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## **Economy & Efficiency Commission**

# **Meeting Minutes**

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### **MINUTES OF THE ECONOMY AND EFFICIENCY COMMISSION COMMITTEE OF THE WHOLE**

WEDNESDAY, OCTOBER 8, 1992  
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**

(Since a quorum was not present, those Commissioners present held a meeting as a Committee of the Whole)

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

##### **COMMISSIONERS PRESENT:**

Gunther Buerk  
Louise Frankel  
Jon Fuhrman  
Lee Chun  
Roman Padilla  
Carole Ojeda-Kimbrough  
Robert Philibosian  
Betty Trotter  
Dr. Mike Gomez  
Abraham Lurie  
Daniel Shapiro  
Randy Stockwell  
Efrem Zimbalist, III

##### **COMMISSIONERS EXCUSED:**

George Ackerman  
Fred Balderrama  
Richards Barger  
George Bodle

Judith Brennan  
Marshal Chuang  
Jack Drown  
Dr. Alfred Freitag

**STAFF PRESENT:**

Mr. Bruce Staniforth

The absences of Commissioners Ackerman, Balderrama, Barger, Bodle, Brennan, Chuang, Drown, Freitag, Gomez, Lurie, Shapiro, Stockwell, and Zimbalist, were excused by vote of Commissioners present.

**III. CONSIDERATION OF MINUTES**

Minutes of the September 2, 1992 Commission meeting were considered by the Commissioners present.

**IV. INTRODUCTIONS AND ANNOUNCEMENTS**

Bruce Staniforth introduced Shelly Ellis who was working temporarily at the Commission until a permanent replacement could be found.

Commissioner Trotter noted that the Information Office was now providing the report, but the Statement of Proceedings was being sent out in a manner that was not postal operation safe, or readable. Chairperson Buerk suggested the possibility of sending a letter to the Executive Office indicating the Commission's observations, when appropriate.

**V. OLD BUSINESS**

**PENSION STUDY STATUS**

Commissioner Frankel presented the Task Force report and expressed her concerns about the process that has been undertaken in the implementation of the current retirement structure. She stated that the Task Force felt that there should be an open, informed discussion at the Board level, including, but not limited to the fiscal and actuary reports.

Commissioner Frankel continued, stating that the recommendations in the summary extracted the major points that the Task Force wanted to make. This summary had some very constructive points to offer regarding improving control of the situation. She felt that the Commission has an obligation to the Board, to provide a report from a private citizens group and to represent the public interest on matters of governmental operations and policy.

Chairperson Buerk asked whether the Task Force had gone through the report and recommendations, adopted them, and were ready to present them to the full Commission.

Commissioner Trotter noted that the Task Force did adopt the basic provisions presented by the consultants report, although no vote has been taken.

Chairperson Buerk suggested that the Task Force meet to approve their report and present it to the Commission, with their formal vote.

Chairperson Buerk suggested that discussion on some of the recommendations could be undertaken at this time. There were three areas of concern: The first was Recommendation #4.

Commissioner Fuhrman suggested that it be reworded so the County Council would provide a plan for the County to challenge in court as to whether flex benefits can be considered compensation earnable. This fundamental assumption could save the county \$265 million. There was sufficient doubt in the independent counsel and LACERA opinion as to whether there are grounds to reverse this practice. Even if there is a small change to win, he felt that it was worth pursuing.

The second issue, dealt with deferred salary arrangement. The Retirement Board has made a policy that deferred salary shall be considered compensation when earned not when received. The contractual obligation on the part of the county with these individuals poses the major problem.

A third issue is recommendation #25, dealing with accountability. It was suggested that the Board recognize this difficulty and that senior staff responsible should be held accountable.

Commissioner Padilla felt that it would be valuable to have the Auditor-Controller contribute to the analysis and

recommend actions that we are recommending. He felt that where the words "in coordination with..." appear, they could be replaced with "in concurrence with..." Also, when the words "direct the CAO..." appear, substitute "in concurrence with the Auditor-Controller..." or "the CAO and Auditor-Controller...".

Chairperson Buerk discussed the level of compensation and the manner in which it is supplemented by retirement benefits. It has not been addressed in a meaningful way in either the consultant's or the Task Force's report. This would be the fourth issue for the discussion. Chairperson Buerk felt that compensation was at the heart of the matter and that the Commission should take a stand on this issue. He felt that this should be the fifth issue for discussion.

Commissioner Trotter noted that the county competes with the city and DWP for technical employees. Those salaries are much better than the county.

