

ECONOMY AND EFFICIENCY COMMISSION

Arthur J. Peever, *Chairperson*
Efrem Zimbalist, III, *Vice Chairperson*

MINUTES

FULL COMMISSION MEETING

MARCH 6, 1991

HALL OF ADMINISTRATION, 864-A

Alfred P. Balderrama
George E. Bodle
Gunther W. Buerk
Ann King Cooper
Joe Crail
Jack Drown
Emma E. Fischbeck
Louise Frankel
Dr. Alfred J. Freitag
Chun Y. Lee
Robert J. Lowe
Abraham M. Lurie
Lauro J. Nerl
Robert H. Philibosian
Daniel M. Shapiro
Randolph B. Stockwell
Wally Thor
Betty Trotter
Robert L. Williams

I. CALL TO ORDER

Chairperson Gunther W. Buerk opened the meeting at 9:40 a.m.. He introduced visitor Edward Duncan who is a private citizen interested in County and City government issues. He has attended Commission meetings in the past.

William Waddell representing the Productivity Commission was also in attendance.

II. ATTENDANCE

Attendance list is on the last page. The absences of Commissioners Crail, Drown, Frankel, Lowe, Stockwell, Thor, and Williams were excused by vote of the Commissioners present.

IV. OLD BUSINESS

Task Force Reports:

REAL PROPERTY DEVELOPMENT AND MANAGEMENT - In the absence of chairperson Stockwell, Charles Kaufmann and John Campbell reported on Task Force activities, and reviewed the project plan. The Task Force will meet with Development Division management of the Community Development Commission on March 7 to review their activities in development of County and other public properties. The staff is also undertaking a project to develop financial data which will support recommendations the Task Force might make regarding the County's efforts to develop and manage its real property assets. The Task Force will be meeting with selected County department heads and other government agencies such as other counties, to determine what their real property development activities are. The Task Force anticipates completing its work and reporting to the Board in July, 1991.

CULTURAL AND RECREATIONAL DEPARTMENTS - Chairperson Trotter reported that the CAO's efforts to hire a new Director for the Arboreta and Botanic Gardens Department has been delayed. There are currently four candidates and a decision is expected in mid-March. Following the appointment of the new Director this Commission's Task Force may have a role in assisting the County and the Arboreta and Botanic Gardens support groups in developing a public/private partnership.

SECURITY SYSTEMS - In the absence of chairperson Louise Frankel, Commissioners Trotter, Freitag, and Charles Kaufmann reported on the current status. The Task Force met with the newly appointed County Security Manager, Patrick Soll of the Sheriff's Department, on February 15. The Task Force was impressed with Lieutenant Soll's grasp of the issues and the progress he has made to accomplish the recommendations in the Commission's report in the three week period he has been on the job. There have also been a number of letters from the CAO's office to County departments issued from the new Security Management Office, which have initiated action to set up a security data system, training on security and incident-avoidance for County personnel, and establishing security standards. All this shows good progress in achieving the recommendations which were approved by the Board. The Task Force plans to report to the Board on its initial implementation findings as was requested, and will meet with Lieutenant Soll in June, 1991.

IV. NEW BUSINESS

Chairperson Buerk and John Campbell reported on recent meetings held by the Executive Committee on Commission project planning for 1991. A list of suggested projects has been distributed to all Commissioners for their review. Chairperson Buerk asked if there were any comments or suggestions regarding the list. The intent is to review this list with individual Supervisors in the near future and seek their input as to what direction the Commission should be heading.

William Waddell advised that the Productivity Commission had recently undergone a strategic plan/sunset review and that he would be happy to supply us with a copy. Chairperson Buerk asked for volunteers to serve on the Commission Review/Mission Task Force. Commissioner Cooper volunteered to serve; Commissioner Frankel had previously also volunteered.

V. PRESENTATION

Thomas E. Flavin, Executive Vice President, Economic Development Corporation of Los Angeles County.

Subject: The Economic Development Corporation, and Its Role in the Economy of Los Angeles County

The Economic Development Corporation (EDC) was created in 1981 by the Board of Supervisors for the purpose of developing public/private partnerships for the development of business enterprises in the County, in order to increase the tax base.

Initially the EDC was active in issuing industrial development bonds. However, this effort was halted after the 1986 Federal tax reforms. Some of the activities the EDC has been active in are its small business counseling program, the development of Pacific Rim nations trade with Los Angeles County businesses, and job retention.

A number of industries in the LA County area are in transition, such as aerospace and defense. Some companies have also found there are various disincentives to staying in LA County because of the cost of doing business, or regulatory agency rulings. Aerospace has been one of the major industries affected recently and the EDC has developed an aerospace task force to address the problems. They have sought alternative industries to locate in the County; the re-training of employees dislocated by the moves; the re-use of the same facilities; and in general to create public awareness of the problems. The overall objective is to lessen the negative impacts to the community.

