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Economy & Efficiency Commission

Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, JUNE 2, 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.

II. APPROVAL OF COMMISSIONER'S ABSENCES

COMMISSIONERS PRESENT:

Gunther Buerk, Chair
George Ackerman
Judith Brennan
Marshall Chuang
Jack Drown
David Farrar
Louise Frankel
Dr. Alfred Freitag
Jon Fuhrman
Chun Lee
Roman Padilla
Robert Philibosian
Daniel Shapiro
Randy Stockwell
Betty Trotter
Efrem Zimbalist, III

COMMISSIONERS EXCUSED:

Fred Balderrama
John FitzRandolph

Dr. Mike Gomez
Carol Ojeda-Kimbrough

COMMISSIONERS ABSENT :

Richards Barger

III. CONSIDERATION OF MINUTES

MAY 5, 1993 COMMISSION MEETING

Commissioner Buerk asked if there were any amendments or objections to the May 5th Minutes.

Commissioner Padilla felt that remarks attributed to him on page 4, needed clarification. He offered an amendment to change remarks made on page 4, paragraph 2.

Resolved that: the Minutes be approved as amended; on page 4, paragraph 2: Commissioner Padilla "felt that the Commission should clarify its role from a seemingly traditional role of looking at the bureaucracy. The Commission felt it was important to look at this broader issue. He felt that workers compensation is of an overall problem of economic development to the County. In regard to legal reform, it is not at the heart of the issue..."

Motion was seconded, voted, and approved.

IV. OLD BUSINESS

DEPARTMENT OF HEALTH SERVICES STUDY STATUS

Commissioner Barger was absent. Commissioner Zimbalist stated that there were two options for the Commission. The first is to contact Jane Pisano at USC, who used to be the Director of Project 2000, to determine USC's willingness to participate in the DHS Study. The second suggestion is to obtain private funding to carry out the study.

Mr. Staniforth stated that UCLA has not replied concerning their participation in the DHS project. It was also pointed out that uncommitted funds exist within the Commission's current budget which could be allocated against this or any other project the Commission feels is appropriate.

Chairperson Buerk stated that in the past ARCO had donated an analyst to work for the Commission for a year. It may be possible in lieu of funds to seek a contribution of this sort for the DHS study.

PENSION FOLLOW-ON STATUS

Commissioner Freitag reported that there have not been any Task Force meeting since the last Commission meeting.

Mr. Staniforth had met with W.F. Corroon and Frank Smith. Corroon has submitted a first draft which was marked-up. Another draft from Corroon is expected early in June. After review by staff it will be distributed to the task force for discussions.

LIABILITY AND RISK MANAGEMENT STUDY STATUS

Commissioner Lee stated that the Task Force has not met since the last Commission meeting.

Mr. Staniforth stated that the first draft of Risk Management study was received. After review he had conducted a mark-up session with the consultants. The direction of the report is encouraging, but, as with the Pension Study, the time being taken for this phase is becoming more critical in meeting projected completion dates. It was hoped to get the Risk Management draft report to the task force early in June.

PROPOSITION A\ CONTRACTING STATUS

Commissioner Trotter thanked the staff for the time and expertise that went into the project. She gave some background on the draft report. It was stressed that the draft report was not about contracting policy, but about contracting procedures that have been established for the County. The forms being used to obtain information have room for improvement.

Commissioner Fuhrman was very pleased with the report and had some specific comments and editorial changes. He felt that the ideas expressed on page 14, paragraph "m' should be strengthened. He wished to know how departments were accounting for specific savings.

Chairperson Buerk stated that contracting within the county was a substantial policy question. Since this issue was analyzed by the Commission in a 1987 study on contracting, it was suggested that this review make additional references to that report.

Commissioner Trotter stated that the two reports are very different in nature and do not overlap.

Chairperson Buerk put forth a motion to adopt the report.

Resolved that: the Commission approve the report understanding that there will be some editorial changes.

Motion was seconded, ordered, and approved.

Commissioner Zimbalist asked if the Commission should meet with managers who will be awarding contracts, to speak to them about the report.

