
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, MAY 6, 1992
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

Chairperson Gunther Buerk opened the meeting a 9:30 a. m

II. INTRODUCTIONS AND ANNOUNCEMENTS

Commissioner Barger was welcomed to the meeting. Commissioner Barger is a partner in the law firm of Barger & Wolen in downtown Los Angeles. He graduated from USC law school, and was State Insurance Commissioner for four years. He has a daughter, Kathryn Barger who is a Deputy in Supervisor Antonovich's office.

Bruce Staniforth was welcomed to the Commission as the full-time permanent Director of the Economy & Efficiency Commission. Cathy Carr will remain on-board for a few weeks to help with the transition.

Chairperson Buerk stated that the reception welcoming Mr. Staniforth to the Economy & Efficiency Commission will be held on Wednesday, May 13th from 3:30 p.m. to 5:00 p.m., on the 8th floor terrace, Hall of Administration. It is hoped that all Commissioners will attend.

III. APPROVAL OF COMMISSIONER'S ABSENCES

COMMISSIONERS PRESENT:

Richards Barger
Gunther W. Buerk
Dr. Mike Gomez
Jonathan Fuhrman
Marvin Hoffenberg
Chun Y. Lee
Carole Ojeda- Kimbrough
Robed H. Philibosian

Daniel Shapiro
Randy Stockwell
Betty Trotter
Efrem Zimbalist. III

COMMISSIONERS EXCUSED:

George Bodle
Marshal Chuang
Jack Drown
Louise Frankel
Dr. Alfred Freitag
Abraham M. Lurie

COMMISSIONERS UNEXCUSED:

Fred Balderrama

GUESTS

Mr. De Witt Clinton, County Counsel. Los Angeles County
Mr. Kent Duron, Data System Analyst, County Counsel's Office

VISITORS

Charley Kaufmann, Consultant
Robert Vassey, CPA

STAFF

Mr. Bruce Staniforth, Executive Director
Ms. Cathy Carr, Interim Director
Ms. Robin Kincaid. Executive Asst.

The absences of Commissioners Bodle, Chuang, Drown, Frankel, Freitag, and Lurie were excused by vote of the Commissioners present.

IV. APPROVAL OF MINUTES

Minutes of the April 1, 1992 full Commission meeting were approved by the Commissioners present.

V. NEW BUSINESS

DEPARTMENT OF HEALTH SERVICES (DHS)

Chairperson Buerk stated that the Board of Supervisors has recently given the Commission numerous studies. The major study for the Commission will be the management audit of the Department of Health Services. The Board requested the Commission to conduct the audit and report back in 45 days. DHS is the largest department in the county, with a budget of more than \$2 billion dollars, and a staff of approximately 26,000.

In the past few mouths DHS has come under fire for its fiscal mismanagement and poor conditions at various County hospitals. There has also been a focus on the department's spending of more than \$22 million dollars on employee overtime and bonuses; more than \$726,000 on a fund-raising foundation that lost money and \$800,000 for consultants overseeing a hospital building program.

Another focus has been on the millions of dollars (\$60 million in medical malpractice settlements since 1988) that has been spent due to lack of proper treatment at county medical facilities.

Commissioners have been called to volunteer their services on this task force. Commissioners Drown, Fuhrman, and Zimbalist have volunteered to serve as members. However, additional members are needed. Outside consultants will be hired after adoption of a work plan. Chairperson Buerk has written to the Board informing them that the Commission is in the process of forming a task force and hiring a consultant, and that the study will probably take longer than the 45 days the Board requested.

Other volunteers for the DHS task force are Commissioner Barger and Gomez.

LIABILITY & RISK MANAGEMENT

This study was given to the Commission in October, 1991. At the time the Commission was going through its reorganization and requested an extension from the Board. The deadline for the report has been extended to July 21, 1992. Commissioner Lee has volunteered to chair the task force, and Commissioners Barger, and Gomez have volunteered to serve as members of the task force. Additional members are needed.

Other volunteers for the Liability task force are Commissioners Ojeda-Kimbrough and Philibosian.

PROPOSITION A

During the April 9, 1992 Board meeting, the Board requested the Commission to review and evaluate the Board's proposed revision of Proposition A.

Proposition A said, in essence, "Shall Section 44.7 of the Charter of the County of Los Angeles be amended to authorize the Board of Supervisors to enter into contracts, subject to competitive bidding requirements, with independent contractors for the performance of work which the Board finds can more economically or feasibly be performed by such means?" the Proposition was adopted by the voters of Los Angeles County in 1978.

