
July, 1996

ACCOUNTABILITY
AND
MUNICIPAL SERVICE DELIVERY
TO
UNINCORPORATED AREAS

A Study by

The Los Angeles County
Citizen's Economy and Efficiency Commission

**The Los Angeles County
Citizens' Economy and Efficiency
Commission**

Chair
Gunther W. Buerk

Vice Chair
David W. Farrar

Unincorporated Service Delivery Task Force

Roman Padilla, Chair

**David A. Abel
Fred Balderamma
John Crowley
Dr. William J. Petak
Julia E. Sylva**

Commissioners

**Richards D. Barger
Harry Cooper
Louise Frankel
Jonathan Fuhrman
Rob Glushon
Jaclyn Tilley Hill
Michael A. Jimenez
Carole Ojeda-Kimbrough
Chun Lee
Robert H. Philibosian
Randall H. Stoke
Tony Tortorice
Albert M. Vera**

**Executive Director
Bruce J. Staniforth**

Contributors

**David Adishian
Jim Colangelo
Gene Romig
Dr. Gilbert Siegel
Los Angeles County Counsel
Urban Research Service**

The mission of the Commission is to examine any function of county government at the request of the Board of Supervisors, on its own initiative, or as suggested by others and adopted, and to submit recommendations to the Board which will improve local government economy and efficiency, and effectiveness.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
Strategic Goal of This Study	1
The Challenge	1
Strategies / Summary of Recommendations	4
I. INTRODUCTION	10
II. SCOPE	13
III. BACKGROUND	14
IV. MUNICIPAL SERVICES DELIVERY MODEL	15
A. SERVICE DEMAND STRUCTURE	17
1. Legal	17
2. Jurisdictional	20
3. Service Delivery	32
B. SERVICE DELIVERY REQUIREMENTS	35
1. Customer's Perception of Service Adequacy	36
2. Provider's Perception of Service Adequacy	42
C. PROGRAM FORMULATION	47
1. Strategic Planning	47
2. Budget	49
3. Priorities (Demand)	50
4. Revenue (Supply)	51
D. PROGRAM IMPLEMENTATION	55
1. Resource Allocation	56
2. Delivery	57
3. Accountability	66
V. CONCLUSION	74
BIBLIOGRAPHY	
APPENDICIES	
A. What is a Local Agency Formation Commission (LAFCO)	
B. Inventory of Unincorporated Areas Within Los Angeles County	
C. Description of Selected Los Angeles County Islands	
D. Recommended Service Efforts and Accomplishments for Fire Departments: Fire Suppression	
E. Recommended Service Efforts and Accomplishments for Police Departments	
F. Effectiveness Measures for Recreation Services	
ATTACHMENTS	
A. The Role of Inflation in the Growth of Service Sector Costs	
B. Resource Allocation Measurement	

CITIZENS ECONOMY AND EFFICIENCY



COMMISSION

OF LOS ANGELES COUNTY

July 17, 1996

Honorable Michael Antonovich
Chair, Los Angeles County
Board of Supervisors
500 West Temple Street
Room 869, Hahn Hall of Administration
Los Angeles, CA 90012

Dear Chairman Antonovich:

Two years ago, the Citizens Economy and Efficiency Commission listened to a presentation by County staff on the County's budget. Very much to our amazement, we found that the County has no separate budgets for its regional and municipal governmental functions. This means that the County routinely subsidizes the one from the other without even knowing and not knowing by how much.

This was the spark that interested us in a review of how the County provides municipal services, how efficiently this is done, how the County can improve services, and how it can improve accountability for those services.

Since Los Angeles County was formed, tremendous changes have occurred. Initially, most of the County was unincorporated and most of its residents lived in unincorporated areas. Today, still two thirds of the County's area is unincorporated; but only about 10% of its population live in unincorporated areas.

Service delivery in the unincorporated areas is made difficult by the proliferation of cities, who have incorporated the "profitable" areas. Most cities have selectively chosen to incorporate those areas that provide more tax income than the cost of providing municipal services. Other areas, sometimes ridiculously small islands, were left unincorporated. The Citizens Economy and Efficiency Commission looked at different aspects that the County can improve in providing local government services.

Chair

Gunther W. Buerk

Vice-Chair

David W. Farrar

Commissioners

David A. Abel

Fred Balderrama

Richards D. Barger

Harry Cooper

John Crowley

Louise Frankel

Jonathan S. Fuhrman

Robert Glushon

Jaclyn Tilley Hill

Michael A. Jimenez

Chun Y. Lee

Carole Ojeda-Kimbrough

Roman Padilla

William J. Petak

Robert H. Philibosian

H. Randall Stoke

Julia E. Sylva

Tony Tortorice

Albert M. Vera

Executive Director

Bruce J. Staniforth

Kenneth Hahn Hall of Administration, Room 163
500 West Temple Street, Los Angeles, CA 90012
(213) 974-1491 • (213) 620-1437 FAX
Internet ID: bstanifo@co.la.ca.us

July 17, 1996
Hon. Michael Antonovich
page 2

- ▶ The County needs to find ways to reduce the number of small unincorporated areas that are difficult to service. That means, establishing policies that encourage cities to annex islands and lobbying for legislation that prevents any more such islands to be left unincorporated.
- The County must carefully account for services to unincorporated areas in order to measure their effectiveness, and to determine what level of services it can provide given the revenues that it receives for those government functions. Separate budgets and productivity measurements are one way to make more with less. In addition, possibly citizens in unincorporated areas would be willing to pay additional taxes or fees to enable a higher service level for specific services than could otherwise be provided. Even in these times, in which nobody wants to pay more taxes, some cities have found support for additional taxes that are earmarked for specific service improvements.

The Commission has worked with different County departments and with several contributors over the past two years to develop 23 different recommendations for your Board. We strongly believe that your adoption of the recommendations and their implementation will allow you to improve municipal service delivery to the unincorporated "city" of almost one million people. It also will permit you to determine whether and to what degree you want to subsidize the unincorporated area. Or you will be able to determine how much of the revenues for the unincorporated areas is left over for you regional government responsibilities.

The Commission looks forward to working with the staff to translate our recommendations into reality and to periodically report to the Board on the implementation.

Sincerely,


Gunther Buerk
Chair

C: Each Supervisor
Each Commissioner
Sherman Block, Sheriff
Sandra Davis, Interim Chief Administrative Officer
DeWitt Clinton, County Counsel
Harry Stone, Director, Public Works
Rod Cooper, Director, Parks and Recreation Department

EXECUTIVE SUMMARY

“Government is a trust, and the officers of government are trustees; and both the trust and the trustees are created for the benefit of the people.”

Henry Clay

Speech at Ashland, KY, March 1829.

STRATEGIC GOAL OF THIS STUDY: IMPROVED MUNICIPAL SERVICES DELIVERY

The scope of the delivery of municipal services to the unincorporated urban areas of the Los Angeles County varies in magnitude among the different county departments. The ultimate goal of providing these services is to provide the highest quality in the most efficient and effective manner at the lowest possible cost that is responsive to the people and the property served. To successfully accomplish this goal, there is a need to shift the emphasis of county government from the resources committed to service delivery, to a focus on the results or outcomes of the services being provided.

For any organization to understand the implementation of the concepts involving outcome measurement and how systems can and should be changed, the current system's structure and operation must be analyzed and an organizational change strategy developed. The goal of this study is to raise the consciousness of the County and its residents on this issue. It is anticipated that this approach will assist decision makers in improving the equitability, efficiency, effectiveness and accountability for municipal service delivery. It also recognizes that significant effort will be required to define the mechanics of how the objectives established in this study can be realized within the County's organizational environment.

THE CHALLENGE

In its unincorporated areas, which occupy approximately 2,700 square miles, the County is responsible for providing municipal services to approximately one million residents. These services are defined in this study as those normally expected to be provided by a city, e.g., law enforcement, fire, street maintenance, etc., as opposed to those services provided by a county operating in its capacity as a regional government, e.g., social services, welfare, health, etc. In fulfilling its role of a municipal service provider, the County functions in the capacity of a city and, thus, faces the same problems of responsiveness, efficiency and effectiveness of service delivery as would a city.

This study highlights the complexities involved in the delivery of municipal services through the use of a service delivery model. By understanding how these systems work, it is possible to analyze and evaluate alternative means of delivering municipal services. The conclusions of this study recognize

the need for the development of county strategies to effectively address the problems associated with the delivery of municipal services.

What follows in this section is an overview of several of the findings that have resulted from an analysis of the delivery of municipal services to unincorporated areas:

1. USING PERFORMANCE ACCOUNTING, PERFORMANCE CRITERIA AND THE MEASUREMENT OF PERFORMANCE, WOULD ASSIST LOS ANGELES COUNTY IN ITS EFFICIENT DELIVERY OF MUNICIPAL SERVICES TO UNINCORPORATED AREAS.

The current accounting system used by the County does not have the ability to identify the service levels or the costs of municipal services. The County does not accumulate or evaluate expenditures for these services, nor can it provide data on service delivery configurations that include inputs, outcomes, impacts and effectiveness. Although some operational and reporting systems do exist, these are generally dedicated to specific operational requirements, rather than larger decision making and evaluation issues. Lacking this structural capability makes performance reporting and evaluation of service delivery difficult, if not impossible.

An integral part of performance accounting and reporting systems are performance measures. These measures provide the means of establishing the scope of municipal service production and consumption. Current systems within the County are used to identify the resources committed in the delivery of a service, e.g., budgeted dollars, etc. Outputs and outcomes, which provide the capability of measuring the services delivered, can only be determined utilizing a totally different structural and organizational approach. For example, the County's current accounting system will measure such items as the levels of expenditures, but only a fire department requires and tracks data on "fire calls answered." The County needs to respond to the Governmental Accounting Standards Board (GASB) recommendations that would assist in the identification of what it spends on servicing its unincorporated areas. These recommendations would also contribute to measuring the efficiency and effectiveness of these expenditures. There is little evidence that a system(s) of performance measurement is in use by County municipal service providers.

The citizens of Los Angeles County deserve accountability, and the recommendations made in this study are intended to increase this accountability within the County. The implementation of these recommendations will also require a reprioritization of existing resources and an organizational reevaluation. The issue is not whether these initiatives are possible -- they are. The County needs to commit to the creation of accountability by insuring the implementation of these recommendations.

2. A REVIEW AND UTILIZATION OF SERVICE DELIVERY ALTERNATIVES CAN RESULT IN INCREASED EFFICIENCY AND EFFECTIVENESS.

Several alternatives are available to the County for the delivery of municipal services. To a large extent, the existing factors involved in serving the diverse number of unincorporated islands within the County, such as travel time, availability of resources, etc., will dictate the alternative to be selected.

The unincorporated areas desire to have greater control and influence over the policy and administration of municipal services. This desire for local control may be more understandable in the delivery of those services for which decisions on policy and the means of implementation are best determined at the local level, e.g., parking enforcement. Because of economies of scale and their complexity other services may be better suited to governmental decision making at the regional level, e.g., crime laboratory activities. There have not been extensive studies of the scope of service delivery alternatives available to the County of Los Angeles, although in some instances, attempts have been made to introduce regional and sub-regional delivery alternatives, e.g., mutual aid arrangements.

3. RESIDENTS OF UNINCORPORATED AREAS ARE OFTEN CONFUSED AS TO HOW MUNICIPAL SERVICES ARE BEING DELIVERED.

As the County is currently structured, residents of unincorporated areas often perceive themselves as lacking understanding as to how services are being delivered. Part of this confusion may result from the assumption, which from a resident's perspective could be considered understandable, that revenues (taxes) should be committed to the community in which they are collected and thus, fund those services.

Given these predispositions, residents tend to become suspicious of proposed financing initiatives. These proposals are often perceived as serving others in the County who may be distant from the community providing the funds. This potential for discomfort with service allocation, combined with possible negative anecdotal experiences, may lead individuals to conclude that they have been unfairly treated in receiving their "fair share" of County services. This discomfort may then be generalized to the delivery of other services, creating the impression that some or all governmental services are delivered inefficiently and/or ineffectively.

4. THERE IS NEED FOR THE COUNTY TO REVISE ITS POLICY ON UNINCORPORATED ISLANDS.

Often, as a result of incorporations and/or annexations, unique areas of small unincorporated landmasses have been created. These "islands" of unincorporated land parcels often lack any particular logic in their creation and are inherently and unavoidably expensive to service. For the most part, they have been formed as a result of an incorporating or annexing city concluding that these islands lacked economic attractiveness. They also may have been left out for various reasons involving other dynamics of incorporation and annexation. The number of

unincorporated islands within the County, combined with issues involving their size, economic capacity and geographic diversity, creates a multitude of resource allocation difficulties for county departments. This situation has the potential for producing inequities, excessive costs, and inadequate and/or democratic policy representation.

STRATEGIES / SUMMARY OF RECOMMENDATIONS

Strategy #1 Develop a Municipal Service Delivery Policy for Unincorporated Urban Areas Within the County.

1. Direct the Auditor-Controller, in coordination with the Chief Administrative Office (CAO) and appropriate county departments, to estimate, based upon established minimum service levels, the direct and indirect costs of providing municipal services to unincorporated areas, by department.
2. Create and direct a department head level Unincorporated Municipal Services Committee to submit to the Board of Supervisors a comprehensive policy on the delivery of municipal services to unincorporated urban areas. This policy should take into consideration, among other factors, the efficiency of service delivery and access to the decision-making process by residents of unincorporated areas. The policy should be coordinated with a County Municipal Services Delivery Ombudsman, appointed by the Chief Administrative Officer, who should have the responsibility for facilitating effective service delivery to the unincorporated areas.
3. Request that the Los Angeles Local Agency Formation Commission (LAFCO) review the possibility of requiring particular unincorporated communities, through special elections or other appropriate means, to opt for alternative service delivery levels and/or representation options. This review should include a financial benefit analysis of placing a fair tax burden on properties benefitting from alternative service delivery levels or facilities.
4. The Board of Supervisors should support legislation on incorporation and annexation that will preclude the formation of unincorporated islands.
5. Direct the department head level Unincorporated Municipal Services Committee, assisted by Los Angeles LAFCO and appropriate county departments, to specifically define the elements of County municipal service delivery. In addition, it should develop a policy which will eliminate existing unincorporated islands and prevent their creation in the future. This policy should include:

- a. A strategy to encourage annexation of presently unincorporated, very small islands by an appropriate jurisdiction if it is determined that it is more efficient and will enhance accountability,
- b. A means of ensuring that decisions on future land uses and regulations within islands are equal to, or more restrictive than, those of adjacent cities with the highest zoning standards,
- c. The establishment of standards and capital improvement requirements for new or expanding developments which are equal to, or more restrictive than, the highest standards of adjacent cities, and,
- d. A policy that developments are to be charged proportionately increased fees based on the distance of their subdivisions from existing core infrastructures, e.g., water, sewer, fire, law enforcement, etc.

Anticipated Outcome: The effects of the recommendations in this strategy, when considered in combination with other strategies, should significantly impact the problems of providing service to unincorporated islands and communities. This approach should also encourage annexation of present islands and preclude the future development of unincorporated islands.

Strategy #2 Insure that Tax Payers Are Viewed by the County as Valued Customers.

6. Direct each county department, in coordination with the Chief Administrative Office and the Auditor-Controller, to develop a program to evaluate and improve the effectiveness of customer service. Such a program should recognize that the outcome of service delivery is the critical performance measure used by the resident.
7. Direct the department head level Unincorporated Municipal Services Committee to prepare for the Board of Supervisors a policy statement that emphasizes that service to residents is the primary consideration of each County employee. This policy statement should be provided to each employee.
8. Direct the Internal Services Department to develop a service reference guide for inclusion in the County phone book that would enable each employee to direct resident calls to the appropriate department.

Anticipated Outcome: The outcome of the recommendations in this strategy is to reduce resident frustration and hostility toward County service providers, while orienting County operations to more effectively meet the expectations of its citizens.

9. Direct the department head level Unincorporated Municipal Services Committee to increase efforts to help form community groups that provide the opportunity to educate and consult with residents of unincorporated areas on municipal service provision by Los Angeles County.
10. Direct the department head level Unincorporated Municipal Services Committee, in cooperation with all appropriate organizations, to prepare information for the residents of unincorporated areas informing them of opportunities, procedures, advantages and disadvantages of alternative political and community organizations.
11. Direct the department head level Unincorporated Municipal Services Committee, with the assistance of the Los Angeles LAFCO and appropriate county departments, to advise the Board of Supervisors on the methods of municipal services delivery, including financing, that would lend themselves to policy input from local communities.
12. Direct the department head level Unincorporated Municipal Services Committee to develop a system that involves community groups in advising the County on the adequacy of municipal service provision in their communities.

Anticipated Outcome: The results of the recommendations in this strategy will be to create opportunities for unincorporated residents to be informed about the levels and the quality of municipal services. It will also create the opportunity for structured dialogue between these residents and County service providers. As a result of the improved communication, negative perceptions and possible discontent will be dissipated.

Strategy #3 Facilitate the Ability of Local Organizations to Provide Input to the Budgetary Process.

13. Direct the department head level Unincorporated Municipal Services Committee, assisted by the Chief Administrative Officer, to utilize input on the budget that may be provided by local organizations.
14. Direct the Chief Administrative Officer, with the cooperation of the Auditor-Controller and appropriate county departments, to create a separate municipal services budget consistent with Board policy.
15. Direct the Chief Administrative Officer to develop an “Annual Report on Municipal Service Delivery to the Unincorporated Areas” that is consistent with established GASB

recommendations and as illustrated in Appendices D thru F. This report should be coordinated with the new Management Appraisal Plan (MAP).

Anticipated Outcome: These recommendations will reduce the potential dissatisfaction of unincorporated area residents by providing them with a structured forum for expressing their concerns about how resources are being allocated and how services are being delivered.

Strategy #4 Develop Reporting Systems for the Outcome-based Performance Measurement of Municipal Services Being Provided.

16. Direct a department head level Unincorporated Municipal Services Committee, with the assistance of the Auditor-Controller and appropriate county departments, to geographically account for municipal services, using inputs (monetary, personnel, etc.), outputs (units of service delivered), outcomes (results), and effectiveness (quality, timeliness, customer satisfaction) as recommended by GASB and as illustrated in Appendices D thru F. This Committee should jointly submit to the Board of Supervisors an annual report on the utilization of this approach.
17. Direct the Chief Administrative Office, with the assistance of the Auditor-Controller and appropriate county departments, to develop outcome-based program evaluations for municipal services based upon recommended GASB criteria and as illustrated in Appendices D thru F. This evaluation should be coordinated with the Management Appraisal Plan (MAP) and be consistent with “Vision 2000”.

Anticipated Outcomes: The outcomes of these recommendations will provide the Board of Supervisors and County managers with the following benefits:

- a. Improved comparisons of financial results within the structure of the legally adopted budget,
- b. More effective assessments of financial conditions and results of operations, such as, ability to continue to provide services and meet obligations as they become due,
- c. More efficient determinations of the County’s compliance with finance-related laws, rules and regulations, and,
- d. Increased ability to evaluate County service delivery efficiency and effectiveness policies

Strategy #5 *Maximize the Use of Alternatives in the Delivery of Municipal Services to Unincorporated Areas.*

18. Direct a department head level Unincorporated Municipal Services Committee, assisted by Los Angeles LAFCO and appropriate county departments, to develop policies ensuring that:
 - a. the County coordinates with other jurisdictions in the provision and design of municipal services to unincorporated areas, and,
 - b. alternative service providers include other public jurisdictions, the private sector, joint powers authorities, universities and other service delivery possibilities. Additionally, any combinations of these alternatives should be considered in the development of municipal service delivery.
19. Direct the department head level Unincorporated Municipal Services Committee, assisted by appropriate county departments, to make recommendations on the use of municipal service delivery alternatives, to include interdepartmental restructuring, reorganization and consolidation where more efficient and effective service delivery can be achieved.
20. Request that the Los Angeles LAFCO provide the Board of Supervisors with a review of all future boundary changes or revisions between incorporated and unincorporated areas with the objective of considering which form of delivery most efficiently and effectively meets municipal service needs.
21. Direct the department head level Unincorporated Municipal Services Committee, in coordination with the Department of Human Resources, to develop policies and procedures that integrate the Department Head Performance Objectives, Management Appraisal Program (MAP), annual budget process and service delivery systems.

Anticipated Outcomes: The effects of the recommendations in this strategy will be to open the County to alternative service suppliers which, in turn, will introduce increasingly effective market system behaviors. The latter will usually result in both better services at lower costs and in higher performance by suppliers.

Strategy #6 Provide Ongoing Efforts Toward the Improvement of Municipal Service Delivery.

22. Direct the department head level Unincorporated Municipal Services Committee to develop a system which will combine sequentially: Department head/Board goal setting, departmental budgetary planning, performance standards and reporting (as recommended in this study), performance appraisals and rewarding of departmental management. Unincorporated areas should be included in this process to establish performance accounting, reporting and standards.

Anticipated Outcomes: The effects of this recommendation will be to coordinate the budgetary process with the incentives and strategies for competency development within departments. It also attempts to motivate departments to maximize performance.

23. Direct the Commission to undertake further consideration of the following areas:
- a. Insure the close coordination of the recommendations made in this study with “Vision 2000” objectives.
 - b. A follow-up on the recommendations made in this study.
 - c. Further study in the field of municipal service delivery that will review such items as the impact of these issues on other local and regional governments. This will include both “contract” and “independent” cities; further research surrounding municipal services, including other local governments within the County; and the potential for new legislative directions.
 - d. Further study of the County as a principal provider of regional governmental services and regulation, not only for “contract cities,” but also to “independent cities” and other local governments.
 - e. How the County can best fit into a new regional governance structure as contemplated by state constitutional amendments now under consideration.

I. INTRODUCTION

“The real voyage of discovery consists not in seeking new lands, but in seeing with new eyes.”

Marcel Proust

Within Los Angeles County exists a complex web of agencies and jurisdictional arrangements involving the delivery of municipal services¹ and the collection of revenues to fund those services.² In addition to County government, 88 city governments (some of which contract with the County for services) and various local and state agencies, such as the Metropolitan Transit Authority (MTA), and the Air Quality Management District (AQMD), etc., there exists the following 94 districts which fall under the jurisdiction of the Los Angeles Local Agency Formation Commission (LAFCO)³:

<i>California Water District (1)</i>	<i>Cemetery Districts (5)</i>
<i>Community Services Districts (4)</i>	<i>County Sanitation District (25)</i>
<i>County Service Area (1)</i>	<i>County Water Districts (13)</i>
<i>County Waterworks Districts (5)</i>	<i>Fire Protection Districts (1)</i>
<i>Garbage Disposal Districts (6)</i>	<i>Health Care/Hospital Districts (2)</i>
<i>Irrigation Districts (6)</i>	<i>Library Districts (2)</i>
<i>Mosquito Abatement/Vector Control (5)</i>	<i>Municipal Water Districts (9)</i>
<i>Recreation & Parks Districts (4)</i>	<i>Resource Conservation Districts (2)</i>
<i>Water Agencies (2)</i>	<i>Water Replenishment District (1)</i>

A review of this web of agencies suggests that any improvement in municipal service delivery within the County will require more than just modernizing systems. It will encompass increased leadership demands upon the County to coordinate a significant combination of conflicting interests. It will also involve moving from an organizational environment characterized by bureaucracy and hierarchy to one characterized by flexibility, innovation, and customer orientation. Such an approach will involve a meaningful cultural change in how the County is governed.

¹ Municipal services are defined in this study to be those services which are normally controlled and managed locally (city) vs. those services that would have a regional (county-wide, e.g., health, welfare) orientation. The authors appreciate that this is not an easy line to draw, but the attempt is made for purposes of this analysis. From the array of services that fall within the definition of municipal services, this study has primarily used the Sheriff's, Fire, and Parks and Recreation Departments in presenting examples of the concepts being discussed.

² Los Angeles County is responsible for providing municipal services to its unincorporated areas. This responsibility stems from the following authority, "The board [of supervisors] may do and perform all other acts and things required by law not enumerated in this part, which are necessary to the full discharge of the duties of the legislative authority of the county government." *California Government Code*, Section 25207.

³ Information provided by Los Angeles County Local Agency Formation Commission (LAFCO).

Adding further to the complexity of this issue are the numerous service delivery considerations that a county decision-maker must evaluate. In determining which is the most effective delivery alternative, policies should suggest whether:

1. the County is able to accommodate expansion or reduction of an existing service delivery organization;
2. a reorganization is necessary; or,
3. some other form of delivery would more effectively provide the service.

A consideration of the available service delivery alternatives should: a) recognize the interests of the participants; b) minimize negative impact; c) insure that any reorientations of responsibilities are fully understood and accepted by the public; d) coordinate the differences that exist in various special purpose jurisdictions; and e) recognize the significant variances that exist in the funding structures within county departments, e.g., general fund allocations, contract revenue, special district funding, state funding, etc.

