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## **Economy & Efficiency Commission Meeting Minutes**

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

THURSDAY, April 5, 2007  
ROOM 525, 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 AS A COMMITTEE OF THE WHOLE**

Chairman Ikejiri called the meeting as a Committee of the Whole to order at 10:10 a.m.

#### **VII. LIASON REPORTS**

##### **Local Government Service Commission (LGSC)**

Chairman Ikejiri reported that the LGSC has decided to put the idea for a countywide ordinance to regulate taxi fares on hold, due to resistance from some member cities, including the City of Los Angeles.

##### **Quality and Productivity Commission (Q&P)**

Commissioner Hill encouraged the EEC Commissioners' participation in the Q&P Commission's upcoming Commissioner Leadership Conference on May 23rd, and reminded them that the featured speaker will be CAO David Janssen, whose primary topic will be the governance issue.

#### **V. INTRODUCTIONS & ANNOUNCEMENTS**

Commissioner Hill introduced the Quality and Productivity Commission's Executive Director, Ruth Wong.

#### **VIII. OLD BUSINESS**

##### **Grand Jury Task Force**

Commissioner Max reported that the Task Force met the previous week and is moving forward with the Grand Jury recruitment video project. The Task Force has begun to make contacts with film schools in hopes that they may be willing to offer production services.

##### **Organization and Accountability**

No report, due to absence of the chairman of the Task Force.

**I. CALL TO ORDER (Continued)**

With the presence of a quorum, Chairman Ikejiri called Commission meeting to order at 10:17 a.m.

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

The following was the attendance for the meeting:

**COMMISSIONERS PRESENT**

Clayton Anderson  
Fred P. Balderrama  
Isaac Diaz Barcelona  
Jonathan S. Fuhrman  
Jaclyn Tilley Hill  
Ronald K. Ikejiri  
Chun Lee  
William Max  
Roman Padilla  
Robert H. Philibosian  
Solon C. Soteras  
Tony Tortorice

**COMMISSIONERS REQUESTING TO BE EXCUSED**

Joanne Baltierrez  
Royal F. Oakes  
William Petak

**COMMISSIONERS NOT REQUESTING AN EXCUSE**

Hope Boonshaft  
Robert Cole

Chairman Ikejiri asked for a motion to approve absences. It was Moved, Seconded, and Adopted: The Commission members requesting an excuse are excused.

**III. APPROVAL OF MARCH 1, 2007 MINUTES**

Chairman Ikejiri asked if there were any corrections or amendments to the minutes of the March 1, 2007 Commission meeting. Hearing none, the following motion was Moved, Seconded, and Adopted: The minutes of the March 1, 2007 Commission meeting are approved.

**IV. APPROVAL OF MARCH 1, 2007 PRESENTATION**

Chairman Ikejiri asked if there were any corrections or amendments to the presentation of the March 1, 2007 Commission meeting. Hearing none, the following motion was Moved, Seconded, and Adopted: The presentation of the March 1, 2007 Commission meeting is approved.

Chairman Ikejiri thanked the Commission staff for expeditiously producing the summary of the March 1st presentation, which featured a panel discussion of the chief deputies and chiefs of staff of the five Supervisorial Districts, as it was valuable information in determining future areas of focus.

**VIII. OLD BUSINESS (Continued)**

**Succession Planning**

No report, due to absence of the chairman of the Task Force.

**Child Care Welfare Fraud Task Force**

No report, due to absence of the chairman of the Task Force.

**Reports of Meetings with Supervisors**

Chairman Ikejiri asked for reports by commissioners who had thus far conducted meetings with their District's Supervisor and/or senior staff.

**5th District** - Vice Chairman Barcelona reported on a meeting of himself and Commissioners Anderson, Oakes and Soteras with Ms. Kathryn Barger-Leibrich, Chief Deputy to 5th District Supervisor, Michael Antonovich. He reported that Ms. Barger-Leibrich began the meeting by conveying appreciation on behalf of the five Supervisors and their staffs for the EEC's work throughout the years. The issue most prominent for the 5th District was that of changes in County governance designed to shift certain powers from the Board of Supervisors to the Chief Administrative Officer. The Chief Deputy reiterated Supervisor Antonovich's contention that the current system is not "broken" as suggested by other supervisors. Other areas of existing or proposed EEC examination brought up by Ms. Barger-Leibrich were: child care welfare fraud, contracting services, awarding contracts, public/private partnerships, the bid process under Prop A, Section 8 housing application and approval, the County's pension system, L.A.C.E.R.A. investments, homelessness, gangs/crimes/public safety, and a budget for the EEC. Commissioner Soteras added that another concern for the 5th District is the fair distribution of County services to unincorporated areas. Commissioner Anderson noted that the issue of a budget for consultants to work on EEC reports deserves further discussion, as there are both upsides and downsides to that arrangement.

