
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

THURSDAY, December 4, 1996
ROOM 830, 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

Chairman Buerk called the meeting to order at 9:45 a.m.

II. ATTENDANCE

COMMISSIONERS PRESENT

David A. Abel
Fred Balderrama
Gunther Buerk
John Crowley
Louise Frankel
Robert L. Glushon
Christopher W. Hammond
Jaclyn Tilley Hill
Michael A. Jimenez
Chun Lee
Carole Ojeda-Kimbrough
Roman Padilla
Robert Philibosian
H. Randall Stoke
Tony Tortorice

COMMISSIONERS EXCUSED

Richard D. Barger
Jonathan Fuhrman
William Petak

Marc A. Seidner
Julia E. Sylva

COMMISSIONERS ABSENT

David Farrar

Moved, Seconded, and Approved: The Commission members noted above be excused.

III. CONSIDERATION OF MINUTES

Moved, Seconded, and Approved: The minutes of the November 6, 1996 Commission Meeting be approved.

IV. INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Staniforth announced that the Commission has a new procedure for conference calls. In this new procedure, the Commissioners dial a 1-800 number, at an agreed upon time, and give the operator a password to be connected to the conference call. This method is convenient and more cost effective. Cards with the 1-800 number and password were distributed to the Commissioners

Commissioner Stoke inquired about Commissioner Seidner's proposal to revise the by-laws that were included with the November minutes. Mr. Staniforth stated that Commissioner Seidner's proposal concerns revising the by-laws to include a term limit for the Chair of the Commission. The shaded areas contain new text to be considered and the strikeout sections are the proposed deletions. In accordance with the Commission bylaws, any proposed change to the by-laws must be distributed at the meeting one month prior to voting on the revision. This item will be considered at the January Commission meeting.

V. OLD BUSINESS

1. Funding of the Commission

Chairperson Buerk stated that, as discussed at the November meeting, the Commission has no budgetary funding. When money is needed for projects, the Commission must go to the Board for funds on a case by case basis. In the past, the Commission was funded through a foundation and an allocated budget by the Board. Typically the Commission operated on a budget of \$200,000 - \$300,000. During the budget crisis these funds were removed. Chairperson Buerk feels the Commission must discuss what is the best way to function in the future. Should a foundation be initiated, should we ask the Board to reinstate a budgetary allowance, or should the financial system stay the same. Chairperson Buerk stated that the Commission was originally created to allow the Board to appoint members who could bring the experience of private business to County affairs, and find ways in which the County could operate more efficiently. Over the past several years the Commission has successfully pursued this mission, engaging in projects requested by the Board and initiating its own projects. He asked for comments from the Commission.

Commissioner Frankel asked how the Quality and Productivity Commission is funded. Commissioner Tortorice stated that they have a "pot" of money to start with and they make investments in departments and receive a significant return. He believes that their staff is paid out of a separate fund. Commissioner Frankel strongly feels that due to the contributions that the work of the Economy & Efficiency Commission has made to the County, and the fact that the Commissioners are all volunteers and not reimbursed for any expenses, that the Board should fund the Commission with a budget. Foundation monies could augment that budget, but it should not be a sole source of income. She recommended going to the Board and asking that our budget be reinstated.

Commissioner Tortorice asked if the foundation Chairperson Buerk mentioned was set up specifically for the Commission. Chairperson Buerk replied yes. Commissioner Tortorice asked where the original funding came from. Chairperson Buerk replied that he is unsure if there was a budget in addition to the foundation money or if the foundation operated separately. Commissioner Tortorice asked if the board members of the foundation were also members fo the Commission. Chairperson Buerk replied yes, it was a sub-committee of the Commission. Commissioner Tortorice asked if we chose the foundation method of funding, would it be necessary to go to an outside foundation for money, i.e. the Los Angeles Times Foundation, and would that money come directly to the Commission or would it have to go through the County and be designated for E&E use. Chairperson Buerk replied that he was not certain of the legal particulars, but a private company or foundation can, at any time, make a donation to the County for a specified use. In the past, ARCO made manpower available to the Commission.