Supervisor Molina motioned that the Board instruct the CAO and Auditor-Controller to revise the contracting guidelines to require all new and all renewal contracts be mandated to provide basic health benefits: Auditor-Controller develop a standard format for departments to use to summarize the cost savings analysis for Proposition A contracts; and, for department and district heads to present a cost savings analysis and evaluation that details why equivalent cost savings cannot be achieved with County personnel, or other means to reduce the cost of service proposed to be contracted.

Supervisor Edelman offered an amendment that would instruct department and district heads to report semi-annually on how terms of contracts under Prop A are being carried out; contracting out on any function can not be done until departments report to the Board on how the County could perform that function more economically; pay-for-performance participants shall not be rated on the basis of how many Prop A contracts have been awarded, but on the basic management functions of the position; contracting out proposals shall be both cost effective and feasible; and, County Counsel and the CAO prepare appropriate language and ordinance amendment to implement the aforementioned recommendations.

The above adopted actions by the Board of Supervisors were referred to the Economy & Efficiency Commission for a review and report.

Commissioner Stockwell, Trotter and Zimbalist have volunteered to serve as members of the task force. Additional members are needed.

CIVIL DISTURBANCE (1992 LA. RIOTS)

Commissioner Lee made a proposal that the Commission study four specific topics related to the disturbances that occurred in Los Angeles: specific problems faced by L.A. communities, e.g., racial, economical, cultural, social, ethical, and religious differences; basic community concerns in areas of African-American, Hispanic and Korean-American relations; the desires of the community to have programs developed that effectively focus on the direction the programs to be implemented: and, to recommend to the Board of Supervisors areas of improvement and specific programs that could be implemented in those communities that would address the concerns previously identified.

Based on a request from Commissioner Lee, Supervisor Hahn made a motion at the May 5, 1992 Board meeting that the Board of Supervisors support the Economy & Efficiency Commission's efforts to study the issues and recommend ways of preventing such a disaster from ever happening again, and to direct the Commission to report its findings and recommendations to this Board within 30 days.

Commissioner Lee believes the media, and others who reported on the disturbances don't realize the actual problems that face L.A. communities. He believes the Commission should go out into the communities to talk with community citizens. Commissioner Lee noted the type of problem(s) that need to be identified: cultural, economic, religious, and/or educational, in order to recommend some workable solutions.

Commissioner Stockwell also believes that there are serious and old problems in L.A. He favored the Commission looking into the issues suggested, but only if the Board of Supervisors can make an impact through polices, or other means. He expressed concern if the Commission is the right forum to conduct this type of study. Commissioner Stockwell also noted that the Commission is not a good representation of the community, noting the absence of an African-American Commissioner who could represent that part of the community's interest.

Commissioner Lee noted that there are economic problems, and that the Korean community is willing to come into L.A. to work together to establish some management training programs. Commissioner Lee also noted that there is no study that identifies what the community needs.

Commissioner Trotter inquired as to the Human Relations Commission's involvement in the study. Commissioner Lee noted that he talked to Supervisor Hahn and told him that this Commission would like to be the lead on this study. He noted that the HRC has met on this issue in the past.

Commissioner Gomez noted that in his area of Huntington Park, a lot of the Hispanic citizens came to the aid of the Korean shop owners. He also noted that the citizens were the one who carried weapons, and patrolled the area, not the police. Huntington Park is an unincorporated area, and that they have a problem getting police service. Commissioner Gomez also noted that when he talked with some of the citizens in his community who came from war-torn countries, for some of the people, looting was a common practice in their former countries. Being an accepted practice it was part of their culture.

Commissioner Hoffenberg believes that dealing with human rights or religious issues is outside the realm of the Commission's mandate. He believes that it may be better for the Commission to look into the economic issues such as looking at county contracting in the L.A. communities. Whether the County is going into some of the hardest hit areas to contract services, or how contracting can be placed in these areas?

Chairperson Buerk stated that the Commission would like to assist in whatever way it can. However, he believes the Commission should limit itself to the role for which it has been established.

Commissioner Lee noted that he has talked with Supervisors Molina and Hahn and they have both agreed to give the Commission as broad a base as necessary to deal with the issues. He also noted that during the 1965 Watts Riot, he served as a member on the Economic Youth Opportunity Agency and that agency was budgeted at \$30 million annually. Commissioner Lee represented the Asian community. There were representatives from other minority communities as well. He noted that there was a lot of in-fighting among the representatives, and that nothing substantial was decided.

