
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

THURSDAY, FEBRUARY 4, 1999

ROOM 830, 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 OF THE COMMISSION MEETING

Lacking a quorum, Chairman Abel opened the meeting as a Committee of the Whole at 10:25 A.M.

IV. INTRODUCTIONS AND ANNOUNCEMENTS

Chairman Abel informed the Commission that the Speaker of the State Assembly has created a 30-person Statewide Commission on State/Local Government finance based, in part, upon the work that has been done in Los Angeles. The next meeting of that Commission will be in Los Angeles on March 5, 1999 at 10:30 a.m. in the Southern California Association of Governments Boardroom.

V. OLD BUSINESS

1. Unincorporated Area (Commissioners Crowley and Padilla, co-chairman)

Commissioner Padilla reported that he and Commissioners Sylva and Crowley had a meeting with Ms. Sherri Sakamoto-Cheung, a Deputy of Supervisor Knabe. There are a number of complex reasons for Supervisor Knabe pulling his January 5, 1999 motion requesting a follow-up on the EEC "Accountability and Municipal Service Delivery to Unincorporated Areas Report". Commissioner Sylva reported that Ms. Sakamoto-Cheung agreed to meet with the task force some time in the future to discuss further options. Commissioner Sylva was in favor of an approach that focuses on a specific issue that is of value to the Board, as opposed to taking on the entire process.

Chairman Abel introduced Mr. James Edwards, Commissioner of the Los Angeles County Commission for Local Government Services (CLGS). The work of the CLGS touches upon many issues that are of interest to the Economy and Efficiency Commission (EEC). Commissioner Edwards explained that CLGS has been involved with issues like the merger of the Marshall's Department and the Los Angeles County Sheriff's Department. CLGS has also been involved in Los Angeles County Fire Department restructuring and the consolidation of law enforcement and Fire training centers. Commissioner Edwards stated that a new issue being considered by the CLGS, at the request of the Chief Administrative Officer (CAO), is a study of the feasibility of consolidating the County/cities crime labs.

Commissioner Edwards explained that one of the issues he wanted to raise with the EEC is accountability. CLGS has been working for two years on a project involving contracting of services from the County by incorporated cities. When contracting with the County, a city contributes to the Liability Trust Fund (LTF). Unfortunately, the County has

been unable to account for the funds contributed to the LTF. As a result, contract cities have been working to try and get increasing accountability for these funds.

Accountability, Commissioner Edwards explained, refers to the accounting of funds received and expended by the County. He explained that none of the various County agencies with access to the LTF use the same accounting system or the same computer systems. There does not appear to be any accountability in the use of these funds. According to the CAO's office, there was no accounting for the LTF funds until three years ago. Currently, a balance sheet cannot be produced. Commissioner Padilla commented that the LTF is funded from the money that contract cities pay as a percentage of their contract.

Commissioner Edwards explained that since the EEC deals with efficiency issues within the County, perhaps the CLGS could cooperate with the EEC in its efforts. Commissioner Buerk asked if a fund administrator for the LTF has ever been paid. Commissioner Edwards answered that until recently there has not been a problem, keeping in mind that five years ago, this fee was 2 percent of a contract. Subsequently, it increased to between 3.5 percent to 5 percent, depending on when a city signed. The fee is currently 6 percent. Commissioner Buerk added that it would seem to be an easy task to add up the funds that have been paid into the LTF, whether or not they have been accounted for separately. Commissioner Edwards agreed that it should be that simple, but the fact is that the County has agencies utilizing the LTF funds without communication or accountability, which contributes to the confusion.

Commissioner Padilla asked about the role of the Claims Board. Commissioner Edwards responded that the Claims Board is the gatekeeper of the LTF.

Commissioner Sylva mentioned that the EEC Task Force on Municipal Services, has also met with some measure of indifference. This Task Force would also like to uncover the reason for hesitation on inter-agency accountability and equitability. She offered to cooperate with CLGS in any way that is helpful.

Commissioner Edwards explained that the CLGS would like to offer the CAO an opportunity to become increasingly accountable to contract cities and to the County. A possible basis for litigation with a trust fund is this lack of oversight. Commissioner Sylva asked if it is the Board of Supervisor offices that need to be convinced. Commissioner Edwards responded that the CLGS should be able to get the Board to approve the program, if that course of action is necessary. Commissioner Farrar asked which department or division within the CAO is currently responsible for the LTF. Commissioner Edwards responded that he did not know. He elaborated that although we know the LTF has an annual income between \$8.5 million to \$9 million, the total amount of true dollars in the fund is not known.