Commissioner Hill stated she believes it is evident that the Board values the Commission. They have repeatedly adopted our recommendations. She feels that budgets can be limiting and, to her knowledge, he is unaware of any

funding problems the Commission has had. When the Board has requested a project they have funded it. Chairperson Buerk replied that the Board has not always funded studies it has requested. Specifically, the Board asked the Commission to do a management audit on the Health Services Department, the Commission returned to the Board with a cost estimate (approx. \$250,000 - \$300,000), and the Board chose not to fund the audit. He stated that our current system of going to the Board for funds is fine when it is a project they have requested, but it is very limiting when there are areas of study the Commission wishes to pursue for the benefit of the County, that are not of immediate importance to the Board, and whose benefits can not be recognized until after the study is completed.

Commissioner Hill stated that she feels it is important to keep funding options open, i.e. if we received a budget from the Board we would still be able to approach outside sources for funding. Chairperson Buerk replied that although the Commission is not prohibited from doing that, the time intensive process of searching for funds and receiving them would be a significant drain on the Commissioners.

Commissioner Frankel asked how the majority of other commissions are funded. Mr. Staniforth replied most commissions do not have a dedicated staff.

Commissioner Abel stated that one of the recommendations he and Commissioner Petak suggested was the use of an annual report to make the Board and other organizations aware of the quality of our work. The Commission had previously produced annual reports, but not in the past few years due to the project workload. In response to Commissioner Hill, he believes that the budget will increase our independence and allow us to garner more resources. Chairperson Buerk agreed.

Commissioner Ojeda-Kimbrough suggested that in addition to the Annual Report, we quantify the savings the County has realized as a result of the Commission's recommendations. Chairperson Buerk replied that many of our reports already have the proposed savings in the report, and that it would be a good idea to include this information in a specific section of the upcoming report.

Commissioner Tortorice stated that, since he has been on the Commission, one of the most impressive studies was the jury system study which was a self-initiated study. The funding for that project came out of the previous year's budget. Chairperson Buerk added that the Real Asset Management Study was also self generated.

Commissioner Abel suggested that projects could be jointly funded by a County budget and funds from foundations, but foundation money should not serve as a substitute for an actual budget. Often foundations are willing to match funds.

Commissioner Buerk stated that he raised this issue, not to enact a specific motion, but because he would like the Commissioners to decide how they would like to proceed on the matter of funding. Commissioner Frankel stated that the Commission should approach the Board for a definite budget. Commissioner Stoke stated that the consensus of the Commission was to seek funds from the Board. However, he feels that more thought and information is needed before the Commission approaches the Board. The timing of our request will also be very important. Commissioner Tortorice agreed and suggested that a group be formed to flush out the pertinent issues.

Commissioner Crowley stated that he felt this was an issue of the way we are perceived. If we are perceived as a supplicant, we will show a sign of weakness. He suggests that the staff find a way for us to proudly highlight our contributions to economy and efficiency in the County. The Board should feel as if they are making an investment rather than simply allocating a budget.

Commissioner Hill stated that it would be valuable for the Commissioners to know what the total funding has been in the past 3-5 years for the Commission. This will give us a reference point for the amount of budget needed. Chairperson Buerk agreed.

Commissioner Jimenez stated that he agreed with Commissioner Crowley, and when the Annual Report, which will highlight our value, is finished that would present a good opportunity to approach the Board.

Commissioner Buerk stated that, as he understands it, the Commission feels there should be a budget. This budget should be justified by past savings accomplished and projected. The request for funding should be looked at carefully, regarding next year's budget and the new Chair of the Commission. This discussion should be brought up again in February, so the new Chair can actively lobby for what the Commission wants.

Commissioner Crowley suggested that a task force be developed to review the content of the Annual Report as it relates to our request of funding to the Board. Chairperson Buerk stated that Commissioners Petak and Abel are currently involved in reviewing the Annual Report and asked for other volunteers. Commissioners Tortorice, Crowley and Ojeda-Kimbrough volunteered.

2. ISD Restructuring / Purchasing Division Review

Mr. Staniforth reported that Supervisor Antonovich is placing the ISD Restructuring Review on the Board agenda within the next few weeks. The purchasing review is still pending.

3. Constitutional Revision Commission

Task Force Co-Chair Abel asked Mr. Staniforth to give an update on the status of the report. Mr. Staniforth stated that due to the time constraints of the project, the task force has received a draft report from the consultants reflecting their concerns and issues. Currently, he is reviewing their draft and will be making recommendations to the Task Force. There will be a task force meeting soon to incorporate the comments and concerns of the Commissioners.