A major influence in how services are delivered is the increasing realization by government that, as in corporate America, a **reemphasis on the consumer is critical to the organization's well being**. This refocus will significantly impact governmental operations, structure and how services are delivered. Government can no longer afford to ignore the demands of this new environment; to do so would not only be detrimental to the employee, but would also result in a wide range of negative consequences in the delivery of its services. The swiftly emerging customer service philosophy within government is, according to Wagenheim and Reurink⁴, a belief that cooperating with customers, and providing them with services that they want, is not only more effective, but also more efficient than attempting to dictate and control what the customer receives, e.g., "government exists to satisfy the needs of the citizens" (page 264).

“What we need most if this revolution is to succeed...is a new framework for understanding government, a new way of thinking about government - in short a new paradigm.”

**Osborne/Gaebler,
*Reinventing Government.***

The California Constitution Revision Commission recently recognized the same issues of service delivery as raised in this study. This Commission has stated, "While there is a general public interest in improving and streamlining local governance and service delivery and increasing local accountability, local agencies have few tangible incentives to reform. The existing local government structure and division of governmental responsibilities were

⁴ Wagenheim, G.D. and J.H. Reurink, "Customer Service in Public Administration," *Public Administration Review*, 51 (May-June 1991): 263-269.

conceived during a time in the State’s history when there were fewer people, fewer environmental problems and arguably fewer social equity challenges.”⁵

Part of the difficulty in evaluating local government is that roles and responsibilities are often blurred and overlapping. It is necessary to begin this review with clear definitions of these responsibilities. The following table serves as a reference to more fully understand alternatives in the assignment of municipal service delivery policy and to define the management and delivery roles within the County.

MUNICIPAL SERVICE ROLE	REQUIREMENTS
<p>POLICY MAKING</p> <p><u>Board of Supervisors</u> accountable to electorate and state legislation</p>	<ul style="list-style-type: none"> • Setting goals, objectives and priorities (needs) across and within service areas. • Financing and budgetary decisions and allocations. • Developing main components of policy and program design including standards and the general means by which the service is to be delivered to citizens. •
<p>MANAGEMENT</p> <p><u>Departmental Management</u> responsible to the policy-setting body</p>	<ul style="list-style-type: none"> • Designing the delivery of the service according to the decisions of the policy-setting body. • The establishment, control and monitoring of operating standards for services. • Planning for effective operations and efficient use of resources. • Measuring service needs and budgetary allocations. •
<p>DELIVERY</p> <p><u>Departmental Staff</u> accountable to the management body</p>	<ul style="list-style-type: none"> • The day-to-day provision of services to citizens according to the directions set by the management body. • Service delivery can be undertaken directly by internal staff, or indirectly through the use of contracted services.

There seems to be little doubt that citizens are looking to government to become increasingly effective and efficient in meeting their needs. The nation’s frustration with “government as usual” has been growing steadily, drawing into question whether the current bureaucratic model utilized by local government is the form best suited for providing the needs of a “customer driven organization.” Numerous examples, some of which are presented in this study, suggest that this model may be in the process of becoming less effective in responding effectively to the requirements

⁵ California Constitution Revision Commission, “Summary of Recommendations” (Sept. 1995).

of its citizens. Given this environment, the County should become increasingly motivated to develop a new vision with new approaches to problem resolution. To accomplish such a mission will demand increasingly proactive leadership for its effective implementation and a commitment to develop effective responses to the changes being forced upon the County by an evolving environment.

II. SCOPE

“It is not the function of our Government to keep the citizen from falling into error; it is the function of the citizen to keep the Government from falling into error.”

*Robert H. Jackson
American Communications Association v. Douds
339 U.S. 382, 442 (1950).*

Originally, the scope of this study was defined by the desire to undertake action to improve the efficiency and effectiveness of municipal services being provided to unincorporated areas of the County. In the course of the study it became apparent that this issue involved questions requiring a review of the structure of the entire system of service delivery. Clearly, the system, with its complex interactions, necessitated an attempt at definition. To accomplish this, a model of these interactions was developed. The analytic structure of this model subsequently provided a basis upon which the study was patterned.

In addition to discussions of the processes defined by the model, this study contains examples of existing conditions within the County, generally as reported in the press, to illustrate the concepts being presented. They are also used in illustrating the relevance of each of the elements of the model to the environment existing within the County. Further clarification is provided on specific issues by footnotes from published academic papers, census data, journal articles, public statements, and other authorities.

III. BACKGROUND

“You're seeing it everywhere, a growing frustration among taxpayers that they don't know what they are getting for their money.”

*James R. Fountain, Jr.
Assistant Research Director
Government Accounting Standards Board.*

Between the late 19th Century and the end of World War I, many communities within Los Angeles County were incorporated. Many of these, such as Venice and San Pedro, were later merged into the City of Los Angeles. At this time only one separate city remained in the San Fernando Valley, the City of San Fernando, the balance having been merged or annexed into the City of Los Angeles. During the next four decades only three cities were incorporated -- Gardena in 1930, Palos Verdes Estates in 1939 and Lakewood in 1954.

Until the 1950's many municipal services within Los Angeles County were budgeted through the County's General Fund. This fund consisted largely of property tax collections throughout the County, including those from within incorporated cities. Cities were also collecting property taxes and other General Fund revenues to support similar services within city boundaries. As a result of this funding structure and governmental responsibility, incorporated cities concluded that their residents were, in effect, paying twice for municipal services: first, those services supplied directly to them within their city limits and, second, for a portion of the costs to provide services to unincorporated communities within the County.

In order to protect the integrity of its financing base, the County encouraged incorporating cities to establish arrangements with the County to provide services under contract. Using this approach, the new cities were able to avoid the cost of capitalizing municipal services and the County was able to recover revenue under contract that would have been lost as a result of incorporation.⁶ Lakewood was the first city to utilize this approach to financing government services. A number of other cities subsequently established this arrangement which was ultimately referred to as the “Lakewood Plan.”

⁶ Andersen, Robert T., “Portrait of Lakewood--After Two Years Incorporated,” *Western City*, 22 (Jan. 1956): 39- 41.

In 1987 Mehay and Gonzalez⁷ examined the “Lakewood Plan” by comparing county departments that serviced other municipalities and those that did not. They found that county departments providing contracted services to municipalities, in having established a price that would cover costs, indirectly relinquished their informational advantages. Consequently, these cities were able to curtail their rate of expenditure growth in these areas, compared to county departments that did not contract services. Mehay and Gonzales conclude that by “generating a flow of information on production costs for a given service, the Lakewood system eases the trustees’ task of monitoring the performance of county departments and increases the overall efficiency of local production.”

The County currently has responsibility for providing most of the municipal services to unincorporated areas and for providing those services contracted for by various cities throughout Los Angeles County.⁸ This vast service delivery organization is not only influenced by a complex service delivery structure within the County, but also by continual pressures to restructure from nearly a million citizens of the unincorporated areas.

“[Unincorporated residents are] seeing their services reduced, so that county can provide more county-wide services.”

California Public Finance
(August, 1994)

IV. MUNICIPAL SERVICES DELIVERY MODEL

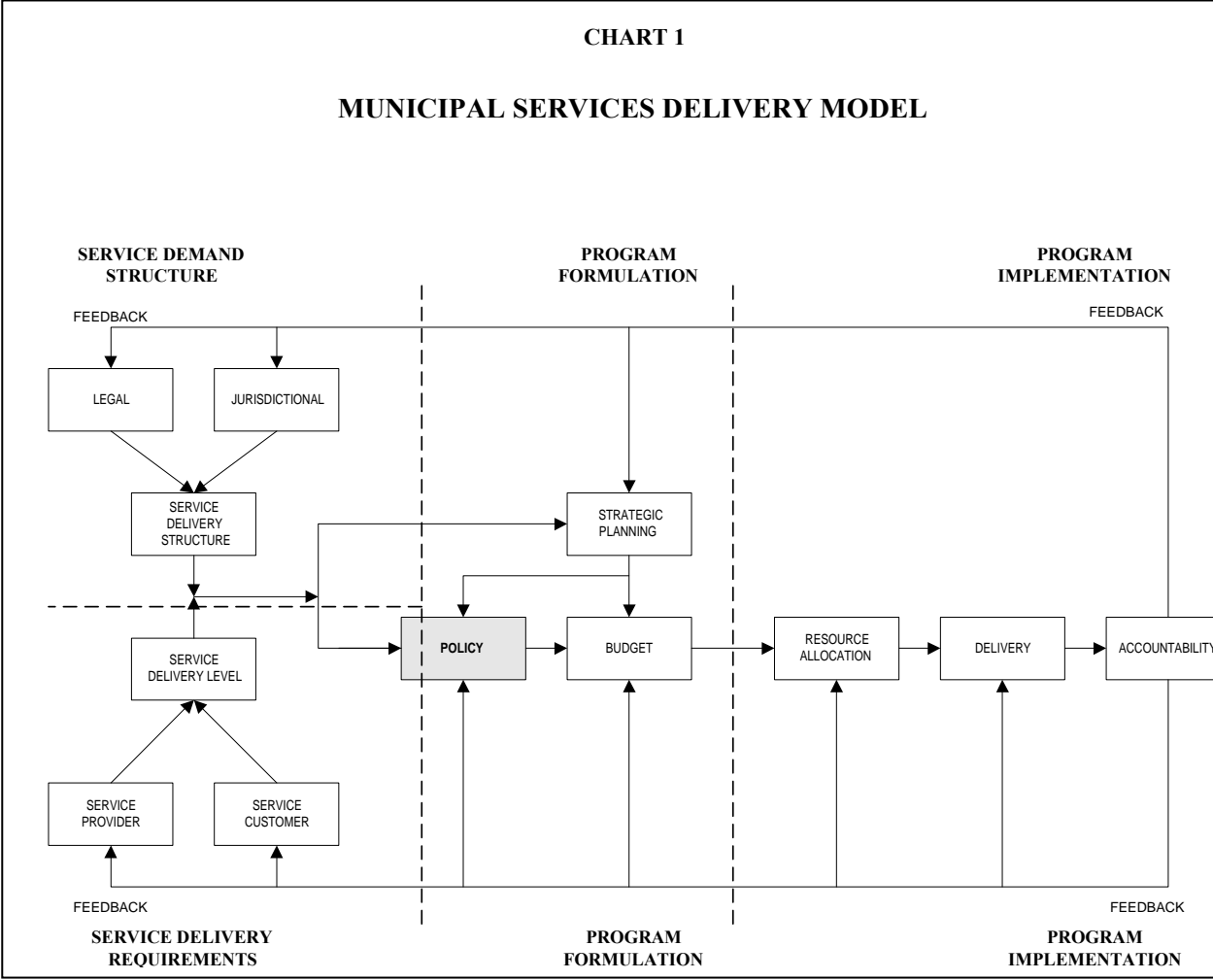
“The basis of effective government is public confidence”

President John F. Kennedy

The service delivery model which is illustrated in Chart 1 provides a conceptual overview of the interactions of various components that make up the system for delivery of municipal services within Los Angeles County. This model is not meant to describe the system in detail, but rather has been developed to provide an understandable illustration of the complex set of interrelationships that exist within the components of this service delivery system.

⁷ Mehay, Steven L. and Rudolfo A. Gonzales, “Outside Information and the Monopoly Power of a Public Bureau; An Empirical Analysis,” *Public Finance Quarterly* (Jan. 1987): vol 15, no. 1, pp. 61-75.

⁸ With respect to municipal water supply, most of the unincorporated area is serviced by both public and private water-delivery agencies which do not operate under the authority of the Board of Supervisors. Similarly, most of the municipal solid waste services in the unincorporated areas are provided by the private sector without any form of control by or under the authority of the Board of Supervisors.



The model is divided into four sections: **service demand structure, service delivery requirements, program formulation, and program implementation**. Within each of these sections, the processes necessary to complete the delivery of municipal services to the citizen are presented. In evaluating the model as a system, the last element is **accountability**. From **accountability** comes feedback to each of the elements of the model. This feedback provides information to further improve the development and operations of each element.

A. SERVICE DEMAND STRUCTURE

“We have to really challenge the very essence of what government’s role is at the state and local levels.”

*Kathleen Connell
California State Controller, 1996.*

CHALLENGES	PRINCIPLES
The definition of a county’s role in the delivery of municipal services and the appropriate division of responsibilities within that role.	There should be a clear understanding of the role, responsibilities, and policies of a county in its delivery of municipal services. Collaboration, coordination and cooperation should occur between municipal governments and within Los Angeles County government to eliminate duplication and inefficiencies in the provision of municipal services.
There is a need for greater recognition that a commitment to efficient and effective county service delivery is a necessary part of an economically and socially viable region.	County government should give greater attention to county-wide service delivery and its impact on economic development, self-sufficiency and wealth creation.

In this study “equality” is defined as providing an equal dollar value of service for all of the unincorporated areas of the County.⁹ For example, using only equality as a basis for establishing service levels, the areas of South Central Los Angeles and Brentwood would be provided the same service level regardless of demonstrated need, e.g., equal amounts of park space. “Equity,” on the other hand, considers demonstrated need in establishing service levels, e.g., the allocation of additional park resources in South Central Los Angeles, if it were shown that such a need existed. Neither concept alone will suffice as a basis for allocating resources, but rather should be considered together in the development of policy and in establishing an appropriate service mix.

1. LEGAL

The question of equity in the delivery of local services is not a new one for local governments within the United States. It was raised in 1971 in a matter involving the delivery of street paving, lighting, and sewers in the town of Shaw, Mississippi. In this case (Hawkins v. Town of Shaw), a class action suit, the Fifth Circuit Court of Appeals stated:

⁹ Since contract cities define and pay for the level of service they desire, it would be inappropriate to compare contract cities with unincorporated areas, unless the unincorporated areas opted to pay for a defined and committed level of service.

“In order to establish denial of equal protection arising from disparities in municipal services. . . , it was not necessary that actual intent or motive be directly proved where no compelling state interest could possibly justify the discriminatory results.”¹⁰

In Beal v. Lindsay, the first case requiring application of the decision made in the Hawkins case, the Second Circuit Court considered the complaint of the residents of New York City that the City unconstitutionally discriminated against them by failing to maintain a park in a condition equivalent to that of other multi-community parks in the Bronx. When the City showed that it provided equal or greater input of services to the maintenance of the park, but could not achieve the same results because of continued vandalism, the court stated:

“We do not minimize the gravity of plaintiffs’ grievances. But, in view of the level of the City’s efforts, the problem resulting from the inefficiency of its expenditures to keep Crotona Park in its previous satisfactory state is one to be resolved through cooperative efforts by the City and the community surrounding the park, which also has its responsibilities, not by interposition on the part of a federal court.”¹¹

The courts, while recognizing the rights of citizens not to be discriminated against in the delivery of services, also recognized a responsibility on the part of those citizens to take an active part in the process. Services should be equitably provided, though equity of the results need not be achieved.

The above circumstances bring into question the legal theories available for challenging the distribution of municipal services to residents of the unincorporated portions of a county. If the disparity of municipal services affects no specific racial or ethnic minority, and further, if there is no relevant statutory or constitutional provision governing the allocation of such services, courts will generally apply the rational basis test for determining whether the distribution of municipal services violates equal protection. Basically, this test considers whether the governmental entity’s chosen method for allocating municipal services is rationally related to a legitimate governmental purpose. This is the most easily satisfied test in constitutional cases and one in which courts will generally defer to the legislature’s method for allocating services.

In Mlikotin v. City of Los Angeles, for example, residents of Venice, California brought an action against the City alleging a denial of equal protection based on the neighborhood’s alleged receipt of inadequate municipal services. The residents claimed that, while the neighborhood was inhabited by poorer residents, it received substandard municipal services, and therefore, their property values decreased more than they otherwise would have if the services were

¹⁰ *Hawkins v. Town of Shaw*, 437 F.2d 1286 (5th Cir.1971).

¹¹ *Beal v. Lindsay*, 186 F.2d 287 (2nd Cir.1972).

adequate.¹² Since the court found the City's distribution of municipal services was rationally based, the court denied the plaintiff's claim. In reaching its decision, the court stated the following:

*"Plaintiffs do not maintain that the level of services was the result of any racial or other suspect classification . . . Nor have they alleged any irrational system of classification by the city . . . Rather, they claim simply that the city has not distributed its services in an equal manner . . . The Constitution does not require that laws treat every individual exactly alike, however, to withstand constitutional attack, . . . a governmental body may draw lines or make decisions which treat individuals or entities differently . . . The Constitution does not explicitly provide a right to municipal services."*¹³

Similarly, in Bank of America National Trust and Savings Association v. Summerland County Water District, a trustee/landowner brought an equal protection claim against the county water district because the county's new system of allocating water resulted in an allocation of water to the parcel that was substantially less than was allegedly needed for real estate development.¹⁴ The trustee claimed that the lack of adequate water would cause him serious financial harm because the land could become unmarketable.

In holding for the water district, the court noted that an interest in water for real estate development is not a fundamental right (or racial classification) and applied the rational basis test. Since the district's allocation of water resources was rationally related to a legitimate government purpose of conserving a scarce resource and was distributing it as equitably as possible, the court denied the equal protection challenge.¹⁵

Thus, the concepts of equity that have been raised do not lead to a common conclusion that services should be delivered exactly where revenues are raised. The only cases where revenues are raised and earmarked for the same area in a county are the benefit assessment districts, where those citizens benefiting from a service are taxed to defray its cost. **Otherwise, the county as a whole is considered one taxing district, and the governing body and its representatives (the service agencies) are to allocate revenues to those areas and programs where they collectively determine needs are greatest.**

12 *Mlikotin v. City of Los Angeles*, 643 F.2d 652 (9th Cir. 1981).

13 *Ibid.*, p. 653.

14 *Bank of America National Trust and Savings Association v. Summerland County Water District*, 767 F. 2d 544 (9th Cir. 1985).

15 *Ibid.*, p. 548.

In addressing the concerns raised in this study, it appears that a county would be subject to a rational basis standard in determining whether its distribution of services to unincorporated areas is valid. This assumes that any decision regarding a county's allocation of services to the unincorporated areas would not have a discriminatory effect on a particular racial or ethnic minority. Moreover, no statutory or Constitutional provision has been found that directly addresses the issue of providing services to a county's unincorporated areas. If either of these two circumstances were present, a more stringent standard would be applied by the courts.

2. JURISDICTIONAL

a. Background

In the late 1940's, and throughout the 1950's, tremendous growth and development occurred in California. In 1963, Local Agency Formation Commissions (LAFCO) were created in response to the creation of new cities and special districts. (A more detailed explanation of LAFCOs is

“Communities that become cities tend to be areas that produce more tax revenue than they consume in services. That leaves counties with sections, such as residential tracts, that do not produce much income but need services.”

James Colangelo, former Executive Officer of the LA Local Agency Formation Commission, cited in

included as Appendix A) These cities and/or districts were frequently formed without regard to the efficiencies of service boundaries, economies of scale, or possible duplication of services. LAFCOs were granted the authority to approve the formation and expansion of cities and districts. The mission of LAFCO was to discourage urban sprawl; to encourage the orderly formation of local agencies (e.g., cities and special districts); to conserve agricultural land; and to promote the efficient and economical provision of local governmental services.

In 1992, a law passed requiring that any proposed incorporation should result in a similar exchange of both revenue and responsibility for service delivery within a county, the proposed city, and other subject agencies.¹⁶ Incorporations and annexations should be revenue neutral, e.g., a county should not lose or gain tax revenue.

In undertaking these processes, cities desired the capture of locally generated tax revenues. As each new city has benefited by redirecting the tax revenues within their boundaries, they have often done so at the expense of a county. This happens because there is a finite amount of revenue available to local governments. Each dollar that flows to a new city results in a corresponding dollar being lost to a county or to other cities.

Since 1978, the effects of Proposition 13 have restricted cities, creating a new class of “no/low” tax rate cities. For example, if an area had a very low property tax rate as an unincorporated

¹⁶ SB 1559 (a) (Cortese-Knox), Ch. 697, Sec. 10 Stat., 1992.

area, it received a low city tax rate, and it could not raise taxes without the approval of a 2/3 majority of the voters. Consequently, new cities attempted to generate new taxes, while incorporations were made more difficult as a result of the revenue problems.

The lack of an annexation policy results, in part, from the lack of current state legislation that would give either LAFCO or the Board of Supervisors the authority to initiate annexation proceedings necessary to reduce the number of small-unincorporated islands that presently exist in Los Angeles County. It is also hampered by the fact that the interests of the three parties involved (county, city and property owners) in an annexation generally lack a commonality of purpose. For example, if an island does not generate sufficient tax revenue to pay for the services a county provides, then the city has no motivation to annex and assume the negative cost of providing those services. Even if a county and the city agree to an annexation, the property owners may not.

Prior State legislation, which gave LAFCO the authority to initiate and process annexations of unincorporated islands of less than 100 acres, which were completely surrounded by a city, expired in 1981. That program met with limited success and caused such a political backlash that all attempts by California LAFCO (CALAFCO) since 1981 to have similar legislation enacted has been soundly rejected by the California State Legislature. What successes that have been obtained have been limited by inherited patterns of illogically planned cities. Since they have lacked the necessary authority from the legislature to correct past mistakes and reliable financial data with which to address the problems being created, they have not typically studied issues of service provision beyond the cost issues. Changing this role would require changing existing legislation

In spite of the fact that LAFCO has not addressed these broader-based service delivery issues, Los Angeles County has not chosen to take action to develop a comprehensive policy to assure that difficult-to-serve islands are not created or to address the matter of efficient service delivery to those islands that currently exist. As a result, it is difficult to expect efficient delivery of municipal services without an annexation policy which takes into consideration service delivery issues.

The difficulty in quantifying the costs attributable to county departments incurred as a result of providing municipal services to the incorporating areas is exacerbated by the County's failure to account for service costs within geographical boundaries, specifically those areas proposed for incorporation. This may be partially explained by the fact that county departments may incur negative consequences if these service costs were identified. For example, if a County department anticipates that, following incorporation, its budget may be reduced by an amount identified as its estimated cost to provide a service, the department has an incentive to underestimate the cost of providing that service.

If unincorporated communities were required, through special elections, to have appropriate service delivery and/or political representation options, the services and powers of LAFCO

could be enhanced and reasonable boundaries for units of urban unincorporated areas could be established. Individual cases would command the attention of county supervisors as the advantages and disadvantages of the several choices were analyzed and debated. In turn, LAFCO could perform a significant service to the affected citizens, property owners, and the Board of Supervisors through an extensive independent review of the political and economic considerations raised by this approach. This includes an analysis of the financial benefits to each party, including benefits to the County General Fund, arising from placing a fair tax burden on properties benefiting from municipal-type services.

b. Incorporations/Annexations

Incorporation and annexation relieve a county of its statutory obligation to provide municipal services to these areas. The process of municipal incorporation requires a landowner vote, a

“A county must provide certain services to everyone within its boundaries but city governments largely control land use, which affects transportation, sales tax distribution and population growth.”

Dan Walters,
“Governance of Counties
Inadequate,” Pasadena
Star-News (April 25,
1996).

public hearing, and a residential vote. In the first stage, the petition stage, the landowners of 25% of the assessed value of the proposed area must approve the petition. Petition opponents can be typically gerrymandered out of the proposed incorporation. If the petition is successful, a public hearing follows, and the local LAFCO will recommend an amendment or a positive/negative consideration of the proposal. If the public hearing is successful, a vote of the residents (land ownership is not a requirement) is held; if successful, the city is incorporated. Throughout the process, boundary choices are made with reference to tax base and electoral victory, **but without reference to serviceability**.¹⁷ In the past industrial groups have incorporated cities to safeguard access to low-tax-rate industrial land while excluding areas of high

service demand (e.g., City of Commerce, City of Industry, Santa Fe Springs).¹⁸

In the 1950's and 1960's competing realtor groups promoted incorporation as a means of controlling land-use decisions.¹⁹ These realtor groups encountered land that could not be annexed. When this occurred, an attempt was made to encircle the area with annexed land, thereby creating an enclosed island to which the competing city no longer had access. The results created varying city boundaries with many enclosed unincorporated parcels. Palmdale is an example of a jurisdiction that is checkered with enclosed “islands.”

Between 1965 and 1978, most incorporation efforts were the result of a local desire to control land use and development, and perhaps, in part, inspired by dissatisfaction with developments approved by the County. However, after, 1978, and the passage of Proposition 13, incorporation was given a new meaning. Land use control continued to be a concern of cities,

17 Hoch, LAFCO interview, 1985.

18 Ibid.

19 Ibid.

but the added value of annexing land that was, or could be, productive of tax revenue became increasingly important. This newer incentive to annexation has added to the problems of illogical boundaries. Cities selectively annexed adjacent land and avoided troublesome annexations such as: Federal Government land which cannot be taxed, areas with low tax production potential, and areas that would require high capital investments to comply with the city's street code requirements, such as upgrading the pavement, curbs, gutters, etc.

