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## **Economy & Efficiency Commission**

# **Meeting Minutes**

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

9:30 A.M. WEDNESDAY, OCTOBER 1, 1997  
KENNETH HAHN HALL OF ADMINISTRATION

#### **I. CALL TO ORDER**

Chairman Abel called the meeting to order at 9:45 a.m.

#### **II. ATTENDANCE**

##### 1. September 10, 1997 Absences

##### **COMMISSIONERS PRESENT**

David A. Abel  
Fred Balderrama  
David Farrar  
Louise Frankel  
Jonathan Fuhrman  
Jaclyn Tilley Hill  
Michael A. Jimenez  
Carole Ojeda-Kimbrough  
Robert Philiposian  
H. Randall Stoke  
Julia E. Sylva

##### **COMMISSIONERS EXCUSED**

Richards D. Barger  
Gunther Buerk  
John Crowley  
Chun Lee  
Roman Padilla  
William Petak  
Marc A. Seidner  
Tony Tortorice

##### **COMMISSIONERS ABSENT**

Christopher W. Hammond

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

## 2. October 1, 1997 Absences

### **COMMISSIONERS PRESENT**

David A. Abel  
Fred Balderrama  
Richards D. Barger  
Gunther Buerk  
David Farrar  
Jonathan Fuhrman  
Christopher W. Hammond  
Chun Lee  
Michael A. Jimenez  
Carole Ojeda-Kimbrough  
William Petak  
Tony Tortorice

### **COMMISSIONERS EXCUSED**

John Crowley  
Louise Frankel  
Roman Padilla  
Robert Philibosian  
Marc A. Seidner  
H. Randall Stoke  
Julia E. Sylva

### **COMMISSIONERS ABSENT**

None

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

## **III. CONSIDERATION OF MINUTES**

Moved, Seconded and Approved: The minutes of the September 10, 1997 Commission Meeting be approved.

## **IV. INTRODUCTION & ANNOUNCEMENTS**

None.

## **VI. PRESENTATION -**

[Edward Dilkes, Executive Director](#)  
[Los Angeles City Elected Charter Commission](#)  
[Topic: Commission Work Plan](#)

## **V. OLD BUSINESS**

### 3. Employee Suggestion Program Investigation

Mr. Staniforth stated that there are two issues related to this topic. One, is the review of the Employee Suggestion Program, requested by Supervisor Antonovich, that was spurred by a 2 year delay in responding to an employees' suggestion. The EEC is working with the CAO in this matter. The second issue, relates to this specific employee's suggestion, Wheeling Power, which is the commercialization of power generation. The EEC sent a letter to Supervisor Antonovich requesting direction from the Board that the Commission undertake a study to examine the competitive environment before the County. We are waiting for Supervisor Antonovich's response.

Mr. Dilkes suggested that the EEC get a copy of a DWP report done by Perot Energy Systems between January 1997 and June 1997.

Chairman Abel asked Mr. Staniforth to comment on the Grand Jury recommendation. Mr. Staniforth stated that the 1996 Grand Jury recommended the Commission look at the possibility of combining a city and county licensing group into one organization. The Commission decided at its last meeting that this was not avenue it wanted to pursue.

Chairman Abel added that the Commission didn't really know how to proceed because the City and/or County would have needed to request action. Finding a way for intergovernmental action to take place in a constructive environment is something that might be of focus to the elected charter commission. Mr. Dilkes stated that the current structure does provide for the City working with other arms of government.

## 1. Collections Project

Task Force Chairperson Jimenez reported that the task force recommends that the Commission ask for more time and financial resources to complete this project. He asked Mr. Pride to brief the Commission on the work the task force has been doing and why there is a need for more time and resources.

Mr. Pride stated that the collections project team is mapping out a strategy to evaluate the County's debt collection system. This strategy is called "A Blueprint for Improvement".

Many problems exist within County departments' debt collecting process, including:

- Interdepartmental communication
- Inefficiencies in staffing
- Inefficiencies in turnaround time of receivables to Treasurer-Tax Collector
- Many departments are not outsourcing, when outsourcing is available
- Confusion about technology used in collection process

Commissioner Buerk asked if the money that the County owes taxpayers from property tax changes was examined. Mr. Pride said that direct reassessments were addressed in the initial meeting with the Treasurer-Tax Collector.