Commissioner Philibosian commented that he does not understand why the Supervisors have not asked the County Auditor, or an outside auditor, to audit the LTF. He also wondered why the individual contract cities, which pay a lot of money to the County, have not collectively and/or individually approached their respective Supervisor to demand accountability. Commissioner Edwards responded that the problem is that the three organizations involved in this fund (elected officials, city managers, and the contract cities organizations) are not always coordinated.

Commissioner Crowley commented that the EEC Municipal Services Delivery Task Force would be in a position to cooperate in this matter. Chairman Abel responded that with the consent of the Task Force, the EEC will consider this matter. He requested that Commissioner Edwards send a written request for cooperation to clarify how we can be assistance on these issues. Commissioner Stoke suggested that the Task Force report back on how the EEC could help to resolve this issue.

Commissioner Sylva asked for clarification of the specifics (i.e., the crime lab consolidation) of where the CLGS needs assistance from the EEC. Commissioner Edwards responded that the CLGS, as of February 2, 1999, is working on the questions pertaining to the consolidation of the crime labs. He re-emphasized that the two issues for resolution are LTF accountability and the consolidation of various County departments and functions.

Commissioner Farrar asked for clarification on how the CLGS is constituted. Commissioner Edwards explained that there are two appointees from each of the County Supervisors, five from the City of Los Angeles, and one from each of the three primary city associations - Independent Cities, Contract Cities, and the Los Angeles chapter of the League of California Cities.

Chairman Abel thanked Commissioner Edwards for his comments and assured him that the EEC would consider his requests.

I. CALL TO ORDER OF THE COMMISSION MEETING (Cont.)

With the presence of a quorum of commissioners, Chairman Abel called the Commission meeting to order at 10:50 A.M.

II. APPROVAL OF COMMISSIONER'S ABSENCES

COMMISSIONERS PRESENT

David A. Abel
Hope J. Boonshaft
Gunther Buerk
John Crowley
David W. Farrar
Chun Lee
Tony Lucente
Roman Padilla
Robert Philibosian
H. Randall Stoke
Julia E. Sylva

COMMISSIONERS REQUESTING TO BE EXCUSED

Ben Breslauer
Jonathan Fuhrman
William J. Petak
Marc A. Seidner
Carol Ojeda-Kimbrough

COMMISSIONERS NOT REQUESTING AN EXCUSE

Fred Balderrama
Richard D. Barger
Chris Hammond
Michael Jimenez
Tony Tortorice

QUALITY AND PRODUCTIVITY COMMISSION LIAISON

Jaclyn Tilley Hill

It was Moved, Seconded and Adopted: The Commission members noted above be excused.

III. CONSIDERATION OF MINUTES

It was Moved, Seconded and Adopted: The minutes of the January 7,1999 Commission Meeting be approved.

VI. PRESENTATION -

[Assistant Sheriff William Stonich, Los Angeles County Sheriff's Department.](#)

[Topic: Future Direction of the Sheriff's Department.](#)

Assistant Sheriff Stonich made comments to the Commission concerning the changes currently underway at the County Sheriff's Department, including issues of the new crime lab, budget accountability, and changes in the culture of the Department. A summary of Assistant Sheriff Stonich's comments can be found in the EEC web site under the presentation's link available in the February agenda.

[Mr. Steve Ashton, Manager, Offer in Compromise Program, State of California Franchise Tax Board](#)

[Topic: Franchise Tax Board - Accounts Receivable Management and Collections](#)

Mr. Ashton presented to the Commission the new procedures that the Franchise Tax Board is implementing to more efficiently and effectively collect delinquent tax payments throughout the State. A summary of Mr. Ashton's comments can be found in the EEC web site under the presentation's link available in the February agenda.

VIII. PUBLIC COMMENT

None

IX. ADJOURNMENT

On a motion from the floor, Chairman Abel adjourned the meeting at 11:55 a.m.

Respectfully Submitted.



Bruce J. Staniforth
Executive Director

[Go to February, 1999 Agenda](#)

[Return to March, 1999 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