Many counties, such as Ventura, and, to a lesser extent, San Bernardino, have taken a proactive stance on annexation policy. They have established spheres of influence which a county assumes will eventually be annexed to the city. The county then works with the city to determine a policy that is in line with the potential jurisdiction. Unlike Los Angeles County, the spheres of influence studies explicitly focus on service delivery patterns after the incorporation. Using this approach Ventura and San Bernardino counties have been aggressive in the elimination of islands.

Even with a commitment to aggressively pursue this matter the solution is not easy. As an example of this difficulty, two years ago San Bernardino County embarked upon an aggressive program to annex unincorporated islands. It used two approaches; first, both County and city officials pursued the unincorporated island communities vigorously through meetings with residents and community leaders to convince them to agree to annexation. In this instance, San Bernardino County LAFCO did all of the work required, including a waiver of all filing fees. The residents were only required to circulate the petition. This program has been successful on six of seven proposals and is ongoing.

A second strategy used by San Bernardino had LAFCO seeking a mass annexation of all of the County's 60 existing islands. To accomplish this LAFCO conducted a study of the financial burden of islands on the County. LAFCO officials believed that this study might have convinced the Board of Supervisors to initiate the mass annexations. It was suggested that such a proposal might have reduced the chances of a 25% to 50% voter protest. The program met with sufficient political resistance to cause it to be tabled.²⁰

“When we only take a residential area, it costs the city money. There isn't the income coming in to cover the costs of services to the neighborhood. That is why we like to include commercial areas.”

**Carole A. Brooks,
“Stevenson Ranch Eyes
Annexation,” Comment
by Mayor George
Pederson, The Signal &
Saugus enterprise (June
30, 1994).**

“Some are as small as a few blocks, stranded inside a city’s borders. Others, like Altadena and Hacienda Heights, are home to some 50,000 people and span areas the same size or bigger than their neighboring cities.”

Deborah Sullivan, “Taking Control of the Streets,” Los Angeles Times, San Gabriel Valley Local News (January 12, 1995: p.10

City annexations will create unincorporated islands for many of the same reasons cited above. Cities have a significant incentive to annex revenue-producing land, while leaving high service residential areas as unincorporated. Even when cities desire the annexation of islands with heavy concentrations of residential use, other issues often impede this process. In some instances, the unincorporated area has developed an emotional independence that cannot even be swayed by the prospect of improved services. A city council may be hesitant to initiate a “hostile takeover” that would increase the electorate by adding numerous outraged voters. In other cases, the city cannot afford to either take on non-conforming uses with an associated increase in liability or to upgrade the uses to meet city code requirements. Other situations include, the lack of curbs and gutters, streetlights, the lack of adequate set

backs that may cause significant health and safety problems for an annexing city, or the level of expenses required to provide upgrades.

Los Angeles County should identify the existing incentives for islands to remain islands. Having identified these incentives, the means should be found by which they can be mitigated and adopt policy accordingly. For example, if the zoning is more permissive in the island than in the enclosing city, the County could choose to change the zoning so that it is equivalent to that of the adjacent city. If it is a matter of upgrading the roads, curbs, gutters, the County should consider sharing that cost with the adjacent city, or perhaps compensating the city for assuming responsibility for the island. If it is a small area that is difficult to serve, the County should attempt to take every avenue to evaluate service delivery, to include all service delivery alternatives.

It should be noted that there are specific unincorporated areas within the County that defy designation either as islands or land areas that have merely escaped annexation by neighboring cities. These areas may have designated community names, often of local historical interest, they may also have their own unique community character.

Some of these unincorporated communities have their own school districts which carries the benefit of having a local body of elected school officials who can speak for residents of their respective community and provide a voice for local concerns on school issues. Also, advisory councils, improvement associations, and other locally appointed bodies may exist, largely for the purpose of advising the County on issues of local concern, e.g., the level of service delivery by law enforcement, public works, regional planning, etc.

In this regard, the role of the county supervisors in governing these unincorporated communities should not be overlooked. Primarily over the last decade, supervisors have established field

offices within these communities to improve the level of service to constituents. These efforts have been undertaken in an attempt, not only improve the level of municipal service delivery to unincorporated areas, but also as a vehicle for better understanding and communication between county departments and local residents on the nature of county government and its services. The presence of County Field Offices (both departmental and supervisorial), the existence of advisory boards and improvement associations and the active participation of service clubs, churches and sports leagues, may be additional contributing factors in the lack of successful incorporation drives in various regions of the County.

c. Unincorporated Islands

Unincorporated islands within Los Angeles County range from being very small to large pieces of real estate with population, public and private property, and all of the assets and liabilities of an urban community. Most County islands are not well known to the public and many are known by different names by different agencies. The large scale map of the County (Map 1) on the following page has been included to illustrate the typical distribution of unincorporated areas within the County. Due to the constraints of this map's scale, it is not meant to illustrate the location of all incorporated islands within Los Angeles County, but rather to demonstrate the scope of this issue County-wide.

Los Angeles County
By Community Area

Map 1 (*See hard copy for example*)

North County

Table 1 presents a list of representative unincorporated areas. (A complete inventory of unincorporated areas within the County is included as Appendix B.) This table illustrates a number of issues that exist within these islands and includes the following descriptions for each island: Column 1, a common place name (drawn from the former Community Development Department's "Brownline" map book) and the Registrar-of-Voter Records name; Column 2, a Thomas Brothers page and grid reference (this reference is independent of the name used by any agency); Column 3, the 1992 population; Column 4, the area of the island in square miles; Columns 5/6 represent whether the island is inside or adjacent to a contract city served by Fire and Sheriff, or whether the island is isolated from those two agencies (if either agency has to drive through a city that does not contract for their service, that area is considered here to be isolated); and Column 7, a land use or land form comment. (Appendix C provides a discussion of specific examples of situations created by the existence of County "islands.")

TABLE 1

SELECTED UNINCORPORATED AREAS "COUNTY ISLANDS"

COMMON PLACE NAME - OFFICIAL PLACE NAME¹	Thomas Bros. Page & Grid	1992 Populations²	Square Miles	Fire Service	Sheriff Service	Type of Landform
1. Bixby Sough - Alamitos	826 E2	7	.43	Yes	Yes	Unbuildable
2. Bandini	675 B3	0	0.03	Yes	Yes	Unbuildable
3. Woodruff – Bonner	766 D6	1,351	0.15	Yes	Yes	Enclosed
4. Centinella	672 E7	313	0.05	Yes	Yes	Enclosed
5. West Chatsworth (North) – (Chatsworth (South))*	499 E7	1,423	2.00	Yes	Yes	Enclosed
6. Doheny	592 H7	0	0.004	No	Yes	Map Errors ³
7. Compton Islands (North) – East Compton (Central)*	735 D4	9,157	0.58	Yes	Yes	Enclosed
8. Compton Islands (South) – East Compton (South)	735 C6	2,729	0.19	Yes	Yes	Enclosed
9. Willowbrook (North) – Florence (South)*	704 J6	1,713	0.13	No	No	Edge
10. Claremont Islands (South) – Foothill (South)*	601 A2	309	0.06	No	Yes	Edge
11. Franklin Reservoir – Franklin	592 E3	0	0.15	Yes	Yes	Park
12. Pan Pacific – La Brea	633 C1	0	0.00 ⁴	Yes	Yes	Park
13. East San Gabriel (West) – Lamanda (West)*	566 D5	2,117	0.26	Yes	Yes	Edge
14. La Rambla	824 A5	1,920	0.21	Yes	Yes	Hospital
15. Alondra Park (North) – Moneta (North)*	753 F2	2,022	0.12	Yes	Yes	Edge
16. Cerritos/Norwalk Islands – Pioneer (North)	736 F6	466	0.03	No	No	Edge
17. Pioneer (South)*	767 A4	0	0.03	No	No	Unbuildable
18. Covina Isl. (NE) – Ramona (Central)/Charter Oak (So)*	599 A4	2,543	0.31	Yes	Yes	Enclosed
19. Arcadia/Monrovia Islands (North) – Royal Oaks	568 B4	396	0.02	No	No	Hospital
20. Sawtelle – Veterans Administration Center	632 A4	2,543	0.31	Yes	Yes	Enclosed
21. West Chatsworth (South) – West Hills	529 C6	740	0.21	Yes	Yes	Enclosed
22. Del Aire (South) – Wiseburn (South)*	733 B2	5,154	0.47	Yes	Yes	Enclosed

¹ Name used in Registrar of Voters Records

² Population from SCAG Regional Population Model - 1993

³ Area created by an uncorrected erroneous boundary line

⁴ Area is less than .000193 square miles

*Service area is within a larger area so-named

An evaluation of the islands presented in Table 1 suggests that jurisdictional clarification and resulting efficiencies could be gained through the development of a policy that encourages the consolidation of these areas with the jurisdiction most capable of providing the required level of municipal service. For some unincorporated islands, particularly where there is no resident population, finding a means to service or annex to other jurisdictions should not present a significant problem. However, islands with residents may pose problems such as, their satisfaction with County services; cumbersome regulations imposed by a jurisdictional transfer; and/or fears of a resulting increase in taxes. Adjacent jurisdictions may fear hostile voters if the area is annexed and/or economic hardship resulting from a demand for service that would exceed any potential revenue from the area. In these instances other service delivery alternatives need to be seriously explored, e.g., islands may be more effectively served by contracting with contiguous cities, other agencies, or private organizations.

For example, in several instances County fire service to unincorporated islands has been improved by an association with neighboring jurisdictions. Automatic mutual aid agreements with cities contiguous to the area have served to facilitate emergency response.²¹ Although these agreements have proved beneficial to the efficient delivery of service, it appears that further improvement is possible. This is illustrated in the areas of the San Fernando Valley, West Hills and Chatsworth South (see Map 2).

These relatively small County unincorporated islands are served by County Fire Station 75. The next nearest County fire unit would have to drive past at least two Los Angeles City Fire Department (LAFD) stations to support Station 75. While the average station serves approximately 23,000 residents, Station 75 serves less than 2,300. There are three LAFD stations (96, 105, and 106) within a five minute travel time, and six LAFD stations closer than the closest County station. This situation may offer an opportunity to explore alternatives in the delivery of service, e.g., contracting with the Los Angeles City Fire Department to service this area.

²¹ Gee, John, Chief, Fire Department Planning, Interview, June 19, 1995.

MAP 2
COUNTY SERVICES IN UNINCOPORATED AREAS
(see Report hard copy)

The Sheriff has recognized this type of problem and has aggregated unincorporated islands with nearby contract cities to create increasingly efficient service delivery areas. This has enabled the establishment of substations at strategic locations in the area served. The issue of Sheriff station location, however, is not as critical to unincorporated island residents as it is with Fire stations, since Sheriff units are usually dispatched while on patrol in an area. Using this means to allocate their resources, the Sheriff claims that smaller geographic areas can be economically served. This is possible because capital expenditures are not required to locate a station, response time is the allocation criterion, and because informal service agreements work well.²² Although these arrangements may be working well, a continued review of this structure could prove productive. For example, in reviewing the listing of islands in Table 1, the Sheriff provides service to 18 of the 22 islands. Eight of these islands are surrounded and all have population. Two (2) islands have borders with Ventura County and the six (6) remaining could

²² Castro, Lt. Rick, Office of the Under Sheriff, Interview, Sept. 29, 1995.

possibly have law enforcement services provided by surrounding cities under contract.²³ This potential for contracting may offer opportunities for cost savings.

d. Providing Services to Unincorporated Islands

An unincorporated service area cannot be defined as an efficient or economical service area that is contiguous and standardized in character. Rather, it should be recognized that unincorporated islands are fragmented and vary greatly in the type of services that are required and in the condition of their infrastructure. To add further to the complexity of this situation, the majority of providers augment County funding with additional revenues, which may or may not be related to where the services are provided. These varieties of funding mechanisms hinder the creation of a meaningful relationship between the delivery of services and the funding of those services. As a result of these interactions, the system that has been developed to deliver municipal services becomes very intricate. When this system is considered within the array of cities, special districts, and County agencies who cooperate and compete with each other and with private providers, its complexity increases significantly.

“If the children sleep in the front bedroom they can go to school in the unincorporated area; if they sleep in the back bedroom they can go to school in Arcadia.”

Joan Schmidt, Town Council Member, Monrovia-Arcadia-Duarte area, LA Times (January 12, 1995).

For the most part, unincorporated areas have little or no power to determine the nature, quantity or quality of services provided by the County. An exception exists in the case of a special assessment district wherein the process permits protest by affected property owners. In some instances, unincorporated communities have formed a quasi-formal “town council,” e.g., Altadena, where members are elected by census tracts. Despite this structure, the Board of Supervisors will typically make all budget allocation decisions regarding municipal services and facilities for the use and benefit of these and other unincorporated areas. Due in part to this governmental service structure, it appears that residents in these areas often have little understanding of *what* agencies are responsible for

which services and *what* services are funded through their taxes.

The jurisdictional boundaries defining responsibilities for the delivery of municipal services to unincorporated areas are complicated, not only in the manner by which they have been established, but also in the contractual relationships that have been instituted. Boundaries have seldom been established based upon the ability of government to render efficient and equitable

²³ The basis for the sample were records from the Registrar of Voters, 1992 Population, SCAG Regional Population Model, 1993 and the Sheriff. The six islands and their surrounding cities are: Woodruff-Bonner surrounded by Long Beach; Centinela surrounded by Culver City; Compton Islands (North), East Compton (Central) surrounded by Lynwood and Compton; Compton Island (South), East Compton (South), surrounded by Compton; Covina Islands (Northeast), Ramona (Central), Charter Oak (South) surrounded by Covina; and Del Aire (South), Wiseburn (South) surrounded by Hawthorne.

delivery of a municipal service.²⁴ Thus, how services are delivered is often determined as a result of allocation decisions made by the provider, rather than being dictated by a defined service area.²⁵

In some instances, alternative delivery systems have been used in an effort to become more efficient, e.g., some cities currently contract with the County for services that enable the providing departments to aggregate services to adjacent cities and unincorporated islands into one contiguous service area. For example, 51 of the 88 cities within Los Angeles County are served by the County Fire Department. This department also has automatic and mutual aid agreements with 36 of the 37 remaining cities. This facilitates the siting of fire stations based on response times, rather than on jurisdictional boundaries. Similarly, the Sheriff has been able to establish substations within areas of the County using demand for services (crime rates) as siting criteria.

Although these service arrangements assist in economizing the provision of local services to the unincorporated area, they also obfuscate the true cost of servicing these areas. Without the ability to allocate costs to individual islands or areas, it will remain difficult for the County to develop an effective annexation policy. The County is unable to quantify how much revenue it should give up to an annexing city if the cost of providing services cannot be quantified.

High service demand areas with noncontiguous service boundaries leave municipal service providers with difficult service delivery patterns. An optimal service pattern is one in which there is a free flow of services between contiguous areas, and where facilities can be located to maximize that service. If an unincorporated island lies within a contract city, the island will not be isolated from the county agency's service district. However, if the city does not contract with the county, the result is a jurisdictional isolation of the island. In this instance, the agency faces a number of options, including accepting long travel times to service areas or placing a facility nearby to provide service. The latter decision may lead to an area isolated from others, which may have a low call rate, and that serves a relatively small number of people. In this instance, the option of contracting for service with an adjacent city or other agency may enable the service to be provided to an island in an increasingly efficient manner.

County agencies continually compete for the municipal service business of cities. Newly incorporated cities often contract with county agencies to provide services. The capital cost that is required to establish a particular service may be a determining factor, e.g., fire protection requires the capital expenditure of building a fire station combined with the costs of purchasing equipment. It is usually easier for a local jurisdiction to develop or retain a labor-intensive service, e.g., a police force, rather than a capital intensive one, e.g., a fire department. This contention is supported by the fact that there exists within Los Angeles County 48 police

²⁴ Even in cities the demand for municipal services is often driven by external forces. For example, in seeking cheaper land, developers subdivide land that is increasingly distant from core municipal infrastructure. The resulting urban sprawl causes municipalities to capitalize extended facilities such as police/fire stations and water and sewer service for these new areas. One city has coped with this problem by charging development fees on an escalating scale dependent upon distance from existing core facilities. Hawley, Brian N., "Lancaster's Urban Structure Program Tackles Sprawl," *Western City* (November 1993): 8-9.

²⁵ The Los Angeles County Probation Department recently stated that "Funds (to provide departmental services) are allocated on a caseload basis." Bolden, James, "NAACP Sues LA County Probation Department," *Los Angeles Sentinel* (June 2, 1994).

agencies, but only 33 fire agencies. The County Department of Public Works will face a different type of challenge, e.g., since the costs of developing the capability of maintaining streets may be lower for both cities and private contractors, it is easier for these organizations to enter the marketplace, thus, increasing competition. The ultimate objective in arriving at an effective structure is to develop a means to shape a preferred service delivery pattern using various sets of incentives and disincentives.

3. SERVICE DELIVERY

Equity is often implicitly defined as equality.²⁶ Using it as a criterion puts emphasis on making a determination of the appropriate level of service based upon needs and outcomes, rather than relying solely upon providing an equal level of services regardless of need.²⁷ Perceived quality of services, satisfaction and delivery outcomes are more important to citizens than the equal level of service delivery.²⁸ Specifically, the needs of the public sector customer are best presented in a 1991 Public Administration Review article by Wagenheim and Reurick. The assessment of these authors is that customers' needs include: information and communication; responsiveness; problem resolution; on-time, reliable, consistent service delivery; accuracy; courteous and friendly service; and competence of service personnel.

“But it is only when we turn to the distribution of a service that we can judge the equity of its provision.”

**Richard C. Rich,
Analyzing Urban-Service
Distribution (Lexington,
1982)**

The County recognizes its obligations to achieve a balance of equality and equity in the delivery of municipal services.²⁹ For example, in 1992, Los Angeles County evaluated the equity of library services with respect to service hours, personnel allocation, operating budgets, size of collections, and size and maintenance of facilities. The study concluded that there was an approximately equal distribution of library services, relative to population, among the five

²⁶ Rich, Richard C., “Analyzing Urban-Service Distributions,” *Problems of Theory and Method in the Study of Urban-Service Distributions* (Lexington, Mass: 1982), Ch. 2.

²⁷ Hicks, Donald A., “Monitoring Shift Patterns in Municipal-Service Outcomes Over Time,” *Problems of Theory and Method in the Study of Urban-Service Distributions* (Lexington, Mass: 1982), Ch. 5.

²⁸ Ibid.

²⁹ Lineberry, R. G., “Equality and Urban Policy,” Beverly Hills, CA, Sage Publications, 1977. Neimann, Max, “An Exploration Into Class Clustering and Local-Government Inequality,” *Problems of Theory and Method in the Study of Urban-Service Distributions* (Lexington, Mass, 1982), Ch. 13.

Supervisory districts. This study also concluded that library facilities and resources were distributed using service needs and library usage as their distribution criterion.³⁰

Departments continually face difficulties in establishing equality in the distribution of their resources. For example, with reductions, the Sheriff's Department budget patrol services to the unincorporated areas have slipped.³¹ Lt. Robert Elson of the Sheriff's Department has stated that, unlike areas such as Castaic, Stevenson Ranch and parts of Saugus, the City of Santa Clarita does not suffer from lack of protection because they pay for services. Deputy Tom Drake stated "If someone calls in sick, we take away from the County to fill a position in the city." To maintain city obligations, outside communities (unincorporated areas) sometimes must go without. Deputy Drake further stated "Every unincorporated area in the County of Los Angeles is facing the same thing."³²

Although there have been instances in which the County has attempted to evaluate its service delivery and possible inequities, due to continued crisis concerns, such an effort has not been addressed systematically. Currently, these issues are monitored by the Board of Supervisors on a case-by-case basis in response to constituents' concerns. As a result of the lack of recognition given to this matter, shifts in patterns of municipal service outcomes may remain unobserved.³³ A compelling argument can be made that a major function of government is to ensure the fair distribution of goods and services, and that unfairness - or appearance of unfairness - threatens the integrity and perhaps the legitimacy of government.

RECOMMENDATIONS

1. Direct the Auditor-Controller, in coordination with the Chief Administrative Office (CAO) and appropriate county departments, to estimate, based upon established minimum service levels, the direct and indirect costs of providing municipal services to unincorporated areas, by department.

Priority: Medium / Implementation: Within Nine Months

³⁰ "Report to the Los Angeles County Board of Supervisors of the Special Task Force Libraries," Reuben, Sandra F., Chair, 1992 .

³¹ Stahl, Valerie, "Budget Limits Deputy Patrols," *The Signal* (June 27, 1995).

³² Ibid.

³³ Shin, Doh C., "Subjective Indicators and Distributional Research on the Quality of Public Services," *Problems of Theory and Method in the Study of Urban-Service Distributions*, (Lexington, Mass: 1982), Ch. 6.

2. Create and direct a department head level Unincorporated Municipal Services Committee to submit to the Board of Supervisors a comprehensive policy on the delivery of municipal services to unincorporated urban areas. This policy should take into consideration, among other factors, the efficiency of service delivery and access to the decision-making process by residents of unincorporated areas. The policy should be coordinated with a County Municipal Services Delivery Ombudsman, appointed by the Chief Administrative Officer, who should have the responsibility for facilitating effective service delivery to the unincorporated areas.

Priority: Medium / Implementation: Within Six Months

3. Request that the Los Angeles Local Agency Formation Commission (LAFCO) review the possibility of requiring particular unincorporated communities, through special elections or other appropriate means, to opt for alternative service delivery levels and/or representation options. This should include a financial benefit analysis of placing a fair tax burden on properties benefiting from alternative service delivery levels or facilities.

Priority: Medium / Implementation: Within One Year

4. The Board of Supervisors should support legislation on incorporation and annexation that will preclude the formation of unincorporated islands. The objective of revising legislation is to insure that expenditures will not have to be made to supply services to these islands.

Priority: Medium / Implementation: Within Six Months

5. Direct the department head level Unincorporated Municipal Services Committee, assisted by Los Angeles LAFCO and appropriate county departments, to specifically define the elements of County municipal service delivery. In addition, it should develop a policy which will eliminate existing unincorporated islands and prevent their creation in the future. This policy should include:

- a.** A strategy to encourage annexation of presently unincorporated, very small islands by an appropriate jurisdiction if it is determined that it is more efficient and will enhance accountability,
- b.** A means of ensuring that decisions on future land uses and regulations within islands are equal to, or more restrictive than, those of adjacent cities with the highest zoning standards,
- c.** The establishment of standards and capital improvement requirements for new or expanding developments which are equal to, or more restrictive than, the highest standards of adjacent cities, and,

- d. A policy that developments are to be charged proportionately increased fees based on the distance of their subdivisions from existing core infrastructures, e.g., water, sewer, fire, law enforcement, etc.

Priority: High / Implementation: Within Nine Months

B. SERVICE DELIVERY REQUIREMENTS

“Government has traditionally provided the building blocks upon which people build the California dream. But government is increasingly in disrepute, and the problem is one of attitude not structure.”

*“A Question of Governance”
California Journal, Nov. 1995.*

CHALLENGES	PRINCIPLES
<p>There is a low citizen awareness or knowledge about how county government is structured, what it does, and how it operates and makes decisions.</p> <p>Government needs to improve the sharing of information and communication with citizens and provide mechanisms for meaningful participation in local government decision-making.</p>	<p>Government should ensure communication and an open exchange of information among all participants in local government.</p>
<p>Citizens do not necessarily equate their sense of community identity to political and administrative boundaries</p> <p>There is a need to encourage and promote volunteering as an important element in the provision of community services.</p>	<p>Municipal governments should provide mechanisms for effective citizen consultation and active participation.</p>
<p>There is a need for a greater focus on the customer in the delivery of services.</p>	<p>Municipal service delivery should be customer-focused.</p>

The *Service Delivery Requirements* Section addresses the relationship between the perception of service adequacy by those receiving municipal services and the perception of service adequacy of those providing municipal services to the community.³⁴ As a result of this interaction, the department delivering the service establishes what it perceives to be an adequate level of service. If those citizens receiving the services perceive that they are continuing to be inadequately serviced, despite their attempts to influence a department’s service levels, they have recourse to their political representatives, in this case, the Board of Supervisors. The Board of Supervisors may or may not intervene to revise the department’s determination of

³⁴ Difficulties can exist when defining community. Optimally for county government, individuals would consider the county as his/her community and would consider desirable that which would be in the best interest of the residents of the county as a whole. In reality, community is often a variable definition, using as its basis that area in which the individual achieves the greatest advantage in a particular situation. Thus, depending upon the circumstances, community may be defined as a region of the county, a neighborhood, or even a block.

service level adequacy. Such an intervention may occur on either a systemic level or a one-time revision to a situation.

