
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, APRIL 3, 1996
ROOM 830, 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

Chair Gunther Buerk called the meeting to order at 9:50 a.m.

II. ATTENDANCE

COMMISSIONERS PRESENT

Fred Balderrama
Gunther Buerk
John Crowley
Richard D. Barger
David Farrar
Louise Frankel
Chun Lee
Carole Ojeda-Kimbrough
Roman Padilla
William Petak
H. Randall Stoke
Betty Trotter

COMMISSIONERS EXCUSED

Harry Cooper
Jonathan Fuhrman
Robert Philibosian
Julia Sylva
Jaclyn Tilley-Hill
Tony Tortorice

COMMISSIONERS ABSENT

Albert Vera

Moved, Seconded, and Approved: The Commission members noted above be excused.

III. CONSIDERATION OF MINUTES

Moved, Seconded and Approved: The minutes of the March 6, 1996 Commission Meeting be approved.

IV. INTRODUCTIONS AND ANNOUNCEMENTS

1. Mr. Staniforth introduced new staff, Marlene Schram and George Mellevold. Marlene will assist Bruce in the administration of the office and commission activities; George is assisting in a study of the Purchasing Division in ISD.
2. Vice-Chair Trotter announced that this would likely be her last meeting. She indicated that the timing of her departure was fortunate since it coincided with the completion of two projects that she had been working on. She thanked all the Commissioners for their assistance over the years, most recently with Charles Kaufman, Carole Ojeda-Kimbrough, Jaclyn Tilley Hill, Roman Padilla, and Randall Stoke. She urged Commissioners to protect the independence of the Commission.

Chairperson Buerk stated that he regretted her departure and indicated that her completed projects are a "legacy." Commissioner Padilla and the entire Commission lauded her diligence, dedication to the Commission, and accomplishments.

V. OLD BUSINESS

1. Delivery of Municipal Services to Unincorporated Areas

Task Force Chair Padilla commented on responses that have been received from departments reviewing the Municipal Services Delivery draft study. The Auditor-Controller had primarily positive responses, but indicated that implementation would require a significant commitment of resources. The CAO was notable to review the report because of time constraints resulting from the budget process. While the due date for feedback was March 31, 1996, Chair Padilla indicated he was still looking forward to a response from the Sheriff's Department.

Chairman Buerk suggested that the Task Force continue to seek inputs from the Sheriff's Department.

2. Real Asset Management

Task Force Chair Farrar reported that the loose plan developed by the Task Force should be a catalyst for change. Commissioner Barger discussed issues concerning project advocacy which could be a major contribution to the accomplishment of the study's goals.

Task Force Chair Farrar stated that the Task Force needs to follow up on this work, with a clear time frame to set milestones. He felt that every commissioner needs to lobby the supervisors who appointed them. He stated that it was a priority to get the issue to the "top of their Supervisor's stack" for implementation.

3. Follow-up on Jury Management Report

Vice-Chair Trotter reported that the Judicial Council's Blue Ribbon Committee had held a hearing March 18, 1996, but that it had been very poorly publicized. At that hearing, a representative of the Los Angeles Chamber of Commerce had, during a discussion of the cost to business of paying employees on jury duty, quoted the Commission's Jury Management Report. Another hearing had been held in San Francisco, and she expected to receive a transcript of it shortly. She also stated that she had arranged a meeting with Los Angeles Courts representative, Gloria Gomez, regarding jury services. Commissioner Trotter has compiled a checklist to help determining the progress of implementation of various recommendations on jury management.

4. Natural History Museum

Vice-Chair Trotter reported that attendance was poor at the recent Task Force meeting. A follow-up letter to the Board of Supervisors on the items in which the Natural History Museum non-concurred had been drafted. The letter presented the Commission's comments on the Museum's responses to the report's recommendations. A draft of that correspondence has been distributed to commissioners with their meeting materials. Chairman Buerk asked that Commission take action on the submitted draft letter.

Moved, Seconded and Approved: That the Commission approve the letter concerning the Natural History Museum comments and submit it to the Board for their further consideration.

5. Department of Health Services and Department of Human Resources

Mr. Staniforth reported that the Chief Administrative Officer had responded to the Board on the recommendations in the Commission's report. In this response she suggested that the Board accept the report and use it as the basis for a pilot project. In response, Chairperson Buerk had drafted and submitted to the Commission a letter covering the Commission's response to the CAO's comments, since this item is to be considered at the next Board meeting. Commissioner Buerk asked for a motion to approve the submitted draft letter.

Moved, Seconded and Approved: That the Commission approve the letter concerning the Commission's position on the progress of human resources recommendations, and submit it to the Board for their consideration

6. Department of Public Social Services (DPSS)

Chairperson Buerk stated that Commissioners had been appointed to a task force to review the Department of Public Social Services. Commissioner Petak will be Chairperson of the Task Force. The study will use a report from the 1970s, as a starting point to determine the Commissioner's response to this request. The Task Force's first goal will be to propose a work plan and develop a cost estimate for the study. With this, a strategy can be discussed further, and funding needs, if any, can be recommended to the Board.