Mr. Flavin cited the example of Burbank's experience, losing many jobs due to the move of the Lockheed Corporation's manufacturing operations to Georgia. Burbank has been fortunate in that it has been an attractive area for motion picture and media companies to locate, and this has been an offset to the loss of aerospace jobs. Other localities may not have the same fortunate circumstance.

The negative impact of restrictive environmental regulations on both large and small businesses was also cited. Recent legislation, however, (SB1928) is a first step in requiring regulatory agencies to determine significant economic impact as well as environmental impact from their rulings. This, however, only affects future decisions and does not address the problems of companies affected by prior rulings. Mr. Flavin anticipates there may be some relief for existing businesses in the future.

The EDC is funded entirely by its own sources, and receives no County subsidy. It is a partner in a thirty acre business development with Caltrans which provides most of its revenue. Current fiscal year staffing and budget for their two offices are \$1.3 million dollars and a staff of eight at headquarters on South Vermont Avenue, and \$500 thousand dollars and a staff of six for its film office. The film office was transferred from another County department, and its objective is not merely the collection of fees for filming, but to retain film industry revenues in the Los Angeles County area. Other sources of revenue are general membership fees of \$2,000 per year for each company which joins the EDC.

The governing board of the EDC consists of five appointees from the Board of Supervisors and five from the private sector. The ex-officio members are: Chief Administrative Officer Richard B. Dixon; Treasurer & Tax Collector, Sandy Davis; and the Acting Director of the Community Development Commission, Carlos Jackson.

The overall objective of the EDC is to strike a public/policy balance, and to emphasize job creation and the development of the County's tax base. Other governmental agencies have similar organizations, including Los Angeles City and Orange County.

The EDC is trying to establish a group composed of public/private/academic/think tank/labor representatives to develop cooperative approaches for a County economic plan.

The EDC has linkage with the LA 2000 organization's economic development group, and also with SCAG. The EDC would like to have better participation from the various cities within LA County; they do have good participation from LA County government.

Chairperson Buerk thanked Mr. Flavin for his interesting and informative presentation, which generated a large number of questions and comments from the Commissioners present.

VII. DISCUSSION WITH SUPERVISOR ANTONOVICH

Supervisor Michael D. Antonovich entered the meeting and thanked the Commission for its efforts in the past to streamline County government. He also commended last year's Chairperson Arthur D. Peever and Vice Chairperson Efrem Zimbalist for their time and effort in 1990.

Supervisor Antonovich commented that he still believes the Commission has an important role to play in helping to make County government more efficient and effective. He believes there are still opportunities for consolidation of over-lapping or like functions either between County departments or internally in specific departments. He stated that streamlined operations increase morale, especially if it succeeds in eliminating "deadwood" positions which tend to be demoralizing to the hard workers in an organization. He stated that the Commission's work in reducing County departments from 50 to 36 has been a very worthwhile effort.

He also discussed possible Civil Service reform and early retirement incentives as methods to further streamline the County organization. There followed a discussion with the Commissioners on the results of consolidation which have often been improvements in effectiveness, if not necessarily cost savings.

Chairperson Buerk thanked Supervisor Antonovich for his support, and interest in the Commission's past and future activities.

VIII. COMMENTS AND SUGGESTIONS FROM VISITORS

Edward Duncan addressed the Commission by stating that he had always enjoyed the Commission's meetings, and found them very informative. He made some specific suggestions that the Commission might consider regarding phone and utility costs, and the use of purchasing procedures for State automobiles involving potentially substantial savings. Chairperson Buerk thanked Mr. Duncan for his suggestions and for his continuing interest over the years.

IX. ADJOURNMENT

The meeting was adjourned by vote of the Commissioners present.

ATTENDANCE

March 6, 1991

COMMISSIONERS PRESENT

George E. Bodle

Gunther W. Buerk

Ann King Cooper

Emma E. Fischbeck

Dr. Alfred J. Freitag

Chun Y. Lee

Abraham M. Lurie

Lauro J. Neri

Arthur J. Peever

Robert H. Philibosian

Daniel M. Shapiro

Betty Trotter

Efrem Zimbalist III

GUEST

William C. Waddell, Productivity Commission

Edward Duncan, Citizen

COMMISSIONERS EXCUSED

Joe Crail

Jack Drown

Louise Frankel

Robert J. Lowe

Randolph B. Stockwell

Wally Thor

Robert L. Williams

COMMISSIONER ABSENT

Alfred P. Balderrama