Commissioner Fuhrman stated that it is up to the Board of Supervisors to devise an overall compensation plan which takes into account salary and pension benefits. Compensation has to be looked at in an overall manner.

Chairperson Buerk requested the Commission look at the five items just mentioned and to pass them on to the Task Force for inclusion and consideration in the report. Since there were three Task Force members at this meeting, he asked that the other two members of the Task Force receive the discussed information. He asked about timing of the consideration of the report, stating that there was an option to hear the report at the next Commission meeting at which there should be a quorum. Another option was to call a special Commission meeting.

Commissioner Philibosian stated that he could not meet with the Task Force until the week after next, due to an annual meeting of the partners in his law firm. He was available on the 19th and for two weeks there-after.

Chairperson Buerk stated that a quorum of the Task Force needed to come up with a recommendation to the Commission.

Commissioner Frankel suggested meeting the following week.

Chairperson Buerk felt that the Commission should communicate to the Task Force the urgency of completing this assignment within the next few days. He expressed the hope that the commission would not retrace steps of the Task Force in its future discussions. He brought up the issue of holding a special meeting, but it was recognized that it would be difficult to get a quorum of Commissioners at a special meeting due to the demands placed upon them by their full time jobs. He stated that the Board had expectations of receiving this report. He had reported to the Board that he had expected the Task Force would come up with recommendations by today and that he felt somewhat embarrassed that the Task Force had not provided an agreed upon set of recommendations and that the Commission meeting was lacking a quorum. He then asked if anyone felt that meeting on, or about October 20th, as opposed to the regular November 4th Commission meeting would be important to the Board.

Commissioner Padilla stated that there was some ambiguity in recent budget negotiation. Some assumptions were made that the economy is going to get better, but the money may not be coming in. To the extent that the Commission could help make decisions quicker, meeting earlier might help.

Chairperson Buerk felt that it was important to have a Pension Report that represented the recommendations of the Task Force and incorporated the suggestions that were made. He directed Mr. Staniforth to prepare a letter stating the urgency of the November 4th meeting, due to the lack of quorum at the October meeting.

Commissioner Fuhrman asked that Commissioners be informed when the Task Force meeting is to be held so other members could possibly attend.

## **DHS STUDY**

In Commissioner Zimbalist's absence, Mr. Staniforth gave an update. He stated that he had requested a representative from the Department of Health Services and Commissioner Zimbalist to conduct an evaluation of the eight proposals that were received for the DHS study. They have been rank-ordered and given a score. Each Task Force member will be supplied with a copy of that packet, to include the evaluations and the base documents. Commissioner Zimbalist had requested Mr. Staniforth to schedule a meeting for next week to make a selection.

## **LIABILITY & RISK MANAGEMENT STUDY**

Commissioner Lee stated on September 17th the Auditor- Controller issued a work order request for the conduct of this study. 4p.m., on October 8, 1992, was the deadline for receipt of the proposals that were sent to 31 bidders. The Task Force will meet soon to select the contractor. October 26th is scheduled to be the start date, finishing on approximately January 31, 1993.

Commissioner Padilla stated his desire to be on the Risk Management study. There are currently five members on this Task Force, with two of the Five being Supervisor Molina's appointees. It was suggested that he attend its meetings if he so desired.

#### **PROPOSITION A CONTRACTING**

Commissioner Trotter had been out of the state, and no progress has been made.

#### **PRODUCTIVITY COMMISSION**

Dr. Waddell was not at the meeting, no report given.

### **VI. NEW BUSINESS**

#### **1993 MEETING SCHEDULE**

Chairperson Buerk asked for an advisory approval of Commission meeting schedule, which was seconded and passed as a Committee of the Whole.

#### **1992 ATTENDANCE SCHEDULE**

No approval was needed from the Commission to forward the 1992 attendance to the Board of Supervisors.

#### **COMMISSION TASK FORCE CHART**

Mr. Staniforth stated that this was a draft status report, but he wanted any comments by the Commissioners

Chairperson Buerk said that the Task Force on the City/County Unincorporated Areas, which was not included in this chart, was set up at the last Commission meeting.

Commissioner Frankel suggested including those people who sat on the Selection Task Force for the new Executive Director of the Commission.

Chairperson Buerk agreed with Commissioner Trotter and directed Mr. Staniforth to include that Task Force and the Commissioners involved.

### **VII. PUBLIC COMMENT**

None.

### **VIII. ADJOURNMENT**

Respectfully Submitted,



Bruce J. Staniforth  
Executive Director

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