Task Force Co-Chair Abel stated that he spoke with the publishers of the California Journal, a state publication, and they are interested in carrying a product of what the Commission does on this issue. They will be doing a feature on the Los Angeles Metropolitan area and how local government relates to the recommendations of the CCRC. He mentions this to show that there are agencies who can help us share our message with a broader audience.

Chairperson Buerk strongly suggested that the task force members review the draft and give their suggestions for improvement in writing to the consultants. He asked how the schedule of the project had been impacted. Task Force Co-Chair Philibosian stated they were two months behind their self imposed schedule. The report should be finalized in February or March. This is still in time for the report to be valuable.

4. Real Asset Management

In Task Force Chairperson Farrar absence Mr. Staniforth reported that the office received a response from the CAO on our progress report. The CAO wishes to proceed with the recommendation for consolidation of the four Commission task forces that are focusing on the County's real asset management. The CAO asked us to send our progress report to the Board to assist in this action. Supervisor Antonovich has agreed to place this item on the Board's agenda in the next few weeks.

5. Delivery of Municipal Services to Unincorporated Areas

Task Force Chairperson Padilla reported that the CAO's office forwarded a draft response to our report. The task force had a conference call to discuss the CAO's response. He has prepared a draft memo responding to the CAO's document. The task force feels that the CAO could take a more active approach, focusing on specific recommendations.

Commissioner Crowley stated that he felt Task Force Chairperson Padilla was being very gentle. The CAO's response was purely bureaucratic and intended to cause the report to disappear. He feels that the task force should be very forceful in the memo responding to the CAO.

Chairperson Buerk stated that he would work with Task Force Chairperson Padilla to insure that the sentiments expressed by the task force will be included in the letter to the CAO.

Commissioner Abel suggested that the members of the task force speak with their respective Supervisors to garner their support for the recommendations made in the report.

Moved, Seconded, and Approved: Authorize the Chair to work with the Task Force on composing a letter responding to the CAO's response to the report entitled, *Accountability and Municipal Service Delivery to Unincorporated Areas*.

Mr. Staniforth reminded the task force that the document they are responding to is a draft from the CAO staff sent to us for comments before it is sent to the CAO.

6. Department of Health Services

Task Force Chairperson Tortorice reported that he is working with Mr. Staniforth on a letter responding to the DHS status report. This letter should be finished next week, distributed to the task force and ready to send to the Board in January.

Moved, Seconded, and Approved: Authorize the Chair to work with the Task Force on a letter to the Board regarding the DHS status report.

7. Natural History Museum

Task Force Chairperson Hill reported that there is a new, exciting exhibit at the Natural History Museum called Sharks. She urged all of the Commissioners to attend the exhibit. She asked Commissioner Stoke to give an update of the

meeting with Ray Fournier of County Counsel.

Commissioner Stoke gave background on the Natural History Museum report and Commission position. Under normal IRS laws, a non-profit organization must spend 5% of its capital for operating expenses. If this were done, it would save the County, who funds a portion of the Museum, a significant amount of money. Commissioner Stoke reported that he met with Ray Fournier of County Counsel, regarding the legalities surrounding the issue of the Museum spending its endowment funds. In this meeting, he asked Mr. Fournier to advise the Museum that in February 1997 the Commission would again inquire about the funding of the museum and the legality surrounding the use of 5% of their endowment. It is the task force's intention to give the Museum every opportunity to respond to these issues, before it is necessary to publicly raise them to the Board. Mr. Fournier is exploring the legal issues and we are waiting to see how the Museum proceeds.

Commissioner Abel asked if the aggressiveness of our approach is warranted. Commissioner Stoke said yes, for two year the Commission has proceeded in a very non-aggressive manner. This approach has not worked. He believes this action is justified. Commissioner Abel stated that the Commission is not a policy making body and this task force is requesting the Commission lobby for a certain position. This may be warranted on this issue, but it should not be a way that we approach all projects. Commissioner Stoke replied that the Commission has made a policy that it should promote the issues it feels are important. This Commission also has the right, power, and privilege to pursue those matters, independently, which it feels are of serious merit to the taxpayers and to the Board of Supervisors. This issue is a dollars and cents matter. This aggressive approach is not reactionary, but it is the next logical step in what has been a two year process.

