

**ECONOMY AND EFFICIENCY COMMISSION
MINUTES OF THE REGULAR MEETING
July 9, 2015**

ROOM 525, KENNETH HAHN HALL OF ADMINISTRATION
500 West Temple St., Los Angeles, CA 90012

Editorial Note: Agenda sections may be taken out of order at the discretion of the chair. Any reordering of sections is reflected in the presentation of these minutes.

I. CALL TO ORDER

With the presence of a quorum of Commissioners, Chairman Barcelona called the Commission meeting to order at 10:11 a.m.

II. APPROVAL OF COMMISSIONER'S ABSENCES

The following was the attendance for the meeting:

COMMISSIONERS PRESENT

Fred P. Balderrama
Robert Cole
Thomas De Simone
Becca Doten
Jonathan S. Fuhrman
Kyo Paul Jhin
Chun Y. Lee
Jeffrey Monical
Edward Munoz
Freda Hinsche Otto
Roman Padilla
Robert H. Philibosian
Fred Piltz

COMMISSIONERS REQUESTING TO BE EXCUSED

Isaac Diaz Barcelona
Ronald K. Ikejiri
Arne Kalm
Adam Murray
William Petak
Benjamin Reznik
Steven Ward

COMMISSIONERS NOT REQUESTING TO BE EXCUSED

None

III. APPROVAL OF June 4, 2015 MINUTES

Vice-Chair Fuhrman asked if there were any objections or changes to the minutes of the June 4, 2015 Commission meeting. Hearing no changes, the motion was then Moved, Seconded, and Adopted. The minutes of the June 4, 2015 Commission meeting were approved.

IV. REPORTS

A. EXECUTIVE COMMITTEE

Vice-Chair Fuhrman stated that a sergeant from the Sheriff Department stopped by the Economy & Efficiency Office and stated that they were interested in a report by the Commission on Video Arraignment. He stated that the Commission is enthusiastic about joining the Sheriff Department's team as they now seem to have a champion in the executive ranks to try and make this project happen. He stated that the project is now picking up steam by the Sheriff's department and the E&E Commissions taskforce would be happy to tag along and help in any way possible.

Chair-Emeritus Philibosian stated that he was the one who originated the idea about 10 years ago and the Sheriff's department was very neutral on the whole idea. He stated that they liked the idea but were not advocating it. He stated the taskforce went to a meeting with them and was directed by Court personnel not to participate at the meeting. He stated that now there is a different Court Clerk and with the Sheriff department willing to move forward to revive this project, the taskforce will take a look at this. He stated that currently it is a tremendous waste of expense for the operation of the vehicles. He stated that it is a very worthwhile project especially with the Sheriff Department advocating it. He stated that he will follow up on this request and report back to the Commission.

Vice-Chair Fuhrman welcomed the newest Commissioner Edward Munoz and stated that Commissioner Munoz is the 4th appointee from the 1st District. Commissioner Munoz stated that he is honored to be on the Commission. He stated that his background consists of: 30 years of substantial experience in business development, government relations, six sigma, Integrated Product Teams, labor/employee relations and community engagement for fortune 100 and 500 companies. He stated that he was raised and educated in the first district and went to Cal Poly Pomona and USC.

Executive Director, Edward Eng reported on an article that was written in the LA Times (on Wednesday) about the modified CEO structure of the County. He stated that the E&E Commission was mentioned in the article because of the Governance Report written by the Commission in 2008. Chair-Emeritus stated that he also received an email from Supervisor Antonovich conveying an article in the Antelope Valley Press. He stated the article mentioned that the Los Angeles County Board of Supervisors approved eliminating five deputy CEO positions in a reorganization of county government that officials said was aimed at increasing efficiency, transparency and collaboration among departments. He stated that there is probably more information in the AV Press than the LA Times.