Mr. Pride stated that the directives, as provided by the EEC, were to assess every accounts receivable collection aspect of all departments and courts within Los Angeles County: from staffing, technical requirements, policy issues, workflow processes, to customer interfaces.

The project team has spent the last four months gathering information. This process started with a simple questionnaire, which was returned to the project team and then sent back out to the departments for validation of the information they provided.

The goals of the project are to:

- Provide an accurate assessment of the County's receivable collection policies, procedures and use of technology.
- Determine how the County can better interface with state and federal governments' collection policies and procedures.
- Determine if all automated and manual systems include adequate audit trails, balancing controls and other appropriate internal controls.
- Determine how to improve collections on delinquencies.

Currently, the County's total uncollected debt is over \$1 billion. This figure continues to rise as more information is collected.

Accomplishments of the project team to date include:

- A survey of all departments, with a 95% percent return
- Requested survey response validation from all departments
- Benchmarked receivables collection practices of select departments against other states and corporations
- Mapped core processes of select departments
- Conducted 7 in-depth interviews with department managers, employees and stakeholders.

Commissioner Barger asked for an example of a department that the project team has interviewed. Mr. Pride responded that the Department of Health Services has approximately \$307 million of debt, due to service to indigents who cannot pay, which is not booked as a receivable due to its uncollectible nature. Commissioner Buerk asked why that amount was listed as debt if it is not expected to be collected. The amount should be budgeted as services for indigent people and not listed as a debt. Mr. Pride replied that he didn't know the exact manner in which DHS budgeted or booked this figure, but under Generally Accepted Accounting Principles (GAAP) an amount that is not

viewed as collectible cannot be booked as a receivable. Commissioner Tortorice added that there are those who receive services, who can afford to pay, and do not pay their bill.

Task Force Chairperson Jimenez stated that originally the debt was estimated at \$800 million, with new information collected in the past few weeks, that figure has grown dramatically. Some of this debt is secured, some uncollectible, and the majority falls into a gray area. More research with debt validation must be done before a report is taken to the Board. The task force suggests that the Commission request more resources, between \$100,000 and \$300,000, and extend the time line to complete the project. The task force would like permission to put together a budget and submit this request to the Board. If the Commission would like to view the recommendation before it goes to the Board, the request will not go before the Board until November, which is less than 30 days from when the report is due.

Commissioner Buerk stated that he was hesitant to give approval on a recommendation to the Board without the full Commission's agreement.

Chairman Abel stated that, due to the importance of the outcome of this study, he believes time is of the essence and that the requests should be submitted to the Board as soon as possible.

Commissioner Petak stated that the debt and the cost of collection must be classified and clarified before a report is issued by the EEC. He believes that Commission should authorize the task force to make a recommendation to the Board.

Moved that the Commission authorize the Task Force to develop a recommendation with a specific funding amount and submit it to the Board of Supervisors. Motion seconded.

Commissioner Fuhrman stated that this should be done in conjunction with the Chair.

Motion amended to include the authorization of the Chair in conjunction with the Task Force. Amendment accepted by the maker of the motion.

Commissioner Buerk stated that he still believes the request should be approved by the entire Commission.

Motion as amended passed with a 9 to 1 vote, with Commissioner Buerk voting against the motion.

#### **VI. PRESENTATION(continued) -**

Assemblyman Robert Hertzberg  
Topics: Review of Los Angeles Agenda in Sacramento  
Public Safety Commission

Chairman Abel welcomed Assemblyman Hertzberg, Chair of the Public Safety Commission, to the Commission. He asked Assemblyman Hertzberg to give an assessment of the bills from Los Angeles and an overview of Public Safety Commission's work.

Chairman Abel thanked Assemblyman Hertzberg for his time and presentation.

#### **IX. PUBLIC COMMENT**

None

#### **X. ADJOURNMENT**

On a motion from the floor, Chairman Abel adjourned the meeting at 11:30 a.m.

Respectfully submitted.



Bruce J. Staniforth  
Executive Director

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