Mr. Staniforth suggested that the possibility of foundation funding could be explored.

7. ISD Restructuring

Mr. Staniforth has reviewed the recommendations contained in the information supplied by ISD. He reminded the Commission of the recommendation in its own report on the subject. In this report it was recommended that the CAO put forth a work plan for ISD that had a six months completion. The CAO proposed a number of recommendations, and ISP had added several of its own, for a total of twenty. Following this discussion, Mr. Stewart, the Director of ISD, presented a report on departmental restructuring.

VI. PRESENTATION - ISD RESTRUCTURING

Mr. Stewart reported that ISD's study focused on mission review of ISD, streamlining of the organization to achieve cost-savings and efficiencies, improvement of customer service, operational improvements in facilities and purchasing, and outsourcing of some functions not previously outsourced. He stated that as a result of these efforts several millions of dollars had been saved in the current year's budget, and several more will be saved in upcoming years.

He stated that the most important accomplishment of these efforts was the establishment of a framework for continued improvement within ISD.

He stated that the department had been substantially downsized by transferring capital projects operations to the Department of Public Works, and real estate management to the CAO. Cable television operations had been transferred to the Department of Consumer Affairs. Parking lot operation and energy management operations had been consolidated into an existing service, Facilities Operations. This resulted in elimination of two general manager positions, the Business Development and Consumer Affairs section, and the Advanced Systems Division in the Information Technology Services (ITS) division.

Safety Police will now report directly to the Director. Further consideration will be given to the Sheriff's, recommendation to merge the Health Services Safety Police with the Safety Police Division in the next budget year.

John Kallock had been appointed to the newly created position of Ombudsman, to oversee operational efficiencies.

Mr. Stewart stated that \$4.9 million had been saved in overhead, compared to last year's expenditure. Next year's budget shows a total decrease of \$22 million in the department and the elimination of 193 positions. Over the past 4 years, ISD had decreased its staff by more than 1000 positions. Although not all of these current and previous reductions reflect actual reduction in the entire County workforce, there are in fact about 700 fewer employees in the County as a result of ISD actions. This brings the total number of positions within the Department to approximately 2700, compared to 4100 in 1989, a reduction of one third.

One result of ISD efforts is a reduction in its rates to customers, particularly in the case of Data Processing (30% - 40%). Cost of living increases for employees were not passed on to customers.

As a result of Economy and Efficiency Commission recommendations, ISD projects a reduction of overhead in 1997 of \$2.4 million and \$38 million in savings resulting from streamlining the organization and staffing ratio in ITS. ITS will eliminate 67 positions. Custodial outsourcing on an attrition basis will save \$200,000.

As a result of ISD recommendations, 160 vehicles have been sold, generating \$400,000, with \$200,000 expected to be saved annually on maintenance. An increase in revenue of \$1.4 million is expected from opening new paid parking lots. Others may be opened, resulting in the generation of additional revenue. Free lots may be changed to pay lots.

Data Center Technical improvements would yield a savings of \$1.3 million, particularly in the area of robotics.

Relinquishing warehousing operations will save the Department several millions of dollars, and will reduce instances of pilfering. With outsourcing, a 14% carrying charge will no longer be attached to the price of products provided to customers. Reserve storage for emergencies will be arranged with suppliers, so that the County will be given priority service in any emergency. This will keep hospitals and other essential services running.

The Department has almost completely vacated its Vermont Avenue facility, and this, along with the City of Commerce facility, could eventually be sold to generate additional capital.

Overall, the total ongoing benefit from these changes will be \$26 million to \$30 million annually. There will be a one-time benefit of \$6.9 million.

Regarding streamlining of the supervisor to subordinate ratio, Mr. Stewart stated that while there may be pockets within the department of an inappropriate ratio structure, ISD feels that it has reasonable ratios overall, an average of 1 to 5.8. Next year it is expected to improve to 1 to 7. This ratio is dependent upon the inclusion of contract workers.

The offset printing facility will be eliminated within 3 years.

Regarding customer service quality, Mr. Stewart stated that project management policy is the key. A number of projects have been targeted for tracking by the director. A software-based procedure had been established for defining these project goals and responsibilities. Approximately 24 projects have been identified for departmental level review. Customer Service tracking is now automated. Facilities Operations Services projects will be software based. In addition, ITS is instituting an automated service request problem management and equipment inventory project.

ISD services will be accessible through existing user group networks, so that ISD responses will be more directly tailored to management needs.

Regarding full cost recovery, Mr. Stewart explained that ISD is currently required to recover 100% of its costs. This includes debt service, such as mortgages. These costs must be passed on to the customer. When a customer takes over an operation from ISD, it eliminates cost from this department, without relieving ISD of the requirement to cover these costs. Thus, the remaining cost must then be allocated among the remaining ISD customers.

VII. NEW BUSINESS

No new business was discussed.

VIII. ADJOURNMENT

The meeting was adjourned at 12:10 p.m.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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