1. CUSTOMER'S PERCEPTION OF SERVICE ADEQUACY

In today's service-oriented environment emphasis should be placed on customer satisfaction. As a provider of municipal services to the unincorporated area and contract cities, a county must

“This is a case of double taxation, because the property taxes homeowners pay are supposed to go to parks already...”

Supervisor Antonovich, “Supervisors Look for Options to Keep County Parks Open,” *Eastside Sun, East Brooklyn Belvedere Comet* (June 16, 1994).

increasingly take into consideration the customer's attitudes and perceptions toward the delivery of these services. Since the residents primarily use subjective criteria in evaluating a county's service delivery, perception becomes the key variable. Service providers often have a tendency to discount this concern, particularly in those agencies that use the levels of resources, primarily financial, committed to the delivery of a service as their measure of adequacy.

Addressing this subjective concern is not easy due to the inherent complexities and problems of perception. To illustrate this point, Brian Stipak points out in his study on the perception of the adequacy of service delivery that “expressed satisfaction may not reflect service performance.”³⁵ His contention is based upon a

survey of citizens within the Los Angeles metropolitan area. In this survey Stipak discovered that citizens' evaluations of service delivery (outcomes) were not convincingly related to the objective measures (inputs) being used in evaluating the effectiveness of the service by the provider. Thus, citizens evaluated a service based upon the response to a specific service request, e.g., how responding personnel conduct themselves, rather than on some organizational measure such as changes in crime rates or case load. Stipak concludes that, “Large improvements in objective performance -- in the sense of what public officials could realistically hope to achieve -- generally appear to have negligible effects on citizens' subjective evaluations.”³⁶ This means that whether residents base their interpretations on facts, their own experiences, or on hearsay, they will always have an opinion on how well county government accomplishes its objectives.³⁷

³⁵ Stipak, Brian, “Citizen Evaluation of Municipal Services in Los Angeles,” *NSF Report, Los Angeles: Institute of Government and Public Affairs* (University of California, 1974).

³⁶ Ibid.

³⁷ “City Terrace, a Community-Initiated Needs Assessment for 1989: Detailed Report” (Edmund G. “Pat” Brown Institute for Public Affairs, California State University, Los Angeles: undated).

a. Fairness of Service Distribution

Citizens recognize the need for the payment of taxes to provide for the common good, but they also have an understandable expectation that government expends these funds in a fair and responsible manner. Defining a “fair” distribution of municipal services is difficult. Often the delivery agency’s rationale of the fairness in service delivery and the resident’s understanding of fairness are at odds. For example, the County has found it necessary, e.g., fair, to fund the operations of parks which provide County-wide services through the use of a benefit assessment district. On the other hand, local officials, such as those in the Altadena and Quartz Hill Town Councils, have expressed reluctance over this arrangement based on their concerns that little local benefit will accrue to their communities.³⁸

To the extent that citizens are not convinced of a proposed course of action, they may arrive at the conclusion that unincorporated residents are subsidizing other parts of the County and are being taxed *twice* for these services. Given the feelings of these participants in the service delivery system, it is clear that the County must directly address any *perception* of unfairness in the delivery of services or in the proposed funding of these services. The potential combination of the County’s power to make unilateral decisions on the levels of service to be provided and a lack of reliable measurement standards for what residents receive in exchange for their taxes will continue to exacerbate the perception of unfairness by the public.³⁹

As was noted previously in this study, legally the County has the authority to allocate its resources in accordance with its determination of need and adequacy. Even so, the decision maker must recognize that with this authority comes the responsibility to insure that citizens recognize how equity is being achieved. If citizens do not understand, or misinterpret service distribution or funding rationale, the burden of correcting these misunderstandings rests with government.

b. Service Efficiency and Effectiveness

It is not unusual, given the media attention to instances of government inefficiencies, for citizens to generalize that government is inefficient and ineffective in the delivery of its services.⁴⁰ To combat this impression government must assure its citizens that inefficiencies are being sought out and corrected. Government must also ensure that the concerns of its citizens are being heard and acted upon.

³⁸ “Proposed Tax to Save Parks Draws Fire,” *Los Angeles Times* (July 28, 1994.). See Also, Leon, Darren, “Libraries, Parks Seek Assessment,” *Antelope Valley Press* (June 14, 1994).

³⁹ Leon, Darren, “County Should Learn What Services Cost,” *Antelope Valley Press*, (February 8, 1994). See Also, *California Public Finance* (August 1994): p. 2.

⁴⁰ Sneiderman, Phil, “Deputies to Continue Patrolling Palmdale,” *Los Angeles Times* (January 4, 1995). See also, Sporich, Brett, “Deputies Union Studies Options in Santa Fe Springs,” *Whittier Daily News* (January 28, 1995).

Cities that contract with the County for services (contract cities) have an advantage over those in unincorporated areas in measuring efficiencies. These jurisdictions are able to contractually define the level of service they receive. They have the additional benefit of city councils and city managers that can monitor service levels. For those in unincorporated areas, the determination and monitoring of service efficiency lies, to a large extent, with the service provider rather than with the customer.

Even with the advantages held by the contract cities, there have been instances where they have noted examples of inefficient services. The Sheriff's Department has often been the focus of this discontent. A number of issues have been raised; that the use of public safety officers could substitute for deputies; a contract has been terminated based on general dissatisfaction with the service; services have been withdrawn from the contract and assigned to civilians; and there has been a finding that the Sheriff's liability coverage could be obtained cheaper with an insurance policy.⁴¹ The latter concern led to the rescission of contracts with the Sheriff by Long Beach (Northeast Section), Hawaiian Gardens, La Habra Heights, and more recently with Santa Fe Springs' decision to enter into a contract with the City of Whittier to provide law enforcement services.⁴²

The Sheriff's Department is not alone in its involvement with these issues. The Fire Department has also drawn criticism from contract cities for delays in response time; that fire service quality would deteriorate upon the County taking over a city's fire service; and that no advantage exists in contracting with the County for fire and paramedic services.⁴³ If residents of unincorporated areas of the County had the same types of concerns as those expressed by contract cities, they have less ability to communicate their discontent.

Partially in response to these types of concerns, the Sheriff has instituted a program to seek community input through the formation of Community Advisory Councils (CAC).⁴⁴ These groups have been created to enable the Sheriff's Department to receive feedback on how well they are serving the community. The Sheriff has also instituted other programs such as the "Coffee with a Deputy" program at the West Hollywood sheriff's station. By recognizing this need County-wide, Los Angeles County would be able to generate increased input on the development of an effective municipal service delivery policy.

⁴¹ Sporich, Brett, "Police, Sheriff Disagree," *Whittier Daily News* (January 20, 1995). See also: *Los Angeles Times*, (December 31, 1994), Sporich, Brett, "Police to Replace Deputies?," *Whittier Daily News* (December 14, 1994).

⁴² Cogan, David, "Can West Hollywood Afford to Run Its Sheriffs Out of Town," *Los Angeles Reader* (December 31, 1994).

⁴³ Strickland, LaTisa, "Officials Question the Response Time By Fire Department," *Daily Bulletin* (March 1, 1994). See also: "Board For Fire Service Transfer," by Jeff Cohan, *Daily Bulletin* (February 23, 1994); Sporich, Brett, "Santa Fe Springs Council OKs Plan to Hire Apprentice Firefighters to Cut Pay Costs," *Whittier Daily News* (September 21, 1994).

⁴⁴ Kolts, James G., "Los Angeles County Sheriff Department," A Report by James G. Kolts, July 1992.

c. Expenditure of Revenues Within the Community in Which They Are Collected

Residents have a growing perception that benefits received should be provided to a community in proportion to taxes paid.⁴⁵ Aside from special assessments, in which charges are applied to directly offset costs of benefits received, revenues collected by the County are distributed in accordance with legislative mandates and operational requirements. Given the current diverse set of program funding sources, the variety of service needs within differing areas of the County, and the lack of appropriate accounting systems, it becomes difficult, if not impossible, to make an allocation of service resources based upon where the revenues were collected. With the development and implementation of responsive accounting systems the County would be able to identify the funding necessary to provide municipal services from those required to support County-wide activities, e.g., social services, etc. With this information, questions of expenditure priorities and service allocation could be more effectively addressed.

“Councilman Michael Singer (Lancaster) said he will not support the tax unless Lancaster receives assurances that the money will be spent on local libraries.”

“Council Faces No-Win Situation With Library Tax,” Antelope Valley Press (August 5, 1994).

Even though most residents will, upon reflection, recognize the inherent difficulties of expending funds where collected, these realities do not appear to significantly alter their attitudes and perceptions. To a large extent, residents appear to relate to the concept of “the costs for services received” rather than “an allocation of total resources to total needs.” The Government Accounting Standards Board (GASB) has recognized that the taxes paid by an individual has, in most likelihood, very little or no relationship to the cost or value of the services received by that individual. GASB states that, “Most individual taxes do not pay for specific services, even though individual taxes or portions of tax are sometimes dedicated to particular activities. Instead, governments generally use resources from a variety of sources to pay for a variety of services. The ‘matching’ relationship that normally exists between resources provided and services received is a timing relationship (that is, both occur during the fiscal year) rather than an exchange relationship.”⁴⁶

Some unincorporated area residents believe the Board of Supervisors uses funds for projects that constitute a subsidy from them to other portions of the County.⁴⁷ For example, three South Bay cities have expressed a desire to form their own library district since the County was not able to guarantee that funds from a proposed special district to finance County libraries would be spent in

⁴⁵ Bloom, David, “Board Diverting Cable TV Revenues to Unrelated Projects, Records Show,” *Daily News* (January 29, 1995).

⁴⁶ “Governmental Accounting Standards Board Concepts Statement No. 1,” *Objectives of Financial Reporting* (Stamford, CT: Governmental Accounting Standards Board, May 1987), p. 7.

⁴⁷ Sheffer, Ken, “Bonelli Park Plan All About Dollars, Not Sense,” *San Gabriel Valley Tribune* (May 12, 1994).

their area.⁴⁸ Dissatisfaction has also been expressed by unincorporated area residents with a proposal to finance County parks based upon the fact that revenues collected from Bonelli Water Park and its concessionaires were designated for the County General Fund, not the park.⁴⁹

Concerns expressed by residents demonstrate that they do not fully understand the basis upon which funds are expended by the County. Although there may be a valid and reasonable criteria being used by the County in the allocation of services to unincorporated areas, if their existence is unknown or the citizen does not understand their use, misperception will lead to increasing dissatisfaction with government services.

d. Representation

Unincorporated area residents have at times expressed a desire for local control over the delivery and quality of service they receive.⁵⁰ This results, in part, from a perception that there is little opportunity for citizens of unincorporated areas to be heard on issues of delivery and cost of services and facilities.⁵¹ It is evident that the consensus building that accompanies a community's perception of local control would assist in the greater acceptance and support of these types of decisions.⁵²

Altadena, Hacienda Heights and City Terrace residents have formed associations. Although formed, these associations are not governmental organizations, and thus, do not result in formal representation. These groups have expressed frustration in dealing with the County, and feel a lack of representation by the Board of Supervisors. To quote a resident of an unincorporated island: "We don't have taxing power . . . We are not a municipality . . . We can't say to the transportation department -- we need a road sign here, please put it in."⁵³ Although some of these larger unincorporated communities may be able to articulate needs through the formation of community councils, many of the smaller islands remain without a voice.

There are several alternatives available to those residents of unincorporated areas that have concerns over the lack of political representation. Citizens within such a community or unincorporated island should have the opportunity to choose to annex to a neighboring

48 Plendl, Liza, "3 Cities May Form Library District," *Daily Breeze* (September 9, 1994).

49 U.S. Department of Commerce, Bureau of the Census, *Government Finances* (Washington: 1980, 1985, 1991).

50 Editorial, "Sheriff Should Add Homicide Bureau in AV," *Antelope Valley Press* (August 25, 1994); Manhart, Dan, "Public Forum, County Might Reduce Pomona's Fire Service," *Daily Bulletin* (January 2, 1994).

51 Sullivan, Deborah, "In County Territory, Some Are Content, Some Are Confused," *Los Angeles Times* (January 12, 1995).

52 City Terrace study, op cit, at No. 35.

53 Sullivan, Deborah, "In County Territory, Some Are Content, Some Are Confused," *Los Angeles Times* (January 12, 1995).

jurisdiction, to incorporate, to form a special district (e.g., community services district), to continue with existing single-purpose districts (e.g., library, fire, park and recreation, etc.), or to form single-purpose districts to deal with other municipal type services and facilities on a basis of carrying a fair share of cost. Some of the alternatives available to a community, e.g., community service districts or special purpose districts, would result in additional revenue being generated for the County General Fund, from which municipal services are provided, to offset the additional services desired.

As previously pointed out in this study, the Sheriff has responded to the recommendations of the Kolts Committee Report to represent the needs of local residents by establishing Community Advisory Councils (CACs) in each unincorporated area.⁵⁴ Some East Los Angeles residents do not hold CACs in high regard. The *Proactive Organization Dedicated to Empowerment of Raza* (PODER) considers the council to be ineffective and not representative of the broad East Los Angeles Community.⁵⁵ CACs do not appear to satisfy some County residents since they cannot vote a CAC out of office or otherwise affect a disadvantageous situation.

“By having an advisory board like the Town Council, we are able to get input for better decision-making and also are able to disseminate information to the people so they can know how to get services.”

In South Whittier, an active local group has led to a novel integrated program using trailers to provide some services. This program has been jointly funded by the City of Santa Fe Springs and Los Angeles County.⁵⁶ This effort may become an example for an incorporated city in subsidizing law enforcement activities in an adjacent unincorporated community.

**Sarah Flores, Assistant
Chief Deputy to Supervisor
Michael Antonovich, San
Gabriel Valley Tribune
(March 6, 1994).**

While the exercise of these options may provide residents with greater political control, they do so at a higher cost. Since cost considerations are a significant concern of citizens, it is likely that they would not be the solution of choice, and thus, new and creative solutions would be needed to solve the problem of community representation. The investigation of these types of solutions could be facilitated through the creation of an Unincorporated Municipal Services Committee directed by the Chief Administrative Officer and made up of appropriate department heads. Assisted by an appropriate staff, this organization can become the focus for the efficient and effective delivery of services to these areas and can be instrumental in the identification of structural difficulties of service delivery.

⁵⁴ Kolts, James G., “The Los Angeles County Sheriff Department,” (July, 1992).

⁵⁵ “PODER Demands Sheriff’s Community Advisory Committee,” *Mexican-American Sun* (May 19, 1994).

⁵⁶ Chavira, Adriana, “Residents Call Trailers City Hall,” *Whittier Daily News* (February 2, 1995).

2. PROVIDER'S PERCEPTION OF SERVICE ADEQUACY

The agency providing "customer" services must recognize that the development of a customer service strategy is a process that requires continuous attention. According to Battle and Nayak (1994),⁵⁷ deciding where to focus customer service improvement efforts and how to define the scope and the processes requires a holistic view of the organization, which top managers must possess. Utilizing this approach, ideas for improvements are encouraged from staff. Programs that seek this input include Total Quality Management (TQM) and continuous process improvement programs, both of which are highly structured. These programs normally involve the use of teams of workers that are given increased control and input over operational strategies, at the same time receiving clear strategic direction from above. The problem normally cited with TQM strategies is the potential conflict between TQM's emphasis on work process codification and the desire to increase employee discretion through employee involvement programs.⁵⁸ Throughout this type of process, a department must also recognize the critical role of the employee in supporting innovative organizational strategies.

Service levels are a function of various criteria that respond to constituent needs, including service delivery standards and the resources available to achieve those standards. It is particularly important that departments understand the factors that its customers consider to be critical in evaluating service, rather than using historical measures that propose to evaluate resource utilization, e.g., the Fire Department has set delivery standards based on response time and expected service levels; the Sheriff's Department allocates its resources within an area based upon the amount and nature of crime and the square mileage of an area; the Parks and Recreation Department service levels are determined by accessibility. There are obviously significant differences in the methodologies with which Los Angeles county departments determine the level of service required and how that service is to be delivered.

Operationally, county departments providing municipal services to unincorporated areas have the requirement of balancing citizen demand with available resources. How a department balances these elements results in its determination of the levels of services to be provided and defines the department's perception of how well services are being provided.

To effectively establish these levels, management must continually review their performance and evaluate services delivery. As part of this process management should consider, in addition to the other major elements of the service delivery model, other factors that can be used in establishing service adequacy. These factors include: *population* (service demand) and the *comparability of service levels* (service delivery benchmarking). At a policy level a county can use these types of methodologies in addressing questions such as, establishing minimum acceptable levels of service.

⁵⁷ Battle, B.F. and P. R. Nayak, "Going Public," *The Journal of State Government* (Spring 1994): pg. 16-22.

⁵⁸ Lawler, Edward, "Total Quality Management and Employee Involvement: Are They Compatible?," *Academy of Management Executive* 8(1), 1994: 68-76.

It can also be used in comparing the resources used by Los Angeles County in the delivery of a service relative to both other jurisdictions and to total resources.

a. Los Angeles County Population Trends

The official Bureau of the Census 1980 population of Los Angeles County, as indicated below in Table 2, was 7,477,421. In 1990 the Bureau of the Census determined the population of the County to have grown to 8,863,164, an increase of 18.5%. By June 1, 1993, this population was estimated by the Bureau of the Census to be 9,158,000 and is currently estimated by the County to be 9,244,600. The resulting average annual growth rate for the period from 1980-1993 is approximately 3.3%.

TABLE 2

AREA AND POPULATION DISTRIBUTION - 1980-93 ¹								
	Area (Square Miles)				Population			
	Incorp.	Uninc.	Total	Diff. ²	Incorp.	Uninc.	Total	Diff. ²
1980	1,194	2,889	4,083		6,472,936	1,004,485	7,477,421	
1990	1,346	2,737	4,083	(5.3%)	7,892,444	970,720	8,863,164	(3.4%)
1993	1,410	2,672	4,083	(2.4%)	8,195,900	962,100	9,158,000	(1.0%)
1995 ³	1,397	2,686	4,083	.5%	8,274,700	969,400	9,244,100	.7%

¹ Source: U.S. Bureau of the Census

² Difference indicates the percentage gain/loss in unincorporated area and population from 1980 to 1996

³ An estimate by Los Angeles County

During the 1980-90 period large population increases were evident in cities within the County. For example, the City of Los Angeles grew from 2,967,000 to 3,485,000 (17.5%). Other cities grew at a much faster rate, e.g., Lancaster grew from 48,027 to 97,291 (202%), while the City of Palmdale grew from 12,277 to 68,842 (560%).⁵⁹

The population in the unincorporated portion of the County declined from 1980 to 1990 by 3.4%, with an accompanying 5.3% reduction in total unincorporated landmasses. These reductions can be accounted for, in large part, by several annexations and five incorporations during this period. Thus, the unincorporated area of the County shrank by 152 square miles and the unincorporated population was reduced by 33,765 from 1,004,485 to 970,720. After the 1990 census, the Malibu and Calabasas incorporations and other annexations, the unincorporated population was reduced by another 8,620 from 970,720 in 1990 to an estimated

⁵⁹ U.S. Department of Commerce, Bureau of the Census, *Government Finances* (Washington: 1980 and 1990).

962,100 on June 1, 1993. The unincorporated landmass was also reduced by an additional 65 square miles.

To further illustrate the incorporated area impacts, between 1980 and 1993, the City of Lancaster grew from 36 square miles to 94 square miles (161%), and Palmdale grew from 55 square miles to 100 square miles (82%). New incorporations included the City of Santa Clarita, which went from an estimated population of 52,000 to 110,642 (212%) while reducing the unincorporated area by 43 square miles.

These figures indicate that the unincorporated area of the County decreased by 7.5%, while the incorporated areas increased by 18%. The total County-wide population grew 22.6% between 1980 and 1993. The population of the incorporated areas over the same period increased 26.6% and the County's unincorporated population shrank by 4.2%.

Although population increases have been absorbed mainly by cities, the County remains an important municipal service supplier in light of its ongoing contractual arrangements for various sets of services with cities. Each County department providing municipal services has a unique mix of cities with which they contract, in addition to providing services to unincorporated areas of the County. It is important to understand the population mix that the County is serving so that programs and approaches to service delivery can be adjusted accordingly. In understanding both the total population within the County and the population shifts between unincorporated areas and contract cities, departments can rationally evaluate the levels of municipal services that will be necessary to maintain adequacy.

b. Comparability of Service Levels

National comparisons of other jurisdictions with Los Angeles County place into perspective the effects of such variables including, but not limited to, population changes, inflation and commitment to financially support specific municipal functions on service delivery. The comparisons used in this study to illustrate this concept are based upon U. S. Bureau of the Census data on municipal service expenditures.⁶⁰

For this study, large urban centers with diverse socio-demographics were selected as jurisdictions with which Los Angeles County may be compared. These include: Dade County, Florida; Cook County, Illinois; and Harris County, Texas. They were selected to provide a basis upon which to suggest comparable determinations in the area of municipal service delivery. To further extend this comparison base, a number of city comparisons were used. Although they are smaller in size than Los Angeles County, they do have similar demographics that could be helpful in evaluating services. These cities included: Los Angeles, California; Chicago, Illinois; Dallas, Texas; Detroit, Michigan; and New York City, New York.

⁶⁰ U.S. Department of Commerce, Bureau of the Census, *Government Finances* (Washington: 1980, 1985, 1990).

The census data reviewed show that while selected urban populations increased approximately 26% (from 69.6M to 87.8M) between 1980 and 1990, urban expenditures increased approximately 271%, about ten times the rate of population increases (from \$24.8B to \$67.6B). Clearly, the overall costs of running municipal governments have grown dramatically. Municipal services have become more expensive, yet a great disparity exists in the amounts that a city or county spends on a category of service, e.g., fire, law enforcement, etc.

In terms of total and per capita expenditures and expenditure commitment (percent to total budget), Los Angeles County appears to be underfunded in municipal services relative to other benchmark jurisdictions. However, performance relative to other counties on total expenditures suggests that the size of Los Angeles County may account for some or all of this disparity.

There have been small shifts in budgeting priorities over the ten-year period. While expenditure commitment does not appear to explain the low ranking of Los Angeles County, rank in per capita municipal expenditure does. Los Angeles County ranked 7th among the nine benchmarks in 1980 and continued that rank until 1990, despite a population growth of 18.5%.

“Californians who live in unincorporated areas, comprising between 10% and 15% of the population, are hit even harder by county cutbacks...”

California Public Finance
(August, 1994).

Expenditures of selected California counties were compared using the same census data tables discussed previously.⁶¹ The sample is based on available data for the California counties of Los Angeles, San Diego, Orange, Riverside, San Bernardino and Santa Clara. Total expenditures, in actual dollar amounts, between 1980 and 1990 increased significantly. However, these increases are severely moderated when effects of inflation and population are considered. All the sampled California county populations increased 26% between 1980 and 1990 (from 14.1 million to 17.9 million), while urban expenditures increased by 168% (\$10.9 billion). In constant 1980 dollars the increase between 1980 and 1990 was 23.8%, and on a per capita basis, the expenditure increase for these selected counties dropped to about 19.5%. Thus, increasing population appears to have driven expenditure change.

Comparisons for both total expenditures for each type of service and the expenditures per capita will provide another set of criteria for measuring the adequacy of the services being provided. The use of these measurements should be tempered by the influences imposed by the size of Los Angeles County in comparison to any other jurisdiction.

⁶¹ U.S. Department of Commerce, Bureau of the Census, *Government Finances* (Washington: 1980, 1985, 1991).

RECOMMENDATIONS

6. Direct each county department, in coordination with the Chief Administrative Office and the Auditor-Controller, to develop a program to evaluate and improve the effectiveness of customer service. Such a program should recognize that the outcome of service delivery is the critical performance measure used by the resident.

Priority: High / Implementation: Within Nine Months

7. Direct the department head level Unincorporated Municipal Services Committee to prepare for the Board of Supervisors a policy statement that emphasizes that service to residents is the primary consideration of each County employee. This policy statement should be provided to each employee.

Priority: High / Implementation: Within Six Months

8. Direct the Internal Services Department to develop a service reference guide for inclusion in the County phone book that would enable each employee to direct resident calls to the appropriate department.

Priority: Low / Implementation: Within Nine Months

9. Direct the department head level Unincorporated Municipal Services Committee to increase County efforts to help form community groups that provide the opportunity to educate and consult with residents of unincorporated areas on municipal service provision by Los Angeles County.

Priority: Medium / Implementation: Within One Year

10. Direct the department head level Unincorporated Municipal Services Committee, in cooperation with all appropriate organizations, to prepare information for the residents of unincorporated areas informing them of opportunities, procedures, advantages and disadvantages of alternative political and community organizations.

Priority: High / Implementation: Within Six Months

11. Direct the department head level Unincorporated Municipal Services Committee, with the assistance of the Los Angeles LAFCO and appropriate county departments, to advise the Board of Supervisors on the methods of municipal services delivery, including financing, that would lend themselves to policy input from local communities.

