

"LAKEWOOD PLAN"

Presentation of "Lakewood Plan" of contractual operation presented to the Board of Directors of the Los Angeles County Division of the League of California Cities on March 6, 1958. The following is a formal or written presentation of the remarks which were informally given by Mr. Todd on March 6, 1958.

Mr. Chairman, Mayors and Councilmen and guests:

In April of 1954 an area in Los Angeles County known for its fabulous subdivisions suddenly incorporated as a new city. This came as a great shock to many people since no city had incorporated in Los Angeles County previously since 1939. Lakewood, however, also became controversial because of its unique plan of operation through contracting for most of its municipal services.

Misunderstanding arises from a lack of the facts. A true understanding of the historical background giving rise to the City of Lakewood and its plan of operation as well as a true understanding of the actual facts of its operation or method of operation will dispel this misunderstanding. And I am happy to note that already in your organization and among other cities there is a growing understanding of the Lakewood operation. By this I do not mean to say that other cities or officers necessarily agree that the Lakewood Plan is the best method of operation - but I do mean to say that there is a growing understanding that Lakewood is a full fledged city - not a freak - paying its own way and vested with and exercising local home rule - which should be admitted to the great brotherhood of cities.

So that all doubt could be dispelled and the facts more fully developed and presented to you, our Mayor and City Council have suggested that I present to you a general historical background on Lakewood, the origin of the contractual plan, and its present operation.

HISTORICAL BACKGROUND

Any city and its method of operation will be best understood when examined in light of its historical background. In 1950 that area now known as the City of Lakewood consisted of bean fields primarily, neighboring the City of Long Beach. Thereafter in a period of three years an entire planned city from the physical standpoint with new streets, sidewalks, street lights, sewers, shopping centers and schools, was built in the Lakewood area, comprising over fifty thousand persons. In the latter part of 1953, the threat of annexation of the entire Lakewood area to the City of Long Beach resulted in the formation of citizens committees for the purpose of incorporating the Lakewood area as the City of Lakewood. As attorney for the citizens group, I assisted in formulating a plan and method of incorporation.

These then were the factors which lead to the incorporation of the City of Lakewood. The citizens of Lakewood were opposed to being annexed and being a part of an older city in which they would have no voice or control in respect to government and in which they would be saddled with the problems of an older city, some of which in this case were of very serious nature. At the same time the unincorporated area of Lakewood then existing was certainly unique from many other proposed

areas of incorporation and perhaps most suited for city status in that approximately 90% of the area had been just recently subdivided into brand new residential and business districts. Beautifully planned with new paved streets, sidewalks, sewers, street lights, and parkways, the area presented the possibility of low maintenance and public works expenditures. At the same time the citizens of Lakewood had been satisfied with county services. Of course, there was some local demand for more home rule and control over the amount of local services.

Out of the foregoing the Lakewood Plan was born naturally. Incorporation would preserve the Lakewood boundaries and at the same time give the citizens local home rule and more local control. However, by using the services of Los Angeles County, the same type of services the area had enjoyed, but at the level set by the local city council, could be continued. Again one of the biggest drawbacks to incorporation - large capital investment in establishing city departments and purchasing equipment - would be overcome. Another primary motivating factor was the fact that the government of Los Angeles County and its various departments was strong, efficient and well organized, thereby insuring ability to perform at the level needed by the proposed city.

With this background, the citizens committee for incorporation sold the issue of incorporation to the people on the basis of contracting with the county for the performance of municipal services. It was sold - not as a temporary plan - but as a permanent plan of municipal operation.

