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Economy & Efficiency Commission Presentation

PRESENTATION OF
Herb Wesson, Chief of Staff,
Supervisor Burke
March 5, 1997

Topic: Supervisors' Direction for 1997

Mr. Wesson discussed some of Supervisor Burke's 1997 goals.

1. Good Relationship with the State. When Supervisor Burke arrived, the relationship between the Board of Supervisors and the State elected officials was awful. The State referred to the Board as "scallywags," "irresponsible," and wasters of the taxpayers' money. Billions of dollars from property taxes that were earmarked for the County were taken by the State. Supervisor Burke realizes that building a good relationship with the State is the key to possibly divert another tax shift. Currently, the relationship between the County and State is positive and many of the newly elected State officials come from local government and understand the problems that a county faces.
2. Insuring Minorities and Women have an Opportunity to Compete for County Business.
3. Welfare Reform. Currently, it is not known how Welfare Reform will effect Los Angeles County, but Supervisor Burke has concerns about the effects on legal immigrants, and wants to insure compassionate, humane, realistic solutions for all those affected.
4. Unfunded Mandates. Supervisor Burke has Chaired a task force with the National Association of Counties that deals with this issue and hopes for progress in this arena.
5. Credibility of County Departments. Supervisor Burke has been involved in introducing motions that call for the funding of departmental audits.

Mr. Wesson thanked the Commission and Mr. Staniforth for their assistance and dedication to the County.

Chairperson Abel mentioned that the Commission is currently auditing itself and recently published a report drawing on the work of the California Constitution Commission and relating it to Los Angeles County. A presentation to the Board on this report is forthcoming. He opened up the floor for questions.

Commissioner Fuhrman stated that one of the recommendations in the EEC's unincorporated areas report addressed audits by suggesting a change in the financial accounting system to line item accounting. Although this would be a major change for the Auditor-Controller's office, the change would give the information to track budgets and impacts. He asked if the Board supported this recommendation. Mr. Wesson stated that Supervisor Burke suggested a similar change when she first joined the Board and would be opened to support this recommendation and the funds it would require. Mr. Santana agreed that this change, although a challenge, can be done. The Department of Public Works has a complicated revenue stream and they are able to track every dollar. Supervisor Molina has been advocating for more financial information, this facilitates establishing priorities and anticipated outcomes. These measurable outcomes could also be used in the Departmental Goals that Mr. Guido mentioned.

Vice-Chair Farrar asked Mr. Silver to elaborate on his ideas about Asset Management. Mr. Silver stated that he agrees with the EEC's previous recommendations and that the County's asset management system needs to be more aggressive, systematic, and creative. In 1997, Supervisor Antonovich wants to put all the County properties on the market to see what they are worth. These numbers will be a starting point for better managing the real assets. In Antelope Valley they were able to consolidate leases when an empty library was sold with the agreement to be leased back to the County for Children's Services, which was in need of more space. Mr. Silver stated that he recently discovered that there are no plans for the old hospital after the new one is operational. He was told that it would cost approximately $1.75 per square foot to refurbish the building, i.e. new air conditioning, sprinklers, etc. This property could then be leased at a profit or house numerous County departments. Regardless of the final decision, plans should be made now for the old hospital, not later. Vice-Chair Farrar stated that he is excited by Mr. Silver's and Supervisor Antonovich's approach to asset management. A conservative estimate found that a systematic approach to asset management in the County would result in annual cost savings of $20 million. This was included in the EEC's report and adopted by the Board. Although adopted, no action has been take and the Commission has been pursing rigorous follow up to attempt attainment of goals expressed in the report. Mr. Santana commented that this is one area where Supervisors Molina and Antonovich agree, that the County must develop a strong system for managing its property. The County has encountered many problems with leases and responsibilities. For example, a building that the County leases was overrun with vermin and the roof had collapsed, but these were found to be the County's responsibility not the landlord's.

Mr. Silver stated that Supervisor Antonovich brought in a motion, that was passed by the Board, which stated attention must be payed to the existing assets and infrastructure, and that the first half of everything over the first $50 million of fund balance every year be set aside and put into the infrastructure.

Vice-Chair Farrar offered the EEC's resources, from past consultants to work of the Commission, to the Board on action in real asset management.

Commissioner Hill asked for the deputies to give input on how the Commission can best approach the Board in concerns regarding the Museum. Mr. Santana stated that the Board benefits from the thoughtful analysis of the Commission, but the problem exists because departments do not always enact what the Board has adopted. A better mechanism of follow up by the Commission to the Board needs to be developed to insure that what is adopted is enacted.

Chairperson Abel thanked the deputies for their time and welcomed them back for additional sessions in the future.

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Kenneth Hahn Hall of Administration, Room 163, 500 West Temple St.,
Los Angeles, CA 90012
Phone (213) 974-1491 FAX (213) 620-1437 EMail eecomm@co.la.ca.us
WEB eec.co.la.ca.us