Chairperson Buerk noted that one of the tasks the Commission could undertake is to look into ways the county could affect the community. What power does county government have to deal with this kind of crisis? A task force could identify some of the areas that need to be studied, then ask the Board to appoint a committee/blue ribbon commission that would deal with those issues that had been identified.

Commissioner Lee believes the Commission could study the issue and note its findings. He believes that when, or if, the Governor appoints a blue ribbon Commission to study the issue, the Commission's findings could be useful. It was noted that in case the Governor does not appoint a special Commission, the Board of Supervisors will.

Commissioner Shapiro believes that the Commission can not formulate a report in 30 days. He also expressed his hesitation for the Commission to make a set of recommendations, that will eventually be ignored. Commissioner Shapiro noted that he would be inclined to support the Commission looking into how the economy can be enhanced in the affected communities. He believes there needs to be a long term solution and not a short-term solution by way of a rushed report.

Commissioner Lee noted that the Asian community seems to be more aggressive, in the business aspect, than the African-American, and Hispanic communities. He believes there needs to be some guidance in the community, as nobody is actually providing any.

Commissioner Stockwell questioned if the lack of services that the county provides to the community actually hold people down. He believes the Commission should highlight the economic cost for those county departments not working together to create jobs, etc.

Commissioner Lee stated that if the Commission cannot do the study within the 30 days, he will suggest that the Supervisors give the study to another Commission.

Commissioner Barger stated that with the other five studies the Commission has, and the fact that none of the Commissioners are available on a full-time, five day a week basis, it would be hard-pressed to add another study that would take more than a month to prepare. He personally feels the study is a good idea, however, he also stated that he doesn't believe this type of study is in the Commission's realm.

Commissioner Hoffenberg believes the Commission should turn down the Board's request.

Commissioner Stockwell believes that it would be to the Commission's advantage to find ways to make some

statement that would be useful to the communities. He isn't sure how that statement would be comprised other than one presented in economic terms. He believes the Commission should inform the Board that we are not qualified to do this type of study, unless the Board is willing to expand the scope of the Commission's responsibilities for this study.

Commissioner Hoffenberg stated that the Commission should inform the Board that any future studies it takes on, the Commission will attempt to address the problems causing the civil disturbance (e.g. contracting in those communities).

Commissioner Shapiro believes that the Commission cannot respond appropriately to these issues. He offered to work with Commissioner Lee on a personal basis, but does not feel the Commission can handle it in 30 days. He believes it should go back to the Board noting we are not the appropriate agency.

Commissioner Fuhrman noted that in parallel to the Prop A study, the Commission could incorporate some of these issues. He feels that the broader issue (human relations) is out of the Commission's realm.

Commissioner Gomez believes that the Supervisor's motion asked the Commission to address the concerns, not to perform an in-depth study on the issue, but something to show that the Commission is concerned. He believes the Commission could perform a short report on our opinions and what recommendations might be given to the Board.

Commissioner Trotter believes the Commission could offer some positive suggestions to the Board. She suggested that a committee could be formed composed of intra-county personnel, criminal justice, health services, human relations and the Economy & Efficiency Commission.

Commissioner Barger suggested a resolution stating concerns in quality of service in the inner city areas, lack of trauma centers, lack of law enforcement, lack of facilities and government efficiencies.

Commissioner Ojeda-Kimbrough agrees with adopting a resolution. However, she noted that since the Commission members don't provide representation of the communities, there is no basis for a Commission study.

Commissioner Philibosian noted that the Commission can contribute by focusing on and trying to frame some particular issues, and then recommend some specific studies that would be reflective of the Commission's knowledge in the areas of economy & efficiency. He also believes the Commission should recognize the human relations problems. It's not just a failure to deliver services by the governmental entities that causes the problems, but some very serious cultural barriers exist.

Commissioner Philibosian believes the Commission is not equipped to deal effectively with these issues. In order for the Commission to do the job it would have to contract a study and interview extensively in those communities. It can't be done in 30 days. He suggested the Commission tells the Supervisors what it thinks should be done, possibly by way of establishing a special commission, or combination of Commissions, who can contribute their expertise along with the Economy & Efficiency Commission. A report/resolution could be framed in a thoughtful, cohesive, and efficient way.

Chairperson Buerk stated that a task force of four or five Commissioners that could be formed to draft an outline. This resolution could be ready by the next Commission meeting for the whole Commission to adopt.