The City Council of the City of Lakewood in putting the contract plan into operation and in carrying the contract plan out did so at the direction, we might say, or at the mandate of the people of Lakewood since the issue of incorporating or not incorporating was based in part on use of the county contracting services. We recognize that since Lakewood has incorporated, many new cities have used this plan as a means of incorporating not necessarily with the intention that the plan of operation should remain a permanent one. However, it is submitted that the distinction here is only one of degree for the following reasons:

- (1) No plan or method of operation is permanent in the sense that it cannot or should not be changed as necessity or progress dictates.
- (2) In this regard the Lakewood contracts all have provision for termination thereof in most instances prior to June 30th of each fiscal year.
- (3) The mere fact that other new cities may intend to use the Lakewood plan as a temporary means of operation does not mean that in many cases, as is becoming apparent, the temporary operation may become more permanent and even spread to older cities who have not traditionally contracted with the county for some of the services now being procured by the so called contracting cities.

(4) We do, however, recognize that in a few minor instances the contract plan (along with the new sales tax provisions) has fostered or allowed the creation of cities which are not basically urban or basically the type of area that should be incorporated as a city. This, however, is not the fault of the contract plan itself, but is the fault of the Legislature in not specifying certain minimum standards and requirements over and above the very basic and meager requirements now existing for the formation of a city.

THE CONTRACTING IDEA

Although legal authority for the performance by a county of municipal services for a city existed for some time prior to April, 1954, no attempt had been made to so contract said services on the scale followed by the Lakewood Plan until the incorporation of the city in April of 1954. This, however, does not mean that the contracting idea was necessarily a new one with the city of Lakewood. For example, prior to the formulation of the contract plan, the incorporation committee studied the contractual method of operation existing in Nassau County, New York. An examination at that time of the Nassau County Government Law, Nassau County Administrative Code and the Nassau County Civil Code on the whole disclosed basic power to contract similar to the authority contained in the Government Code of the State of California and in the Los Angeles County Charter. On the whole, provisions were made therein for over-all county government, either directly under statutory provisions or by contract with the towns and incorporated villages. At the same time, local government was specifically reserved to towns and incorporated villages - each town and incorporated village having the power to establish local laws, levy local taxes, zone property locally, and to provide for local fire service, their local park department, local planning commissions and local police service, if they desired the same. Examples therein were county wide police service with the provision that the local city could contract with the county wide police district for additional police services. Another example was a county wide department of public works extending services to the cities by contracts.

Again contracting with the County of Los Angeles for services prior to the incorporation of the City of Lakewood was not unique. The Honorable Herbert C. Legg, Supervisor of the First District, by letter of June 24, 1953, to editors and other interested persons in the First Supervisorial District pointed out that the County at that time provided certain services for many of the then forty five incorporated cities within the county under contractual or reimbursement agreement. Examples included the following:

- (1) Assessment of property and collection of taxes, forty two cities.
- (2) Health services including enforcement of city ordinances, forty cities.
- (3) Personnel services, eighteen cities.

- (4) Building Inspection Services, six cities.
- (5) Recreation Leadership Services, fifteen school districts.
- (6) Life Guard Services, three cities.
- (7) Pound Services (animal regulation), two cities.
- (8) Road Inspection, sweeping, traffic striping, and bridge maintenance services, on contractual basis to many cities.
- (9) Industrial Waste Ordinance Enforcement, three cities.
- (10) County Jail Services, most cities.

In addition, prior to the incorporation of the City of Lakewood, the Sheriff's services of the Los Angeles County Sheriff's Department in respect to the identification bureau, detective bureau and stand by services for criminal violation and local breakdown were being constantly supplied to the cities of Los Angeles County. The Sheriff of Los Angeles County, by document entitled Questionnaire on County-City Relationships, dated July 14, 1952, pointed out in page six of this report that "Forty Four out of the Forty Five, the exception being Avalon, (cities) received services from the Sheriff's Detective Division and other investigative units of the Department during the year." The report further shows the type of investigations and court appearances bearing from misdemeanors to murder felony charges.