Vice-Chair Fuhrman stated that in 2007 the County changed the CAO title where the CAO basically had budgetary responsibility but no direct oversight over the County Departments-most of the department heads reported directly to the Board of Supervisors. He stated that

the move to a CEO title gave the CEO the right to hire, fire, and supervise almost all of the department heads with only one or two still reporting directly to the Board. He stated that as a part of the structure CEO Fujioka setup 5 Deputy Chief Executive Officers which were over clusters of departments. He stated that there were always some tension between Board Offices and Department Heads. He stated that most people felt it was difficult for the Board to essentially do the performance evaluations and monitor 37 different departments. Vice-Chair Fuhrman stated the E&E Commission was asked to do a report and look at how that new structure was working out and that is the report Executive Director Eng is referring to and some of the key points mentioned in the article are from that report. He stated that now the Board wants to move back to more of a CAO type of structure.

B. DISCIPLINARY PROCESS: INVESTIGATIVE AND HEARING PHASES

Commissioner Fuhrman reported that the task force has met with a couple of department heads and will follow up with more interviews after the E&E Commission meeting. He stated that a final draft report should be available to the Commission for approval in October 2015 or November 2015.

C. COUNTYWIDE CRIMINAL JUSTICE COORDINATING COMMITTEE

Chair-Emeritus Philibosian stated that it is interesting that in today's Los Angeles Times and the Daily News there were front page headline stories about the increase of crime and some indication that people may think it may be linked to Prop 47 and AB 109--which essentially put more people on the street than in custody. He stated that this is a continuous topic at the CCJCC meeting and particularly the funding that LA County and other counties are supposed to get from the State to cope with the situation. He stated that the funding is trickling in and that there is continuous frustration among the criminal justice agencies including the courts.

V PRESENTATION

No Presentation

VI. NEW BUSINESS

Vice-Chair Fuhrman stated that there will be no presentation at today's meeting and instead, the Commission has planned to reserve this open session for discussion and review of potential new projects that the Commission has been asking to consider by Commission members and by two of the Board of Supervisors.

He began by stating that there was a list of seven projects that have circulated through email. He stated that 2 of the projects were suggested by Supervisor Antonovich, four suggested by Supervisor Kuehl, and one that he has been suggested for some time. He stated that there was an Executive Committee conference call yesterday and the committee is recommending that the Commission undertake three of the recommended projects--one of the projects recommended by Supervisor Kuehl, one recommended by Supervisor Antonovich, and the third to analyze the pretrial incarceration process that he has recommended to the Commission. He stated that from Supervisor Antonovich's recommendations-the Executive Committee would like to study the Property Tax

Assessment Appeals Process for efficiency, from Supervisor Kuehl-the Executive Committee would like to review ISD's pricing structure and contracting process for efficiency that has come up as a sore point on a number of different reports. Vice-Chair Fuhrman stated that the recommendations are ultimately up to the Commission as a whole to decide and opened the floor up for discussion.

Commissioner Padilla stated that the Commission did an analysis on ISD's contracting practice many years ago and thinks the Commission should pick the projects with the most Countywide impact.

Chair-Emeritus Philibosian stated that there is a basic infrastructure issue that the Commission has to consider. He stated that some of the projects have a large countywide impact but are way beyond the Commission resources and scope. He stated that an example is to review the plan to rebuild the Men's Central Jail for completeness. He stated that there is no way for the EEC Commission to take on this project on because that would require the Commission to confer with a consulting firm who knows what they are doing. He stated that the Commission needs to hear from Executive Director Edward Eng on what resources are available because the Commission has ongoing work such as the Civil Service report, and a revival of the Video Arraignment project. He stated that he is a little concerned on taking on anymore projects at this time.

Commissioner Hinsche-Otto stated that the issues of taking on more projects than the Commission could handle were her points as well. She stated that the Commission has a commitment to complete the projects that have already started. She stated that it is not that easy getting Commissioner to serve on the subcommittees/taskforces so the Commission needs to be cautious on undertaking new projects. She also stated that the Commission needs to hear firm commitments from those that have been working on current projects when they will be completed. She stated that having chaired on of the studies it is very difficult to take on three additional projects right now because it is very time consuming for Commissioners to engage in this obligation, and more importantly the E&E Commission needs to do a really good job on each study because if the Commission doesn't the Supervisors will longer ask the Commission to do anything else-- it should always be quality over quantity.