Commissioner Lee feels that if the Commission can't do the job in 30 days, the Supervisors should be notified accordingly. He believes it would be a waste of time for the Commission to delay the study. Commissioner Lee also asked the Commissioners present if their responses would be different if there was an African-American on the Commission. The Commissioners assured Commissioner Lee that it would not.

Commissioner Barger doesn't feel that this is a very comprehensive task for the Commission. He believes that some members of the Commission could get together and draft a comprehensive resolution which addresses itself to the Commission's concerns within the framework of the Commission's responsibilities, and circulate it to the Commission members for approval.

Chairperson Buerk noted that in the past authorization was granted to some Commissioners to formulate a response and send it to the Board. He would entertain a motion to draft a letter outlining the consensus that the Commission is not prepared to do a full scale study, but would be happy to work on anything that has to do with economics. This group could outline some ways in which a study could be done.

Commissioner Hoffenberg suggested that fundamental policies are needed in the communities and ways that bind us together as a community and as a nation need to be emphasized.

Commissioner Trotter suggested that any report be brought to the Executive Committee before submission to the Board.

Commissioner Stockwell motioned that the Economy & Efficiency Commission recognizing that extraordinary events have occurred, undertake extraordinary steps and appoint a subcommittee to draft a response to the motion of the Board. This motion could embody what was discussed today and if necessary, the Commission could be convened by fax, phone, or meeting, prior to 30 days for approval of the report SO a prompt and immediate response can be given to the Board of Supervisors. He also volunteered to serve on the task force.

The motion was second by Commissioner Barger and carried by the Commissioners present. with the exception of one no vote by Commissioner Hoffenberg.

Commissioner Lee will chair the civil disturbance task force. Commissioners Barger, Gomez, Stockwell, and Philibosian volunteered to serve as task force members.

The first meeting will be convened as soon as possible.

VI. PRESENTATION

Mr. De Witt W. Clinton, County Counsel

Mr. Kent Duron, Data Systems Analyst, County Counsel's Office

Subjects:

- Your role as County Counsel
- Your interaction with other County departments, the public and the Board of Supervisors; and,
- The Board instructed your office to draft an amendment to the County Code to exclude deferred compensation, etc., from the definition of 'compensation earnable' for pension calculation. If possible, please provide an overview on this issue.

Mr. Clinton has served in the Los Angeles County Counsel's Office for 30 years. He was appointed as County Counsel in 1983.

Before Mr. Clinton started his presentation, packets were handed out to the Commissioners present. The County Counsel is the civil attorney for the County, and is responsible for all its civil and legal services.

The County Counsel's Office also acts as house counsel, providing operational advice, assisting departments avoid liability, prepares and/or reviews contracts. The County Counsel's Office provides legal services for the Board of Supervisors, District Attorney, Sheriff, Assessor, 37 county departments, 66 special districts, and 93 Commissions, joint powers authorities, task forces, councils, and hearing boards. Services are also provided for Municipal and Superior Courts and judges, and the Transportation Commission.

As directed by County Charter. the County Counsel's Office is in charge of all liability and other civil litigation, (i.e., damage litigation). Damage liability claims generate approximately 5,000 cases at any one time, with potential liability between \$250 and \$800 million dollars.

Other civil litigation involves representing the Public Administrator, which there are 10 lawyers who staff this function. There are 70 lawyers who represent the Child Services Department, where they initiate dependency petitions for abused, neglected, or abandoned children. Other civil litigation responsibilities include presenting commitment proceedings for the county's mentally ill; handling tax collection actions and Tax Board appeals; representing the Registrar in election challenges; and representing the County in negotiations with city redevelopment agencies.

County Counsel has 108 permanent staff attorneys, down from 128 attorneys ten years ago. Although the staff has been reduced, the legal service needs of the County have substantially increased in volume, complexity, and time intensity. The budget is approximately \$25 million dollars. \$35 million dollars is spent on outside Counsel. There are approximately 100 law firms on contract to County Counsel.

The County Counsel's Office is broken down into 10 divisions. The Executive Office Division has nine staff attorneys who advises the Board of Supervisors, establishes policy, and directly coordinates important matters. The Children's Services Division has 14 staff attorneys who represents the department in dependency cases, and supplements permanent staff with Auxiliary Legal Services, Inc., a non-profit corporation created by the Board in 1989 at costs below recruiting permanent County Counsel staff, e.g., ALS, \$42-83 per hour, County Counsel \$51-124 per hour. The Worker's Compensation Division has 11 staff attorneys. County Counsel handles half of these cases, while the other half is being handled by outside attorneys. County Counsel also advises the CAO Risk & Insurance Management Agency. and represents the Board of retirement in disability retirement matters.