Prior to the incorporation of the City of Lakewood, the primary concern of any local agency, whether it be county or city, was to provide the best services for the citizenry and taxpayer. This fundamental principal, of course still prevails and will always prevail wherever good government is required. Following this principal, and following the duty imposed by law on the sheriff to provide law enforcement for the entire county out of the general fund of the county, provided from the tax funds of all taxpayers of the county, whether they be within cities or unincorporated areas, the Sheriff's Department provided law enforcement except where cities established their own police department, the Sheriff (and often at the request of the local police department) has ceased to supply law enforcement services within said city except where necessary to enforce the law.

The Questionnaire on County - City Relationships completed July 14, 1952 by the Los Angeles County Sheriff discloses that the Sheriff's Department at the request of the Police Departments of Burbank and Culver City performed \$75,651.28 of man days of law enforcement services. (page five) The report in addition discloses man hour services provided for other cities as well as additional services provided by the Sheriff's Department for cities consisting of the Sheriff's Aero Detail (page seven), the Narcotic Detail (page seven), the Crime Laboratory (page seven), Prisoner Escort, (page seven), Sheriff's Vice Detail (page seven), Sheriff's Radio (page eight), Identification

and Record Work (page eight), Sheriff's Telephoto Machine (page nine), Auto Theft Reports to all cities (page nine), Central Wanted Persons and Record Bureau (page nine). All of these services are supplied out of the county general fund without charge to the cities except for jail services. In addition there are of course many other services which are provided to cities on a cost basis.

This then, was the existing background when Lakewood came into existence. With this background, the actual Lakewood Plan can be more clearly understood.

THEORY OF THE LAKEWOOD PLAN

The Lakewood Plan never contemplated in theory or practice loss of home rule. One of the motives behind the incorporation of the City of Lakewood was to obtain more local control over the level and type of service provided locally. By forming our own city and having our own city council, one of the difficulties experienced with the administration of a very large area by the Board of Supervisors was overcome since we then had a local legislative body responsible to the needs and the wishes of the people locally.

Therefore in accordance with the very purpose of having local municipal government, the city council retains and exercises all normal city legislative and executive powers bestowed upon General Law Cities. The City Council in originally ratifying the contracts or in calling for additional services under the contracts sets the level of local services. In addition, the City Council reserves in the contracts the power to terminate the same, most of which may be terminated prior to June 30th of any given year.

To assist it in the performance of its duties, the City Council appointed, as required by law, a City Clerk, City Treasurer, Director of Finance, City Attorney, City Administrator and Staff, a City Planning Commission of local citizens, and a Traffic and Safety Committee of local as well as technical members. As a result, the city officials, as representative of, and in response to the people of Lakewood, make and determine local policies in respect to the level of service to be provided, tax rates, expenditure of funds, budgets, planning and zoning, placement of traffic controls, issuance of permits, licenses and franchise, local laws and ordinances, and park and recreational programs.

The purpose of the plan was merely to eliminate a duplication between the city and county of capital investment in equipment and man power. As a result, the city does not have to invest in costly equipment and personnel for road services, police services, fire services, etc. In lieu thereof, the city uses the equipment and personnel of the county already obtained and in use for other county purposes. As a result, the city not only obtains a savings by elimination of the otherwise necessary costly investment, but also obtains the superior services of men and equipment of the county necessarily organized to operate on a scale much larger than could be followed by a city the size of Lakewood.

In operation under the plan, the county performs the services and technical functions that would ordinarily be performed by the officers and personnel of the Police Department, Road Department, City Engineers Office, Planning Staff, etc., of the usual type of City. In so doing the foregoing, the County officers and employees remain County Officers and employees responsible to their county superiors. However they perform said functions as said contractual agents of the City.

Each of the contracts specify that the employees of the county remain county employees and that the City is not responsible to them for compensation or as an employer. In addition, the contracts specify that the City will hold the county and its employees harmless from liability and will defend the same in respect to any damage or litigation that might arise in the course of performance of said contracts.

