

**LOS ANGELES COUNTY**  
**ECONOMY AND EFFICIENCY COMMISSION**

ROOM 163, HALL OF ADMINISTRATION / 500 WEST TEMPLE / LOS ANGELES, CALIFORNIA 90012 / 974-1491

M I N U T E S

FULL COMMISSION MEETING

February 1, 1978

Dr. Warren H. Schmidt, Chairperson  
Gloria Starr, Vice Chairperson

George E. Bodle  
Dr. Catherine G. Burke  
John D. Byork  
Anne S. Collins  
Dr. Mario Di Giovanni  
Dr. Carolyn L. Ellner  
Jerry Epstein  
Milton G. Gordon  
Richard S. Gunther  
Hugh L. Henshaw  
Mary Jane Kidd  
Leo A. Majich  
Robert Ruchti, II  
Luis A. Ruiz  
George Shellenberger  
Larkin Teasley  
Bryan Walker  
  
Burke Roche  
Executive Secretary  
John Campbell  
Staff Specialist  
Maxlynn Larsen  
Commission Secretary

Members Present:

Warren Schmidt, Chairperson  
Gloria Starr, Vice Chairperson  
George Bodle  
Catherine Burke  
John Byork  
Margaret Carr  
Carolyn Ellner  
Jerry Epstein  
Milton Gordon  
Hugh Henshaw  
Mary Jane Kidd  
Robert Ruchti  
Luis Ruiz  
George Shellenberger  
Bryan Walker

Members Absent:

Anne Collins  
Mario Di Giovanni  
Richard Gunther  
Leo Majich  
Larkin Teasley

Dr. Schmidt called the meeting to order at 9:40 a.m. He welcomed Carolyn Ellner back from her European trip where she had been invited to speak at the Sorbonne in Paris, France. She has also just had a book published entitled "School Making - An Alternative in Teacher Education."

Before starting on the agenda, Dr. Schmidt said the commission should be aware that there are reassuring things happening in the County as well as the problems. He referred to an article in "The Times" which discussed the reduction in personnel and the savings which the County had accomplished in the last two years. Also, on January 5, Moody's Investor Service reported that it was raising the County's bond rating from a double to a triple A. The report showed that the County's debt burden was low, and the debt was well managed.

Election of Chairperson of the Commission - Warren Schmidt turned the chair over to Vice Chairperson Gloria Starr. She announced that, of the three people nominated, Anne Collins and Milton Gordon had declined in favor of Warren Schmidt. Since there was only one name before the commission, she called for nominations.

George Shellenberger moved that nominations be closed; motion was seconded by Jerry Epstein and passed unanimously.

Jerry Epstein moved that the commission declare Warren Schmidt elected Chairperson by unanimous vote; motion seconded by George Shellenberger and passed unanimously.

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George Shellenberger expressed the commission's thanks and appreciation for the fine job done by Warren Schmidt during the past year.

Warren Schmidt thanked him for his remarks, and said that he had enjoyed the past months. He said that he would like to make some comments about the tone he hopes will be set during the coming year and some of the things he would like to see the commission do. He told of his plans 1) to make the best use of the talent on the commission when crafting task forces; 2) to use the staff team as effectively as possible by making sure its energies go into the areas of the highest payoff; and 3) to meet with members of the commission in small groups to get better acquainted and to talk about how the commission can work better. He would like to do the same with the staff. He has asked Gloria Starr to continue as Vice Chairperson, and she will join him in the meetings.

Warren Schmidt concluded by reading a parable he had written for another occasion, but had read at the Management Conference. The County managers were gracious enough to reprint it in their publication. (Copy attached.)

Task Force on New County Formation - Mary Jane Kidd, Chairperson, reported. The report is taking longer than they had expected. Much of the material which the staff had requested some months ago has just started arriving in the last few weeks. They had hoped to present the draft to the task force for review by the middle of February. It now looks like it will be the middle of March, which means it will be April before it is presented to the full commission.

Some time ago Catie Burke assigned various subjects dealing with the secession movements to students in one of her public administration classes. Members of the task force and the staff attended the class to hear the students' presentations. They were very good and covered many of the facets the task force had been concerned about. Their papers will be given to John Campbell, and they will be incorporated in the task force findings.

