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## **Economy & Efficiency Commission**

# **Meeting Minutes**

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

WEDNESDAY, MARCH 6, 1996  
ROOM 830, 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**

Vice-Chair Betty Trotter called the meeting to order at 9:45 a.m.

#### **II. ATTENDANCE**

##### **COMMISSIONERS PRESENT**

John Crowley  
David Farrar  
Louise Frankel  
Jonathan Fuhrman  
Jaclyn Tilley-Hill  
Chun Lee  
Roman Padilla  
William Petak  
Robert Philibosian  
H. Randall Stoke  
Julia Sylva  
Betty Trotter

##### **COMMISSIONERS EXCUSED**

Fred Balderrama  
Richard D. Barger  
Gunther Buerk  
Harry Cooper  
Carole Oejda-Kimbrough  
Tony Tortorice

## **COMMISSIONERS ABSENT**

Albert Vera

Moved, Seconded, and Approved: The Commission members noted above be excused.

## **III. CONSIDERATION OF MINUTES**

Commissioner Fuhrman requested that the January 31, 1996 minutes be amended to show that he expressed reservation on the Health Authority issue.

Moved, Seconded and Approved: The minutes of the January 31, 1996 Commission Meeting be approved.

## **IV. INTRODUCTIONS AND ANNOUNCEMENTS**

Mr. Staniforth announced that the Commission had acquired a new Commissioner, Harry Cooper, appointed by Supervisor Antonovich and that, unfortunately, Commissioner Cooper could not be present. He also introduced Mr. Bob Geoghegan of the Department of Human Resources.

Vice-Chair Trotter announced that all of the Commission's completed reports have been presented to the Board for their consideration.

## **V. OLD BUSINESS**

### **1. Delivery of Municipal Services to Unincorporated Areas**

Task Force Chairperson Padilla stated that draft reports had been submitted to the departments for comment on February 5, and that generally positive responses had been received from the Fire Department, Parks and Recreation and Public Works. He summarized the report's five main areas of recommendations. They were, communications between relevant department heads, taxpayer input, participation of local organizations, development of reporting and cost-accounting systems, and creation of incentives to produce incorporations and annexations. Commissioner Fuhrman commented that in critical areas, it might be beneficial to try to simplify the process of annexation or incorporation through the legislative arena. Commissioner Padilla responded that negotiation with localized bureaucracies is complicated, and that it is quite difficult for the Board of Supervisors to force an incorporation or annexation because of resistance from other jurisdictions involved.

Commissioner Farrar suggested sending letters to all departments requesting some response by the end of March.

Moved, Seconded and Approved: A letter be sent to departments requesting responses to the Unincorporated Areas draft report by March 31, 1996.

Mr. Staniforth reminded the Commission that the report in question has been delayed because Board- requested projects take a higher priority.

### **2. Real Asset Management**

Commissioner Farrar reported that the study had been presented to the Board on February 6, 1996. The Board subsequently adopted it in its entirety except for Recommendation 15. Recommendation 15 recommended that the County institute a system of charge backs to departments. The CAO had requested 60 days to formulate an alternative solution. The reasoning behind the charge back system is that it heightens awareness of space use, and it might be possible to do so in other ways. He asked the task force to set up a time in which to meet with CAO representatives to discuss alternatives to the charge back proposal and to assist them in implementing some of the more substantial recommendations contained in the report.

Commissioner Fuhrman suggested a checklist to monitor the progress of the CAO in implementing the recommendations.

### **3. Follow-up on Juries Management Report**

Vice-Chair Trotter reported that the State of California Judicial Council Blue Ribbon Commission would have a public hearing March 18. That Commission uses the Economy and Efficiency Commission's Jury Management report as one of its foundation documents. She stated that she planned to meet with Gloria Gomez of the Courts to check on the implementation of the Commission's recommendations.

### **4. Natural History Museum**

Vice-Chair Trotter reported that the report had been presented to the Board with the Museum representatives in attendance. All but seven recommendations were approved, but she stated she considered those seven to be critical. The Commission had not yet had a chance to respond to this situation. She stressed diversification of endowment investment. She also stated that the Museum had taken issue with the Commission recommendation that 5% of the Museum's endowment be spent on operating costs, as is standard among museums.

Commissioner Padilla suggested bringing up the non-accepted issues in the context of a follow-up report.

Moved, Seconded, and Approved: The Task Force consider the Board's response to the Natural History Museum report and make a recommendation at the next Commission meeting as to whether there should be a follow-on report to the Board.

#### **5. Department of Health Services**

Vice-Chair Trotter told the Commission that the January, 1996, response to the Health Crisis Task Force report was received by the Board. The Board has requested that the issue be investigated further by the new DHS Director, Mark Finucane.

Commissioner Frankel commented that the work of the Task Force overall, particularly on the response to the Health Crisis report, had been largely the work of the Task Force Chair, the Commission Chair and the Executive Director, with very little input from other members.

Commissioner Stoke complemented the Task Force for the position it took on the governance report and stated that the action taken had been proper.

Commissioner Padilla stated his belief that the Board's disappointment with the governance report was that the Commission had basically critiqued, rather than taking a proactive position toward any solution.

#### **6. ISD Restructuring**

Mr. Staniforth reported that the final ISD Status Report meeting would take place March 15. The Board has directed the Commission to complete a follow-up report on the status of implementation. He reminded the Commissioners that the Board had also asked the Commission to do a study of the Purchasing Department. The Purchasing Department is part of ISD, and therefore, the reports should be done concurrently.

