

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/10/08		Item Number: <u>A-1</u>	
AGENDA ITEM: Consideration of the Animal Control Subcommittee's Recommendation to Approve a Contract with SpcaLA for Animal Sheltering Services and Discussion and Potential Implementation of Additional Related Fees.			
Contact Person/Dept.: Martin R. Cole, Assistant City Manager Don Pedersen, Police Chief		Phone Number: (310) 253-6000 (310) phone number??	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: spcaLA; County of Los Angeles Animal Care and Control; Friends of Culver City Animals; Master E-Mail Notification List on 11/05/08.			
Department Approval: Martin R. Cole (11/05/08)		City Attorney Approval: Carol Schwab (by H. Baker) (11/05/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (11/05/08)		City Manager Approval: Jerry B. Fulwood (11/05/08)	

RECOMMENDATION:

The City Council Subcommittee on Animal Control recommends the City Council (1) approve a contract with spcaLA for Animal Sheltering services; and (2) consider various fees and charges related to animal care and control.

(Approval of the Contract Requires a 4/5ths vote for the Budget Amendment)

BACKGROUND:

The City of Culver City contracted with the spcaLA/Jefferson Boulevard location for sheltering services from 1974 to 1999. This particular shelter location was closed and recently re-opened as a spay and neutering services facility (general sheltering services are not provided at this location). In recent years, the City of Culver City has contracted with the County of Los Angeles Department of Animal Care and Control (LACDACC) for both sheltering services (at the LACDACC shelter located in Carson) and field services (including services of the County's Animal Control Officers for field services in Culver City).

City of Culver City, California
City Council Agenda Item Report

At a meeting of the City Council held on June 16, 2008 the City Council adopted the following motion (the following is an excerpt from the minutes of the meeting of June 16, 2008):

MOVED BY COUNCILMEMBER O'LEARY AND SECONDED BY
COUNCILMEMBER ARMENTA, THAT THE CITY COUNCIL:

1. TRANSFER \$20,000.00 IN FUNDING PREVIOUSLY IDENTIFIED AND APPROVED BY CITY COUNCIL FOR CANVASSING IN FY 2007-08 WITH ADDITIONAL FUNDING IN THE AMOUNT OF \$109,190.00 FROM THE GENERAL FUND RESERVE FOR THE ANIMAL CONTROL OFFICER (**City ASO**) POSITION IN FY 2008-09, AND STOP THE COUNTY OF LOS ANGELES FROM CONDUCTING CANVASSING FOR FY 2007-08;
2. DIRECT STAFF TO CONDUCT A 24-MONTH PILOT PROGRAM FOR A FULL-TIME ANIMAL CONTROL OFFICER TO BEGIN ON THE DAY OF THE OFFICER'S HIRING;
3. CONSIDER THE REINSTITUTION OF MANDATORY CAT LICENSING TO POTENTIALLY ACHIEVE ADDITIONAL LICENSE REVENUES; AND
4. DIRECT STAFF TO RESEARCH ADDITIONAL FEES ASSOCIATED WITH ANIMAL CARE AND CONTROL SERVICES AND ENFORCEMENT.

Pursuant to the direction provided by the City Council, the Subcommittee discussed the issues of mandatory cat licensing, additional fees associated with animal care and control services and enforcement, and other items of interest to the Subcommittee (including the spcaLA contract presented to the City Council this evening).

DISCUSSION:

The Animal Control Subcommittee (Vice Mayor Silbiger and Councilmember Armenta) has discussed with staff and members of the Friends of Culver City Animals the possibility of contracting with the spcaLA Hawthorne Animal Shelter as a potential alternative to the County of Los Angeles Animal Care and Control Shelter in Carson. In presenting this item to the City Council, staff is conveying the recommendation of the Subcommittee. Additionally and in accordance with standard practice, staff has included its best estimation of related fiscal impacts to assist the City Council in making an informed decision.