Priority: Low / Implementation: Within One Year

12. Direct the department head level Unincorporated Municipal Services Committee to develop a system that involves community groups in advising the County on adequacy of municipal service provision in their communities. County service providers can use opportunities provided by these community groups to educate residents on the needs, benefits and costs to deliver municipal services to unincorporated areas of the County

Priority: Low / Implementation: Within One Year

C. PROGRAM FORMULATION

“You can never plan the future by the past.”

*Edmund Burke
A letter to a Member of the
National Assembly (1791).*

CHALLENGES	PRINCIPLES
There is a need for greater commitment to implement and to consult on long-term planning and priority setting on the part of elected representatives in local government.	Long-term planning and priority setting should be the foundation of local government decision-making processes.

Strategic direction and policy development not only set the long-term goals and objectives for a county, but also provide the general means through which they will be achieved. The development of an operating budget is considered in this study as a short term operating plan that supports the long-term objectives of a strategic plan. The budget establishes priorities and while considering the availability of revenue to fund programs, as such, impacts all aspects of the Service Delivery Model, and thus will dictate how programs are implemented.

1. STRATEGIC PLANNING

Two things are clear within a county operating environment; first, a county is not immune to the impacts of continuing change and, second, the limitations that are being placed on resources require increasingly careful choices in the funding of programs. Even though it is generally understood that a county can no longer be all things to all people, it is possible for this environment to provide a county with opportunities to excel and prosper.

Strategic planning has become increasingly critical to the management of Los Angeles County by offering systematic ways to orchestrate change for the creation of the best possible future. With the implementation of the County’s “Vision 2000”, a creative process for identifying and accomplishing the most important actions in view of strengths, weaknesses, threats and opportunities, has begun.

To assure the best possible future, management must look beyond immediate requirements and existing crises to define the overriding principles upon which Los Angeles County is to operate and to establish goals toward which the County should strive. This approach provides the opportunity for the County to develop a consensus by seeking widespread private involvement in the process.

Today, the most innovative local governments are moving toward participatory strategic planning. Participatory planning has the advantage of increasing flows between a governmental body and its constituents. It can produce better coordination and concerted action within the

“Over the years the County has taken on more and more services. It is time to stop and think which businesses you should be in and how you are going to run that business.”

**Lee Harrington, President,
Economic Development
Corporation of Los Angeles
County, *Antelope Valley
Press* (August 25, 1995).**

county, by enabling many different groups and programs to act on the same information and arrive at acceptable conclusions. A strategy developed in this manner allows the creation of a shared vision of what the county could be and provides a basis from which individual and corporate efforts can be brought together to achieve this vision. County management and staff would be greatly assisted in the conduct of their operations by a set of principles against which to measure performance.

Strategic planning in the context of county operations enables management to focus on the critical issues, opportunities and problems facing the county. It offers the opportunity to look beyond the crisis-of-the-day in setting the organization's future course. One of the greatest advantages is that it offers the opportunity to separate the truly important decisions from those with temporary impact. Ultimately, strategic planning is a technique for improving the competitive position of Los Angeles County, in the same way as it is used to improve the competitive position of a corporation. Using the term “competitive” in this context is appropriate since this study has already demonstrated that county departments are operating under greater numbers of contracts for services, that population shifts and jurisdictional restructuring results in changing markets, and that price advantages of delivery alternatives will significantly impact the viability of continuing County service delivery.

The California Constitution Revision Commission has recognized the need for strategic planning at the state level. This Commission has recommended to, “Require the Governor to submit a strategic plan to the Legislature for deliberation and adoption every four years. The strategic plan would include policy and fiscal priorities, performance standards, and a capital facility and financing plan.”⁶²

The strategic environment of the County necessitates a consideration of an organizational change strategy. It will be prudent to move from an organizational environment characterized by bureaucracy and hierarchy to one characterized by flexibility, innovation, and customer orientation requires a complete cultural change.

⁶² California Constitution Revision Commission, “Summary of Recommendations” (Sept. 1995).

This study is attempting to improve the County's focus on strategic planning, core competencies and outsourcing, performance measurement and process improvement. Realistically, none of these things will happen without an effective organizational change strategy. There are literally dozens of examples of private sector companies who have had very deliberately and carefully planned restructuring efforts (e.g., outsourcing, reengineering, TQM), only to see them fail because they never paid attention to organizational culture and never attempted to get employee buy-in. The most successful change efforts are ones that involved middle managers and employees in creating a "blueprint" for change. They also typically involve changing performance evaluations, incentives and strategies for competency development.

Although this study is primarily concerned with new strategic departures, consideration will have to be given to the organizational restructuring which must accompany these new departures. It will be important that the sponsors and participants in these new strategic initiatives understand the organizational underpinnings of change. Without attention to these underpinnings, there is a very strong likelihood that five years from now the County will find itself needing to start all over again.

To date, Los Angeles County has not taken adequate advantage of the opportunities available through the use of strategic planning, due in part, to the need to respond to the number of immediate fiscal crises that have continued to overwhelm available resources. Since strategic planning requires a commitment of resources and effort, and since its benefits are not immediately obvious, it is often one of the first activities to be reduced or eliminated. **If the County adopts this attitude, it will accept, in effect, that the need to move the ship is greater than knowing the destination or the required course.**

2. BUDGET

In 1993 the federal government passed the Government Performance and Results Act. This legislation, which complements the Reinventing Government initiatives, requires a reorientation of federal government managers to an organization's product, the performance of that product, and the costs incurred in its delivery. This approach contrasts with the historical preoccupation of many managers with the process involved in getting things done. This new focus on results, sometimes called performance budgeting, requires a restructuring of financial management techniques in many parts of government. Specifically, this reorientation will involve changes in budget formulation, budget execution, and cost accounting. In addition, it will require development of a consistent structure for each of those three elements. The Federal Accounting Standards Board (FASB) has called for the development of improved cost accounting systems by FY96.

“Without addressing fundamental fiscal reform, we see mounting deficits; in some cases inexcusably.”

Ms. Sally Reed, former Los Angeles County Chief Administrative Office, in a February 3, 1995, speech given to the Los Angeles Rotary Club.

The problem with performance budgeting, in the context of budget execution, lies in measuring outcomes and the costs associated with them. These are also the problems being faced in the evaluation of municipal service delivery to specific areas. In addressing this concept two difficulties arise: the first, not knowing what business government is in, and, therefore, not being able to define outcomes; and, the second, a lack of cost accounting systems that link inputs, outputs and outcomes. The second problem is particularly difficult if the outcome is amorphous rather than well-defined and/or the responsibility for the program is shared with another agency. Current systems may not track inputs well because budget accounting systems follow dollars, not levels of activity.

The budgetary systems currently in place do not provide the County with the ability to identify the costs of the municipal services being provided to its unincorporated areas. In effect, this means that the County may use General Fund revenues that were originally anticipated by residents to fund a particular activity in support of the operations of another. Although this process is legal and may be fully justified based upon the overall needs of the County, the lack of appropriate budgetary and accounting systems do not allow the County a means of determining whether, or the extent that, one function or activity is, or could be, subsidizing another.

As this study has pointed out, this systematic failure to identify costs or expenditures in critical areas creates a difficult environment within which to establish the effective means of service delivery. It also has a significant impact on the establishment of effectiveness measures for departments delivering these services. In other words, the County, when functioning as a municipal service provider, is unable to determine the costs of those services. This failing severely limits the ability to maximize the efficiency of that service delivery.

3. PRIORITIES (DEMAND)

Over the past several years Los Angeles County has been managing its operations with steadily shrinking financial resources. During this period, measures to address the pressures on public finances have focused on across-the-board cuts and improvements in operational efficiency. However, it has become clear that this approach to managing resource reductions is not sustainable in the long term. As a result of this approach, several problems have emerged:

“...We can’t make reasoned spending decisions, because we are acting in an informational vacuum...”

Supervisor Zev Yaroslavsky, opening remarks as a Supervisor, December 5, 1994.

- a. Without an attempt to establish priorities, all programs and services are being adversely affected by the repeated cuts;
- b. There are no incentives to eliminate programs that no longer serve the public interest or that could be provided by other organizations;
- c. With declining resources, County government no longer has the means to maintain all its activities; and,

- d. The County is reaching its limit of being able to provide quality service to its citizens in all traditional areas of activity.

The County will have to come to the realization that further progress in dealing with fiscal pressures cannot be achieved by “doing more with less” and “across-the-board-cuts.” Thus, a review of how services are delivered will be required. This review will direct the County to the following areas:

- a. A greater focus on core policy and legislative responsibilities;
- b. Reprioritization and/or possible withdrawal from certain lines of “lower priority business”;
- c. Putting government activities in the most efficient and effective organization for their delivery;
- d. Increased use of alternative funding sources, particularly when those services confer direct benefit on the recipient; and,
- e. Increased efficiency in service delivery.

Ideally, County management uses the directions identified in the strategic planning process in the development of budgetary priorities. Although it can be agreed that strategic directions provide the overlying guidelines for the allocation of resources, often they are totally or partially lacking. The directions of a strategic plan should be combined in the budgetary process with the current service demand of the community to establish the budgetary priorities. Demand can, of course, be seen from other perspectives such as population and geography, e.g., calls for service by paramedics. If strategic directions have not been identified by the Board of Supervisors, the budgetary process will increasingly rely on the immediate service demands of the community and on the political pressures brought by constituent groups and service providers to establish budgetary priorities.

“We cannot expect government to meet every demand; rather, we must recognize that our true mission is to allocate scarce resources...to prioritize, to triage the public’s needs and then carefully allocate the very scarce resources we have to meet these needs.”

Ms. Sally Reed, former Los Angeles County Chief Administrative Office, in a February 3, 1995, speech given to the Los Angeles Rotary Club.

4. REVENUE (SUPPLY)

Available revenue, and how that revenue is structured, influences how priorities will be implemented. Los Angeles County serves as the tax collector for all local governmental agencies, regardless of their independence, and according to their own rates of taxation. Revenues are then allocated to

various funds within the County, for the entities it manages, and to independent governments such as cities, school districts, and some special districts.

For Los Angeles County, major categories of revenue as determined from FY 1993-94 County's Annual Financial Report are: property taxes 17%, revenue from intergovernmental sources 52%, charges for services 10%, and miscellaneous fees, transfers and other revenue 21%.⁶³ To illustrate the diversity and problems in revenue structure and collection faced by the County, the following discussion presents the funding structure within the Fire, the Sheriff's, and the Parks and Recreation Departments.

a. The Fire Department

The Fire Department has seen its funding structure change from multiple sources to one consisting of a single, property tax-based special district. Although the Fire Department has always been combined operationally, prior to 1992 it was composed of two distinct budgetary units, the Forester and Fire Warden and the Consolidated Fire Protection Districts. This budgetary division generally represented respectively the unincorporated area of the County (General Fund), and the services provided to contract cities (there were exceptions, with some fire protection districts in unincorporated areas).

Since 1992, the Fire Department has been funded through one taxing district, in effect a benefit assessment district, using property tax as its revenue base. Of the 51 contract cities served, 47 are property tax-based cities with four on a fee-for-service basis. The four cities with fee-for-service contracts are Azusa, Commerce, Palos Verdes, and Pomona. The Fire Department's budget is enhanced by funds from the State of California for fire protection in State Responsibility Areas (SRAs), e.g., state wild lands, etc. The funding is currently approximately \$7 million.

The effect of placing most of its funding within a single special district has been to provide the Fire Department with a unified revenue base which is uniform in structure, whether service is to unincorporated areas or contract cities. As a consequence, the Fire Department is perhaps less affected by revenue vicissitudes than are other county departments, since most of its funding is property tax based and within a single taxing district.

b. The Sheriff's Department

The Sheriff's Department is funded primarily from a combination of general County budget allocations, for services to unincorporated areas, and contract revenue from patrol services provided to cities.⁶⁴ Smaller sources of revenue, such as the Federal Government, also flow through the

⁶³ County of Los Angeles, California, *Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 1994* (Los Angeles: 1994): p. xii.

⁶⁴ Los Angeles County Auditor-Controller, *Los Angeles County Budget* (1984, 1993).

County budget. As population has increased during the 1984 to 1993 period, the Sheriff's Law Enforcement budget has increased by 134% from \$296,143,000 to \$692,704,000.⁶⁵ Budgeted law enforcement staff increased by 19.3%, from 5,588 to 6,670.

The Sheriff generates revenues from cities contracting for service and other sources. The revenue received as a result of Law Enforcement Branch activities has increased by 347%, from \$60.3M in 1984 to \$269.8M in 1993. Thus, the Sheriff's Department funding from two principal sources has increased with population workloads, with most of this increase occurring in the law enforcement function.

c. Parks and Recreation Department

The Parks and Recreation Department operations are funded from a variety of revenue sources as well as the County's General Fund. The Department's reliance on the General Fund has declined 25 percent in the past four years, from \$41.9 million in Fiscal Year 1992-93 to \$31.6 million in Fiscal Year 1995-96.

The Department is now nearly 50 percent self-sustaining, compared with 35.2 percent in Fiscal Year 1992-93. The Department relies on a variety of user fees, agreements with private sector enterprises and other revenue sources to provide funding for maintenance and operation of 119 park facilities. The Department's revenue sources include 19 golf courses, which operate at a net profit of nearly \$11 million annually; the Flood Control District, which provides \$4 million annually for operation and maintenance of facilities located in flood control basins; agreements with private sector concessionaires, which generate nearly \$4 million annually; and various user fees and permits, which total nearly \$3.8 million each year.

Capital improvements to the Department's facilities are accomplished with little or no General Fund support. The Department is currently in the midst of a major \$150+ million capital improvement program. Funding for acquisition and development of County parks is provided through proceeds from Statewide bond issues for park acquisition and development; funds generated through the Quimby Act of 1969, which requires developers in the unincorporated areas to donate land and/or fees for County park purposes; and monies from the Regional Park and Open Space District, a County-wide benefit assessment district that voters approved in November 1992 to provide \$540 million of park, recreation and open space capital improvements throughout the County. The Department is scheduled to receive more than \$140 million in capital funds from the Regional Park and Open Space District alone.

d. Discussion

The fiscal crises in both Orange and Los Angeles Counties illustrate the need for further consideration of the way that local governments are being financed. J. Eugene Grigsby III, the

⁶⁵ Ibid., and Los Angeles County Sheriff's Department.

Director of UCLA's Center for Afro-American Studies and a professor in the University's School of Public Policy and Social Research, has pointed out in a recent article that, "Our current finance system is based upon an outmoded vision of an industrial economy - not a service economy dominated by technology." To address this problem, Professor Grigsby suggests the creation of "...a regional financing mechanism that transcends the narrow interests of individual municipalities, particularly in light of the fact that jobs and people are extremely mobile today. Increasingly, the service delivery infrastructure should serve the population of the region that is not particularly confined to arbitrary city or county boundaries."⁶⁶

Whether or not Professor's Grigsby is correct in his approach to proposed financing alternatives, it is important that the question of governmental restructuring be raised and that meaningful alternatives be considered. In addition, the Southern California Association of Governments (SCAG) has also attempted to address these issues through the development of a mechanism to allow many of these questions to be explored in timely and systematic fashion.⁶⁷ The magnitude of these structural questions will prove to be extremely critical in the future development of Los Angeles County.

“A county has virtually no revenue flexibility. The state can, and often does, arbitrarily grab even local property tax revenues and divert them to make the state’s books balance, leaving county officials to cope the best they can.”

Dan Walters, Counties Can't Make Current System Work, *Daily Bulletin* (April 23, 1996).

RECOMMENDATIONS

13. Direct the department head level Unincorporated Municipal Services Committee, assisted by the Chief Administrative Officer, to utilize input on the budget that may be provided by local organizations. Recommendations by these organizations should also be made in those instances that a specific unincorporated community desires a level of service above that identified as currently being provided by the County to the entire area. This approach may also apply in those instances in which a community desires that a particular agency provide a specific service or level of service. How the additional cost of providing this service is to be funded should be part of these recommendations.

Priority: Medium / Implementation: Within Nine Months

⁶⁶ Grigsby, J. Eugene, III, "Local Governments Must Rethink How Public Services Are Financed," *Los Angeles Times* (Sept. 24, 1995).

⁶⁷ *Regional Comprehensive Plan and Guide (Draft)*, (Los Angeles: Southern California Association of Governments, 1994).

14. Direct the Chief Administrative Officer, with the cooperation of the Auditor-Controller and the appropriate county departments, to create a separate municipal services budget consistent with Board policy. A specific focus should be placed on the investigation of an appropriate cost accounting approach.

Priority: High / Implementation: Within Nine Months

15. Direct the Chief Administrative Officer to develop an “Annual Report on Municipal Service Delivery to the Unincorporated Areas” that is consistent with established GASB recommendations and as illustrated in Appendices D thru F. This report should be coordinated with the new Management Appraisal Plan (MAP).

Priority: Medium / Implementation: Within Nine Months

D. PROGRAM IMPLEMENTATION

“Trying to improve services without measuring performance is like trying to win a game without knowing the score.”

*ICMA Newsletter
January 22, 1996, Vol.77, No.2, Suppl. 3.*

CHALLENGES	PRINCIPLES
<p>There is a need to develop alternative and more cost-effective service delivery methods to reduce costs.</p> <p>In the face of declining public funding and resources, local governments need to develop new ways of supporting and funding services.</p>	<p>Municipal service delivery should be efficient and cost-effective.</p>
<p>There is a need for greater accountability within government.</p> <p>Trust is lacking in the relationships between government and its citizens.</p> <p>Allegiance between local interests and a county-wide perspective can be in conflict.</p>	<p>Local government should include mechanisms for ensuring accountability, thereby, building trust in government.</p>

In 1992 the International City Managers Association (ICMA) conducted a Future Visions Consortium during which sixty-five local governments considered the future of government management. The implications of these efforts concluded that “Global competition will make economic cooperation essential among local governments within a region. Consolidating some services within a region may be desirable. Although political boundaries aren’t likely to change during the next ten to fifteen years, the blurring of service jurisdictions is likely to accelerate. A focus on cooperation will permit communities to maintain their identity while ensuring both

quality and equity in service delivery. Communities will redefine themselves to strengthen their identity while they join with other communities to strengthen the region. The manager will ultimately be held accountable for regional solutions that affect his or her community.”⁶⁸

The budget is implemented through a process in which departments attempt to optimize the allocation of available resources. To accomplish this optimization it is necessary that departments conduct a continuing evaluation of how services are being delivered. The objective of this evaluation is to become increasingly effective in this allocation.

1. RESOURCE ALLOCATION

Departmental management is responsible for the allocation of its resources within the parameters of the policy established by the Board of Supervisors and within the constraints of the adopted budget. This allocation should be consistent with strategic objectives, the demands for services, the existing delivery structure and within resource constraints. An additional concern is the maintenance or improvement of the quality of the services being provided.

Some administrators may disregard quality as a concern by assuming a constant level of quality in all service delivery. This reasoning is supported by having incremental inputs defined by such measures as an hour of work, etc. Even though such input measures as these have been used in the past, it is important to realize that, since the output of this system has a built-in quality dimension, various factors will affect the impact and perception of services delivered. If a law enforcement agency makes numerous arrests, but each case is dismissed by the court due to consistent error in arrest procedures, the output is unacceptable for qualitative reasons. Citizen discontent results from frequent experiences with these types of perceived qualitative deficiencies, e.g., buses that do not run on time or lackluster response times in fire suppression and/or police emergency calls.⁶⁹

For some types of government services, quality data is absolutely necessary to explain outcomes. GASB points out in a discussion of the outcome of street and highway maintenance, “. . . quality relates to achievement of the objective sought. Further, an objective and reliable measurement system is needed to assess quality.”⁷⁰ Thus, in order to describe and measure outcomes, the use of the concept of quality is necessary, e.g., in the case of road maintenance, the quality of the surface maintenance can be based upon the quality of the ride. Various types of qualitative measurement systems have been developed to make this determination. In the above example, one set is of “rideability” measures, may employ either trained raters or electro-

⁶⁸ *MIS Report: Regional Strategies for Local Government Management 24*, Number 3 (Washington: ICMA, March 1992).

⁶⁹ Stipak, Brian, “Citizen Satisfaction With Urban Services: Potential Misuse as a Performance Indicator,” *Public Administration Review* 39 (Jan/Feb 1979): pp 46-52.

⁷⁰ *Research Report, Service Efforts and Accomplishments Reporting: Its Time Has Come, Road Maintenance* (Norwalk, Conn.: Governmental Accounting Standards Board, 1993): p. 13.

mechanical sensing devices to judge smoothness of a road surface. It will be essential in the future that the County enhances the efficiency and effectiveness of its municipal service delivery operations through the utilization of quality measures.

Several county departments are developing customer service measures in connection with quality initiatives. These departments include: Internal Services, Public Defender, Mental Health, Los Angeles Municipal Courts, Health Services, and Public Social Services.⁷¹ County departments providing municipal services account for some of the qualitative measures of performance that exist. For instance, the Sheriff's information system records crime incidences, the Fire Department's resource allocation standards assume a level of quality based on arrival time and secondary conditions of the area serviced, and the Parks and Recreation Department strives to meet professional park standards adjusted by qualitative variables such as park use and consumer attitudes. Considering the scope of the GASB quality standards, some of which are illustrated in the appendices to this study, it appears that the process of measuring quality within the County requires additional effort. While departmental efforts are encouraging, a major thrust toward measurement of quality and other performance variables for improving service delivery to unincorporated areas has not been undertaken.

2. DELIVERY

An analysis of service delivery alternatives should consider a number of factors, including cost savings and quality of service, so that the maximum benefit can be provided to both citizens and government.⁷² There are numerous examples of jurisdictions, such as cities, using alternative means of service delivery. Phoenix, for example, was first in deciding to contract out refuse collection. It then allowed city agencies to bid on the process. This led to the development of a competitive position in which city agencies were able to win the contract back. This approach resulted in significant cost savings to the residents. Newark, New Jersey, has used benchmarking in solid waste collection, street sweeping, demolition, sewer cleaning, capital construction, and computer services. These initiatives have enabled significant cost savings (International City/County Management Association, 1990).

At the macro-level, Ferris and Grady⁷³ have shown that "joint" contracting approaches are used in a broad range of city and county functions, including numerous redistributive programs such as child welfare, programs for the elderly and public health. The California Constitution

⁷¹ Bandes, Rosemary, Los Angeles County Quality and Productivity Commission, Interview, June 15, 1995.

⁷² Valente, Carl F. and Lydia D. Manchester, "Rethinking Local Services: Examining Alternative Delivery Approaches", *Management Information Service Special Report, No. 19*, (Washington, D.C.: International City Management Association, March, 1984), p. xi.

⁷³ Ferris, James M. and Elizabeth Grady, "Contracting Out: For What? With Whom?," *Public Administration Review* (vol. 46, 1986): pp. 332-344.

Revision Commission has recognized this need and has made the recommendation to, “Provide specific constitutional authorization for the State to competitively contract for public services with standards and exceptions defined by the Legislature; permit public employees to bid on the contracts.”⁷⁴ In considering this issue Orange County, for example, has contracted for a study to determine whether the regional library should remain intact, divided into smaller subregions or be turned over to cities for operation. Los Angeles County should take advantage of the findings of this and other similar types of studies in a continuing evaluation of service delivery options.

Departments can evaluate and recommend the appropriate service delivery alternative using the following criteria:

(1) **Cost** - This is a measure of the level of expenditures relative to the other criteria with the objective of establishing the best value for the resources expended. Cost will be impacted by other factors such as competition. Thus, it must be continually reevaluated in light of changing circumstances.

(2) **Quality and Level of Service** - A minimum quality and level of service must be maintained if a comparison using cost criterion is to remain valid. The objective is to maximize the quality and level of service while minimizing cost. In reality, the interaction of these criteria will involve continual negotiation and compromise.

(3) **Service Disruption** - For some services a disruption is more critical than with others. When evaluating delivery alternatives, consideration must be given to the probability and severity of a potential service disruption versus the importance of a timely delivery of the service.

(4) **Responsiveness** - Responsiveness to citizens' needs and expectations cannot be disregarded if a non-government provider delivers a service. Even though the service provider may be a private business, the contracting jurisdiction cannot divest itself of responsibility and accountability for the service delivery, and therefore must continue to maintain or improve levels of responsiveness.⁷⁵

Additional questions that can be used in selecting delivery alternatives include:

- the potential for reversing the decision,
- the completeness of the contingencies covered in providing the service,
- the repercussive effects from other employees if non-government employees are used,
- the availability of a provider,
- the existence of competition or potential competition among providers,
- the possibility of a combination of providers,

⁷⁴ California Constitution Revision Commission, “Summary of Recommendations,” September, 1995.

⁷⁵ op.cit., pp. xv-xvi.

