
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, DECEMBER 1, 1993
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 Buerk called the meeting to order as the "Committee as a whole" until a quorum was present at about 10:00 a.m.

II. ATTENDANCE

COMMISSIONERS PRESENT:

Fred Balderrama
Richard Barger
Gunther Buerk
David Farrar
Louise Frankel
Jonathan Fuhrman
Chun Lee
Carol Ojeda-Kimbrough
Roman Padilja
Randy Stockwell
Betty Trotter

COMMISSIONERS EXCUSED:

Judith Brennan
Jack Drown
John FitzRandolph
Dr. Alfred Freitag
Dr. Mike Gomez
John Grande

Robert Philibosian
Daniel Shapiro

Motion, Second and Approve: The absent Commission members be excused.

Chairperson Buerk introduced Mr. Gene Romig, who had joined the Commission staff on Monday, November 29, 1993. Mr. Romig gave a brief statement about his background in local government and expressed enthusiasm for working with the Commission.

III. CONSIDERATION OF MINUTES

NOVEMBER 3, 1993 COMMISSION MEETING

Chairperson Buerk asked for any amendments or objections to the November 3, 1993 Minutes. There were none.

Motion, Second and Approve: The Minutes be approved as submitted, by Minute Resolution.

RESOLVE that: The Minutes of the November 3, 1993 Commission meeting be approved as submitted.

IV. OLD BUSINESS

A. UNINCORPORATED AREAS BUDGETING TASK FORCE

Commissioner Padilla reported that the Task Force had not met since the last Commission meeting and that the draft recommendations were still being prepared. The draft will be reviewed with Mr. Staniforth at the next Task Force meeting. Commissioner Padilla reported that Mr. Staniforth has recommended to the Task Force members, guidelines on how the report may be structured.

Mr. Staniforth added that these guidelines were a framework that the Commissioners can use to insert the analysis of the data that is being collected. A draft of the report will be available when IJRS has completed interviews with the departments and that data has been analyzed.

B. COUNTY BUDGET AND ECONOMIC GROWTH TASK FORCE

Commissioner Philibosian was not present; therefore, there was no report. Commissioner Fuhrman indicated that the closing of numerous offices in Los Angeles is an indication of a commercial real estate market favorable to firms considering locating in Los Angeles. and made reference to a Consortium report on the current situation. Chairperson Buerk and Mr. Staniforth requested that Commissioner Fuhrman provide them copies of the report for reference.

C. PENSION STRUCTURE

Commissioner Frankel reported that she had spoken with Supervisor Molina about the pension report prepared by the Commission. Commissioner Barger inquired how the Commission could best assist in getting the report approved by the Board.

Chairperson Buerk responded that the Commission can inform the public of the circumstances through news releases to encourage favorable action by the Board.

Commissioner Fuhrman suggested that more discussion at the staff level may be necessary.

Commissioner Trotter observed that it may be necessary to proceed with the Contract Proposition "A" issue in a similar manner as well.

Chairperson Buerk observed that since the guest speaker was the new CAO, Ms. Sally Reed, that these topics may be discussed with her today.

Commissioner Padilla recommended that the Commission request items be placed on the Board agenda by a "default" date, after which Commission action could be initiated. This would encourage the Board to take action.

Commissioner Frankel observed that as time passes, costs continue to mount.

Mr. Staniforth advised that the Commission is able to place items directly on the Agenda by a routine procedure, submitting them to the Executive Office.

The Commission agreed by consensus that future reports be placed on the agenda by the Commission after they are submitted to the Board and after giving the Board an adequate time to take any action that they deem to be appropriate.

D. LIABILITY AND RISK MANAGEMENT STUDY STATUS

In the absence of Commissioner Lee, Commissioner Barger reported that follow-up has been in progress by staff with the County Counsel's office. The Task Force has not yet become involved.

Chairperson Buerk urged the Task Force to become involved soon. Mr. Staniforth stated that County Counsel has been sending him reports on their progress and the consultant's progress.

E. REAL PROPERTY MANAGEMENT

Commissioner Shapiro was absent. Mr. Staniforth reported that nothing further has happened with this item since the last meeting.

Commissioner Farrar asked that he be placed on the Task Force.

Chairperson Buerk directed that Commissioner Farrar be included as a member of this Task Force.

Commissioner Farrar called attention to an article in the Los Angeles Times, and indicated that the MWD and Los Angeles Times buildings will soon be competing in the commercial real estate market, and that many other structures will be available at most reasonable rates for the next several years.

A general discussion ensued in which various commercial real estate market factors that may be important to the County were briefly discussed, e.g., land values, public transportation problems, percentage of County facilities that are rentals, satellite offices, use of private sector employees for County functions, et cetera.

Chairperson Buerk requested that Mr. Staniforth assure that the Task Force meets and follows-up. He observed that it appears a new study along these lines may be in order, and that this topic may also be discussed with Ms. Reed today.

F. EXECUTIVE COMMITTEE

Chairperson Buerk reported that the Executive Committee had reviewed a draft of the Commission's Operating Procedures. County Counsel will review the draft Procedures. In addition, there is the matter of the proposed change in Chapter 3.16, Section 110 of the Los Angeles County Code to be added, which when approved by the Board, will permit the Commission to do business with a quorum comprised of a "majority of the Commissioners appointed", rather than the eleven (11) now required.