City of Culver City, California
City Council Agenda Item Report

Current Process and Procedure

In FY 2007-08 (the most recent full fiscal year for which records are available), the City of Culver City was billed \$7,845.26 for “housing services” (sheltering) portion of the LACDACC contract. The gross sheltering cost was \$8,272.76 for 116 dogs and cats and 189 other animals impounded. LACDACC provides a credit to each monthly billing for 1) impound fees collected; 2) board fees collected; 3) private veterinarian fees collected; and 4) brought in fees collected. The credit amount was \$427.50 (leaving a net charge of \$7,845.76 for sheltering). Net sheltering costs for FY 2006-07 were \$10,197.36 for 167 dogs and cats and 201 other animals.

Veterinary Care Services: Under the terms of the current contract with LACDACC, when the County Animal Control Officer (County ACO) picks up an animal that needs emergency care, the County provides either directly or through a contract with private veterinarians, the emergency care needed to stabilize the animal. The veterinarian’s in-shelter hours are 7:00 am to 3:30 pm, Monday through Friday. After hours, the County ACO takes the animals to a private veterinarian, who has a purchase order with LACDACC to administer emergency care for a flat charge of \$50 per animal. LACDACC attempts to collect \$50 from the pet owner who retrieves the animal at the shelter or passes through the charge of \$50 per animal to the City of Culver City. In FY 2007-08, six animals received private veterinary care, all of which was paid for by the City, with no amount recovered from the owner.

Potential for Future Changes in Contract Rates: The County Auditor-Controller’s Office has reviewed LACDACC’s rates and determined with LACDACC staff it may be necessary to increase rates for FY 2008-09 and future fiscal years. In a letter dated May 5, 2008 (Attachment 1) the County gave the City of Culver City an estimate of its rates at full cost recovery and at 50% of full cost recovery for its services. In its letter, LACDACC states, “For FY 2008-09, we need to advise you that the increase in your contract amount will be based upon 50 percent or less of the service unit rate increases needed to advance to the point of full cost recovery.” Despite this statement, to date LACDACC has not yet determined what increase, if any, will be applied in this fiscal year or future fiscal years. LACDACC indicates it intends to meet with Culver City staff to discuss any rate increases.

Impact on Current Costs if spcaLA Contract is Approved: While it is possible the costs incurred from the County would change as a result of

City of Culver City, California
City Council Agenda Item Report

the approval of the spcaLA contract, the amount of such change is difficult to accurately estimate. Given the 24/7 nature of animal control services, if the spcaLA contract were approved, certain sheltering, veterinary care, and/or field services would still be needed by the City from the County on a regular basis. Therefore, the contract with LACDACC cannot be completely cancelled and related costs would still be incurred by the City.

Summary: The current contract with LACDACC provides both sheltering and field services. The net costs for sheltering services for Fiscal Year 2007-2008 were \$7,845.26. The LACDACC contract also includes provision of emergency veterinary care for impounded animals at either no additional cost (if provided by the County Veterinary staff during certain hours) or at a cost not to exceed \$50 per animal (if provided by a private veterinarian under purchase order with LACDACC). The \$50 per animal fee may be collected from the animal's owner at the time the animal is released (which would mean no cost to the City when fees are collected from the owner). These current terms may be subject to change in the future.

Subcommittee Proposed Contract for Sheltering Services with spcaLA

In response to a request made by staff on behalf of the Subcommittee, on July 9, 2008, spcaLA submitted a cover letter and sample contract (Attachment 2) to provide sheltering services at its Hawthorne location. As indicated in their letter, spcaLA is offering to provide sheltering services at a cost of \$2,452 per month to shelter Culver City impounded animals (\$29,424 annually). Under the terms of the proposed contract, any fees collected by the spcaLA shelter remain with the shelter.