The Probate Division has eight attorneys who represent the public administrator and public guardian. The Education Division has four staff attorneys who advise and represent the County's Superintendent of Schools. Board of Education,

Public Library, Law Library and library districts.

The Management Services Division has six attorneys who provides labor relation and personnel matter advice to County and its departments, represents County in CRA proceedings, and advises on debt financing transactions for the County, school and community college districts and various other districts and agencies. The MSD also advises the L.A. Memorial Coliseum, County-owned museums, Arboreta and Botanic Gardens, and Department of Community & Senior Citizens Services.

The Special Services Division has eight staff attorneys who provide house counsel and litigation services for various county departments and Commissions, including the Economy & Efficiency Commission. They also handle antitrust matters, statewide tax litigation, bankruptcy issues, and public meetings questions. The General Litigation Division has 21 staff attorneys who defend tort liability claims and litigation involving County departments, i.e., road liability cases. Approximately 60% of tort claims are handled by outside firms. Medical malpractice claims are handled under contract by Professional Risk Management, and auto liability claims are handled under contract by Carl Warren, Inc.

The Public Services Division has 11 staff attorneys who provide house counsel services to the County's public service departments, data processing functions, and conflict of interest questions. The Public Works Division has 16 staff attorneys who provide legal services regarding public work functions, and also represent social services' departments and other special districts.

Mr. Clinton believes that litigation is overtaking most of an attorney's time today.

Chairperson Buerk noted that the Commission is working on a few projects where legal issues are significantly involved. He thanked Mr. Clinton for his overview of the County Counsel's office, and opened the floor to questions from the Commissioners

Commissioner Fuhrman inquired about the County's win-loss record on major litigation. Mr. Clinton noted that for tort litigation the success rate is approximately 75%. He noted that the County settles a lot of cases. If they feel there is a legitimate problem they try to settle the case. The reason more cases aren't taken to court is because the cost would be enormous.

Chairperson Buerk inquired about the detail making process of how decisions are reached to settle a claim. Mr. Clinton stated that he has the authority to settle cases, on his signature alone, for cases of \$20,000 or less, If the claim is between \$20,000-100,000 it goes to the claims board. The claims board is made up of County Counsel, a representative from the CAO's office, and the Auditor-Controller. If the amount exceeds \$100,000 and the claims board approves, it goes to the Board of Supervisors for final approval.

The trial attorney usually, upon reviewing the claim, makes a recommendation on how much the claim should be settled. If the amount is different from the demand, negotiations begin. The court process also has steps to encourage out of court settlements, e.g., mandatory settlement conferences.

The County is self-insured. The CAO's office will transfer third party administrator in medical malpractice and general liability to the County Counsel's Office in July, 1992. In the past County Counsel does the legal work and handling lawyers. but they didn't have the management of the contracts. With the transfer, they will also handle the management aspects.

Mr. Clinton stated that attorneys in general litigation give a number of seminars each year in the hospital and public works areas to alert those departments of potential problem zones that could create liability in the future. Mr. Clinton also noted the Supervisors' appointment of retired Supreme Court Justice John Arguelles to investigate the county's litigation costs over health care, foster care, and county property conditions. The County Counsel's office is working closed with retire Justice Arguelles on these issues.

Commissioner Shapiro inquired if appropriate department's budgets are reflective of the cost of the settlements that they incurred, and if the departments pay for legal services. Mr. Clinton stated that the County Counsel's office is 83% billed. The CAO's office has begun this year to charge back departments the cost of judgments.

Commissioner Fuhrman inquired as to the follow-up that is done after a case is concluded, whether it went to court or was settled, and if the department change their procedures or practices that was a result of the case. Mr. Clinton stated that his office does talk with those departments. He also noted that this is one of the areas retired Justice Arguelles will look into.

Chairperson Buerk thanked Mr. Clinton and for taking the time to address the Commission.

Thanks was also given to Mr. Duron for his assistance.

V. NEW BUSINESS (continued)

Chairperson Buerk noted that traditionally, once a year meetings are held with each Supervisor, the Chair and Vice-chair of the Commission, and each Supervisor's appointees. The purpose of these meetings are to inform the Supervisors of the Commission's functions, goals and accomplishments, and to obtain the Supervisor's views on the Commission.

Ms. Carr noted that letters were sent to each Supervisor requesting individual meetings.