Motion, Second and Approve: The following Minute Resolution:

RESOLVE that: The Executive Director be authorized to prepare a letter to the Board, submitting the proposed change to the Ordinance establishing the quorum requirement for Board approval.

Chairperson Buerk then addressed the issue of hiring consultants, indicating that the current practice requires a Request for Proposals (RFP) process which is a significant effort each time. He proposed that the Commission "piggy-back" on the procedure used by the Grand Jury, which is an "umbrella" contract with a single firm. This firm can then sub-contract with other consultants to provide any expertise that may be lacking.

Mr. Staniforth advised that he had spoken with the County Counsel and the Grand Jury Counsel about this proposed procedure and they both indicated that this approach may create a conflict of interest for the Commission. This does not apply to the Grand Jury, since it is an agent of the Courts. Additionally, the Grand Jury, of necessity, operates in a confidential environment. However, this is not appropriate for the Commission which must conduct its business publicly.

Mr. Staniforth also reported that he intends to meet with the Auditor-Controller to discuss the procedures used by his office in this regard.

Mr. Staniforth reported that if approved by County Counsel, it was his intention to place the Operating Procedures on the Commission Agenda for the January 5, 1994 meeting.

In addition, Mr. Staniforth reported that the Election of the Commission Chairperson will be held at the regular meeting to be held in January.

Commissioner Balderrama requested that a current list of Commission Members be prepared. A discussion ensued about the vacancies on the Commission, and the status of appointees of Supervisor Hahn remaining on the Commission, i.e., they remain until replaced by new appointees.

CHAIRMAN BUERK THEN DECLARED A FIVE MINUTE RECESS.

V. NEW BUSINESS

PRESENTATION BY MS. SALLY R. REED, CAO

Chairperson Buerk welcomed Ms. Sally R. Reed to the meeting, and asked her to address the Commission.

Ms. Reed set forth three goals:

1. To set the administration of the County on a business-like footing.
2. To contribute toward reestablishing a professional image for the County as a competent leader in county government.
3. To retain and reinforce the local government talent already here, which is generally regarded as top level.

Ms. Reed then stated her general reaction to three issues important to the Commission:

1. Risk Management: She expressed keen interest in this issue. She indicated additional focus would be useful in areas such as:
 - a. Operations. At present, it is not a fair system in regard to exposures. In reality, there is fragmentation, the role of various groups needs to be examined, the County Counsel and The CAO's offices need to exercise more oversight of the process.
 - b. Three major concerns Payout, how cases are handled and litigated, and quick corrective actions at the right point and time.
2. Pension "Spiking" Issue: Ms Reed stated that she would not have recommended what was done, however, it is in place and it is a "problematic" issue that has to be dealt with.

There are issues to consider, such as:

- a. "buying out" of it,
- b. retirement incentives; and,
- c. the creation of another tier of employees.

She indicated that she will make an attempt at containment, but that there are no easy solutions that can be done cleanly. She indicated that the matter will eventually be brought back to the Board.

3. Proposition "A" Contracting: Ms. Reed stated that this item illustrates problems of a Board divided over issues such as, oversight capabilities of contractors and quality of services provided. There is little effective monitoring of the contractors and they provide significant amounts of services

Ms. Reed indicated that she would be focusing on areas where the greatest impact can be made. There are trade offs between "arms-

length" relationships with contractors through the use of RFPs for accountability and price, and directly telling contractors how to accomplish the desired results. She indicated a preference for holding contractors accountable for results, rather than directing their efforts.

At this point a dialog developed between Ms. Reed and the Commissioners which covered various topics such as the opportunity to improve the County's data base for studies and analyses, the Pension study, expectations of Department Heads, contracting out and potential layoffs, centralization vs. decentralization, vehicle fleet management, property values and assets management, reduced employee perquisites, et cetera.

In regard to the Pension report, Ms. Reed indicated that it will probably go before the Board within the next 60 days.

Chairperson Buerk indicated to Ms. Reed that if the Board doesn't take action or if it comes to impasse on the issue, the Commission will likely take it to the public, however, the Commission does not want to interfere with the CAO's effort to get a decision from the Board.

It was the consensus of the Commission, that the approach that Ms. Reed has expressed is refreshing and direct, and that the Commission looks forward to working with her in resolving the many difficult issues facing the County.

VI. PUBLIC COMMENT

Dr. Waddell reported that the Productivity Commission had not met since the last Economy and Efficiency Commission meeting. He reported that 250 projects had been submitted for recognition, and that Ms. Reed was present and had made the presentations to the winners at the awards ceremony.

Dr. Waddell also reported that the Family Support Advisory Board had requested in its Annual Report to the Board of Supervisors, that the "sunset" limit for 1995 be delayed, and that the request was approved.

Commissioner Trotter inquired as to how many, if any, "sunset" limitations are being implemented.

Commissioner Stockwell inquired as to the number of Commissions there are and what is the cost of them to the County.

Mr. Staniforth said that he would get a list of Commissions and submit them to the Commission prior to the next Commission meeting.

VII. ADJOURNMENT

Motion, Second and Approve: The meeting be adjourned at 11:50 a.m.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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