Veterinary Care Services: The proposed contract (taken together with the cover letter) provides unclear terms related to veterinary care. The cover letter states: "...This fee includes all costs associated with housing an animal for the legal holding period, including veterinary care..." However, Section 2 of the contract provides: "...CITY agrees to insure that all injured animals must receive emergency medical care as required by applicable law before depositing said animal with SPCALA..." Given these potentially conflicting provisions, the provision of veterinary care may be an additional cost incurred by the City. This provision should be clarified prior to execution of the contract.

Potential for Future Changes in Contract Rates: In an e-mail to staff, senior management of spcaLA stated: "spcaLA will consider the option of a 3 year agreement provided that and with the understanding and consent

City of Culver City, California
City Council Agenda Item Report

of Culver City, that spcaLA reserves the right to adjust its contract fees as necessary to perform its services as contracted during the 3 year contract period.”

Impact on Current Costs if spcaLA Contract is Approved: Approval of the spcaLA contract would increase costs by \$29,424 per year. Those costs may be offset, in part, by a change in costs incurred from the LACDACC contract. The amount of any change is difficult to accurately estimate at this time.

Summary: The proposed contract with spcaLA provides sheltering services at a cost of \$29,424 annually. Field services will need to be provided from a source other than spcaLA (either through the City ASO or the County ACO or a combination of both). The spcaLA contract provision of emergency veterinary care services is unclear. If it is determined the monthly fee includes veterinary care, then there will not be an additional cost incurred by the City. If it is determined the monthly fee does not include veterinary care, the City, by law, is required to provide veterinary care. This result would lead to increased costs to the City. Also, because the City does not currently have either an on-staff veterinarian or a contract with local veterinarian(s) to provide the necessary services, provision of those services would need to be undertaken. As with the County, should the City Council adopt a fee to recover veterinary costs incurred by the City, then to the extent veterinary fees are recovered from pet owners upon retrieval of pets, then the potential costs to the City would be reduced. These current terms may be subject to change in the future.

Anticipated Interface between County ACO and City ASO with spcaLA Shelter in Hawthorne

Animals not Requiring Veterinary Care

Should the City Council determine to approve the contract for sheltering services with spcaLA, then animals not requiring veterinary care picked up by the City ASO or County ACO during spcaLA open shelter hours would be brought to the spcaLA shelter. spcaLA staff indicated that a key to the spcaLA shelter would be provided to the City's ASO to admit healthy animals after normal shelter open hours

Animals Requiring Veterinary Care

In accordance with state law, animals requiring veterinary care would need to be provided with that care prior to the animal being presented to the

City of Culver City, California
City Council Agenda Item Report

spcaLA shelter. If the spcaLA contract does not provide for emergency veterinary services, then the City ASO would be responsible for obtaining those services for the animal. The County ACO would also need to obtain veterinary services for the animal. Both the County ACO and City ASO could obtain emergency veterinary services at the Carson Shelter (either directly from the County Veterinarian or through a purchase order with a private veterinarian). Alternatively, if the City Council directs staff to release an RFP for veterinary services, then both the County ACO and City ASO could have the emergency veterinary services provided by local veterinarians who chose to participate in the potential program (if any).

Transport to spcaLA shelter or LACDACC shelter?

The Subcommittee has expressed an interest in maximizing the utilization of the spcaLA shelter and minimizing the use of the LACDACC shelter. The City ASO could easily be directed to transport healthy animals to the spcaLA shelter during open and after shelter hours.

While spcaLA would be willing to provide the County ACO with a key for use during off hours, the County has expressed some concern over entering the spcaLA shelter during off hours. Given this concern, during hours when the spcaLA shelter is closed or when the animal is in need of emergency veterinary care, then the County ACO would most likely transport the animal to the LACDACC shelter. To transport the animal from the LACDACC shelter to the spcaLA shelter, LACDACC's Deputy Director of Shelter Operations indicated in an e-mail: "CC would transfer the animals from Carson to the S.P.C.A."