Commissioner Davis, liaison from the Commission on Local Government Services stated that his Commission had as part of an air studies project, asked for a report on Purchasing from the Internal Services Department. Commissioner Davis felt that this information would be in line with the E&E Commission Purchasing review.

Commissioner Fuhrman announced that advertisements were going out to newspapers for the position of County Chief Information Officer.

#### **7. Department of Public Social Services (DPSS)**

Mr. Staniforth stated that he had conferred with Supervisor Antonovich's staff regarding the Board request to review DPSS. The Supervisor had discovered in a book written in the late 1970s, a reference to a 1974 report of the Los Angeles County Commission to Review Public Social Services. The report referred to 1600 recommendations on DPSS. The Supervisor was requesting an update of this report, and the first step in the project would be to locate the recommendations. No time-frame had been assigned.

Commissioner Fuhrman suggested that the project might be so great that it would not be appropriate for the Commission.

Vice-Chair Trotter suggested that the Task Force meet and develop a clear sense of the objective of this project before taking any action.

### **VI. PRESENTATION** - Larry Calemine, Local Agency Formation Commission (LAFCO)

Mr. Calemine gave the position of the Local Agency Formation Commission on the subject of municipal services for unincorporated areas. He stated that he had reviewed the Commission report.

One portion of the report referred to San Bernardino County and its efforts to get its islands annexed as quickly as possible. He had discovered that only 4 of the over 60 islands in that county have been annexed, because of the politics involved.

The two main reasons islands often remain unincorporated are that residents of adjacent municipalities did not want to annex them, and the other is that residents of the islands themselves did not want to be annexed. This results mainly from such issues as land-use control. He cited an attempt by the State legislature in 1978 to clean up unincorporated islands. It dealt with all surrounded islands of under 100 acres. It gave local LAFCOs around the state ability to approve annexation regardless of landowner or citizen protests. The political fallout was so great that the measure was repealed less than two years after it went into effect, and since then any attempt by California LAFCO along similar lines has not met with support.

Commissioner Padilla asked about the larger problems to be addressed regarding delivery of municipal services and the key leverage points in the County that the Commission might have in causing annexation.

Mr. Calemine responded that there is simply no legislation that gives the Board of Supervisors the authority to force an annexation. Regarding concerns with delivery of services, he said that many islands had no problem, and that for many that did have problems or inefficiencies, the approach would be out-of-district service contracts.

He stated that until a few weeks before, no one could say how many islands there were. The final count was 103.

In his opinion, the process of meeting with representatives of 103 residential groups and 88 cities would cost well over half a million dollars and take several years.

Commissioner Sylva suggested that an analysis of providing needed services to islands could be started, even if annexation is impractical.

Commissioner Fuhrman expressed his opinion that the current system is flawed and needs to be overhauled. He feels that this is because the islands represent an added cost to the County as a result of their geographic dispersal and small size. This cost may not be apparent. The County should try to better understand these costs and LAFCO should be an advocate for improving the system.

Commissioner Sylva pointed out that residents of these areas have to pay city and County taxes, and that this is an important consideration.

Mr. Calemine responded that the County should respond to this by developing an arrangement wherein the County transfers part of the taxes collected from those residents to a nearby city to provide municipal services.

Commissioner Fuhrman commented that it is economical for the County to serve large unincorporated areas, but not small ones.

Commissioner Petak stated that one of his major objections to the current system is that people in unincorporated areas have little or no representation. Another objection is that the County has no idea what it costs to deliver services to those areas, and the people therefore have no idea whether or not they are getting services proportional to the taxes they are paying. This, he stated, is a democratic issue. Annexation results in representation and in cost identification. On the other hand, the County could resolve this itself by employing proper cost accounting for those areas.

## **VII. NEW BUSINESS**

### **1. Discussion of DHS/DHR Study Recommendations Restatement**

Mr. Staniforth reported that at the last Board meeting, at which the DHS reengineering report was discussed, Supervisor Yaroslavsky requested a restatement of some of the recommendations, for the purpose of clarification. He had therefore prepared a restatement and distributed it to the Commissioners. The restatements he felt, were consistent with the original intent and he suggested that the Commissioners consider these for adoption, to further clarify the original version. Moved and seconded: That the Commission adopt the restatement of recommendations from the DHR/DHS report for submission to the Board, to clarify the original version.

#### **Discussion:**

Mr. Geoghegan, of the Department of Human Resources, stated that Human Resources should be primarily a policy-making body with two exceptions: 1) when a department faces a crisis situation, such as DHS does now, where assistance is needed so that they may proceed with their own mission; and 2) when a department requests their assistance in human resources issues. He stated that the department would be looking into such issues as regionalization, centralization and decentralization where appropriate. He stated that DHR is generally supportive of the original 24 recommendations in the Commission report.

Moved, seconded and approved: That the Commission adopt the restatement of recommendations from the DHR/DHS report for submission to the Board, to clarify the original version. Commissioner Crowley Abstained from the vote.

## 2. Discussion of Economy and Efficiency Commission Sunset Review Requested by the Audit Committee

Mr. Staniforth stated that the Audit Committee had requested that the Commission complete its sunset review using the system that the Commission had developed. The Review was about a year late, because of the Commission's heavy workload over the past months. Moved, seconded, and approved: That the Commission submit to the Audit Committee its Sunset Review.

### VIII. ADJOURNMENT

The meeting was adjourned at 12:10 p.m.

Respectfully Submitted,



Bruce J. Staniforth  
Executive Director

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