VII. OLD BUSINESS

PENSION STUDY TASK FORCE UPDATE

Mr. Staniforth gave the update due to Commissioner Freitag's absence. He noted that the task force met with the sub-committee where he presented a draft of an outline for the project. The task force discussed the outline and decided to hire outside counsel to define compensation. Commissioners Philibosian and Freitag, and Mr. Staniforth are working on a letter send to prospective contractors. The task force will do a compensation comparison of other counties, cities and states, within the public and private sectors. An RFP will be prepared to send to the contractors on the master list the Auditor- Controller maintains. This letter should be going out this week. It is hoped that a recommendation of consultants will be presented to the full Commission at the June. 1992 meeting.

Commissioner Fuhrman's motion that the Commission authorize the chair of the task force, Commissioner Freitag and Commissioner Philibosian to solicit proposals by independent attorneys to provide an evaluation, and to select one of the attorneys, and to contract with them on behalf of the Commission.

Commissioner Barger seconded the motion, but inquired about how the attorneys will be paid. Commissioner Philibosian stated that he had talked with the CAO's Office and was told that the indication from the Board is that there is no limitation on the legal cost, however the Commission is expected to keep within a reasonably boundary. The motion was carried by the Commissioners present.

PUBLIC ACCESS UPDATE

Commissioner Trotter stated that a draft of the report has been made. She asked those Commissioners who are reviewing the draft to please respond with their comments as soon as possible. She anticipates that at the June, 1992 meeting she hopes to have a draft for the Commissioners review. If any other Commissioner would like a copy of the draft to review, please let Commissioner Trotter know.

PRODUCTIVITY COMMISSION UPDATE

Due to Dr. Waddell's absence from today's meeting, Commissioner Trotter, who has been attending the Productivity Commission's meeting, gave an overview of their last meeting.

She stated that the meeting was geared toward the Productivity Commission reviewing their projects, and the relationship with the Economy & Efficiency Commission on the Pension Study. She also noted that the Commissioners were very interesting and informative. Commissioner Trotter stated that she will continue to attend the Productivity Commission's meeting as a liaison for the Commission.

MISCELLANEOUS COMMUNICATION

Mr. Staniforth commented on the legislative bill that Los Angeles County is sponsoring. Copies of the bill were handed-out to the Commissioners present. The CAO is anticipating some opposition to the bill and requested that the Commission support the bill. The bill will allow the county to make a profit on services. Currently, the services are provided at cost, instead of the current market value.

Commissioner Philibosian motioned that the Commission support this bill. Commissioner Fuhrman seconded the motion. Commissioner Philibosian amended his motion to include that a letter be sent from the chair stating the Commission strongly supports the bill.

Chairperson Buerk stated that he has serious concerns on this issue. He noted that he would like to see the county's finance improve. However, he has reservations on seeing the county run as a 'business' that competes with the private sector. He believes that in the past governments were not able to make a profit for some very good reasons. Chairperson Buerk expressed his trepidation to see that door opened up to abuse. He also believes the Commission should take a serious look at the issue to make sure there will not be abuse, and has reservations on endorsing the bill without having a serious look at the bill.

Commissioner Fuhrman noted that the county has departments that are not being operated 24 hours a day. He believes that the functions of those departments can be rented out, to generate additional revenue for the county.

Commissioner Zimbalist stated that when he was on the task force to review the antelope valley rehab center, the question was raised if the county should contract out services at a lower rate, since it was costing the county \$3 million dollars a year. There were private companies who were interested in participating, which would have helped cover cost, which in turn would have enabled the county to provide services at virtually no county cost. Commissioner Zimbalist also expressed his concerns and believes the Commission could support the bill with the stipulation that there be a finding concluding that there will be no adverse impact on the private sector.

Commissioner Barger offered the amendment that the Commission support with the recommendation that when implementing the legislation, the price setting does not adversely affect the private sector. The motion, with amendment, was seconded and carried by the Commissioners present.

VIII. COMMENTS AND SUGGESTIONS FROM VISITORS

Mr. Kaufmann commented on Health Services. He suggested that the Commission may want to look into the allocation of resources for the various health services departments.

IX. ADJOURNMENT

The meeting was adjourned by vote of the Commissioners present.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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Kenneth Hahn Hall of Administration, Room 163, 500 West Temple St.,
Los Angeles, CA 90012
Phone (213) 974-1491 FAX (213) 620-1437 [EEmail eecomm@co.la.ca.us](mailto:EEmail_eecomm@co.la.ca.us)
WEB eec.co.la.ca.us