The City Council may ultimately determine if, as a matter of policy, the City ASO should be directed to retrieve animals from the LACDACC shelter and transport them to the spcaLA shelter. Such a decision would impact the amount of time the City ASO could devote to other duties such as providing field services and canvassing.

Additional Fee Research

Pursuant to the City Council's direction, staff conducted research related to additional fees associated with animal care and control services and enforcement.

A survey of nine cities with in-house animal control programs was conducted. Part of this survey was to determine if there were additional opportunities for Culver City to capture revenues to help offset the costs of

City of Culver City, California
City Council Agenda Item Report

this program. The following areas were identified as potential revenue sources: additional levels of license fees; pet relinquishment fees; temporary shelter impounding and boarding fees; and administrative citations.

Mandatory Cat Licensing

The City Council directed staff to consider re-institution of mandatory cat licensing. When the City began its in-house licensing program on April 1, 2007, it included mandatory cat licensing. In August, 2007, the City Council determined to return to voluntary cat licensing. During the approximate five months time period when cat licensing was mandatory, only a small handful of cat owners licensed their cats.

Re-institution of mandatory cat licensing at a per license fee of \$20 would result in an increase in gross revenues. However, there is a significant resistance in the community to mandatory cat licensing (which may have been a factor in the City Council's August, 2007 decision to return to voluntary cat licensing). To increase revenues significantly, there would need to be a significant canvassing effort to identify cats in Culver City subject to any new licensing requirement. The costs of such a canvassing effort would offset (in whole or in part) any income generated by the new licensing fee. The amount of income generated by mandatory cat licensing is difficult to estimate at this time.

Modification of License Fees and Structure

As mentioned previously, Culver City has a base licensing rate of \$40. Currently, dog owners are required to alter and microchip their animals (with certain limited exceptions to the alteration requirement) in order to receive a license. There is a reduced license fee of \$20 for altered animals (all of which are required to be microchipped). Given the alteration and microchipping requirement, the great majority of licenses issued by Culver City are at the \$20 fee level. Currently, Culver City has approximately 1,740 valid dog licenses. In FY 2002-03, when LACDACC canvassed the entire City for licenses, 3,736 licenses were issued for that year (licensing operations were handled as part of the LACDACC contract at that time).

One of the functions of the City ASO will be to canvass the City for dog licenses. Because of the other duties this position will be responsible for (including the potential duties associated with the spcaLA contract if approved by the City Council), it is unknown how much time will be

City of Culver City, California
City Council Agenda Item Report

available for canvassing and license enforcement. Also, findings from the survey show that Culver City is the only City (LA County mandates microchipping in unincorporated areas) that mandates microchipping for dogs in order to receive a dog license. Because of this mandate it is possible some owners may refuse to license their dog. If the City Council were to change this decision and allow for optional microchipping, it may impact the amount of licensing income received by the City, the actual amount of which is difficult to estimate at this time.

The City Council may wish to consider the following options:

- Increase the base licensing fee from the existing \$40
- Offer a discount for altered dogs (note, most dogs will qualify for this rate given the current requirement to alter dogs in Culver City)
- Offer an additional discount for microchipped dogs (offering this discount would require the City Council to rescind mandatory microchipping)

The Attached spreadsheet provides a preliminary estimate of revenues that might be generated from such a change with a base licensing fee of \$60. The spreadsheet employs certain assumptions used in prior analyses presented to the City Council.

Pet Relinquishment Fees

Many agencies, including LADACC, charge for pet relinquishment (live or deceased) when a pet owner relinquishes their unwanted pet to LACDACC. In practice, the drop-off of an unwanted pet is most often free of charge. If a resident initiates a call for the County's ACO to come to their home to pick up their relinquished pet(s), a fee of \$5.89 per deceased animal is charged with the charge of \$10 for relinquishment of a live animal. In fiscal year 2007/2008, LACDACC received five calls from Culver City residents to provide relinquishment services at their place of residence. Following are proposed amounts that fall approximately in the middle of the surveyed cities:

\$25.00	-	Pick-up of animal up to 100 lbs.
\$50.00	-	Pick-up of animal over 100 lbs.