- the ability of the community to develop accurate statements of requirements,
- the ability to negotiate, to monitor performance and to evaluate the service,
- the existence of support for the proposed arrangements from voters and/or elected representatives, and,
- the adverse effect upon the present work force.⁷⁶

It is valuable to discuss delivery alternatives in light of the local government environment within the County. Given this perspective, the service provider will be better able to evaluate delivery alternatives to facilitate providing the service in the most efficient and effective manner possible, and to diminish any perceived citizen dissatisfaction with that service delivery. With this objective in mind, the following discussion presents several of the delivery alternatives that have been considered by the County.

a. County Delivery

Unincorporated areas generally receive municipal services from the County as their primary service provider. Various media sources have given vent to citizen dissatisfaction with this arrangement, typically expressing such concerns as: lack of community control over quality and quantity of services, difficulty in articulating needs resulting from distant political representation, lack of accountability in terms of services and taxes, and inability to understand the relationships between units of service delivered and units of resources required for their delivery.⁷⁷ Despite these expressions of dissatisfaction, there does not seem to be a consensus when seeking alternatives.⁷⁸ It appears that those expressing discontent have the larger concern that the use of alternative approaches would result in increased costs and/or reduced service quality. In addition, certain political-jurisdictional alternatives, such as annexation or incorporation, have their own resistance dynamics.⁷⁹

b. Jurisdictions Contracting with the County

Other governmental organizations or agencies have the capability of contracting with a county to provide a service or mix of services. There are advantages to both a county and cities in contracting with a county for municipal service delivery. By marginal adjustments in resource supply, a county can increase services and optimize facility location to accommodate both

⁷⁶ op cit, Ch. 1.

⁷⁷ See discussion in “Perception of Service Adequacy ” Section of this study.

⁷⁸ Hetherman, Bill, “Hacienda Heights Ruled By County, Despite Hard Knocks, Residents Aren’t Fighting to Become a City,” *Whittier Daily News* (August 21, 1994). See also, Sullivan, Deborah, “Taking Control of the Streets,” *Los Angeles Times* (July 28, 1994).

⁷⁹ Brooks, Carole A., “Stevenson Ranch Eyes Annexation,” *The Signal & Saugus Enterprise* (June 30, 1994).

contracting cities and unincorporated areas. Cities are able to take advantage of existing infrastructure and a reduction in necessary capital expenditures. Disadvantages to this approach lie in perceptions that a county is inefficient and that other alternatives may be more economical.⁸⁰

Contracting with a county will require analysis on behalf of the contracting party, as, on occasion, a government may find certain contracting costs burdensome, e.g., a county's authority to charge the cities certain indirect overhead costs, including costs for general county departments and service supplying departments.⁸¹ A county may, for example, charge the city the overhead associated with the costs of a Sheriff substation, including salaries, wages, materials, and supplies. However, the Los Angeles County may not charge cities the cost of executive management.

A further consideration for cities in contracting is the requirement to pay Los Angeles County a 6.5% fee for Sheriff and Public Works services to a Liability Trust Fund. This surcharge has raised concern among some cities since they lack involvement in the administration and oversight of this fund. Contract cities have at times questioned whether or not residents of unincorporated areas are required to pay into the Liability Trust Fund, and if they are, if it be an amount equivalent to that paid by residents of contract cities. One city suggested that it would be cheaper to buy an insurance policy.⁸² The County has stated that it has investigated this option, but has found it to be uneconomical as an alternative to the 6.5% Liability Fund surcharge fee.⁸³

c. County Contracting with Other Jurisdictions

Geographic problems of noncontiguous service boundaries may be alleviated by developing relationships with jurisdictions that are contiguous to provide a service. This approach can be utilized in the expansion of service contracts, particularly where it can be proven that service can be provided at lower cost and/or improved performance by a contracting jurisdiction. The County's Department of Public Works, Traffic Operation Division, contracts with local cities to provide to Dial-A-Ride and Bus services to residents of county islands, and pays the city in proportion to the ridership. The same branch also contracts with city transportation agencies for transportation services to and from county facilities, for example, to the Hollywood Bowl and to the Edelman Children's Court in Monterey Park.

⁸⁰ Sporich, Brett, "Police and Sheriff Disagree," *Whittier Daily News* (December 14, 1994). See also, Manhart, Dan, "Public Forum, County Might Reduce Pomona's Fire Service," *Daily Bulletin* (January 2, 1994). See also, Sneiderman, Phil, "Deputies to Continue Patrolling Palmdale," *Los Angeles Times* (January 4, 1995).

⁸¹ *California Government Code, Section 51350*. See also, *Preliminary Analysis of Services Provided by the Sheriff's Department to County Municipalities* (San Francisco: Harvey M. Rose Accountancy Corporation, March 1995).

⁸² Sporich, Brett, "Police to Replace Deputies," *Whittier Daily News* (December 14, 1994).

⁸³ Reza, Sal, interview regarding Los Angeles County risk management operations, June 15, 1995.

For a jurisdiction which has not yet capitalized large investments in equipment and labor intensive activities, contracting with the County and/or other jurisdictions can be an efficient means of providing service. The jurisdiction supplying the service may be able to achieve economies of scale by expanding resources to accommodate the contracting jurisdiction. For example, by considering contracting options and price differentials, the City of Santa Fe Springs recently terminated its contractual relationship with the Sheriff to contract with the City of Whittier for police services.⁸⁴

d. Contract with a Private Supplier

As economies of scale require or as service dissatisfaction escalates, the County or a city may choose to contract certain governmental services to private entities. Candidates include engineering, planning, building safety, or other such services which are not yet capitalized or which are now provided by the jurisdiction or other sources. In areas where privatization has been demonstrated to work well, it has resulted in improved economy and efficiency of municipal services delivery.⁸⁵

This approach may be restricted in the fields of law enforcement and fire protection services. For instance, law enforcement services must follow Penal Code requirements which identify who may be a peace officer, make arrests, and be armed under certain circumstances.⁸⁶ Fire services have traditionally followed a similar pattern, yet there have been instances where fire suppression services have been supplied through private contractors to the general public, such as in Scottsdale, Arizona. This may be a difficult alternative to implement given the present state of fire fighting and the variety of accompanying services required by Los Angeles County, e.g., terrain factors, multiple storied buildings, and hazardous materials.

Advantages of service supply by private contractor can parallel those of contracting with other jurisdictions. These include avoiding large capital expenditures, gaining the services of highly specialized personnel and avoiding civil service restrictions. A number of disadvantages also exist, e.g., dilution of public accountability, the existence of expertise within the work force to write and supervise performance contracts, etc. The assumption of improved service efficiency may well prove to be correct, but its appropriateness must be reviewed and evaluated on a case-by-case basis. In addition to these

“Today purchase of service contracting is the most widely accepted and frequently used alternative service delivery approach.”

**Carl F. Valente and
Lydia D. Manchester,
*Rethinking Local
Services: Examining
Alternative Delivery
Approaches*
(Washington:
International City
Management Assoc.,
1984), pg. 1.**

⁸⁴ Sporich, Brett, “Police, Sheriff Disagree,” *Whittier Daily News* (January 20, 1995).

⁸⁵ Savas, E.S., *Privatization: The Key to Better Government* (Chatham, N.J.: Chatham House, 1987).

⁸⁶ *California Penal Code*, Section 830, et. Seq.

more subtle factors, cost effectiveness comparisons are basic requirements in evaluating this option.

e. Reciprocity In-Kind: Trading Services

Trading arrangements usually occur when a service can be obtained without cost or at only marginal cost increases above other alternatives, when a service-providing partner is available, and when the service quality is acceptable. For example, one jurisdiction may include another in its animal regulation contract at a negligible marginal cost increase in exchange for services in a totally different area, perhaps services to senior citizens, including transit and use of a center and staff.

The advantages of this arrangement can be particularly attractive for Los Angeles County which labors under a service delivery workload to unincorporated islands. The County would perhaps be able to provide specialized public safety services such as arson and other criminal investigation units in return for municipal services to unincorporated county islands. Some reciprocal arrangements have already been made with other jurisdictions. Some of these agreements, such as responding to a public safety emergency until county personnel arrive, promote a status quo that may be difficult to change. There is the necessity for jurisdictions to thoughtfully consider levels of present investment and the existing environment. Thus, if a fire station has been located to optimize county response time, even though incorporated territory must be traversed, inertia tends to continue the current arrangements.

f. Joint Powers Agreements / Councils of Government / Mutual Support

California law has permitted agreements between various governmental entities for many years.⁸⁷ Joint power agreements are often seen as alternatives to a separate special district, such as an airport jointly owned and operated by more than one jurisdiction, e.g., Burbank Airport, owned jointly by Burbank, Glendale, and Pasadena. This arrangement can be used when reasonable revenue generation may be expected from the delivery of services under an authority. Joint agreements may provide the synergy and methods necessary to address the funding problems found in the development of service delivery systems. Many cities in Southern California have created special purpose joint powers agencies to share burdens, e.g., the Southern California Joint Powers Insurance Agency (SPJPIA).

**“ . . .several incorporated cities
may want to run or jointly
operate the County’s libraries.”**

Pasadena Star News
(June 7, 1995).

The advantages of joint powers agreements tend to be primarily economic. The disadvantage lies in the possibility that partners to an agreement would be unable to perform in emergencies, or, in the case of joint powers, unable to meet contractual financial obligations. Los Angeles County has participated in a few failed joint powers agreements, such as ARGUS and SKYRIGHT police helicopter patrol programs.

⁸⁷ *California Government Code*, Section 6500, et. seq.

Mutual support or mutual aid agreements are much less formal and contractual. They normally involve assistance arrangements, often with neighboring jurisdictions. Common examples exist in the public safety fields, e.g., the Sheriff's Department, Fire Department, and the California Highway Patrol often support cities under such agreements. The most obvious advantages of mutual support arrangements relate to emergencies and arrangements for jurisdictions to assist one another when one is overwhelmed or in mass emergencies/natural disasters.

g. Cooperative Services

More than one jurisdiction may take advantage of potential economies of scale available in capital expenditures from operating common facilities or functions, e.g., cooperative automotive equipment servicing facilities or public safety dispatching installations. Non capital-intensive examples include such items as cooperative purchasing agreements and/or the utilization of facilities to prepare meals for several school locations.

The following are examples of utilization of this type of service delivery: the County Fire Department has used its combined purchasing power to obtain fire hoses, response vehicles, and other fire protection equipment with all cities in the County; the City of Claremont has entered into agreements with the Claremont Unified School District whereby each agency may use the other's buildings and facilities free of charge, projects can be jointly bid and purchased, and the City and District can work together on joint activities; and the City of LaVerne and Los Angeles County Fire Department automatic and mutual aid agreement is one of 37 such agreements to improve fire response.

“Public agencies of separate jurisdictions can help each other - and taxpayers’ interests - if they find efficient ways to divide up the work.”

“Cooperation Helps Cities, County,” Daily Bulletin (May 9, 1995).

Most advantages of cooperative services are economic with significant monetary savings to be gained through the joint use of facilities. The greatest payoff from cooperative services occurs when excess capacity is fully utilized enabling the owner to spread costs to achieve the desired benefits at a lower price. Disadvantages include circumstances created when partners approach insolvency and are unable to contribute to operating costs, cannot meet financial obligations, and/or can no longer participate for other reasons. This will result in the collapse of these types of service arrangements.

h. Special Districts, Special Assessments, and the Public Service Districts

Los Angeles County is crisscrossed with the boundaries of 88 cities, 94 special districts under the jurisdiction of LAFCO (see page 10), and numerous other local districts. The special districts are usually single purpose suppliers of services, often with their own tax rates, e.g., library, fire, park maintenance, water conservation, flood control, soil conservation, road and sewer, and infrastructure maintenance districts. Another type of special district is the special assessment district. The difference from the more general taxing authority of a special district is

that special assessment districts relate specific benefits directly to land parcels. Examples are curb assessments, lighting and lighting maintenance districts, and parkway maintenance.

A general category of district alternatives is the public service district. This district has the powers of local government, with the exception of land use control authority. This entity can contract with various service suppliers and initiate special assessment districts. It requires an elected board and often a manager, with larger districts generally requiring political representation on governing boards. These districts are usually established by boards of supervisors, either unilaterally as service provision/financing structures or in response to local public demand. The public service district can be an alternative to the incorporated city, if land use control is not of concern. If one of these alternatives is to be utilized, there needs to be an analysis of its acceptability to the community. Unincorporated residents should be informed as to the costs and benefits associated with service delivery alternatives.

The main advantage of a special district is that it supplies a taxing and spending entity for a specific purpose. With taxing and spending limitations on local government, it represents a viable alternative that can vary in scope, from a limited geographic area or the entire county. The advantage of special assessment districts is that they can relate benefits to taxes. This affords the resident the rare opportunity to tangibly account for an assessment. The public service district has the advantage of making possible the empowerment of residents of unincorporated areas with a limited self-governing unit. This type of district can serve many of the same functions as a city government, usually through contracts, special assessments, and other instrumentalities.

There are a number of disadvantages. Special districts add yet another tax rate to a geographically defined area. To the extent that these assessments are opposed by residents, enmity can result. Although there is not a great deal of experience with public service districts to assess disadvantages, those residents who appear to like minimum government may look with as much disfavor on this alternative as they would an incorporation. Therefore, if one of these alternatives is to be utilized there needs to be an analysis of its acceptability to the community. Unincorporated residents must be informed about alternatives and the costs and benefits associated with each.

i. Additional Alternatives

Research conducted by David Osborne and Ted Gaebler and presented in their book, *Reinventing Government*,⁸⁸ has identified 36 service delivery alternatives, many of which incorporate activities discussed previously in this section. These 36 alternatives are:

Creating Legal Rules and Sanctions
Regulation or Deregulation
Monitoring and Investigation
Licensing
Tax Policy
Subsidies
Loans/Procurement
Insurance
Changing Public Investment Policy
Information
Volunteers
Impact Fees
Convening Nongovernmental Leaders
Jawboning
Equity Investments
Coproduction or Self-Help
Demand Management
Grants

Loan Guarantees
Contracting
Franchising
Public-Private Partnerships
Public-Public Partnerships
Quasi-Public or Private Corporations

Rewards, Awards and Bounties
Technical Assistance
Referral
Vouchers
Catalyzing Nongovernmental Effort
Public Enterprise
Seed Money
Voluntary Associations
Quid Pro Quos
Sale Exchange, or Use of Property
Restructuring the Market

j. Utilization of Service Delivery Alternatives

The Fire Department presently utilizes some of the service delivery alternatives discussed above. It is a major contractor for fire suppression services with most incorporated cities in the County. It also functions under mutual aid agreements with all cities that have their own fire departments, as well as operating as a special district covering the entire County. The mutual aid between the County and cities with their own fire departments is automatic, so that in response to a fire and/or paramedic emergency either or both County and city forces might respond to calls through the County dispatching system. In some cases, the Fire Department does contract with other fire departments to provide service to county islands or areas where they consider it feasible. This becomes an increasingly viable option in cases where improved service and/or reduced cost would result.

The Sheriff is a major service provider to both the unincorporated areas of the County and to cities under contract. However, additional opportunities may be available for the Sheriff to

“In a move to do more with less funds, Whittier-area cities either have dropped or are considering discontinuing county services to contract with other cities.”

“Area Cities Assisting Each Other,” *Whittier Daily News* (April 19, 1995).

⁸⁸ Osborne, David and Ted Gaebler, *Reinventing Government, How the Entrepreneurial Spirit is Transforming the Public Sector, From Schoolhouse to Statehouse, City Hall to the Pentagon* (Addison-Wesley Publishing Company, Inc., Fourth Printing, April 1992), pp. 333-343.

consider various service delivery alternatives. Several informal arrangements do exist, such as mutual aid with other departments, including assistance by the San Bernardino County Sheriff in Wrightwood. Thus far, no unincorporated community has attempted to increase its service from the Sheriff using a benefit assessment district, nor have any communities utilized this approach in contracting with a city police department. Contracting with other jurisdictions may relieve the Sheriff of costly response situations involving long distances and time, e.g., surrounded islands and areas like Wrightwood. Table 1 (page 27) reveals six islands surrounded by cities and two edge islands bordering on Ventura County. These can be studied for possible contract service arrangements with surrounding cities and Ventura County.

Other jurisdictions within Los Angeles County have recognized the possibilities of utilizing some of the alternatives suggested. Recently, Los Angeles City **Councilman Rudy Svorinich suggested that the City consider the possibility of competing with the County in providing services to smaller governments.** This proposal anticipated that the City could generate revenue for itself by providing services to these governments.⁸⁹ If the County does not recognize the possibilities for the effective use of alternatives, it may well face competitive challenges from other agencies that are willing to explore these options.

3. ACCOUNTABILITY

“Officials and citizens are frequently frustrated in their attempts to determine how well local government is serving the public.”

Harry Hatry, et al, *How Effective are your Community Services?* (The Urban Institute and the International City Management Association, 1977).

Twenty years ago evaluating the results of service delivery and public spending would have been a radical idea. Today it has become mainstream. The public’s dissatisfaction with the level of government efficiency, tax resistance, changing technology and increasing competition from the private sector are all leading the way to an inevitable change in the way that government functions. Citizens want their government to be accountable and leaders that will respond to this expectation by planning and implementing results oriented government operations.

A greater focus on accountability in overall performance, which began in the 1970s, has emerged, particularly since the passage of Proposition 13 and the numerous other fiscal containment efforts of the 1980s. Both elected officials and the public are asking increasingly

penetrating questions about the value they are getting for their money.⁹⁰ **The difficulties inherent in determining how much services cost and how governmental services are being allocated do not, in any way, relieve the government of its accountability in the efficient utilization of public resources.**

To be accountable, government must measure the optimal quantity and quality of those services it provides.⁹¹ But, since citizens involuntarily pay for governmental services that some of them may not use or desire, a determination of either the quantity or quality of the services received can vary dramatically between individuals. Thus, the development of an acceptable measure of adequate government service will prove to be a demanding, but necessary undertaking.

The Governmental Accounting Standards Board (GASB) has researched the problem of maintaining and improving accountability, while at the same time increasing the citizen's understanding of how government is spending their funds and what is being achieved through these expenditures. This research is based upon the GASB's reporting objectives to “. . . assist in fulfilling government's duty to be publicly accountable and . . . enable users to assess that accountability,” and “. . . to provide information to assist users in assessing the service efforts, costs, and accomplishments of the governmental entity.”⁹²

The GASB points out that government financial reporting should “. . . provide information to assist users in (a) assessing accountability and (b) making economic, social, and political decisions.” GASB gives considerable weight to the concept of accountability. It has addressed the concepts of “. . . being obliged to explain one's actions, to justify what one does” and of being required “. . . to answer to the citizenry to justify the raising of public resources and the purposes for which they are used.” One objective established by GASB was that “. . . financial reporting should provide information to assist users in assessing the service efforts, costs, and accomplishments of the governmental entity.”⁹³

⁹⁰ There are numerous examples of this concern within the Los Angeles area. The Concerned Home Owners in the View Park, Windsor Hills and Windsor Vista Areas have questioned the quality and quantity of County-provided municipal services. These citizens felt “. . .lacking municipal representation. . .the area has few advocates to lobby for neighborhood improvements”. They stated further that, “Crime was not their only concern; low water pressure, the upgrading of fire hydrants and the poor condition of streets and sidewalks in the area are also on the group's agenda.” Buchanan, Shonda, *LA Weekly* (October 29-November 4, 1993): p. 14.

⁹¹ “Currently, there is a separation between revenues and responsibilities which is contributing to the breakdown of government in California. Officials at all levels are less accountable for their actions and often blame their problems on others' actions.... This has led to a decreased understanding by the taxpayer of what level of government is responsible for which services and what the taxes they pay are funding.” (Committee on Local Government Reform, Draft March 29, 1994, pg 23.)

⁹² “Government Accounting Standards Board, Concepts Statement No. 1,” *Objectives of Financial Reporting*, (Stamford, CT: GASB, 1987): paragraph 77.

⁹³ Ibid.

It is evident that from the perspective of a number of the County's unincorporated residents, the County has not been sufficiently attentive to the issue of accountability. Residents are not able to associate, even broadly, taxes paid and services received. It would be valuable for the County to develop a means of providing feedback to citizens by specifying program expectations and whether these expectations are being met. This type of information is important to inform residents on the actions of their government and to provide meaningful support for decision-making processes undertaken by the Board of Supervisors and county managers.

a. Performance Measures

The true measure of municipal service is not how much funding is allocated to each activity, but how well that service is being delivered with the committed resources. It is evident from the fiscal situation facing Los Angeles County that significant changes are needed to address the dramatically changing environmental demands being placed upon government. Management will need to institute systems that actively encourage continuous delivery improvements.

Forced to make hard choices on levels of service, the County will require methods of measuring the quality of the services they deliver. The County may currently know what it spends on a program, but not the effect of these expenditures upon the community. In order to produce a quality service, county management must be provided with solid information on the outcome of their services. The California Constitution Revision Commission concurs in this approach and has stated as a recommendation that, "As developed in the strategic plan, the budget must contain performance measures that would identify the results of state programs."⁹⁴

Through the use of a strategy enabling the measurement of performance, Los Angeles County will be better able to allocate scarce public and private resources to achieve the strategic goal of improving municipal service delivery. This vision is antithetical to the traditional methods used in county government. This management strategy removes the typical one dimensional role in county government of collecting taxes and delivering services. It is replaced with a format that allows each department to serve as a catalyst and a facilitator of change in the manner that municipal services are delivered to the community. Measuring government service accurately, while consistently gauging service delivery systems, is an important component in achieving economy and efficiency of county service delivery.

To understand the concepts used in a discussion of measurement, it is necessary to define the terms used. Understanding service *inputs*, *outputs* and *outcomes* will be essential to both the service receiver and the service provider in making qualitative assessments regarding service adequacy and performance.

Inputs - Inputs measure the level of resources used in the production of a service or portion of a service. It can also be used to measure the resources necessary to reach the requisite level of

94 California Constitution Revision Commission, "Summary of Recommendations" (September 1995).

production. Input indicators are generally divided into the measurement of financial resources and/or other resources, such as work force hours, acres of land, square feet of building, etc. Thus, ratios, such as dollars spent per capita on the delivery of a specific level and quality of service, are useful in making efficiency or effectiveness comparisons.

Outputs - The input or resources applied to a particular activity generate a result or an output. Outputs are the quantity of units of service or product provided to the service population. The amount of highway paved is an output which suggests how resources, such as money and personnel, are being utilized. Outputs tend to be expressed in terms of human effort to complete a task (e.g., clerical hours to requisition items). Productivity ratios reflect the economy with which inputs are converted to outputs; these provide measures of efficiency. Most county departments should measure inputs and outputs as a basic element in the budgetary process.

Outcomes - Outcomes are perhaps the most significant measures of government performance. They measure the results of the operation of government programs. These outcomes are measured by some county municipal service delivery departments, but not as part of an overall measurement system.⁹⁵

“We should know the faces of the people we are assessing, and they should know the benefit we are going to give them for that assessment.”

**Supervisor Gloria Molina,
statement from June 14, 1994,
Board of Supervisors Meeting.**

Examples of commonly reported outcome measures are: crime rates, fire and sheriff response times, etc.⁹⁶ Outcomes provide a basis for developing cost-effectiveness measures, when compared with inputs.

Relating outcomes, rather than outputs, to resources can be used as a methodology to provide important additional information to elected officials and the public about the cost of the results of program activities. This enables them to consider the value of the service relative to its expenditure of resources.

Various measures of efforts (inputs), services delivered (outputs), and results (outcomes) should be used in making policy, resource allocation, and delivery (accountability) decisions. For example, the Parks Department allocates maintenance resources on the basis of customer complaints and the department's perception of maintenance within the park. This existing service standard of having clean parks could be used as a measure of the intensity of usage. Assuming no dumping and routine periodic trash disposal, a park with consistently overflowing garbage cans is likely being used more intensely than the park with empty cans. The

⁹⁵ Harn, Wendy, Sheriff's Management Information Services, Interview, June 15, 1995. Gee, John, Chief, Fire Department Planning, Interview, May 24, 1995.

⁹⁶ *Research Report, Service Efforts and Accomplishments Reporting: Its Time Has Come, An Overview* (Norwalk, Conn.: Governmental Accounting Standards Board, 1990).

Department of Parks and Recreation does not have an explicit intensity-of-use measurement, nor a per-capita-use measurement. In this instance, use data is collected incidental to the running of programs (e.g., a recreation program) at individual facilities by local employees. This type of information is not currently being collected in any systematic manner and it does not appear to be making its way into strategic planning efforts on a continuous basis.