Each contract is subject to termination each year by either party. The usual contract specifies a basic level of service with the additional provision that the City can, by resolution or otherwise, request additional services by specifying the level and paying the additional agreed upon compensation.

LAKWOOD PLAN IN OPERATION

Two typical types of contractual operations are those of zoning, planning and subdivision and those of traffic and safety and law enforcement. In keeping with the very fundamental principle, which Lakewood has recognized from the beginning, of local home rule the City Council has established its own planning Commission of local citizens. In accordance with the provisions of the Government Code the City Planning Commission and City Council hears all matters pertaining to zone changes, exceptions, variances, subdivisions and other planning and zoning matters. In order to assist the City Planning Commission and the City Council however, in respect to the technical and engineering aspects of such planning and zoning, the City obtains the services of the Regional Planning Commission and the Los Angeles County Engineer under the terms and provisions of the general service agreement for which the City pays the cost of these services. These technical advisors in turn advise and assist the City Planning Commission and City Council in respect to all technical planning and engineering phases of the program.

In the field of law enforcement and traffic and safety control, the City Council again, in exercise of its home rule, adopts all ordinances and rules and regulations pertaining to penal matters, protection of life and property as well as traffic and safety matters. Also in making decisions in respect to traffic and safety control, devices and measures, the City Council has a local committee consisting of four layment and supplemented by a representative of the Sheriff's Department, the County Traffic Engineer and the City Administrator's Office advising them as a traffic and safety committee. Here again the technical advisor's services are obtained by contract as well as the actual enforcement services through the Sheriff's Department and the Road Department.

The basic contractual arrangement, (such as the street, law enforcement and general contract has legal authority in the Government Code of the State of California, Article 1, Chapter 1, Part 2, Division 1, Title 5, commencing with Section 51300. Section 51301 provides:

"A Board of Supervisors may contract with a City, governed under general laws or charter, within the County, and the City Legislative body may contract with the County for the performance by its appropriate officers and employees of City functions."

Section 51303 provides:

"The County officers and employees named in the contract shall exercise within the City all of the powers and duties conferred upon the City officers and employees named in the contract."

Article 2 of Chapter 1 provides somewhat the same provisions in respect to Chartered Cities.

In addition, Section 56 1/2 of the County Charter contains authority for the County to enter into contractual arrangement. Pursuant to Section 51303 of the Government Code, the County Superintendent of Streets has been appointed City Street Superintendent and the County Engineer has been appointed City Engineer.

Other sources of legal authority for the basis of such contractual plan are found in Title 1, Division 7, Chapter 5, Article 2 of the Government Code, commencing with Section 6500 and pertaining to joint exercise of power. Further authority, in some instances, may be found under the provisions of Division 12, Chapter 4 of the Education Code of the State of California pertaining to community recreation commencing with Section 24001.

Authority for transfer of City tax and treasure service is found in Article 2, Chapter 2, Division 1, Title of the Government Code commencing with Section 51500, et seq.

Health services are supplied by the County Health Department pursuant to Section 480-482 of the Health and Safety Code of the State of California whereby the County, when requested by the City, enforces free of charge within a City, state health laws. In addition, we contract with the County for the enforcement of local health ordinances and local health and inspection services, which is supplied to us on the same hourly cost rate basis as charged to any other City.

The entire program as performed within the City of Lakewood consists not only of contractual services but services supplied through districts as well as some services supplied locally. The Council in the exercise of home rule in each instance has weighed the advantages and disadvantages of remaining in a district, contracting for services or supplying the services locally. The following is a rough outline of the entire program within the City of Lakewood which has resulted over a period of many years of operation and now appears to be quite stable and satisfactory.

(I) Services Supplied by Contract on a Cost Basis.