Mr. Staniforth stated that the report makes recommendations to the Board on actions that have been implemented by the CAO on this matter. To enable the CAO to insure consistent policy development, the Commission would be more supportive working through his office.

Commissioner Farrar stated that follow-up is the key to situations like this. The Commission should invite the CAO to come before the Commission and report on his success in the implementation of the Commission's recommendations.

Chairperson Buerk felt that this should mentioned in the cover letter to the report.

UNINCORPORATED AREAS BUDGETING TASK FORCE

Commissioner Gomez was absent. Commissioner Brennan stated that the Task Force had not met since the last meeting and had nothing to report.

COUNTY BUDGET AND ECONOMIC GROWTH TASK FORCE

Commissioner Philibosian updated the Commission on the letter that was sent to the Board. The Board supported the basic principles put forth in the letter and supported one recommended piece of legislation, SB 1185 by Senator Bergeson. The Board did not address legislation dealing with tort reform since they have another commission working on this issue.

The unanimous adoption of the above is indicative of the Board's support. Commissioner Philibosian felt that the task force should continue reviewing aspects of the issues discussed in its letter, to include those not dependent upon State legislation. The primary focus of further action should be on policy and management issues within the County.

Resolved that: the Task Force on County Budget and Economic Growth continue in the direction indicated and review upcoming legislation, as appropriate.

Motion was moved, seconded, ordered, and Approved.

Commissioner Frankel wanted to commend the Executive Director for disseminating the the Commission's studies which have achieved national status in certain areas. She cited the latest article about the Commission in Financing Local Government, published by Government Information Services.

Mr. Staniforth stated that the National Association of Counties in Washington, D.C. was in the process of preparing an article about the Commission. The Commission has created a regular mailing list of 250 entities nationwide and in Australia.

V. PRESENTATION

Mr. Staniforth gave a brief background report on the speaker.

Chairperson Buerk introduced Mr. Peter Kezirian, a representative of Governor Pete Wilson.

Mr. Kezirian sought to put the budget being offered by the Governor in a multi-year perspective. The proposed budget avoids new taxes or fee increases while promoting job growth. This growth would be achieved by implementing sales tax exemption on manufacturing equipment, reinventing welfare to make it a temporary way of life, releasing cities and municipalities from State mandated programs and allow them greater flexibility to levy taxes.

The Federal Government has not been paying for their share of federally mandated programs regarding illegal immigration. Federal mandates call for \$1.4 billion dollars of State spending, not including spending for K-12

education. The current federal budget calls for only \$500 million dollars. California must make up this shortfall.

Overall revenues are down this year, but personal state income tax revenue is up. This does not off set the loss of revenues due to the renter's credit, which the Governor is trying to eliminate. On the State level, the Governor is attempting a widespread elimination of rule making commissions and mandates to allow the counties and municipalities to make decisions.

Commissioner Frankel asked how the counties would be able to assume control and funding of certain programs without control of the revenues as mandated by Proposition 13.

Mr. Kezirlan stated that there are a variety of methods. The shift of the responsibility to the counties is an advantage because State money always comes with spending restrictions. Now the counties will have more flexibility with spending priorities.

Commissioner Philibosian asked if counties replaced the additional sales tax with a local sales tax would the funds be subject to mandates under Proposition 98?

Mr. Kezirian stated that a local resumption of the tax would not be subject to Proposition 98. If the State were to levy taxes or increase fees, the Governor does not have the flexibility to spend those monies raised in the manner that the counties would have.

Commissioner Zimbalist felt it would be wrong to send a message to the Governor that all is well in Los Angeles. There have been serious structural changes in this economy, and they need to be recognized and addressed. Sticking to the status quo is no longer an option. There needs to be a vision of what Southern California is going to be in five years.

VI. NEW BUSINESS

See the Proposition A Task Force Update for the draft report to the Board of Supervisors.

VII. PUBLIC COMMENT

PRODUCTIVITY COMMISSION

Dr. Waddell reported that on June 17th, the 4th Annual City-County Productivity Conference will be held at Descanso Gardens. The conference will feature a number of prominent speakers and attendance is free

VIII. ADJOURNMENT

Upon a motion and approval of the Commission, the meeting was adjourned at 12:10 p.m.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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