Philibosian stated that if Commissioner Ackerman felt that the Grand Jury system worked well, that he would introduce a motion to adopt that model and take the necessary steps with the Board for implementation.

Commissioner Ackerman stated that the Grand Jury model of contracting with one firm for a full year worked extremely well.

Resolved that: The Commission adopt the Grand Jury model of contracting with one consulting firm for a period of one year and request the Board to implement this method into the Commission's operations by changing the Commission's Ordinance and to take whatever other actions necessary.

Motion was seconded, Approved.

Commissioner Padilla suggested that the Commission look into a formal liaison with a business school to augment staff operations.

Chairperson Buerk felt this was a good idea and asked Commissioner Padilla to research the matter and return to the Commission with a report.

SYNOPSIS OF COMMISSION PUBLICATIONS

Mr. Staniforth brought the publication to the Commissioners' attention and spoke about the distribution of the report.

DRAFT ANNUAL REPORT ON THE COMMISSION

Chairperson Buerk reported that staff has prepared an annual report which was distributed to the Commission for comments and approval. He had some comments on this document. He suggested that everyone give their input and revisions to staff.

Commissioner Philibosian made a motion.

Resolved that: the Commission delegate authority to the Chair and Vice-Chair, working with staff, to incorporate Commissioners' input, develop and approve a final version of the annual report without coming back to the full Commission for approval.

Motion was seconded, and Approved.

GRAND JURY FOLLOW-UP

Commissioner Ackerman asked for Commission support for the creation of a Grand Jury Implementation Task Force consisting of three members of the present Grand Jury and three members of the previous year's Grand Jury. He would be Chair of the Committee.

Commissioner Philibosian stated that this was not a function of the Commission but suggested a resolution.

Resolved that: The Commission endorses the creation of the Grand Jury Implementation Task Force and supports Commissioner Ackerman in his endeavor.

SMALL BUDGET ITEMS AND COST SAVINGS

Commissioner Brennan brought up some new business concerning budget items in the range of \$300,00 to 400,00 that are not examined to improve functions and reduce costs. She cited an example of County trails that run parallel to flood control property. Instead of having two separate agencies with two crews duplicating efforts, why not combine the efforts in this one area. It is a minor problem but she felt that if there is one example like this, there may be many more.

Chairperson Buerk stated that in the past when a specific problem arose in which a Commissioner had some interest, the Commissioner was asked to come up with the data, with the possible help of staff and present a report to the full Commission. If the Commission agrees with the Commissioner, then a letter will be sent to the Board addressing this specific concern.

VII. PUBLIC COMMENT

PRODUCTIVITY COMMISSION

Dr. Waddell reported on the Productivity Commission's activities, which focused on the internal considerations of the role of Commissioners when visiting department heads. It was decided that more detail should be provided to the Commissioners in this matter. A Technology Forum will take place on March 15 and 16th in Pasadena. He gave some details on the program and speakers.

p>VIII. ADJOURNMENT

The meeting was adjourned at 12:25 p.m. with the agreement of the Commission.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

[Go to March 3, 1993 Agenda](#)

[Return to April 7, 1993 Agenda](#)



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