Task Force on Civil Service and Personnel Administration - Catie Burke, Chairperson, reported. The task force met two weeks ago, and she reported on all the meetings that Warren Schmidt, Burke Roche, and she had attended with County and union people. Burke Roche is continuing to meet with County people to get a picture of how the personnel system is functioning. At the next meeting they will attempt to get a better fix on the various definitions in the civil service system and how these systems came into being. They will try to identify the issues which must be dealt with quickly and those that can be dealt with in the future.

The issues of the prevailing wage clause and collective bargaining came up while meeting with the union people. In the 1973 E & E Commission report on civil service and employee relations, the commission recommended that collective bargaining be expanded and the prevailing wage clause be deleted from the County Charter. The unions are concerned that the prevailing wage clause will be

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deleted before collective bargaining is expanded. They would like the commission to state publicly that the prevailing wage clause should be deleted only after the scope of bargaining has been expanded. The task force will have to deal with this issue.

Report of Follow-Up Committee - Vice Chairperson Gloria Starr reported. Some time ago Warren Schmidt, Dick Gunther and she met to discuss the best way to follow up on task force recommendations. They had a second meeting with Burke Roche and outlined the procedure to be followed.

The Construction Projects Task Force should 1) review the previous reports, 2) review inventory of E & E recommendations for implementation status based on current staff information, 3) meet with the Director of Facilities, and 4) decide on appropriate action.

The Task Force on the County Budget should 1) review the 1977 report, 2) meet with the staff for briefing and review of CAO reports and implementation of E & E recommendations, current budget activities, and budget proposals of Mr. Ayres, 3) meet with Michael Gotthainer, Assistant Administrative Officer in charge of the budget, and 4) decide on appropriate action.

Management and Finances Task Force should 1) review the May and September, 1976, reports, 2) meet with the staff for briefing on implementation of E & E recommendations, and 4) decide on appropriate action.

Commission Participation on Forthcoming Ballot Measures - Warren Schmidt said that the commission must decide what kind of action, if any, it will take regarding the ballot measure to delete the prevailing wage clause and the Jarvis-Gann Initiative.

Carolyn Ellner reminded the members that the Community Relations Task Force had written guidelines, which were adopted by the commission, to deal with issues like these.

After some discussion, Warren Schmidt requested that Carolyn Ellner reconvene the Community Relations Task Force to consider the issues. He requested that Catie Burke be invited to the meeting.

Special Guest - Dr. Schmidt introduced Douglas Ayres, special guest invited by the commission to present his ideas on government budgeting systems. Mr. Ayres was former City Manager of Inglewood, California; Salem, Oregon; and Melbourne, Florida. This year he is Visiting Practitioner at the USC School of Public Administration.

Mr. Ayres explained his ideas on government budgeting. Briefly summarized, his system would:

- 1) Reconstruct the budget to make it informational and readable for the public.
- 2) Divide the general fund into a series of program funds, each with a manager responsible for revenues.

- 3) Require that the general fund incorporate only overhead staff and support.
- 4) Reduce services to a percentage and charge each of the governmental programs.
- 5) Give precise guidance to elected officials on whether the taxes should go up or down and whether services should go up or down.
- 6) Provide monthly billing by jurisdiction and service by jurisdiction.
- 7) Require the marketing of government services, making it necessary for government to prove that the services are necessary.
- 8) Establish a merit pay plan for managers.

A question and answer period followed Mr. Ayres' presentation.

Michael Gotthainer, Assistant Administrative Officer in charge of the County budget, was introduced. Dr. Schmidt added that Harry Hufford gives a lot of the credit for the good financial management mentioned in the Moody report to Mike Gotthainer.

Mr. Gotthainer reported that the County is now in the process of implementing a new budgeting system, and Los Angeles is the first County in the State to buy a system of this type. It is taking three years to implement because of the size of the County. However, Phase I will be completely installed this year; Phase II will be installed in May and fully implemented by July 1 next year.

The members were anxious to hear more about what is happening in the County. On suggestion of Catie Burke, Mr. Gotthainer was invited to be the special guest of the commission at the March 1 meeting. Mr. Gotthainer accepted.

Dr. Schmidt thanked Mr. Ayres for his stimulating presentation and adjourned the meeting at 11:45 a.m.