For outcome and other performance measurements to provide valid information, departments should be able, through their actions, to reasonably affect the results for each outcome and efficiency indicator that is reported. This has been a particular concern for certain outcome indicators, such as crime rates, fire rates, incidences of various types of illnesses, and jobs created -- examples of common outcome indicators used for law enforcement, fire, public health, and economic development programs. The governmental agency plays only a partial role in reducing crime, preventing fires or illnesses, and creating jobs. Nevertheless, such indicators play an important role in evaluating agencies' results and should be an integral component in any municipal service delivery operation.⁹⁷ While there is evidence of some outcome measurement within the County, it is not carried out extensively, and not as part of a comprehensive measurement or accounting system.

This study does not want to downplay the difficulty in adopting the concepts involved in performance measurement. In practice, meaningful performance measurement is very difficult. It requires close cooperation between employees and managers within and across different departments in an organization. Even so, the advantages to be gained by undertaking these efforts justify its serious consideration.

b. Measurement

Perhaps, in part, due to the differences in establishing service levels, confusion exists between citizens and the County on performance related issues. Residents still do not understand the basis upon which services are being provided. The Governmental Accounting Standards Board (GASB) points out that the majority of state and local agencies rarely report service efforts and accomplishments externally, and only a few regularly report these indicators internally.⁹⁸ Performance measurement provides “. . . not only how much and on what an entity spends its resources, but also what its citizens are getting for the use of public funds and how efficiently and effectively these funds are being used.”⁹⁹

⁹⁷ Ibid., p. 19.

⁹⁸ Hatry, Harry P., James R. Fountain Jr., Jonathan M. Sullivan and Lorraine Kremer, eds. *Research Report, Service Efforts and Accomplishments Reporting: Its Time Has Come, an Overview*. (Norwalk, Conn.: Governmental Accounting Standards Board, 1990.)

⁹⁹ Ibid., p. 2.

There are a variety of types of measures which can be applied to gauge service delivery dollars.¹⁰⁰ First are indicators of resources that are used. These are usually related to outputs or accomplishments as productivity ratios or indices, e.g., the amount of output divided by input, or perhaps as the reciprocal (dollars per outputs). Outcomes or results may also be related to (divided by) resource inputs to develop indicators of goal achievement. An example of the latter might combine both the productivity and result measures, such as cost per mile of road maintained at some satisfactory level or condition. The input/output ratio is productivity. Achievement is an outcome.

A variety of performance measures have been developed for monitoring and evaluating service efforts and accomplishments. The Governmental Accounting Standards Board (GASB) has recommended indicators for service efforts and accomplishments reporting for fire suppression. (These indicators are shown in Appendix D along with the rationale for their selection.¹⁰¹) Of these GASB categories, response time is the primary measure used by the Fire Department.¹⁰² However, data on these standards are not monitored on a continuous basis. Rather, as described, they were established for siting stations, equipment requirements and personnel levels. The data may exist to measure the other indicators indicated by GASB, but a system to gather and analyze them does not exist.

The Sheriff's Department does not support the concept or use of performance measures. The Department feels that measures have to be modified by local policies based upon changes in reporting procedures, changes in public awareness, and numerous other factors. Thus, any measure chosen would vary independently of that measure's alleged meaning. For example, the number of crimes reported may vary based upon the number of crimes committed, e.g., the advent of community-based policing encourages residents to report even minor crimes, thus, possibly driving up crime statistics in a community in which new patrol procedures are possibly lowering the crime rate.¹⁰³ These arguments against systematic evaluation are valid, it would not be possible to evaluate resource allocation or service efficiency within this Department. As a result, it is difficult for the Department or the County to support the premise that law enforcement services are being provided in an efficient and effective manner. It also increases the difficulties in counteracting the concerns and perceptions of citizens, particularly those that

¹⁰⁰ Hatry, Harry A. and Donald M. Fisk, *Improving Productivity and Productivity Measurement in Local Governments* (Urban Institute, June 1971), p. 19.

¹⁰¹ Parry, Robert W., Jr., Florence Cowan Sharp, Janet Vreeland, and Wanda A. Wallace, *Service Efforts and Accomplishments Reporting: Its Time Has Come; Fire Department Programs* (Norwalk, Conn.: Governmental Accounting Standards Board, 1991), pp. 38-39.

¹⁰² Gee, John, Chief, Fire Department Planning, Interview, June 19, 1995.

¹⁰³ Harper, Jerry, Under Sheriff, through Lt. Rick Castro, Interview, June 19, 1995.

may advocate that citizens “. . . be allowed to carry concealed weapons because the Sheriff is not stopping crime.”¹⁰⁴

The Governmental Accounting Standards Board has proposed service efforts and accomplishments standards for police department programs. (These are shown in Appendix E¹⁰⁵) The Sheriff does not use these standards in measuring crime statistics. Although GASB does demonstrate an awareness of many of the measurement problems pointed out by the Sheriff, it feels that monitoring and measuring are still considered to be worth the effort since they will demonstrate a variance from baseline data and established trends. These are important management indicators within a changing service delivery environment.

Various measures are useful to different consumers of the data. For example, performance measures pertaining to workload and efficiency are useful to service providers as aids in planning and controlling operations, whereas unit cost and productivity ratios can prove useful criteria for everyone involved in the governmental system. Measures of effectiveness, such as outcomes, are particularly valuable to citizens, political officials, and administrators in evaluating county service delivery performance. Performance standards and measurement can be used by the Board of Supervisors in understanding and acting upon department performance. Strategic and budgetary planning, review of past performance and reward allocations, and goal setting for future department performance should be phased to support each other systemically.

Reliable accounting standards are important components in the efficient delivery of municipal services. At present, the Los Angeles County accounting system does not accumulate data on such items as resource inputs (e.g., personnel and equipment), outputs (e.g., call response), outcomes (e.g., response time), or other variables within areas served, to use the fire/paramedic example.¹⁰⁶ If desired, such data would have to be constructed after the fact from information systems which have other purposes, e.g., dispatching.¹⁰⁷ Therefore, development of a performance measurement system would require that either current operating computer systems be modified or a new accounting system be developed to capture performance data.

104 Chavira, Adriana, “South Whittier Residents Call For Better Law Enforcement,” *Whittier Daily News*, April 2, 1994.

105 Drebin, Allan and Marguerite Bannon, *Service Efforts and Accomplishments Reporting: Police Department Programs*, (Norwalk, Conn.: Governmental Accounting Standards Board, 1992), pp. 8-9.

106 Gee, John, Chief, Fire Department Planning, Interview, May 24, 1995.

107 Ibid.

RECOMMENDATIONS

16. Direct the department head level Unincorporated Municipal Services Committee, with the assistance of the Auditor-Controller and appropriate county departments, to geographically account for municipal services, using inputs (monetary, personnel, etc.), outputs (units of service delivered), outcomes (results), and effectiveness (quality, timeliness, customer satisfaction) as recommended by GASB and as illustrated in Appendices D thru F. This Committee should jointly submit to the Board of Supervisors an annual report on the utilization of this approach.

Priority: High / Implementation: Within One Year

17. Direct the Chief Administrative Office, with the assistance of the Auditor-Controller and appropriate county departments, to develop outcome-based program evaluations for municipal services based upon recommended GASB criteria and as illustrated in Appendices D thru F. This evaluation should be coordinated with the Management Appraisal Plan (MAP) and be consistent with "Vision 2000".

Priority: High / Implementation: Within One Year

18. Direct a department head level Unincorporated Municipal Services Committee, assisted by Los Angeles LAFCO and appropriate county departments, to develop policies ensuring that:

- a.** the County coordinates with other jurisdictions in the provision and design of municipal services to unincorporated areas, and,
- b.** alternative service providers include other public jurisdictions, the private sector, joint powers authorities, universities and other service delivery possibilities. Additionally, any combinations of these alternatives should be considered in the development of municipal service delivery.

Priority: High / Implementation: Within One Year

19. Direct the department head level Unincorporated Municipal Services Committee, assisted by appropriate county departments, to make recommendations on the use of municipal service delivery alternatives, to include interdepartmental restructuring, reorganization and consolidation where more efficient and effective service delivery can be achieved.

Priority: Medium / Implementation: Within One Year

20. Request that the Los Angeles LAFCO provide the Board of Supervisors with a review of all future boundary changes or revisions between incorporated and unincorporated areas with the objective of considering which form of service delivery most efficiently and effectively meets municipal service needs.

Priority: High / Implementation: Within Six Months

21. Direct the department head level Unincorporated Municipal Services Committee, in coordination with the Department of Human Resources, to develop policies and procedures that integrate the Department Head Performance Objectives, Management Appraisal Program (MAP), annual budget process and service delivery systems.

Priority: High / Implementation: Within One Year

V. CONCLUSION

“All great changes are irksome to the human mind, especially those which are attended with great dangers and uncertain effects.”

John Adams

A letter to James Warren, April 22, 1776.

It is vitally important that Los Angeles County take a proactive stance in creating its future. Government must be prepared to meet the challenges of continually changing demand. Long-range planning will identify and evaluate options to traditional governmental solutions which can lead to innovative lower cost service delivery, relative to demand changes. Although it is the nature of organizations to maximize budgets and service areas, the focus and incentive should be placed on increasing efficiency. This means that the Board of Supervisors should set a county-wide policy that requires agencies to know and understand their costs in setting service levels.

Developing enhanced mutual trust and confidence between the County and the cities, and among the cities themselves, would go a long way to alleviate strains in the present system. These governments must recognize the integrated nature of the region and the essential role of government in insuring the economic well being of the entire area. For city and county management to arrive at a mutually beneficial solution to their problems requires that a relationship be established based upon a common understanding of the issues. There must also be a mutual desire to arrive at solutions that are not only beneficial to each government, but that will also achieve an increased level of benefit to the entire Los Angeles community. This would not require another level of government, nor does it promote a regional form of local government to supplant the County and the cities. It does require that the County be willing to give serious consideration to change, and to encourage cities to do likewise.

Citizens have been forced in the past to accept an ever increasing tax burden disguised in the form of fees, bonds or some other substitute for taxes. They are approaching the point of refusing to pay more, particularly when they see little improvement in, or perhaps lowering of, their quality of life. The County should establish policy guidelines that define when to get out of a line of service altogether. Below a certain delivery level the provision of service will be inefficient; it would be better to get out of that line of service entirely, or consolidate the function.

The County must become increasingly receptive to entertaining policy inputs from a variety of sources to achieve worthwhile policy ends. For instance, the private sector can provide valuable input to the design of service delivery policy. Although the private sector does not make public policy, and their goals and objectives are fundamentally different from those of government, they do have a wealth of advisory talent that can be drawn upon. If the communities in which business and industry operate are satisfied with the municipal services being delivered, a successful and profitable business environment will be created. Thus, it is in the private sector's self-interest to contribute to the improvement of service delivery.

An additional source of public policy inputs is the academic sector. The Los Angeles area has some of the most prestigious educational institutions in the country, particularly those with schools of public administration or with public policy curricula. These university and college faculties include authorities in the field of public policy, along with other resources to explore ideas and improved methodology. This approach can provide the spark to ignite the County and the cities in beginning the development of specific programs. These programs will begin to make an impact on what can be considered some of the most critical problems that have ever been faced by local government.

“The whole system needs to be rethought, but that takes real political courage, so instead lawmakers try to tinker around the edges of the problem without facing it head-on.”

*Editorial, Daily Bulletin
(April 25, 1996).*

This study has identified a number of issues associated with a municipal services policy for Los Angeles County. These have been described as problem areas, the solutions to which lie in further development of County municipal service delivery policy. One class of problems relates to perceptions held by many unincorporated County residents: that service delivery is deficient in terms of what services they want or how they are delivered, that services are unfairly distributed, that services are not delivered efficiently and effectively, and that the taxes they pay should be spent only in their area. In order to address

these perceptions, there is a need for more communication with unincorporated area residents. Some of these perceptions are untrue or based on misunderstanding, however, they indicate an information gap between county service delivery and citizen understanding.

Many residents feel a need for political control at the grass roots level, yet there are limitations on their ability to satisfy this need. In some instances, incorporation or annexation may not

provide practical alternatives for various reasons. Various special district alternatives may not be understood or, indeed be viable, even if understood. Several organizational alternatives are available to communities that want to take control of decision making at the local level and who are willing to bear the additional costs of service delivery qualitative improvements. However, knowledge of these alternatives by residents cannot be assumed and they must be identified, communicated and explained by the County.

If unincorporated communities are to be able to increase levels of service quantitatively, and perhaps qualitatively, the cost of services allocated and the agency providing these services must be communicated to members of community councils or community services district boards. These groups could be empowered to make decisions on the allocations of these resources -- a form of budget decentralization. Several of these areas may have to be aggregated to achieve viable communities from the providers' point of view. Being charged with these decisions can help to bring about responsible behavior by these residents and perhaps, in the case of community services districts, a willingness to vote themselves to be taxed for different levels and types of services, if they so desire. Also, assuming the existence of a community services district, it may arrange alternative sources of service delivery, e.g., contracting with neighboring cities or even private suppliers.

As this discussion has demonstrated, Los Angeles County has had difficulty in finding additional resources to keep up with the changing demands of an expanding population. This situation has been exacerbated by absorption of vast areas of formerly unincorporated urban areas through annexation and incorporation which, until recently, has resulted in reduction of the County's tax base. County departments delivering municipal services have adjusted to these dynamics by supplying services on a contractual basis and thereby preserving, in part, lost revenue streams. With the exception of some relatively large unincorporated communities, the result of incorporation and annexation has been a residue of islands which, for various reasons, were not included in the cities.

Unincorporated area islands may present problems of uneconomic service delivery. This is an area that needs further investigation of alternative delivery modes, such as those discussed in this study. A general policy on the disposition of these islands would provide a fundamental basis upon which to develop a municipal services policy. One policy objective worthy of investigation is the suggestion that it should be county policy to dispose of the small unincorporated islands by legislative and financial inducements to annexation and incorporation. If this is found not to be entirely practical, perhaps services can be contracted with non-county agencies, e.g., neighboring jurisdictions, or other service supply alternatives. These options deserve further, separate evaluation, as recommended in this study.

The County has the ability to evaluate its performance in delivering services. It is possible to construct data for measures such as inputs, outputs, outcomes, quality, and productivity of delivered services for all county departments. However, the County does not currently have an accounting system that would enable management to develop information on these types of measures. Such a system would have the advantages of: facilitating the computation of statistics such as cost per unit of service delivered, identifying cost effects per unit of service delivered, and costs and benefits of program alternatives; providing the Board of Supervisors and county management with data to evaluate comparative cost, equity, equality and outcomes

for geographic subdivisions of unincorporated areas and contract cities; informing the public on benefits received for tax dollars collected; and providing information on costs and revenue of areas proposed for annexation.

This study has attempted to present a case for setting a new course in the delivery of county services to unincorporated areas, e.g. using performance measurement, improving commitment to strategic planning and organizational development. The Economy and Efficiency Commission recognizes that process improvement, performance measurement, quality service delivery, and organizational development all depend upon heavy investments in time, information technology and personnel management. Each of these innovative departures require that the County be able to collect and analyze large amounts of data. In the absence of systematic data collection, the criterion used as the basis of performance measurement and outsourcing decisions can easily become politicized.

With regard to personnel management, process improvement and performance measurement efforts normally depend on heavy employee involvement. Most of the data and information for these efforts will be collected by front-line employees. The success of these programs requires employees to develop new competencies. It also requires a new set of organizational incentives.

This study has made a number of recommendations on how Los Angeles County can begin restructuring the way it approaches and manages the delivery of municipal services. Now is the time for Los Angeles County government to rethink how it finances itself, how it measures the results of the services it offers to its citizens and how it can change into an increasingly effective government.

Changes within an organization take considerable time. It is essential that the County make a long term commitment to the changes being recommended, which will be difficult given the fiscal environment facing Los Angeles County. The establishment of the County's "Vision 2000" is a meaningful step in the development of this process.

In undertaking this effort, the County must recognize that changes to the organization must come before implementing changes to the structure and systems affecting the delivery of services. The Citizens' Economy and Efficiency Commission strongly urges that the Board of Supervisors advocate the reforms identified in this study to create a more efficient delivery system for municipal services within the County, including recommended further analysis and evaluation of options for effective intergovernmental action and interaction.

RECOMMENDATIONS

22. Direct the department head level Unincorporated Municipal Services Committee to develop a system which will combine sequentially: Department head/Board goal setting, departmental budgetary planning, performance standards and reporting (as recommended in this study), performance appraisals and rewarding of departmental management. Unincorporated areas should be included in this process to establish performance accounting, reporting and standards.

Priority: High / Implementation: Within One Year

23. Direct the Commission to undertake further consideration of the following areas:

- a.** Insure the close coordination of the recommendations made in this study with “Vision 2000” objectives.
- b.** A follow-up on the recommendations made in this study.
- c.** Further study in the field of municipal service delivery that will review such items as the impact of these issues on other local and regional governments. This will include both “contract” and “independent” cities; further research surrounding municipal services, including other local governments within the County; and the potential for new legislative directions.
- d.** Further study of the County as a principal provider of regional governmental services and regulation, not only for “contract cities”, but also to “independent cities” and other local governments.
- e.** How the County can best fit into a new regional governance structure as contemplated by state constitutional amendments now under consideration.

Priority: Low / Implementation: Within One Year

BIBLIOGRAPHY

Ammons, D.N., *Municipal Productivity: A Comparison of Fourteen High-Quality-Service Cities*, Praeger Publishers, 1984.

Drebin, Allan and Marguerite Bannon, *Research Report: Service Efforts and Accomplishments Reporting: Its Time Has Come, Police Department Programs*, Government Accounting Standards Board (GASB), Norwalk, Conn., 1992.

Governmental Accounting Standards Board, *Research Report: Service Efforts and Accomplishments Reporting: Its Time Has Come, Road Maintenance*, Government Accounting Standards Board, Norwalk, Conn., 1993.

Governmental Accounting Standards Board, *Concepts Statement No. 1, Objectives of Financial Reporting*, Government Accounting Standards Board, Stamford, CT, May, 1987.

Hatry, Harry P., James R. Fountain, Jr., Jonathan M. Sullivan, and Lorraine Kremer, (eds.), *Research Report: Service Efforts and Accomplishments Reporting: Its Time Has Come, An Overview*, Government Accounting Standards Board, Norwalk, Conn., 1990.

Hatry, Harry P, et. al., *How Effective Are Your Community Services? Procedures For Monitoring the Effectiveness of Municipal Services*, The Urban Institute, Washington, 1977, Chapter 4.

Hatry, Harry P. and Donald M. Fisk, *Improving Productivity and Productivity Measurement in Local Governments*, The Urban Institute, Washington, June, 1971.

Los Angeles County Auditor-Controller, *Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 1994*.

Los Angeles County Department of Parks and Recreation, *A Parks and Recreation Strategic Plan for 2010*, Los Angeles, May, 1992.

Los Angeles County Department of Parks and Recreation, *Park Facilities and Other Areas of Jurisdiction*, Los Angeles, July, 1992.

Parry, Robert W. Jr., Florence Cowan Sharp, Janet Vreeland, and Wanda A. Wallace, *Research Report: Service Efforts and Accomplishments Reporting: Its Time Has Come. Fire Department Programs*, Government Accounting Standards Board, Norwalk, Conn., 1991.

Rich, Richard C. (ed.), *Problems of Theory and Method in the Study of Urban Service Distributions*, Lexington Books, Lexington, Mass., 1982.

Savas, E.S., *Privatization: The Key to Better Government*, Chatham House, Chatham, N.J., Chatham House, 1987.

State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report E-5*, Sacramento, CA., 1993.

U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1993*, Government Printing Office, Washington, 1993.

U.S. Department of Commerce, Bureau of the Census, *Government Finances, 1980, 1985, 1990*, Government Printing Office, Washington.

Valente, Carl F. and Lydia D. Manchester, *Rethinking Local Services: Examining Alternative Delivery Approaches*, Washington, Management Information Service Special Report, No. 19. International City Management Association, March, 1984.

APPENDIX A

WHAT IS THE LOCAL AGENCY FORMATION COMMISSION (LAFCO)

HISTORY

The end of World War II saw California experiencing a tremendous population increase, which resulted in the sporadic formation of cities and special service districts.

The results of this development boom became evident as more of California's agricultural land was converted to urban uses. Premature and unplanned development created inefficient, expensive systems of delivering public services, using various small units of local government.

Governor Edmund G. Brown, Sr. responded to this problem in 1959 by appointing the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of overlapping, local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of Local Agency Formation Commission, or "LAFCOs", operating in each California county except San Francisco.

OBJECTIVES OF LAFCO

TO ENCOURAGE THE ORDERLY FORMATION OF LOCAL GOVERNMENTAL AGENCIES

LAFCOs review proposals for the formation of new local governmental agencies and changes of organization in existing agencies. In California there are 57 LAFCOs working with nearly 4,000 governmental agencies in 57 counties, 500+ cities, and 3,000 + special districts. Agency boundaries are often unrelated to one another and sometimes overlap at random, often leading to higher service costs to the taxpayer and general confusion regarding service area boundaries. LAFCO decisions strive to balance the competing needs in California for affordable housing, economic opportunity, and conservation of natural resources.

TO PRESERVE AGRICULTURAL LAND RESOURCES

LAFCO must consider the effect that any proposal will produce on existing agricultural lands. By guiding development toward vacant urban land and away from agricultural preserves. LAFCO assists with the preservation of valuable agricultural resources.

TO DISCOURAGE URBAN SPRAWL

Urban sprawl can best be described as irregular and disorganized growth occurring without apparent design or plan. This pattern of development is characterized by the inefficient delivery of urban service (police, fire, water and sanitation) and the unnecessary loss of agricultural land. By discouraging sprawl, LAFCO limits the misuse of land resources and promotes a more efficient system of local governmental agencies.

AUTHORITY OF LAFCO

BOUNDARY CHANGES

LAFCOs regulate, through approval or denial, the boundary changes proposed by other public agencies or individuals. LAFCOs do not have the power to initiate boundary changes on their own, except for proposals involving the dissolution or consolidation of special districts and the merging of subsidiary districts.

Typical applicants might include:

- ▶ Individual home owners requesting annexation to a sewer district due to a failing septic tank.
- ▶ Developers seeking annexation to cities in order to obtain more favorable development and urban services extended to the new housing.
- ▶ Cities wishing to annex pockets or “islands” of unincorporated land located within their borders in order to avoid duplication of services with the county.
- ▶ Special Districts or cities seeking to consolidate two or more governmental agencies into one, thereby streamlining their services and reducing the cost to local taxpayers.

SPHERE OF INFLUENCE STUDIES

One of the most important charges given LAFCO was the adoption of “Spheres of Influence” for local governments (1972). A “Sphere of Influence” is the physical boundary and service area that a local governmental agency is expected to serve. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping jurisdictions and duplication of services.

Commissions cannot tell counties or cities what their planning goals should be. Rather, LAFCOs coordinate the orderly development of a community through reconciling differences between city and county plans so the most efficient urban service arrangements are created for the benefit of area residents and property owners.

SPECIAL STUDIES

Through special studies, LAFCOs encourage governments to evaluate their current operations and options for reorganization. Local agencies often overlap and have the potential of duplicating services. LAFCOs conduct service studies and consolidation feasibility studies. These studies provide general information about local governments and present alternatives for improving services and reducing operational costs.

INITIATION OF SPECIAL DISTRICT CONSOLIDATIONS

As of July 1, 1994, LAFCOs have the authority to initiate proposals that include the dissolution or consolidation of special districts, or the merging of an existing subsidiary district. Prior to initiating such an action, LAFCO must determine that the district’s customers would benefit from the proposal through adoption of a sphere of influence or other special study.

OUT OF AGENCY SERVICE AGREEMENTS

Cities and districts are required to obtain LAFCO’s approval prior to entering into contracts with private individuals or organizations to provide services outside of the agency’s boundaries.

LAFCO’S RESPONSIBILITIES

LAFCOs are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify and streamline governmental structure and preparing a Sphere of Influence for each city and special district within each county. The Commission’s efforts are directed to seeing that services are provided efficiently and economically while agricultural and open-space lands are protected.

COMMISSION COMPOSITION/PUBLIC INVOLVEMENT

COMMISSION COMPOSITION

Commissions are usually composed of two county supervisors selected by the Board of Supervisors; two city council representatives selected by a majority of the mayors in the county; and one public member selected by

the other four members. Commission members serve four-year terms. There is an alternate for each category - city, county and public. Composition of Local Agency Formation Commissions may vary in other counties. Several LAFCOs have independent special district representation on the Commission, thereby expanding to seven members. Also, some LAFCOs including Los Angeles, Sacramento, Santa Clara, and San Diego, have through special legislation, reserved a seat on the Commission for a representative from the county's major city.

CITIZEN INVOLVEMENT

Citizens are welcome and encouraged to attend regular LAFCO meetings and state their views during public hearings on proposals before the Commission. In addition, the meetings provide an excellent opportunity for citizens to familiarize themselves with the growth, development and inter-jurisdictional issues facing their county. Copies of the minutes, meeting agendas, and staff reports are available by contacting the Local Agency Formation Commission.