**1st District** - Commissioner Fuhrman reported that he and Commissioner Padilla met with Supervisor Molina's Chief of Staff, Miguel Santana. Topics included the effectiveness of various commissions, succession planning and staff development, and governance with respect to the unincorporated areas. The primary topic of discussion was the issue of County governance and the EEC's role in assisting the Board of Supervisors as they consider the options before them. Commissioner Padilla added that regarding the EEC's board-mandated work to evaluate a restructured governance system, it is incumbent upon the Commission to produce a report that affirms the confidence the Board has shown in the EEC.

**4th District** - Commissioner Hill commented that she had a one-on-one meeting with Supervisor Knabe. The chief topic discussed was the County governance issue, with particular attention paid to the "non-interference" clause of the motion he recently co-sponsored with Supervisor Yaroslavsky. Commissioner Hill noted that this specific area might be very suitable for Commission review.

Chairman Ikejiri asked if there were any other reports ready to be delivered, and hearing of none, suggested they could be presented at a future time.

## **IX. NEW BUSINESS**

### **Discussion on where the Commission has been, where it is now and where it should be going in 2007.**

Chairman Ikejiri outlined his understanding of the impetus for and implications of the Board of Supervisors' decision to expand the current powers of the CAO and put before the voters a Charter Amendment to create a Chief Executive Officer position. He noted that current CAO David Janssen had managed to be very effective despite the administrative constraints of this position, due mostly to the personal equity he had built up with the Board. At the same time, there is no guarantee that a chief executive position based on the corporate model would adequately address the unique circumstances of running a County the size of Los Angeles.

Chairman Ikejiri then asked Chairman Emeritus Philibosian to present his ideas regarding the Board's motion. Chair Emeritus Philibosian first read the motion out loud, and then began to analyze both the meaning and implications of the directive. He noted, the wording specifies that the EEC's work would begin once a governance plan and ordinance have been implemented, thus, he concluded, there is very little for the Commission to do before then. Commissioner Fuhrman interjected that his understanding is that a plan will be forthcoming very shortly from the CAO's office that will address both internal and external processes and communication protocols, and that the ordinance outlining the creation of a CEO position will be submitted to the board by the CAO as early as the end of April. That ordinance, Commissioner Fuhrman believes, would also include some version of a "non-interference" clause with respect to communication between the supervisors and County department heads.

Commissioner Padilla suggested that rather than waiting to review a plan, the EEC could embark on research into the governance structure and be in the position of being able to compare it with the plan proposal. He also noted that in order to get the proposed ordinance on the June 2008 ballot, the Board would have to have signed off on it by either December 2007 or January 2008. The commissioner stressed his belief that the EEC would need to have its report and proposals to the Board before that deadline.

Chair Emeritus Philibosian reiterated his contention that per the wording of the Board motion, there is no work the EEC is charged to do until there is a proposed plan and ordinance to review. Referring to Commissioner Fuhrman's proposal of a self-generated EEC plan for the restructuring of Los Angeles County's governance, Chair Emeritus Philibosian

anticipated that the resources necessary would be more than either the Board or the EEC would find practical, with or without the aid of outside consultants. He believes the product requested by the Board would be extremely helpful. He also suggested that the EEC make it known to the Board that to receive input from the citizenry on the proposed plan and ordinance, the Commission would need to conduct at least two public hearings in each of the five districts. This effort would require resources and support from the County. He then offered a motion to that effect which was seconded. Chairman Ikejiri then opened the floor to discussion.

Commissioner Fuhrman began the discussion by expressing that the proposed change in County's governance is the most significant action to be considered by the Commission in the 15 years of his tenure. He shared his enthusiasm over being able to participate in the development of a plan and ordinance and his willingness to volunteer a substantial amount of time to the process. He commented that County staff is already involved in efforts to devise a plan and ordinance and might be available to aid the Commission. He added that he considered the proposal for public hearing to be an excellent idea.

Commissioner Padilla remarked that notwithstanding previous comments, he still believed that prior to receiving a plan to review the EEC could take a very high-level look at the how non-interference and non-intrusion policies might impact the management of the County. Chair Emeritus Philibosian repeated his position that the EEC would need a plan to evaluate before moving forward. Commissioner Padilla countered that there was enough information on the proposed non-interference/non-intrusion aspect of the plan to move ahead with an independent analysis of that particular issue. Commissioner Fuhrman added his support to the idea, asserting his belief that there was ample evidence from the Board's motion on devising a plan and ordinance for the EEC to begin its work within the next month.

