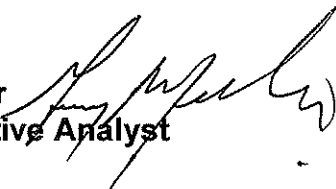


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: June 3, 2011

To: Honorable Members of the
Energy and Environment Committee

From: Gerry F. Miller 
Chief Legislative Analyst

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City Administrative Officer

Subject: Charter Amendment I (Office of Public Accountability) – Citizens Selection
Committee Composition

SUMMARY

On April 25, 2011, the Chief Legislative Analyst (CLA), the City Administrative Officer (CAO) and the City Attorney reported to the Energy and Environment Committee on the actions and implementing ordinances that need to be adopted in order for Charter Amendment I, relative to the Office of Public Accountability (OPA), to take effect. The report was in response to a Motion (Perry – Garcetti – Smith – Rosendahl; CF 11-0452).

The Energy and Environment Committee requested the City Attorney to initiate the formation of implementing ordinances needed to effectuate the measure. In addition, the Committee instructed the CLA and the CAO to report as to the composition of the Citizens Committee associated with the selection of the Executive Director of the OPA. The formation of the Citizens Committee is as a key step in a series of actions needed to establish the OPA.

Given the Committee instruction, this report provides recommendations for the structure/composition of the Citizens Committee, its appointing authorities, qualifications for its members, terms of appointment and its administrative and funding support.

DISCUSSION

Charter Amendment I – Office of Public Accountability

Charter Amendment I, approved by the voters on March 8, 2011, establishes the OPA for the Department of Water and Power (DWP). The OPA will be tasked with providing independent analysis of DWP actions associated with water and electricity rates. Additionally, Charter Amendment I requires the OPA to have a Ratepayer Advocate to protect consumer interests.

The OPA will be headed by an Executive Director who is selected by a Citizens Committee and confirmed by the Mayor and the City Council. The Charter Amendment provides that the Executive Director serve one five-year term and conduct a variety of duties related to the operation and management of the OPA.

Citizens Committee

Charter Amendment I states that the City Council shall adopt an ordinance that prescribes the composition and selection of the Citizens Committee that appoints the Executive Director. As previously mentioned in the report, the formation of the Citizens Committee is a key step in the implementation of Amendment I.

Composition and Appointment Authority

A potential model for the composition of the Citizens Committee may be the formation of a fifteen member body with each Council District selecting a member. Another model would have a smaller body consisting of members selected from different regions of the City - Central City, Harbor, West Los Angeles, East Valley and West Valley; or the seven Neighborhood Council regions - North Valley, South Valley, West, Central, East, South and Harbor regions.

However, these models may pose challenges given their size and method of appointment. A more effective model geared toward the purpose of selecting an Executive Director would be a five member committee. Selection and hiring committees for executive management positions in the City generally consist of three to five members. Selection committees consisting of this size have the ability to efficiently and effectively assess viable candidates for management positions. They can review candidate credentials, conduct interviews and propose a candidate within a reasonable and expedited timeframe.

Also any selection committee would have to follow City employment/hiring policies and adhere to personnel confidentiality requirements for prospective candidates. These requirements can be more effectively administered in a three to five member selection panel. Given this, we propose that the Citizens Committee consist of five members.

In terms of the appointment authority for this selection panel, we recommend that two of the members be appointed by the Mayor and the remaining three members be appointed by the Council President. This appointment approach is consistent with other citizen panels such as the Proposition O Citizen Oversight Advisory Committee.

Additionally, giving both Mayor and Council President appointment authority of Committee members is consistent with the Charter Amendment I requirement that both the Mayor and City Council confirm the appointment of the Executive Director.

Other appointment authority options for the five member body include the following:

- Mayor appoints two Committee members, Council President appoints two Committee members, and the Council Energy and Environment Committee Chair appoints one Committee member;
- Council President appoints all five Committee members;
- Mayor and Council President appoint an agreed upon number of Committee members;

In addition, it may be desired to appoint members with specific areas of expertise/professional backgrounds. These areas of expertise may include the following:

- Utility – experience in water and/or energy policy and operations;
- Labor – experience in labor management and/or labor law;
- Business/Commerce – experience in operating a business;
- Environment – experience in water and/or energy environmental policy; and
- Community Organization – experience in community organization, including but not limited to Neighborhood Councils/homeowner associations.

