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Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

THURSDAY, April 3, 2003
ROOM 140, 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 OF COMMISSION MEETING

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

II. APPROVAL OF COMMISSIONER'S ABSENCES

Chairman Philibosian asked for a motion to approve absences.

COMMISSIONERS PRESENT

Clayton Anderson
Fred Balderrama
Isaac Diaz Barcelona
John Crowley
Jonathan Fuhrman
Jaclyn Tilley Hill
Chun Lee
John L. Lewis
Tony Lucente
Royal F. Oakes
William J. Petak
Robert H. Philibosian
Julia Sylva

COMMISSIONERS REQUESTING TO BE EXCUSED

Hope J. Boonshaft
Annie E. Cho
Ronald K. Ikejiri
Roman Padilla

G. Thomas Thompson
Tony Tortorice

COMMISSIONERS NOT REQUESTING AN EXCUSE

Joanne Baltierrez

It was Moved, Seconded, and Adopted: The Commission members requesting an excuse, be excused.

III. APPROVAL OF MARCH 6, 2003 MINUTES

Chairman Philibosian asked if there were any corrections or amendments to the minutes. Hearing none the following motion was Moved, Seconded, and Adopted: The minutes of the March 6, 2003 Commission meeting be approved.

IV. APPROVAL OF MARCH 6, 2003 PRESENTATION

Chairman Philibosian asked if there were any corrections or amendments to the presentation. Hearing none the following motion was Moved, Seconded, and Adopted: The presentation of the March 6, 2003 Commission meeting be approved.

V. INTRODUCTIONS AND ANNOUNCEMENTS

Commissioner Hill announced the birth of her first grandchild.

VI. CHAIRMAN'S REPORT

Chairman Philibosian reported the Executive Director advised him this was a good time to reestablish the Asset Management Task Force that dealt with real estate management issues. The three original members, as well as one or two additional Commissioners, will comprise the task force including Vice Chairman Lucente, who accepted the chairmanship. Commissioner Crowley requested an update of previous task force activity in order to establish a starting point for this task force. Chairman Philibosian said the additional members will be announced in the near future.

VII. EXECUTIVE DIRECTOR'S REPORT

Mr. Staniforth distributed the master calendar utilization policy. He welcomed comments and suggestions. Commissioner Fuhrman asked if the calendar could reflect the status of the previous month activities. Commissioner Sylva inquired if the format could be reduced in size. Mr. Staniforth responded that best efforts would be made to accommodate these suggestions.

Chairman Philibosian asked Mr. Staniforth to briefly describe the new procedures. Mr. Staniforth summarized the basic process to schedule a meeting - provide the date, time, attendees and subject matter. Mr. Staniforth explained that since standing meetings fall under the provisions of the Brown Act, everything will be scheduled on an ad hoc basis.

VIII. LIAISON REPORTS

Local Government Services Commission

Commissioner Stitzenberger reported that her Commission has been tracking real estate asset management for the purpose of utilizing vacant space in publicly owned buildings by all elements of government, particularly in areas like Van Nuys, Long Beach and the Civic Center, to prevent unnecessary leasing in privately owned buildings. The issue was recently brought before the Board of Supervisors in the form of a recommendation to improve the Geographic Information System (GIS) database. Currently, the database is devoid of any information relating to public properties, so the Commission is working with the County to make the database a functional resource. Commissioner Stitzenberger suggested there may be a role for the Economy & Efficiency Commission in this project.

Commissioner Crowley suggested motivation within individual departments may come if control of rental is vested with the principle occupant.

Quality and Productivity Commission

Commissioner Hill described the Homeland Survival Awareness Program, developed with the Office of Emergency Operations, for Los Angeles County employees. The program includes brochures, posters and email blasts. It is believed the program will help relieve war related anxiety within the workforce and their families.

IX. OLD BUSINESS - TASK FORCE REPORTS

Emancipation Services Task Force

Commissioner Thompson was out of town, so no report was given.

Grand Jury

Commissioner Lewis commented on the task force meeting earlier in the morning where the discussion focused on those areas that have not been explored by the Grand Jury. He said a response from the Judges Grand Jury Committee regarding training future grand jurors should be available for the next meeting.