Commissioner Cole inquired whether the Commission has an assessment to where we are in terms of the projects that are currently being worked on and as far as the Video Arraignment project-will the Commission start from scratch or start where we left off. Vice-Chair Fuhrman stated that the project on the disciplinary process is just about finished-the plan is to bring the full project to the commission by October or November. He stated that on the Video Arraignment project, it sounds like now that the Sheriff Department is interested, the E&E Commission can provide assistance but won't have to take the lead on it.

Vice-Chair Fuhrman stated that with the ISD issue, the Commission would not have to interview 20 different department heads but rather focus on the one department and understand how they come to their pricing schemes; and look at the countywide impact versus the departmental impact as well as the internal cost structure. He stated that this is a reasonably well circumscribed project and falls in the traditional area that the Commission has excelled at in terms of internal organization and structure--something that the Commission has been able to traditionally make a significant contribution in. Chair-Emeritus Philibosian stated that he disagrees about the limitations as described by Vice-Chair

Fuhrman and stated that he believes that the Commission will have to interview a lot of department heads because everyone will want to weigh in on that issue and unless we interview all the department heads that use ISD's services, the Commission will not have a good countywide view of how ISD operates. He stated that we can't just look at ISD we also need to find out from the department heads how they are interfacing with ISD, what their perceptions are, and what their experiences are: good, bad, and mediocre. Commissioner Padilla stated that the Commission did that study and it was a big issue. He stated that it was about how the department chooses ISD versus a contracted service provider. He stated that it seems to him that Supervisor Kuehl's last request (centralization vs decentralization) was very broad. He stated that Supervisor Antonovich's Hiring Process project is another countywide project that can be kept a high level but would have a large impact and everyone would be interested in it. Vice-Chair Fuhrman stated that HR has already brought in consultants and have already adopted some of the recommendations the Commission made in an earlier report and is still working on others. He stated that the review of the Property Taxes Assessment Appeals Process seems to be a well-defined and a reasonably sized project that the commission can get its hands around without too much difficulty.

Chair-Emeritus Philibosian stated that he would like to get two projects completed and Video Arraignment is just beginning so it's almost like a new project. He stated that he would also like to suggest that the Commission adopt Commissioner Fuhrman's recommendation of the Pre-trial Detention because that shouldn't be too extensive but it will involve not just the Sheriff Department but the D.A., Courts, and Public Defender's Office because the Sheriff's Department controls the setting of bail. He stated that the Sheriff sets the bail on the recommendation of the D.A.'s Office with the consideration of the Public Defender's Office or private counsel so that will take some coordination there. He also stated that as soon as the two projects are completed then the Commission moves forward and take a look at two more projects which should be the Assessment Appeals Process recommended by Supervisor Antonovich followed by the analysis of ISD because it seemed to be a priority for Supervisor Kuehl. He also stated that developing a County plan for managing drought is way beyond the Commission's scope and reach; and reviewing the plan to rebuild the new Men's Central Jail for completeness would require huge resources and possibly a consultant. He stated that his overall suggestion for the Commission would be to go ahead with the Pre-trial Detention Project along with the taskforce that the Commission has underway and then look at either in tandem or succession the Property Tax Appeal Process and ISD Pricing/Contracting Process.

Commissioner Doten stated the question then becomes what the Commission want to prioritize as the number one project--is it the Pre-trial study, or is it the ISD Study because those are the only ones that are coming up right now. Chair-Emeritus stated that the Pre-trial study will be a lot easier to do then the ISD study because the ISD study will be a lengthy massive process because it will involve a number of department heads. Chair-Emeritus stated that his original motion was to immediately begin data gathering on Pre-trial Detention and determine or not we will go ahead with that project and as soon as we have the capacity we will move ahead in priority order with ISD and then in secondary order the Assessment Appeals Process. He stated that ISD is priority number one as soon as we clean out the previous projects and the Commission has the Pre-trial Detention well underway.