Member Qualifications

It is recommended that a required qualification to serve on the Citizens Committee consist of being a registered voter in the City as stated under Charter Section 501 (d) – qualifications to serve as a member of a Charter created Board or Commission. In this manner, the Citizens Committee can be composed of City residents with a direct and established interest in City affairs.

In addition to this, it is further recommended that City Officers, as identified in Charter Section 200, and DWP management personnel, be ineligible to serve on the Committee. This ineligibility requirement should extend for a 12 month period subsequent to the conclusion of their office or employment.

The above listed qualifications/requirements are intended to promote public confidence in this Committee and its decision-making, and to avoid circumstances that may compromise or appear to compromise the independence of any decision.

Appointment Terms

Charter Amendment I is silent with respect to the term of the Citizens Committee and its members. However, the purpose of the Citizens Committee is the selection of the Executive Director, and along those lines, the term of a selection panel concludes upon the final appointment of the management personnel. Given that, it would follow that the term of the Citizen Committee would conclude upon the hiring of the Executive Director of the OPA. This approach is consistent with City practice as it relates to employment selection panels.

In the event that the Executive Director position becomes vacant during the subsequent 12 month period of his/her hiring, the City Council may wish to establish a provision that permits the previously appointed Citizen Committee members to reconvene and re-initiate the candidate selection process.

Administrative and Funding Support

Inasmuch as the Citizens Committee is an executive management selection body, the Personnel Department should play a role in providing administrative and technical support.

The Personnel Department has historically been tasked with conducting executive management searches for the City so they can provide valuable expertise to the Committee.

The Personnel Department can also advise the Committee as to City employment policies and requirements, and ensure that they are followed. Furthermore, if the Committee requests this assistance, the Personnel Department can coordinate the services of an Executive Recruitment firm to facilitate the search for qualified candidates.

General administrative support should be provided by the Personnel Department given that the Citizens Committee will be dealing with confidential personnel records and related items.

In terms of providing the Citizens Committee with support for the use of facilities associated with public meetings, the City Clerk can be designated to assist.

All costs incurred by the Personnel Department, City Clerk or any other City Department shall be paid by the DWP under a standard reimbursement process. To that end, these Departments should be directed to record the costs associated with providing support to the Citizens Committee and to report these costs to the CAO. The CAO can compile those costs and seek payment from the DWP.

RECOMMENDATIONS

That the City Council:

1. Request the City Attorney to prepare and present an ordinance establishing the Citizens Committee, associated with Charter Amendment I - Office of Public Accountability, that includes the following elements:
 - a. Establishes the Committee as a five member body;
 - b. Designates the Mayor and the Council President as appointing authorities - two members appointed by the Mayor and three members appointed by the Council President;
 - c. Establishes a requirement consistent with City Charter Section 501 (d) relative to being a registered voter in the City as a qualification to serve on the Committee;
 - d. Establishes that City Officers as identified under City Charter Section 200, including Department of Water and Power management personnel, as ineligible to serve on the Committee; ineligibility to serve on the Committee includes the twelve month period subsequent to the conclusion of their office or employment;
 - e. Clarifies that the term of appointment of Committee members concludes upon final appointment and confirmation of the Executive Director; and
 - f. Provides that the previously appointed Committee members may reconvene to re-initiate the selection process if the Executive Director position becomes vacant during the subsequent twelve month period of the initial hiring;

2. Instruct the Personnel Department to provide administrative and technical support to the Committee associated with the selection of the Executive Director;
3. Instruct the City Clerk to provide the Committee support for the use of facilities associated with public meetings;
4. Instruct the Personnel Department and the City Clerk, and any other affected City Department, to record all costs associated with providing support to the Committee and to report this information to the City Administrative Officer;
5. Instruct the City Administrative Officer to bill Committee associated costs to the Department of Water and Power for payment.