City of Culver City, California
City Council Agenda Item Report

It should be noted, that the current pet relinquishment fees (if any) collected by LACDACC are credited against the City's gross sheltering costs.

If the City Council were to determine to institute an alternate City fee for pet relinquishment applicable to animals taken to the spcaLA Shelter (in the event the City Council approves such a contract), then the City would need to consult with spcaLA to determine how to administer that fee and what, if any, split of that fee would be made between the City and spcaLA. With these variables, it is difficult to estimate the revenues from this source.

Temporary Shelter Impounding and Boarding Fees

The amounts for impounding and boarding at the City's temporary shelter location are proposed to be kept in line with what is currently being charged by LACDACC. These fees would be recouped directly by the City if the animal is held in the City's temporary shelter (in the case the owner of the animal can ultimately be identified and contacted):

1st offense: \$10.00 + \$7.50/day
2nd offense: \$20.00 + \$7.50/day
3rd offense: \$30.00 + \$7.50/day

Implementation of this fee is contingent upon the implementation of a temporary shelter by the City. The City Council is requested to consider this issue on a staff report contained on this evening's agenda. With these variables, it is difficult to estimate the revenues from this source.

Administrative Citations

The subcommittee raised the question as to whether the ASO could use the administrative citation process (currently available in the Enforcement Services Division) as an enforcement tool for violations of animal related provisions in the Culver City Municipal Code (CCMC). Under current provisions of the administrative citation process as set forth in the CCMC, the first violation is a \$100.00 fine, the second a \$200.00 fine, and the third and subsequent violations are a \$500.00 fine (second and more are applicable within one year).

A final determination as to the applicability of the Administrative Citation Process for Animal Services will require some additional research and analysis to reconcile the City's Animal Control Ordinance and the County

City of Culver City, California
City Council Agenda Item Report

Animal Control Ordinance, which the City has adopted by reference. Additionally, there will also need to be some consultation with the County to clarify enforcement procedures for both the City and the County. Should the City Council so direct, staff will proceed with this process and return to the City Council with any necessary items.

If the Administrative Citation Process can be applied to the enforcement of the City's Animal Control Ordinance, there may be gross income generated, the amount of which is difficult to estimate at this time. Any gross income would be offset by the potential for increased costs of enforcement and processing of the Administrative Citations through the hearing process provided for in the CCMC.

Additionally, with the addition of the City's ASO to the City's animal care and control program, an issue arises as to the enforcement of the City's Animal Control Ordinance. In the past, when animal control services were provided solely through the contract with LACDACC, it was clear that the County ACO would provide field services and the County, through the County's District Attorney's Office, would handle prosecution of violations of Title 10 (which the City has incorporated into Chapter 9.01 of the CCMC). Application of the administrative citation process to animal services would not be administered by the County's District Attorney. Rather, it would impact costs of administration of the Administrative Citation process.

In addition to impact on costs of the administration of the Administrative Citation process, with the introduction of the City's ASO into the enforcement process, the issue of the differences between enforcement agencies (i.e. the County and the City) needs to be further explored. There may be other costs related to the prosecution of the animal control provisions of the CCMC in the case the County asserts the City Attorney's Office is the office with jurisdiction to prosecute such items. The amount, if any, of costs related to City Attorney's Office prosecution is difficult to estimate at this time because of the need to consult with LACDACC and the County District Attorney's Office. However, the City Attorney's Office has concerns these impacts could turn out to be significant, which may necessitate an increase in resources to address the added workload.