(a) Law Enforcement. These services are supplied by the Los Angeles County Sheriff's Office under a separate agreement whereby a local and state law is enforced. The level of service is the same level

as performed by the County. For this service the City pays to the County an amount equal to its fines and forfeitures. (Approximately a \$120,000.00)

(b) Services Supplied under the General Service Agreement. This is a separate agreement whereby the City, by resolution, may request of the County any services that the County customarily supplies. For these services the City pays the actual cost of the services plus a pro-rate for indirect costs or overhead. Services requested under this agreement are as follows:

1. Traffic Law Enforcement through Sheriff's office. (Approximately \$132,000.00).
2. School Crossing Guards (Approximately \$30,000.00)
3. School Safety Officer through Sheriff's Department (Approximately \$7,500.00).
4. City Enforcement Services through District Attorney's Office (Approximately \$1,000.00).
5. Bicycle License Services (Approximately \$2,000.00)
6. Business License Collection and Enforcement Services (Approximately \$5,500.00).

(c) Jail Services. These services are supplied by separate contract at a specified fee similar to that charged other Cities. (Approximately \$1,500.00).

(d) Ambulance Service. These services are also supplied by separate contract at the rate and on the same basis services are supplied to other cities. The agreement here is primarily a self financing agreement, the purpose of the agreement being to reimburse the County for those cases where the County is unable to collect. (Approximately \$500.00).

(e) Street Maintenance and Repair. Under this agreement which is a separate agreement the City pays the direct cost plus 15 % for overhead. The services performed as specified in the agreement are the ordinary services the County would perform in unincorporated territory. In addition the City may request extra or additional services by resolution for which the City would pay direct cost plus 15 % for overhead as specified in the agreement. Pursuant to the terms and provisions of this agreement, the City requests services in respect to engineering, preparation of plans and specifications, and processing of improvement proceedings. In addition under the terms and provisions of this agreement the City requests street sweeping services. (Approximately \$400,000.00).

(f) The City also under the general services agreement requests and receives for which it pays the cost thereof, engineering services, technical services of the regional planning commission in respect to zoning, sub division, and the enforcement of zoning law.

(2) Contractual Services which are Self-Financing. These are cases where the contract specifies that the County will collect the fees which will pay for the services rendered.

(a) Building and Safety. This is a customary service many cities have contracted with the County for. Under this agreement the City gets all surplus profits but is also charged for all losses.

(b) Zoning and Subdivision processing. Under the existing Lakewood fee arrangement, which the City Council elected to follow, the fees in respect to zone amendment changes in exceptions and subdivisions are set at a level where, on the average, they tend to be self-financing for the services rendered.

(c) Pound Services.

(3) Services rendered by the County as requested or transferred by Ordinance and in accordance with Statutory fees.

(a) Tax Assessment and Collection Functions. Practically all cities in the county use this service.

(4) Services supplied through Districts. These are County Districts which have continued where the City had no election or right to terminate the same as where the District contained territory outside of the City or where the District, by its organization, was County wide and the City, thus, could not withdraw from the same:

(a) Metropolitan Water District. (Territory outside of City).

(b) County Flood Control District. (County-wide).

(c) Water Conservation-Zone 1.

(d) Long Beach Unified School District. (Grammar, Junior-High, High School, and College Services). (Territory outside of City). In addition other smaller portions of the City are within two other Districts.

(5) Services Supplied through Districts over which the City of Lakewood has a measure of control or a right to withdraw. These are Districts where the City has elected to receive the services therein provided which are customarily municipal in function through Districts rather than establishing local departments or contracting for said services.

(a) Light Maintenance Districts. No tax rates imposed in these districts since the City elected to keep the districts for convenience only but pays the cost of the light maintenance program from other city revenues.

(b) County Public Library. (Election to remain within District.) Election to remain in such a district is not uncommon since 36 of the cities in Los Angeles County have elected to remain in said districts.

(c) Consolidated Fire Protection Districts. (Election to remain within the district.) The following cities in addition to Lakewood, to some extent, have elected to remain, either entirely or in parts within County fire protection districts. They are Avalon, Baldwin Park, Bell, Bellflower, Bradbury, Dairy Valley, Duarte, Industry, Irwindale, La Puente, Norwalk, Paramount, Rolling Hills, Rolling Hills Estate, Santa Fe.