Commissioner Fuhrman then asked Chair Emeritus Philibosian to clarify if it was implicit in his motion that the EEC as a whole would be agreeing that the governance issue would be its primary focus for the next half year. The Chair Emeritus Philibosian felt that it would be premature for the Commission to begin work before the CAO proposed, and the Board finalized a plan. The process could take months and to support that contention, he read a quote from David Janssen from the March 13th, 2007 Board of Supervisors' meeting, in which the CAO outlined the extensive preliminary steps that would need to be taken by his office before delivering a proposed plan to the Board. This meant that it would be months before there was a plan for the EEC to evaluate. He expressed his belief that this evaluation should be based on the results of public hearings, and possibly, input from consultants. Further, he added that he was not certain that the Board would be willing to provide funds for a consultant(s).

Commissioner Hill concurred on the importance of the proposed changes in governance and the Board's initiative for a shift in authority with their realization of how reliant they had become on the advice and consult of CAO David Janssen. She added that securing funding for consulting resources for the EEC had been done many times in the past, and given the project's importance, shouldn't prove to be a problem.

Commissioner Padilla then expressed his concern that putting too many conditions on the EEC's acceptance of this assignment from the Board would slow the process down. Commissioner Hill disagreed, as did Chair Emeritus Philibosian, who said that the proposed motion would take the form of a letter from the EEC to the Board stating that the EEC is accepting the assignment, but in order to do an adequate job would like to have the Board's pre-approval for the conduct of at least two public hearings in each of the five Supervisorial Districts and additional consultant support, if necessary. Commissioner Tortorice remarked that he was in concurrence with Chair Emeritus Philibosian stating that it was not the job of the EEC to do organizational design for the CAO and the Board, but that there was nothing wrong with becoming educated on various forms of governance structure prior to evaluating the efficacy of the CAO's plan. Chair Emeritus Philibosian agreed, as long as it was understood that if interviews of County officials should be the responsibility of the CAO, not the EEC.

Commissioner Soteras expressed his general approval of the Chair Emeritus Philibosian's motion, adding that the EEC might include an estimated budget for what it would cost for the Commission to complete its assignment. Chair Emeritus Philibosian remarked that he did not believe it would be possible to make that estimate at this point, especially since some of the work could be done with existing County resources, and would not require out-of-pocket expenses. He did, however, think that it would be appropriate to ask the Supervisors to have County staff locate public hearing locations (two per District) that could accommodate large groups of people, and to provide pre-event advertising and staff for each meeting.

Commissioner Padilla again expressed concern that putting too many conditions into the letter of acceptance might give the impression that the Commission was not prepared to move quickly and to use its internal resources to evaluate the proposed plan. Chair Emeritus Philibosian replied that it was a matter of the EEC, as a public entity, affirming the need for public input, which in this case would be best derived from the conducting of two public hearings in each District with the support from the County.

Commissioner Hill remarked that the EEC might want to consider focusing on the area of non-interference/non intrusion, which seems to be a major concern for the majority of supervisors. Chair Emeritus Philibosian pointed out that this was not the tasking. Commissioner Fuhrman agreed that this element was only one of several major issues raised by the Board.

Commissioner Balderrama expressed his concern that it would be very difficult to begin to estimate the costs involved, given the growing complexities of the proposals being discussed. Commissioner Anderson agreed and made it clear that he felt the EEC's should allow the CAO and Board to resolve the most contentious issues before committing its resources. He felt that only when the Commission has a clear idea of what it will be evaluating can it make significant headway. Chairman Ikejiri expressed his support for this idea with the following modifications: 1) the addition of opening and closing hearings, to be held in the Hall of Administration, and 2) more than two hearings may be held if warranted by the size of the district. He also warned that public hearings are not an easy undertaking, and it would require a commitment from E&E commissioners to attend the meetings they have committed to and to do their best to manage the length of the hearings and remain engaged and interested throughout the public's comment.

Chairman Ikejiri also commented that he did not feel it would be premature to form a task force to begin to study the non-interference aspect of the change in governance, but to do much more than that before a detailed plan has been submitted to the Board might not be a wise use of Commission resources. The Chairman restated his support of Chair Emeritus Philibosian's motion, with the inclusion of the modifications and assured that the letter to the Board would present the EEC's position diplomatically. Commissioner Padilla suggested that the letter to the Board include a request that each Supervisor state their expectations of what the Commission should address in its evaluation report. He also repeated his concern over too many caveats crating doubt as to our ability to move forward. Chairman Ikejiri assured Commissioner Padilla that the Executive Committee would take into consideration all of the opinions and concerns expressed by individual Commissioners when drafting the letter and every effort would be made to sustain the confidence in the Commission demonstrated by the Board.