Organization & Accountability Task Force

Commissioner Oakes expressed satisfaction with the progress of the task force so far. He stated that last month's task force meeting with Mr. Armfield was very productive. He felt that Mr Armfield had a good grasp of the issues contributing to workers' compensation fraud. Commissioner Oakes said that the input from Mr. Armfield along with the Grand Jury report due in June will enable the task force to make substantive recommendations. He then asked Commissioner Fuhrman to comment further on the meeting.

Commissioner Fuhrman outlined some of the concerns surrounding the 20,000 open claims from a population of 93,000 county workers. These include the entire claims administration process that is performed by third party administrators (TPA's), a lack of statistical information about the claims and the long range budgetary impact of those claims.

Chairman Philibosian asked how many TPA's or individuals were involved in claims administration. Commissioner Fuhrman said he would be able to provide more detail in the future.

Chairman Philibosian then asked if it made sense to expand their investigation to include funding and how comparable counties manage this issue? Commissioner Oakes agreed to expand the task force inquiry to include funding and the extent to which department managers are able to control costs.

Commissioner Fuhrman said that Mr. Armfield identified the lack of incentive for department managers to reserve funds for future costs of a claim, as a significant factor in the workers' compensation dilemma.

Commissioner Lewis inquired if the 20,000 open claims were excessively high and why so many? Commissioner Fuhrman affirmed that the number is excessive and detailed the main causes as a failure to adjust and close claims promptly, a lack of effort to identify invalid claims and outright fraud.

Economic Development

Commissioner Sylva reviewed the task force meeting earlier in the morning that was convened to hear from Mr. Brendan Huffman of the Los Angeles Area Chamber of Commerce. His remarks covered employment gains and the cost of the current recession. He cited the greatest cost to government is the increase in workers compensation.

Commissioner Lewis clarified that Los Angeles County's premium for next year is projected to be \$320 million just on the basis of increased premium cost. Commissioner Fuhrman added that the County is not self insured but uses a 'pay as you go' approach and has not adopted a policy to reserve funds for future costs.

Sheriff's Transportation Task Force

Commissioner Anderson noted that efforts to obtain cost information have not produced results and next week's task force meeting will focus on members' suggestions to overcome this challenge.

XI. NEW BUSINESS

Chairman Philibosian opened the meeting to new business and informal discussion while waiting for the guest speaker.

Commissioner Crowley suggested that the more time the Commission spent in discussion and the less time listening to speakers, the more the Commission could accomplish. Commissioner Hill pointed out that guest speakers enabled the Commissioners to stay informed on important issues in order to make intelligent recommendations. Commissioner Fuhrman agreed with Commissioner Hill, but also agreed that substantive discussions within the Commission about the various task force endeavors would be very fruitful.

Chairman Philibosian proposed the task force chairs format their monthly reports in a way that will elicit feedback from the Commission

Commissioner Petak supported guest speakers that are subject matter experts as a means of informing the members on those topics that relate to Commission /task force endeavors. Chairman Philibosian proposed that the June meeting include Mr. Armfield and an insurance expert in an informal panel discussion. Chairman Philibosian asked Commissioners Petak and Fuhrman to get an insurance expert and Commissioner Oaks to provide a moderator.

Commissioner Hill asked if these claims come before the Board of Supervisors for payout? Commissioner Fuhrman replied that only claims of \$100,000 or more go to the Board. Although smaller claims are subject to review, there is a real concern as to how well the claims inspection/claims adjustment process has been managed. He also clarified that the number of claims are cumulative per individual from year to year.

X. PRESENTATION (a)

Chairman Philibosian introduced Dr.Thornberg and welcomed him to the meeting

[Christopher Thornberg, Ph. D., Senior Economist](#)
[UCLA ANDERSON FORECAST](#)
[Topic: Economic Forecast for the Los Angeles Region](#)

Dr. Thornberg's presentation focused on the long run economic development in Los Angeles County, specifically the areas of economics and policy, historical perspective and potential future issues.

XI. NEW BUSINESS (Continued)

Since Chairman Philibosian had to depart early, Vice Chairman Lucente took charge of the meeting and asked if there was any additional new business. There was none.

XIII. 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. Ms.Genevieve Clavreul addressed the Commission.

XIV. ADJOURNMENT

Upon a motion from the floor, Vice Chairman Lucente adjourned the meeting at 12:00

Respectfully Submitted.



Bruce J. Staniforth
Executive Director

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