(d) Lakewood Sewer Maintenance District. (Election to remain).

(e) Southeast Mosquito Abatement District. (Territory outside of City - but customarily a municipal function).

(f) County Sanitation No. 3. (Territory outside of City but a traditional municipal function).

THE LAKEWOOD BALANCE SHEET

NORMAL ANNUAL REVENUES

Alcoholic Beverage License Fees	\$ 10,000.00
Business License	40,000.00
Fines and Forfeitures	120,000.00
Franchises	40,000.00
Pool Receipts	50,000.00
Motor Vehicle License Fees	350,000.00
Sales Tax	700,000.00
Ad Valorem	300,000.00
State Gas Tax	200,000.00
County Aid to Cities	40,000.00
Total	<u>\$1,850,000.00</u>

NORMAL ANNUAL OPERATING EXPENSES

General City Government	\$ 300,000.00
Law Enforcement and Traffic and Crossing Guards.	300,000.00
Street Lights	200,000.00
Road Department Engineering and Administration and Overhead	50,000.00
Recreation Supervision	250,000.00
Parks and Park-way Maintenance	250,000.00
Roadside Trees	60,000.00
Total	<u>\$1,530,000.00</u>

PROPERTY TAXES-1957-58

<u>Description</u>	<u>Rate</u>	<u>Total</u>	<u>Percentage</u>
City	.69	395,000	8.7
Public Library	.0992	57,000	1.3
Fire	.6263	360,000	7.9
Sewer Maintenance	.0171	10,000	0.2
Mosquito Abatement	.0077	5,000	0.1
Sanitation	.1536	90,000	1.9
Metropolitan Water	.300	190,000	4.2

<u>Description</u>	<u>Rate</u>	<u>Total</u>	<u>Percentage</u>
County General	1.9246	1,100,000	24.3
Flood Control	.2733	155,000	3.5
Water Conservation	.0500	30,000	0.6
Schools (Average)	3.7422	2,140,000	47.3
Long Beach Unified School District (75 % of City)	(3.4695)		
Bellflower Unified School District (20 % of City)	(4.5260)		
Paramount Unified (5% of City)	(4.8189)		
 Total	<u>7.9140</u>	<u>\$4,535,000</u>	<u>100.0</u>

NET ASSESSED VALUATION \$57,171,000.00.

CONCLUSION

In addition to the previous technical discussion there are some general observations which I feel might clear the air and also should be worthy to some thought and consideration. These observations are as follows:

(1) Lakewood participation in the changing trend of Government. I hope that none of my remarks nor any of the remarks or actions of any officers or officials of the City of Lakewood shall be deemed as advocating or promoting the further extension of the Lakewood contractual plan in respect to other communities. My appearance has been made here primarily because of lack of information on what the Lakewood contractual operation means. In other words if other cities and municipal officers had not expressed what was felt unjustified criticism of Lakewood - not in respect to the wisdom of their choice but in respect to the integrity and honesty of the plan I would not be making this presentation. We believe and feel that we have rightfully earned a position among the brotherhood of Cities. We believe and feel that we have all of the instances of a true and honest municipal City and as such in the exercise of the right of local home rule should have the freedom of choice in respect to the method or plan of operation. We resent and object to any plans or effort attempting to thwart us in exercising or selecting our own method of operation, as would any other City within the State of California.