Commissioner Doten stated that in terms of the projects that has been discussed the ISD project is extremely interesting because it's something that everyone seems to know is a problem but movement has not been made on it--and if people know this yet nothing is done-- this would be an opportunity to shine a light on the issue and make a difference. She stated that on a very concrete level, this will bring efficiencies and economical back to the count--to save money and create a more efficient process and a more open process. She stated that it seems to be exactly what the Commission has been tasked to do--in an easy, understandable way of how ISD charges and bills their clients. She stated that she is a huge fan of that project and she would like to take part on being on the taskforce and push for this project to be done.

Commissioner Balderrama stated that the ISD study is equally important and the Supervisor really wants this project done as well. He stated that he has been dealing with the County since the 70's and stated that ISD has a huge mark up on so many things that a regular contractor cannot do. He stated that that is one of the main reasons he would like to do a report on that issue. Vice-Chair Fuhrman stated that it is probably more complicated than department heads would admit to in terms of how the County charges for internal services and then charges back the State or the Feds or other agencies so that we are essentially recovering overhead. He stated that it then appears to the department heads that their budget is being hit for this overhead.

Chair-Emeritus Philibosian stated that he would like to make a motion to begin the Pre-trial Detention Incarceration Study now along with the next two studies beginning with analyzing the ISD Billing process followed by evaluating the Property Tax Assessment Appeals Process.

Commissioner Hinsche-Otto stated that she would like to make an amendment to Chair-Emeritus Philibosian's motion to not begin the Pre-trial Detention study until the Commission completes the current Disciplinary Process.

Commissioner Doten stated that she would also like to make a motion to include the ISD report in the group of projects that takes precedence as recommended by the Executive Committee.

Commissioner Balderrama stated that he agrees with Commissioner Doten's motion as he would also like to push for the ISD project to move forward and make it more of a priority. Commissioner Doten stated that she and Commissioner Balderrama would like to amend the motion to add the ISD study to the two priorities.

Vice-Chair Fuhrman stated that he would also like to move the ISD project up a notch and move more aggressively on that. Commissioner Doten stated that that is what her motion was--to move that ISD project up on the same level as the other projects.

Commissioner Cole stated that he also agrees with Commissioner Doten and if there was report that was done 10 or 15 years ago, he would like to suggest that the Commission could at least start the fact finding process to see what was done before and then assess what we need to do.

Executive Director Eng stated that it sounds like we have generally a consensus on the set of projects that we want to look at and how much we can do at one time but somewhat of a disagreement on which ones we need to do first. He stated that Commissioner Hinsche Otto's amendment to Chair-Emeritus Philibosian's motion is to complete the Civil Service Study before we begin any new projects; and Commissioner Doten made a motion to further amend Chair-Emeritus Philibosian's motion to start immediately on the ISD study. Commissioner Balderrama seconded Commissioner Doten's motion to move the ISD study ahead of the Pre-trial Detention study. Vice-Chair Fuhrman asked if there was any further discussion--hearing no changes, the motion was then Moved, Seconded, and Adopted. The motion has been amended which is basically to (1) complete at least one of the two pending projects--the Disciplinary Process or the Video Arraignment Study (2) then immediately start up on the ISD study, and (3) prioritize the Pre-trial Detention study and Property Tax Assessment Appeals Process as soon as resources become available and other projects get completed.

With Chair Emeritus Philibosian's original motion amended and clarified—thus moving the ISD study up ahead of the Pre-trial Detention study, Vice-Chair Fuhrman stated that one of the next steps is to ask who would be interested in serving on the ISD Study. He stated that it will be up to the Chair to appoint the taskforce members.

VII. PUBLIC COMMENT

None

VIII. ADJOURNMENT

The meeting was adjourned by Vice-Chairman Fuhrman at 11:06 a.m.

Respectfully Submitted,



Executive Director
Edward Eng