

---

## **Economy & Efficiency Commission**

# **Meeting Minutes**

---

### **MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION**

THURSDAY, SEPTEMBER 10, 1998  
ROOM 743, KENNETH HAHN HALL OF ADMINISTRATION

*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**

In the absence of a quorum, Chairman Abel began a meeting as a Committee of the Whole at 10:37 AM.

#### **VI. PRESENTATION -**

[Tyler McCauley, Assistant Auditor/Controller, Los Angeles](#)  
[Topic: Management Audits Within Los Angeles County](#)

#### **V. OLD BUSINESS**

##### **1. Debt Collection Project (Commissioner Jiminez)**

Commissioner Jiminez stated that the report has generated a lot of discussion. Even though we knew that the amount reported would attract attention the task force felt obligated to do what was asked. The press has focused in on the billion dollar figure of uncollected debt. The discussion got to a point that the state was telling the county to collect it's billion dollar debt rather than requesting money from the state. There are recommendations in the EEC report that will allow the county to collect a greater portion of their debt. Departments differ in their determination of what amounts are collectable. Changes to the system of how debts are collected are the most substantive things that can be done. This involves a role for the Auditor/Controller and the Treasurer' Department to insure that information is comparable. What people have to forget about is the \$968 million dollars that was identified in the report as FY 97 debt. We need to look at making the changes in the system for FY 2000 to establish a relationship with the debtor. Departments may not get everything that they are owed, but more than they get now.

Another portion that is lacking is an annual report from the Auditor Controller that reports on what is collectable, what is outstanding, and what is not collectable. Such an approach will identify a revenue stream of 10% of uncollectible debts that is predictable.

Commissioner Jiminez continued on the outsourcing issue. This is a sensitive issue within the County. The EEC report states that departments should be allowed to have outside vendors, but the selection process needs tighter controls.

Mr. McCauley responded to the comments of Commissioner Jiminez by stating that the County currently uses outside collection agencies, primarily in health and they do a fair job. But, there is only so much money that can be paid by

some individuals and some of this debt, after an initial effort to collect, should be written off. It is necessary to determine which people are able to pay. Departments should be better trained to get the easily collected debt and contract out for the more difficult cases. Chairman Abel asked about how difficult the annual report recommendation would be to implement. Mr. McCauley responded that this would be hard to accomplish, but the County will try to determine the correct collectable amount within what time. Commissioner Jimenez stated that this was one of the greatest difficulties within this study. Mr. McCauley responded that it is appropriate for different departments to have different definitions of receivables because of the programs that they run. Departments should be given incentives in collections.

Commissioner Crowley asked if the \$250 million figure is an annual figure or is it cumulative from the last 10 years. Mr. McCauley responded that it is a cumulative point-in-time number. Commissioner Jimenez stated that the EEC report claimed that there is a universe of outstanding debt at this point-in-time. Of the total of \$1 billion given as collectable only \$250 million is reasonably collectable. Commissioner Crowley felt that a policy recommendation should focus on the current debtor to seek to collect the current amount due. Commissioner Jimenez stated that these types of debt collection practices have been addressed.

Commissioner Buerk stated that credit reports give aged debt. Has the EEC report done anything to identify the age of County debt. Mr. McCauley stated that this has not been done and it needs to be done to determine adequacy of performance. Commissioner Crowley stated that current collections may be a way for departments to get incentives for performance. Mr. McCauley responded that this will require a culture change and an evaluation so it can be determined that \$20 is not being spent to collect \$10. At this point Chairman Abel thanked Mr. McCauley for his time and comments.

## **VI. PRESENTATION**

["Chip" Schultz, Chair Quality and Productivity Commission](#)

[Topic: Working with the Economy and Efficiency Commission on Board Assigned Collaboration Project](#)

## **VII. NEW BUSINESS - None**

## **III. CONSIDERATION OF MINUTES**

Since the Commission lacked a quorum no other business was undertaken and no action was taken to approve the August 6, 1998 minutes.

## **II. APPROVAL OF COMMISSIONER'S ABSENCES**

### **COMMISSIONERS PRESENT**

David A. Abel  
Richards D. Barger  
Hope J. Boonshaft  
Benjamin Breslauer  
Gunther W. Buerk  
John Crowley  
Michael Jimenez  
Carole Ojeda-Kimbrough  
H. Randall Stoke  
Julia E. Sylva

### **COMMISSIONERS REQUESTING TO BE EXCUSED**

David W. Farrar  
Chun Lee  
Tony Lucente  
Roman Padilla  
William J. Petak  
Robert Philibosian  
Marc Seidner  
Tony Tortorice

### **COMMISSIONERS UNEXCUSED**

Fred Balderrama  
Jonathan Fuhrman  
Christopher Hammond

#### IV. INTRODUCTION & ANNOUNCEMENTS

None

#### IX. PUBLIC COMMENT

None

#### X. ADJOURNMENT

On a motion from the floor, Chairman Abel adjourned the meeting at 11:38 a.m.

Respectfully Submitted.



Bruce J. Staniforth  
Executive Director

[Go to September, 1998 Agenda](#)

[Return to October, 1998 Agenda](#)



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](mailto:EMail_eecomm@co.la.ca.us)  
WEB [eec.co.la.ca.us](http://eec.co.la.ca.us)