(2) Lakewood accomplishment. However since considerable criticism and fault has been found with the Lakewood operation (by persons who usually are totally uninformed in respect to the method of operation, such as the remarks of Patrick Healy of the American Municipal Association in October, 1957) some expressions of what Lakewood has accomplished under the operation of this plan would be noteworthy. In its short existence, Lakewood has maintained its roads and streets in a top quality condition, has developed a complete top grade roadside tree program both in respect to maintenance and replanting through out the entire City, has developed and maintained throughout the City, landscaped and fully developed parkway panels consisting of sprinkler systems, lawn and trees, has

acquired four new parksites within the City of Lakewood and has commenced extensive developments on said parksites as well as added new developments to an old parksite inherited from the County, is going to bid on the Cities second swimming pool to be known as the Pat McCormick Pool, is building a new City Administration Building, and is providing sidewalks, street improvements, lights and other improvements in those areas lacking these facilities prior to the incorporation of this City. In addition the City has developed an entire new zoning and subdivision plan and has maintained a very high safety standard record through the services of the Sheriff's Office and a School Safety Officer. All of this has been accomplished and acquired without the creation of any bonded indebtedness and at the same time with the maintenance of a 10% reserve for unknown contingences.

(3) Lakewood's Free Ride vs. Lakewood's Expensive Operation. Charges have been made that Lakewood is receiving services from the County on a free ride or partial free ride basis since other cities within the County not contracting for services pay also County general taxes and thereby "help support the City of Lakewood". At the same time countercharges have been made (as well as charges by the same people who advocate the free ride argument) that Lakewood pays too much for many of its services. (See the remarks of Chester G. Jaeger, Mayor of the City of Claremont before the Senate Interum Committee of Metropolitan areas, December 23, 1957). Obviously both situations can not exist. In order to clarify this situation again the true facts must be obtained. In this regard the following is submitted for your careful consideration:

(a) Before the City of Lakewood entered into the contracts with Los Angeles County, the City of Lakewood was required to be in a situation where it could completely pay to the County of Los Angeles for all of the services requested of the County. The County Counsel insisted that the City of Lakewood be in such a situation because of the provisions of Section 31 of Article IV of the Constitution of the State of California, which prohibits a gift of public funds. For this reason the General Service Agreement with the County of Los Angeles contains the following clause:

"1. By reason of the limitations upon the expenditure of county funds provided for in Section 31 of Article IV of the Constitution of the State of California, said city shall pay to said county the entire cost to said county of performing each such function, including salaries and wages of all employees engaged therein, all supervision over such employees while so employed, a pro rate of all departmental overhead, clerical work, office supplies, depreciation on machinery and equipment, traveling expenses, including mileage of employees, and all other costs and expenses incidental to the performance of each such function. The rate charged for overhead for each department shall be computed from time to time and revised accordingly, and thereafter charged at such revised rate. In computing the cost of the use of machinery and equipment, the full cost to said county of rented machinery and equipment and any operator furnished therewith, and a reasonable rental rate on county - owned machinery and equipment shall be included."

Hours and days of debate and discussion, as well as Grand Jury Investigations, can be spent in determining the method of cost computation. The fact remains, however, that the entire plan was based upon a cost basis and it was never the intention of the City of Lakewood or the County to supply the services other than at a cost basis. Conversely on the other hand, the county is not in the business of making a profit and as a result the services are supplied on an actual cost or "wholesale" basis.

The charges advanced however, that other cities not using the contracting services such as law enforcement and health services, are in effect partially subsidizing the cities using these services since general fund money is used to support the Sheriff's Department as well as the Health Department. In respect to this, it is advanced that the City of Lakewood also pays to the County the cost of all law and traffic enforcement services received by the city. In this regard this is a bonanza or extra compensation that the County would not have received if the city of Lakewood had remained a large unincorporated city and not incorporated. This is an interesting facet as was commented upon by Frank D. Aleshire, then City Manager of La Puente, before the Western Governmental Research Association conference in November of 1957, where he pointed out that Lakewood was the only city in Los Angeles County paying for prosecution services of the District Attorney. Again in this regard the City of Lakewood also through general taxes pays its share of the so called Free Ride Money used to support the Sheriff's Department. Perhaps in this regard