Commissioner Philiposian added that he had suggested that the task force approach County Counsel for legal advice, because they were getting stonewalled in their discussions with the Museum. There is a substantial expenditure of funds by the County to the Museum which do not have to be made, if the Museum took 5% of its capital and spent it on operating expenses.

Commissioner Glushon stated that he agreed with the aggressive approach in this matter. He also stated that Commissioner Abel is correct in asking the questions of how, why, and when we proceed in an aggressive fashion.

Commissioner Tortorice responded to Commissioner Able's concerns. He stated that last year the Commission had a discussion about the effectiveness of the Commission, and from this discussion it was decided that, on issues and studies of great importance to the Commission, they would take more forceful approach in promoting these items to the Board.

Commissioner Frankel stated that the Commission has an obligation to the County to raise this issue to the Board.

Commissioner Abel stated that his questions pertained to the Commission's procedures and not the specific issue of the Museum endowment. He wants to see a consistent sequence of questions and answers before any project is raised publicly to the Board. Commissioner Stoke assured him that the Commission was following a procedure on this matter.

8. Department of Human Resources / Department of Health Services

Mr. Staniforth reported that we are still waiting for these departments to contact us with information on the strategy that the Board directed them to develop.

9. Department of Public Social Services (DPSS)

In Task Force Chairperson Petak's absence Mr. Staniforth reported that, per last month's presentation by Lynn Bayer, Director of DPSS, and the resulting discussion, a letter has been sent to the Board informing them of the termination of our project.

VI. NEW BUSINESS

1. Report Ordering Fee - Commissioner Abel

Commissioner Abel stated that at last month's meeting he had expressed concern over the fee the Commission proposes to charge for reports. He wants the Commission's reports be accessible to as many people as possible. Commissioner Tortorice added that individuals should be able to download reports from the web page, at least reports from the past four to five years.

Chairperson Buerk asked who would do the copying, mailing, etc. of reports when a request for a report is made. Mr. Staniforth stated that the \$10 fee is to cover the staff time and the cost of mailing the report. The Executive Office would absorb the costs of materials and mailing, and the Commission staff would do the actual labor. The fee would go to the Executive Office.

Commissioner Philibosian asked how many requests we would receive. Commissioner Hill replied that at this point we are unsure and we will have to wait and see how many responses we receive.

Chairperson Buerk asked what would happen if no fee was charged for the report. Mr. Staniforth replied that the Executive Office would absorb the costs. Commissioner Philibosian stated that it is important to charge a fee, even a nominal fee, which will act as a filter for requests.

Commissioner Abel said that he didn't object to a nominal fee, but he wants the reports available to as many people as possible, including students. The reports on line should not have a fee.

Commissioner Ojeda-Kimbrough stated that our reports are at the UCLA library, and if we make a point to distribute our reports to other libraries, they will be available to students. Mr. Staniforth stated that we currently send all of our published reports to libraries, news groups, and the press. We send out approximately 300-400 copies.

2. Term Limit of Chair - Commissioner Seidner

Chairperson Buerk stated that this item will be raised at the next meeting. A copy of the motion is included with today's agenda.

3. Civil Service - Commissioner Fuhrman

In Commissioner Fuhrman's absence Commissioner Frankel stated that she and Commissioner Fuhrman will be meeting to discuss this topic. She stated that she is in favor of keeping Civil Service, but is interested in the reform of certain aspects of the system.

Commissioner Frankel stated that she had an issue not on the agenda that she wished to raise before the Commission. In the past, commissions have held Christmas parties and invited the Supervisors, their Deputies, and various department heads. This type of environment establishes a different type of rapport among the parties. She recommends that the Commission hold a similar event in the near future. It could be held in one of the conference rooms and the Commissioners would each donate a set amount of money to finance the party. Several of the Commissioners agreed with her recommendation.

Mr. Staniforth stated that, due to the late date, this party should be planned for next year. Commissioner Philibosian suggested that the event be held after the February meeting so the new Chair of the Commission could be introduced. Chairperson Buerk stated that the party would be held on Wednesday, February 5, 1997. The Commissioners agreed upon \$30 per Commissioner to finance the party. Staff will handle the specifics of the event.

VII. ADJOURNMENT

On a motion from the floor, Chairman Buerk adjourned the meeting at 12:00 p.m.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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