LEGISLATIVE ACT

A section of the California Government Code exists to provide LAFCO with its powers, procedures and functions. This law gives LAFCO power to "approve or disapprove with or without amendment, wholly, partially or conditionally" proposals concerning the formation of cities and special districts, and other changes in jurisdiction or organization of local governmental agencies.

In reviewing proposals, LAFCO is required to consider certain factors such as the conformity between city and county plans, current levels and need for future services to the area, and the social, physical and economic effects that agency boundary changes present to the community.

LAFCO is also given authority to make studies of exiting governmental agencies in an effort to improve the efficiency of urban services.

CALAFCO

The California Association of LAFCOs, or CALAFCO, was formed in 1971. CALAFCO serves as an organization dedicated to assisting member LAFCOs with technical resources that otherwise would not be available. The Association provides statewide coordination of LAFCO activities, representation before the State Legislature and other bodies, and a structure for sharing information among the various LAFCOs and other governmental agencies through the State.

The Association is governed by the Executive Board composed of thirteen (13) LAFCO Commissioners: four city members, four county members, three public members, and two special district members. In addition, a LAFCO executive officer and a LAFCO legal advisor serve voluntarily in these capacities for the Association.

To accomplish CALAFCO's objectives, the Executive Board utilizes a number of committees comprised of LAFCO Commissioners and staff members serving on a voluntary basis. Such committees include the newsletter publication, legislative committee, workshop program committee, and Executive Board nominations committee. CALAFCO also sponsors an Annual Conference and a number of workshops throughout the year.

APPENDIX B
INVENTORY OF UNINCORPORATED AREAS WITHIN THE COUNTY

GENERAL LOCATION	ASSESSOR'S MAP BOOK NUMBER(S)
1. Lancaster	3203, 3218, 3219
3. Lancaster	3204
5. Lancaster	3204
7. Lancaster/Palmdale	3001, 3005, 3111
9. Lancaster	3384, 3386
11. Palmdale (International Airport)	3022, 3024, 3025, 3028, 3077, 3170, 3380, 3388
13. Palmdale	3006
15. Palmdale	3003, 3004
17. Santa Clarita	2842
19. LA (Bell Canyon)	2031
21. Agoura Hills/ Calabasas	2049, 2055, 2064
23. Santa Monica Mountains	2058, 2063, 2064, 2072, 2080, 2173, 4434, 4436, 4438, 4440--4448, 4453, 4455, 4457, 4458, 4461, 4462, 4464, 4465, 4467, 4469--4473
25. LA (Franklin Canyon)	4386, 4387
27. LA (Universal City)	2424
29. LA (Marina del Rey)	4224, 4225
31. LA/Culver City (Baldwin Hills.)	4001--4003, 4019, 4101, 4102, 4134, 4201, 4203, 4204, 5007--5012, 5029
33. Hawthorne/ Inglewood/ LA (Lennox)	4034--4039
35. Hawthorne	4053
37. Compton/ LA (Willowbrook)	6086, 6125, 6129-- 6132, 6134, 6137, 6139, 6147--6150, 6152, 6154, 6155
39. LA	7351
41. Rolling Hills East. (South Coast Botanical Gardens)	7548
43. LA (La Rambla)	7451, 7452
45. Lakewood (County Boundary)	7057
47. Carson/ Compton/ Long Beach	7306, 7318
49. Compton (E. Compton Area)	6180, 6181, 6184, 6185, 6195
51. Compton (Wilbarn Street)	6185, 6188
53. South Gate	6234
55. La Mirada/ Santa Fe Springs/ Whittier (South Whittier)	8026, 8028--8032, 8035, 8036, 8039, 8040, 8251--8159, 8162, 8163, 8167, 8226, 8227, 8228

GENERAL LOCATION	ASSESSOR'S MAP BOOK NUMBER(S)
2. Lancaster	3203, 3268
4. Lancaster	3204
6. Lancaster/Palmdale	3101, 3102, 3103, 3110, 3111, 3204
8. Lancaster	3170
10. Lancaster	3378
12. Palmdale	3006, 3022
14. Palmdale	3009
16. Palmdale	3020
18. LA (West Hills)	2006, 2007, 2017
20. Calabasas/Hidden Hills	2047
22. Agoura Hills/ Calabasas	2064
24. LA (Sawtelle)	4324, 4363, 4365, 4401
26. Beverly Hills/LA	4391
28. LA (Pan Pacific)	5512
30. LA (Del Rey)	4211
32. LA/Huntington Park (Athens)	4057, 6047, 6055, 6056, 6058--6060, 6076--6079, 6089, 6090
34. Hawthorne	4140--4144, 4147
36. Gardena/ Hawthorne/ Lawndale	4069--4071, 4073,4074
38. Compton	6144
40. LA	7344, 7345, 7348, 7350, 7351, 7409, 7439
42. Rolling Hills Estates	7570, 7575
44. Long Beach (Alamitos)	7237
46. Long Beach	7185
48. Compton (Kelly Park Area)	7301, 7302
50. Compton (LA River Area)	6180, 6185
52. Cerritos	7016
54. Lynwood (Mona Blvd. Area)	6067, 6068
56. Pico Rivera/ Santa Fe Springs/ Whittier	6375, 6376, 8130, 8169, 8170, 8171, 8173, 8174, 8176, 8177, 8178

57. La Habra Heights (Hac. Blvd.)	8238
59. Wittier (Turnbull Canyon)	8137
61. Industry	8760
63. Industry/ La Puente/ West Covina (Valenda)	8248, 8252, 8254, 8262, 8489, 8490, 8725--8730, 8740, 8741, 8742
65. Covina/ Pomona/ San Dimas/Walnut/ West Covina	8277, 8447, 8448, 8482, 8709, 8710
67. Covina	8428, 8447
69. Covina	8447
71. San Dimas	8426
73. Covina/ San Dimas	8402, 8426
75. Covina	8421
77. Azusa/ Covina/ Irwindale/ West Covina	8409, 8410, 8417, 8419, 8420, 8435, 8458, 8619, 8620
79. Pomona	8302
81. Claremont	8669, 8670
83. San Dimas	8661
85. Glendora	8625, 8635, 8684
87. Glendora	8634
89. Azusa/ Covina/ Glendora	8405, 8406, 8622, 8623, 8628--8631, 8633
91. Bradbury	8527
93. Baldwin Park/ Industry	8564
95. Duarte/ Monrovia	8510, 8513, 8521, 8534
97. Arcadia/ Temple City	8572, 8573, 8574
99. San Gabriel	5387
101. San Gabriel	5387
103. Arcadia/ Pasadena/ San Gabriel/ San Marino/ Temple City	5374--5379, 5381--5383, 5386, 5387, 5754, 5755, 5757
105. Montebello/ Monterey Park/ Rosemead (South San Gabriel)	5275, 5277, 5279, 5284, 5285
107. Vernon	5192, 6303, 6304
109. Huntington Park/ LA (Walnut Park)	6008, 6009, 6010, 6021, 6024--6028, 6043--6046, 6049, 6201, 6202, 6212
111. Santa Catalina Island	7480

58. La Habra Hts. (Brighton St.)	8267
60. Diamond Bar/ Industry/ La Habra Heights/ Pico Rivera/ Whittier (Rowland Heights and Hacienda Heights)	8124--8126, 8137, 8138, 8204, 8205--8209, 8211, 8215, 8217--8222, 8240, 8241, 8243, 8244, 8253, 8258, 8265, 8268--8270, 8272, 8276, 8289--8291, 8294, 8295, 8714, 8761, 8764
62. Industry/ Walnut (Valley Blvd.)	8709, 8719, 8720, 8722, 8760
64. W. Covina (Cameron Ave.)	8482
66. Covina	8446, 8451
68. Covina	8447
70. San Dimas (Annex No. 18)	8385, 8426
72. Covina	8426
74. Covina/ San Dimas	8401--8405, 8428, 8429
76. Covina (Hollenbeck Avenue)	8407, 8408, 8421, 8431, 8432
78. La Verne/ San Dimas	8391
80. Pomona	8367
82. Claremont	8673
84. Glendora	8636, 8658
86. Glendora	8625
88. Azusa	8608, 8625, 8684
90. Azusa	8621
92. Baldwin Park/ Industry/ La Puente/ West Covina	8212, 8464--8466, 8471, 8472, 8558, 8560--8562
94. Industry/ Montebello/ Pico Rivera/ Rosemead/ South El Monte/ (Whittier Narrows/ Bassett)	5271, 5275, 5277, 5279, 5281, 5282, 5284, 8285, 8110, 8112, 8113, 8115, 8117, 8119, 8120, 8123, 8124, 8125, 8206, 8208
96. Arcadia/ Monrovia	5791, 8509, 8510, 8511, 8538, 8571
98. San Gabriel/ Temple City	5373, 5387, 5388
100. San Gabriel	5387
102. San Gabriel	5373, 5374, 5387
104. San Marino(San Pasqual Area)	5329, 5330, 5331, 5758
106. East Los Angeles	5233--5236, 5238--5242, 5245--5251, 6337-- 6343, 6351
108. Vernon	6310, 6311
110. Large Area North of LA and San Gabriel Mountains	-0-
112. San Clemente Island	-0-

Source: Los Angeles County LAFCO

APPENDIX C

DESCRIPTIONS OF SELECTED COUNTY ISLANDS

Doheny, Bandini, and Other Boundaries

Doheny, an unincorporated island, is little more than a traffic island. It is located at the intersection of Doheny, Sunset, and Melrose Boulevards. A justification for the existence of such an island is difficult to understand from any rational standpoint.

Bandini, within the City of Vernon, which is illustrated on Map 3, is another small parcel that was not annexed to the city. When the annexation and incorporation process hasn't taken service delivery into consideration, the resulting small islands create unnecessary service delivery problems for the county. To further illustrate this issue, in the City of San Marino a jurisdictional boundary of jurisdictions runs through the middle of a house. If crime is committed at the front of the house, the perpetrator is in one jurisdiction, and if in the bedroom, a second.

MAP 3 (*see Report*)

Sawtelle, La Brea, and Franklin

A different situation arises when land is owned by another government agency. Since it would not provide an annexing city with any revenue, the city would not normally chose to incorporate or annex the land. The Sawtelle Veteran's Administration and Federal building area in Westwood (illustrated in Map 4), the La Brea island with its Pan Pacific Auditorium, and the Franklin island with the Franklin Reservoir are examples of this type of non-revenue producing land.

The ownership of property by another government agency not only makes the island non-revenue producing, but may also result in a jurisdictional problem. If an incident occurs inside the federal facility at Sawtelle, a Marshal or other federal agency would have jurisdiction; on the grounds or sidewalk the Sheriff would have responsibility, and, if it occurs on the street it is in the Los Angeles Police Department's (LAPD) jurisdiction. A large demonstration may result in jurisdictional confusion among the responsible agencies. In this instance, agencies have recognized these difficulties, and the Sheriff has reached an agreement with LAPD to assume jurisdiction in this area.

Since the City of Los Angeles is so large, county islands within it tend to be inaccessible by any county service provider. Since each of the three islands mentioned in this section are some distance from a County Fire station, generally agreements have been concluded with the City of Los Angeles to respond to fire or rescue calls from these locations.

MAP 4 (*see Report*)

The Franklin island is another example of how the property rights of two landowners have created a county island. In the late 1970's, two property owners wanted to develop four housing units overlooking the Reservoir. Assuming that the County would be more likely to grant the development permits, they refused to be annexed into the city. However, the Board of Supervisors subsequently turned down their subdivision proposal. At some time later they sold their property to the Santa Monica Mountains National Recreation Area. The land is now Federal property upon which the Los Angeles City Department of Water and Power operates a reservoir

Alamitos, Pioneer South and Other Unbuildables

A few county islands are pieces of land adjacent to flood control projects, rivers, or wetlands that currently make them unbuildable. Alamitos is part of the San Gabriel River floodplain just inland from the dredged wetlands that constitute the City of Long Beach's Marine Stadium and marina (illustrated on the Map 5). Pioneer South is a piece of land adjacent to the west levee of the San Gabriel River. Since neither area promises much in the way of present or future development, the adjacent cities simply leave them to the County.

MAP 5 (*see Report*)

Claremont Islands, Cerritos Islands, and Other Urban Edges

Several County islands are small pieces of residential land at the edges of cities, or lodged between two different cities. Typically, these islands are left over from a process of competitive annexation; in other words, when the competition between two cities cooled off, these areas had not yet been annexed, so they remain county islands. The Claremont Islands (illustrated on Map 6), between the Cities of Claremont and Pomona and La Verne and Cerritos Island, between the Cities of Cerritos and Norwalk, are examples of edge islands. If an agency such as LAFCO were to encourage annexation, the local boundary topology might govern which city gets the island. The rule might be that annexations should lead to more compact cities (e.g., would add area while minimizing perimeter).

MAP 6 (*see Report*)

West Hills, Centinella, and Other Urban Enclosures

Some islands are completely enclosed by one city. In the case of large cities the degree of isolation from the nearest County provider can be extreme. This is the case for the island of Centinella in West Los Angeles (illustrated in Map 7), and along the Ventura County border, where there are two islands, Chatsworth South and West Hills. Together these islands have about 2,200 residents (1990 Census). Other islands that are isolated from the Sheriff are two islands in the City of Claremont (Map 6); they are separated from the nearest Sheriff area by several other non-Sheriff cities, e.g., Pomona and La Verne.

Some of the messiest enclosures are in the Cities of Covina and West Covina, where the jurisdictional pattern of city and unincorporated area is very complicated. The unincorporated island may include both sides of a street for a few blocks, then just one side of the street, and transfer to the other side, and then either end or go around the corner. Service calls are complicated by the fact that the both Cities of Covina and West Covina, and the County, all have separate house numbering systems which are jealously applied to the housing. A responder traveling down a street may unknowingly cross these jurisdictional lines. He/she may be confronted by streets where the numbers run in different directions, or switch parity, or will see five-digit house numbers on one side and four-digit numbers on the other, and then incompatible four digit numbers on both sides of the street. These circumstances depend on the responder's position in the house numbering schemes.

MAP 7 (*see Report*)

APPENDIX D

RECOMMENDED SERVICE EFFORTS AND ACCOMPLISHMENTS FOR FIRE DEPARTMENTS: FIRE SUPPRESSION	
Indicator	Rationale for Selecting Indicator
INPUTS: Full-Time Personnel Part-Time and Volunteer Personnel Total Man-Hours Worked	Provide information on labor resources used
Total Operating Expenditures Total Capital Expenditures	Provide information on resources committed to suppression activity
Man-Hours in Training Programs Percentage of Fire Fighters Reaching an NFPA-Recommended Certification Level	Provide information on preparedness
OUTPUTS: Number of Fire Calls Answered	A measure of suppression work-load; readily available
OUTCOMES: Water Supply Minimum Water Volume Available Minimum Water Flow Available Population With Access to Adequate Water Supply	Measure availability of water needed to suppress fires--a measure of fire fighting readiness
Response Time Average Response Time Percentage of Responses in Under X minutes	Measure success in delivering timely service; currently measured by fire departments
Average Time to Control Fires Single-Alarm Residential Single-Alarm Industry Two Alarm Industry Percentage of Fires Spread Limited to X% Square Feet on Arrival Single-Alarm Residential Single-Alarm Industry Two-Alarm Industry	Measures success in minimizing fire damage
EFFICIENCY: Operating Expenditures per Capita	Provides per capita cost of service information for operations
Capital Expenditures per Capita	Provides per capita cost of capital investment
Operating Expenditures per \$100,000 of Property Protected	Relates operating cost information to value of property protected
Capital Expenditures per \$100,000 of Property Protected	Relates capital investment to value of property protected

Source: Governmental Accounting Standards Board (GASB), Service Efforts and Accomplishments Reporting: Its Time Has Come, Fire Department Programs, Research Report, 1991, pp.38-39.

APPENDIX E

RECOMMENDED SERVICE EFFORTS AND ACCOMPLISHMENTS FOR POLICE DEPARTMENTS	
Indicator	Rationale for Selecting Indicator
INPUTS:	
Budget Expenditures	To provide a measure of financial resources used to provide services
Equipment, Facilities, Vehicles	To provide a measure of non-personnel resources used to provide services
Number of Personnel; Hours Expended	To provide a measure of the size of the organization and the human resources used to provide services
OUTPUTS:	
Hours of Patrol	To provide a measure of the quantity of patrol service provided; patrol is generally regarded as a primary product of police efforts
Responses to Calls for Service	To provide a measure of the service quantity of response service provided
Crimes Investigated	To provide a measure of the quantity of services provided by investigation units
Number of Arrests	To provide a measure of the success of police efforts in apprehending criminal offenders
Persons Participating in Crime-Prevention Activities	To provide a measure of quantity of service provided by crime-prevention units
OUTCOMES:	
Deaths and Bodily Injury Resulting from Crime	To provide a measure of the effectiveness of police efforts in reducing the incidence of personal harm attributed to criminal activity
Value of Property Lost Due to Crime	To provide a measure of the effectiveness of police efforts in reducing the incidence of property loss due to criminal activity
Crimes Committed per 100,000 Population	To provide a measure of the 100,000 population effectiveness of police efforts in reducing criminal activity
Percentage of Crimes Cleared	To provide a measure of the effectiveness of police efforts in detection of criminal activity and apprehension of criminal offenders
Response Time	To provide a measure of the quality of police response to calls
Citizen Satisfaction	To provide a measure of the overall effectiveness of police efforts in meeting citizen needs
EFFICIENCY:	
Cost per Case Assigned; Cost per Crime Cleared	To provide an indication of the efficiency of police efforts
Personnel Hours per Crime Cleared	To provide an indication of the productivity of personnel in providing police services
EXPLANATORY VARIABLES:	
Population by Age Group Unemployment Rate Number of Households Number of Business Firms Percentage of Population Below Poverty Level Land Area Dollar Value of Property Within Jurisdiction Demand: Calls for Service/Cases Assigned	To provide information on factors that are likely to affect the incidence and effects of criminal of output, outcome, and efficiency may be viewed

Source: Governmental Accounting Standards Board (GASB), Service Efforts and Accomplishments Reporting: Its Time Has Come, Police Department Programs, Research Report, 1992, pp.8-9.

APPENDIX F

EFFECTIVENESS MEASURES FOR RECREATION SERVICES	
Objective	Measure
Enjoyableness	<ol style="list-style-type: none"> 1. Percentage of households rating park and recreation opportunities as satisfactory. 2. Percentage of those households using park or recreation facilities who rate them as satisfactory. 3. Percentage of community households using or not using a park or recreation facility at least once over a specific past period. 4. Number of visits at recreation sites.
Avoidance of Crowdedness	<ol style="list-style-type: none"> 5. Percentage of user households rating crowdedness of facilities as unsatisfactory. 6. Percentage of nonuser households giving crowded conditions as reasons for nonuse of facilities. 7. Average peak hour attendance divided by capacity.
Physical Attractiveness	<ol style="list-style-type: none"> 8. Percentage of user households rating physical attractiveness as satisfactory. 9. Percentage of nonuser households giving lack of physical attractiveness as reason for nonuse. 10. Percentage of user households rating cleanliness as satisfactory. 11. Percentage of user households rating condition of equipment as satisfactory.
Safety	<ol style="list-style-type: none"> 12. Number of serious injuries (i.e., requiring hospitalization) per 10,000 visits. 13. Number of criminal incidents per 10,000 visits. 14. Percentage of user households rating safety of facilities as satisfactory. 15. Percentage of nonuser households giving lack of safety as a reason for nonuse of facilities.
Accessibility	<ol style="list-style-type: none"> 16. Percentage of citizens living within (or not within) 15 to 30 minutes travel time to facility, by type of facility and principal relevant mode of transportation. 17. Percentage of user households rating physical accessibility as satisfactory. 18. Percentage of nonuser households giving poor physical accessibility as a reason for nonuse. 19. Percentage of user households rating hours of operation as satisfactory. 20. Percentage of nonuser households giving unsatisfactory operating hours as a reason for nonuse.
Variety of Interesting Activities	<ol style="list-style-type: none"> 21. Percentage of user households rating the variety of program activities as satisfactory. 22. Percentage of nonuser households giving lack of program variety as a reason for nonuse.
Helpfulness of Staff	<ol style="list-style-type: none"> 23. Percentage of user households rating helpfulness or attitude of staff as satisfactory. 24. Percentage of nonuser households giving poor staff attitude as a reason for nonuse.

Source: Hatry, et. al., How Effective Are Your Community Services? Procedures for Monitoring the Effectiveness of Municipal Services, The Urban Institute, 1977, pp. 42-43.

ATTACHMENT A

THE ROLE OF INFLATION IN THE GROWTH OF SERVICE SECTOR COSTS

A headline in the Saturday, March 12, 1994 edition of the Antelope Valley Press proclaimed "Sheriff's Costs Soaring High Above Inflation." The public, in exercising its right to evaluate governmental performance, often uses inflation as the basis against which to evaluate increases in service costs. This approach is easily invoked since inflation is a commonly used as a basis of comparing costs over time, is relatively simple to calculate and is one that most people understand. But, as with many other such measurement techniques, the use of inflation provides only part of the explanation in evaluating cost increases in the service sector. Although inflation may be used as a "quick and dirty" method of establishing a comparison over time, it is important for the analyst to understand the limitations of this approach.

The Consumer Price Index (CPI) is a measure of prices of a statistical grouping of goods at the consumer level and is widely regarded as the yardstick with which to gage "the cost of living." From 1950 to 1990, the CPI in the United States rose at an average annual rate of 4.3%. During this period the prices of goods rose 3.7% per year, while the prices for services rose 5.4%. It is important to recognize this service - manufacturing cost relationship and the basic elements inherent in each.

An explanation of why service costs are increasing at a rate faster than the manufacturing sector has been presented by Alan S. Blinder, Professor of Economics, Princeton University, in an article entitled, *Why The Cost of Services is Soaring* (Business Week, November 16, 1992, p. 22). In arriving at his conclusion, Professor Blinder put forth three facts:

- i. Prices of goods and services will reflect the cost of producing them;
- ii. Productivity has advanced more rapidly in the manufacturing sector than in the service sector. (e.g. For examples, auto workers produce more cars per hour today than 50 years ago, but waiters serve about the same number of customers per evening. If the waiter were to increase his productivity, which would entail serving more customers over the same period of time, the individual customer would perceive that service had deteriorated).
- iii. Over long periods of time, the wages of workers in manufacturing and service sectors must rise at roughly the same rate. (If this were not the case fewer and fewer people would be employed in service jobs.)

The manufacturer, being able to deliver a larger number of units today than 30 years ago will, all things being considered equal, for the sake of this example, reduce the cost per unit. The service provider, on the other hand, is limited as to the number of service units that can provide. Faced with a roughly equal increase in the cost of production (wages) as the manufacturing sector, larger amounts of money are necessary in the service sector to receive approximately the same level of service.

The delivery of government services illustrates Professor Blinder's conclusion. The Sheriff, Fire or Public Works respond to service demands in much the same manner as they did 30 years ago. Until the means of service delivery can be dramatically altered, taxpayers across the country will continue to criticize the government for rising taxes, the major portion of which go to pay wages, while the overall service level remains constant or, in the worse case, are reduced. (The reduction of services would result from government responding to the demand for an increase in the amount of services or an increasing level of a particular service at the expense of others.) In an attempt to mitigate the consequences of either increasing cost or, reducing a service, the public expects efficiency in the way government conducts business.

ATTACHMENT B

RESOURCE ALLOCATION MEASUREMENT

To effectively deliver municipal services to large areas that include both unincorporated areas and contract cities that may be geographically isolated and relatively small, is difficult, even under the best of circumstances. Rendering these services in an efficient and optimal manner requires:

- A clear definition of the services to be provided and the goals to be achieved.

Public programs frequently have multiple goals that may easily be in conflict with each other. In the worst case, the multiple goals by which citizens judge public programs can also be mutually incompatible or inconsistent, so that the successful attainment of one goal precludes the attainment of another. For example, the rigorous enforcement of housing codes that achieves the goal of 100% compliance with the codes may lead to abandonment of houses by landlords and the failure to achieve a goal of having a large supply of low-income housing.

- An understanding of interrelationships established in providing services.

The importance of the levels of service to be provided is attested to by the ongoing efforts of many emerging communities to incorporate. In this way they can take a hand in shaping their own destiny. This frequently appears in the self-serving mode of "fiscal zoning" whereby high social costs are screened out while high ability to pay is welcomed in. R.C. Rich summarized this strategy in his 1979 work by stating, "Strategic use of the tool of municipal incorporation and land use planning have, to a significant extent, replaced competition for favors from city hall as a means of securing favorable service packages."

- A recognition and control of costs of services.
- An identification of funding sources and arrangements.
 - a. Buy or Sell or Trade Services
 - b. Special District Services
 - c. Other
- An understanding and agreement on criteria used by the existing stakeholders.