Other

The issuance of multi-year licenses was analyzed to see if they would be a practical mechanism for bringing in additional revenue. It was determined that current and future workload issues would make this function very

City of Culver City, California
City Council Agenda Item Report

difficult to implement and track. Additionally, generally speaking, persons who license their pets without the need for collection activities are very likely to follow the law in subsequent years. Therefore, it is opined multi-year licenses would not appreciably impact revenues.

Conclusion

The Subcommittee felt this issue was of significant import to bring the item to the full City Council at this time. As is staff's routine practice, staff has attempted to provide the City Council with fiscal and operational information related to the action recommended by the Subcommittee.

As the City Council will note, there are a significant number of variables that, with particular likelihood, will have a fiscal or operational impact on this one piece of a multi-faceted animal control program.

The Subcommittee has taken an active role in working directly with the spcaLA, local veterinarians, and other stakeholders and has not involved staff in a number of these interactions. Therefore, the information provided herein by staff may not reflect information shared during meetings between parties and the Subcommittee.

Staff would have preferred to have participated in all meetings so that the Subcommittee and the full City Council would have the benefit of staff's input. Unfortunately, this lack of participation and the desire of the Subcommittee to bring this item to the City Council at this time has negatively impacted staff's ability to provide the City Council with a more complete picture. Also, the piece by piece approach applied to this important and complex new program has also negatively impacted staff's ability to provide a complete and thorough analysis of the complete program.

This lack of information will, most likely, result in unanticipated costs which, in turn, will impact the overall financial standing of the City at the conclusion of fiscal year 2008/2009. Given the highly volatile nature of the current economic environment, the high probability of additional state take-aways from local governments, and the existing projections of an operational deficit for fiscal years 2008/2009 and 2009/2010, staff has significant concerns related to the incorporation of a new operational program into the City's workplan that was not fully evaluated as part of the budget process.

City of Culver City, California
City Council Agenda Item Report

FISCAL ANALYSIS:

The spcaLA has proposed a three year contract. Costs for the first year are \$29,424 (or a minimum of \$86,272 over the three year proposed contract term – subject to changes in costs as stated in the contract). Based upon this multi-year contract and existing City Charter and City Council Policy provisions, staff has determined the approval of the spcaLA contract would require a budget amendment (for which the City Charter requires a 4/5ths vote).

As noted in this report, there are also other potential fiscal impacts related to the implementation of the spcaLA contract. The amount of many of the potential impacts is difficult to estimate at this time.

ATTACHMENTS:

1. County of Los Angeles Department of Animal Care and Control
Annual Service Rate Letter, May 5, 2008
2. spcaLA Cover Letter and Sample Contract, July 8, 2008.

MOTION:

That the City Council:

1A. Determine if it wishes to approve a contract with spcaLA for animal sheltering services (the Subcommittee recommends approval) at a rate of \$2,452/month for a total of \$_____ for the remainder of FY 2008-09 (approval of the contract would require a 4/5ths vote for the associated budget amendment); **or**,

1B. Determine if it wishes to decline a contract with spcaLA for animal sheltering services;

and

2A. Direct staff to proceed with an RFP to solicit proposals for veterinary care services and return to the City Council when responses to the RFP are received; **or**

2B. Determine that as a matter of policy animals who are in need of emergency veterinary care shall be transported to the LACDACC

City of Culver City, California
City Council Agenda Item Report

shelter so that such care can be provided under the terms of the City's contract with LACDACC;

and

3A. (If the City Council determines to approve the contract with spcaLA) Determine as a matter of policy that animals impounded by the City ASO should be transported between the LACDACC shelter and the spcaLA shelter; **or**

3B. (If the City Council determines to approve the contract with spcaLA) Determine as a matter of policy that animals transported to the LACDACC shelter shall remain at the LACDACC shelter and animals transported to the spcaLA shelter remain at the spcaLA shelter.

and

4A. Determine to implement any new fees related to animal control;

OR

4. Determine to consider this entire subject as part of the Fiscal Year 2009/2010 budget process.