Commissioner Soteras then called for the question, and Chairman Ikejiri asked Chair Emeritus Philibosian to restate the motion, summarized as follows:

"In accepting the assignment from the Board of Supervisors to evaluate the efficacy of the proposed governance plan, the EEC requests that the Board provide necessary resources for the Commission to conduct a minimum of two public hearings per Supervisorial District, in addition to opening and closing hearings to be held at the Hall of Administration. Furthermore, it is requested that the Board provide County staff support in selection of venues and in the publicizing and supporting the events. The Commission also requests the budgetary resources to make use of the services of a consultant, if necessary."

Chair Emeritus Philibosian added that the exact wording of the letter would be determined by the Commission's Executive Committee. Commissioner Anderson suggested that the final draft include language that left open the possibility that the EEC would choose not to conduct the hearings. Commissioner Padilla also suggested that the letter to the Board include a request that the Board instruct the CAO and Auditor-Controller to expedite requests for information from the EEC. Chairman Ikejiri offered that the Supervisors may want to be present at the opening of the hearings in their Districts, in order to communicate their view of the plan and ordinance to their constituents. Chairman Ikejiri then proceeded to a vote on the motion. The motion was carried unanimously.

#### **Task Force on Governance Non-Interference**

Chairman Ikejiri then proposed that a task force be formed with Commissioners Fuhrman and Padilla to examine non-interference as it pertains to restructured governance. Chair Emeritus Philibosian pointed out that if a non-interference clause was incorporated into the governance plan, it would likely prove to be the most important factor for a public accustomed to asking their Supervisor to intervene on their behalf with County entities. He was not certain that a task force could be very effective without first getting input from the public. Chairman Ikejiri assured the Chair Emeritus that any progress the task force made in their understanding of the key issues involved with non-interference would prove helpful when the governance plan was given to the Commission for evaluation. Chair Emeritus Philibosian accepted the Chair's assumption, but wanted assurances that the task force would be comprised of commissioners from each of the five Supervisorial districts, as is the norm. Chairman Ikejiri agreed that this would be advisable, and asked for volunteers. The County Governance/Non-Interference Task force was then formed with the following members: Commissioner Fuhrman (1st Dist.), Commissioner Padilla (1st Dist.), Commissioner Balderrama (2nd Dist.), Commissioner Tortorice (4th Dist.), Commissioner Anderson (5th Dist.) and Commissioner Max (BOS). Being that there were no 3rd District commissioners present, the Chairman appointed Commissioner Boonshaft (3rd Dist.), in absentia.

#### **Task Force on Commission Staff**

Chairman Ikejiri then proposed that a task force be formed to address future EEC staffing needs. It was suggested by Commissioner Tortorice that the issue of staffing might be best taken up by the Executive Committee. Chairman Ikejiri explained that since the current members of the Executive Group come from only three of the five Supervisorial Districts, it would not have the diversity of representation he would like to see weigh in on these important issues. He then asked for one volunteer from each of the five Districts. The Task Force on Commission Staff was formed with the following members: Commissioner Fuhrman (1st Dist.), Commissioner Balderrama (2nd Dist.), Commissioner Hill (4th Dist.), Vice Chair Barcelona (5th Dist.). Being that there were no 3rd District commissioners present, the Chairman appointed Commissioner Baltierrez (3rd Dist.), in absentia.

Commissioner Fuhrman asked if it might be possible to do-away with the practice of using temporary employees in the position of Administrative Assistant and instead get a permanent part-time or full-time staff member who works out of the Executive Office. Commissioner Hill and Chairman Ikejiri both expressed their understanding that it would not be possible to have a County employee supervised by the Executive Director who is himself an independent contractor. The fact that the Executive Director's time sheets are now signed by the Executive Office, rather than the Commission's Chairman might have implications for the application of this provision, but this would be best ascertained through consultation with the County Counsel's Office.

#### **X. PUBLIC COMMENT**

Opportunity for members of the public to address the Commission on items of interest that are within the subject matter jurisdiction of the Commission. No members of the public commented.

#### **XI. ADJOURNMENT**

Chairman Ikejiri adjourned the meeting at 11:45 a.m.

Respectfully Submitted.



Bruce J. Staniforth  
Executive Director

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