
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

April 4, 1990

ROOM 839, KENNETH HAHN HALL OF ADMINISTRATION
500 West Temple St., Los Angeles, CA 90012

Editorial Note: The following minutes were taken from the tape of this meeting. Unfortunately, the tape does not normally identify the speaker and subsequently, with the exception of the Chairman, it is often not possible to identify individuals by name. Where individuals were identified we have done so

I. CALL TO ORDER

With the presence of a quorum, Chairman Peever called the meeting to order.

II. APPROVAL OF COMMISSIONER'S ABSENCES

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

III. APPROVAL OF MARCH 7, 1990 MINUTES

Chairman Peever asked if there were any corrections or amendments to the minutes of the March 7, 1990 Commission meeting. The following motion was Moved, Seconded, and Adopted: The minutes of the March 7, 1990 Commission meeting be approved.

IV. OLD BUSINESS - TASK FORCE REPORTS

Family and Children Services

Commissioner stated there is no news information at the present time. The last activity was taken by the Board of Supervisors and appointed a Blue Ribbon Committee to look into how the County could organize a multi-disciplinary Task Force. Commissioner said the Committee was to include 11 members; 5 County department heads, 5 members appointed by the Board of Supervisors and 1 appointed by the E&E Commission. The Commission's appointee is Bob Lowe. Commissioner said the Blue Ribbon Committee has six months from the time members are appointed to come up with a recommendation.

Executive Structure

Commissioner said the interview process of the County's department heads is an ongoing effort. He said the mode of

the Task Force is towards the steps prior to drafting a report. Commissioner said the report would address the times allotted for specific contracts, money allocations for districts and the relative small amount of time on developing strategies for major County problems. The Task Force is looking into how the current system works, ways in which it does not function and how the Task Force could make some organizational recommendations to improve it.

Security Systems

Commissioner met with the Courthouse Security Committee to determine where the status improving security stands and if the Economy & Efficiency recommendations had any impact. He said there are significant improvements although the exact recommendations from the Commission were not implemented. The next step for the Task Force would be hospital visits and the individuals in charge of their security protocols.

Asset Management

Commissioner stated there is nothing new to report. The Task Force will document all the information to date and identify some examples of major dollar savings or other opportunities that the Board of Supervisors can take advantage of. He said at the next Commission meeting there would either be a document stating what is known or a Task Force report on some conclusions and recommendations.

Contracting

Commissioner said they are trying to assess any contributions that would benefit the County and form a Task Force for this purpose. If not then take it off as an ongoing Task Force. Commissioner said they would take a look at twelve years of activity and see if there is anything further that the Task Force can recommend at this time.

Contracting Out the Drug Abuse Office

Commissioner Williams noted a meeting with Robert Gates the department head of County Health Services. The Board of Supervisors asked for a recommendation if the County should contract out drug abuse treatment. Commissioner raised the question if the private sector can address alcohol treatment why can't they also treat drug abusers.

Inventory Management

Commissioner Thor said the CAO has appointed Bill Moore to work with the Task Force. Mr. Moore asked specific questions about the total buildings under County control and the square footage of each facility. An answer to the latter was inconclusive. Commissioner wanted to investigate the storage style of the pallets used. Another way to affect big savings for the County is to get the Auditor to cut the check before the current 60-day turn-around. Earlier payments would take advantage of all the cash discounts instead of the vendors taking the interest and compounding the invoice. In turn the Auditors is possibly paying 10% more on all purchases, which is millions of dollars. He said the Task Force wants to cut down the time frame for payments to vendors.

V. NEW BUSINESS

Contracting

Commissioner said last week the Board of Supervisors considered a proposal from Supervisor that the total cost that would be considered to be unavoidable in the case of a private contract could not exceed 20% of the total cost of providing the service. The last comprehensive study on contracting yielded a conclusion that it would frequently create a large outflow of low-level employees and the managerial and administrative overhead costs would stay in place.

Commissioner stated he feels the logical response to the Board of Supervisors is to adopt this policy and try it for a year to get measurable results. Commissioner said the Board of Supervisors asked the Commission to comment on the Board order. Commissioner made the motion that the Executive Committee should outline a response, approve it then review it with the CAO and make adjustments where necessary. The following motion was Moved, Seconded, and Adopted: The Executive Committee Proposal for the June 6th Commission meeting be approved.

VI. PRESENTATION

Mr. Jerry Rouse
Director of the Finance & Operations for the Chief Administrative Office
Los Angeles County
Topic: County's Overall Financial Condition

Mr. Rouse opened with a discussion highlighting various functions of County government in relation to the County Budget. He outlined the trickle down effect of County funds which is 30% comes from the state, 21% from local

property taxes, 19% from the Federal government and 30% from other sources – charges for services, fees and interest earnings. Mr. Rouse addressed the change of the financial climate, which now includes more stipulations in terms of how the received funds are used.

Mr. Rouse explained the correlation between Proposition 13 and the decline in local property taxes by a third. He iterated that 10 years ago the County was less reliant on state funding and received the bulk of revenue from local property tax. Mr. Rouse projected a growth for property taxes in the upcoming year due in part to the new housing construction boom in the Antelope & Santa Clarita Valley's.

The health care and Medic-Cal programs raised concerns for the organization due to exorbitant cost of maintaining the systems with the growth in population of lower income households and immigrant residents. Jail overcrowding is a current and future issue, which may require a diversion of funds from over County programs. In conclusion, Mr. Rouse stated the overall finally condition of the County is deteriorating because of problems encountered in the state and federal budgets.

VII. ADJOURNMENT

Chairman Peever adjourned the meeting at 12:00 p.m.



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