an examination of the entire county budget is in order. This budget discloses that 50% of the budget is devoted to charities, hospitals and corrections. Taking up the cry of "Free Ride" the taxpayers of the City of Lakewood could very logically charge, since the city of Lakewood is a community of new people of good financial circumstances, that older communities with charity and hospital problems are receiving a free ride from the City of Lakewood. Again in this regard an examination of the county budget discloses that only 1.8% of the budget is devoted to protection of person and property. It is in this area that the charge of free ride is leveled. Again those persons charging free ride would certainly, I am sure, not advocate the elimination of the Sheriff's Department and the loss of the Area Detail, Narcotic Detail, Crime Laboratory, Identification Bureau and the other very necessary services to law enforcement in this area supplied by the Sheriff's Department.

In respect to health services, pursuant to the provisions of the Health and Safety Code, enforcement of state law through the County Health Department, is available to all cities and has been used for many cities for some time. Enforcement of local health laws is on a cost or unit basis.

(4) Whose holding the bag? Chester G. Jaeger, Mayor of the City of Claremont, before the Senate Interim Committee on Metropolitan Areas in December of 1957 and Melvin Horton, Research Director, Property Owners Tax Association of California, before the Subcommittee on Functional Consolidation of Local Governments, October 31 - November 1, 1957, at page 192 thereof, advanced the fear that contracting cities might suddenly drop county contracting services and "bankrupt" the county of Los Angeles. In answer to this the following is submitted:

(a) If services were provided on the basis of the whims of either the electorate or city council in the future, or what their desires might then be, no services would be ever provided. Whether the local agencies should be a city or county government the sole purpose and function of that agency is to supply the best service that it can for its constituents. In the event of termination of services whether it should be withdrawal from a fire protection district, a library district or what other agency it should be, all elected officials as responsible to the taxpayers residing within the city who are both taxpayers of the city and county, have a duty and responsibility of acquiring and assuming county equipment and function. This is usually done.

(b) The contracts with the City of Lakewood are on the whole long term contracts subject however to termination prior to the end of any fiscal year. By having a contractual arrangement over a specified period of time some permanency is given to the operations.

(c) Conversely, the shoe could be placed on the other foot. For example, fear should be expressed in respect to the creation of city police and fire department, if the trend should be towards contracting

or consolidation of services because some day the future electorate or City Council of the city may decide to abandon city departments and use county services. Of course, again here, logically, the city equipment and personnel would be probably absorbed by the county. But I do believe we would have to admit that the shoe does fit on the other foot.

(d) Again supposing a large metropolitan area such as Lakewood did not incorporate but remained unincorporated. In such an event the county would have continued to have supplied city type of services to this unincorporated area but would not have received compensation therefore from the City of Lakewood and to some extent the large unincorporated metropolitan area would have received a free ride. Suppose further that as a large unincorporated area the county built a fire station and a sheriff's station within this area. Thereafter the City of Lakewood incorporated and elected to have its own police and fire department. Again, in this case the county would be holding the bag. However, in the case of Lakewood, this was prevented by the contracting operation and thereby the evil feared by Mr. Jaeger and Mr. Horton prevented.

(5) Problems of Communication, Reporting, and Lack of Centralized Authority. Frank D. Aleshire, then City Manager of La Puente, in remarks to the Western Governmental Research Association conference in November 22, 1957 wherein it was admitted that the Lakewood Plan is the only effort being made by any governmental jurisdiction in Los Angeles County to find a solution of better approach to metropolitan government, pointed out certain general problems in respect to the administration of the contract plan in respect to communications, reporting and lack of a centralized organization. These problems have necessarily arisen out of a system that grew overnight in proportion beyond the capacity of Los Angeles County to take care of all of the facets, problems and demands of the new cities, their councils and citizens in respect to forming a stepped up municipal operation. It is submitted however, that this is a problem which can, with-in reason, be greatly overcome through necessary administrative re-organization and coordination.