

DATE ISSUED: July 30, 2003

REPORT NO. 03-160

ATTENTION: Honorable Mayor and City Council
Docket of August 6, 2003

SUBJECT: Animal Control Services

SUMMARY

Issues:

- 1) Shall the City contract for animal control services including field enforcement, sheltering, medical services, and dog licensing services with the County of San Diego for the period of Fiscal Years 2004 through 2008?
- 2) Shall the City expend \$4,756,911 from the General Fund Citywide Program – Animal Regulation Services for Fiscal Year 2003-2004, to be adjusted at year-end but not to exceed fixed gross cost of \$6,282,711 less actual revenues (estimated at \$1,525,800)?
- 3) Shall the City Council eliminate Municipal Code Section 44.0322 “Dog License Fees,” and adopt all animal services fee levels established by the County Board of Supervisors by reference?

Manager’s Recommendations:

- 1) Authorize the City Manager to execute a contract extension with the County for animal control services for the period July 1, 2003 to June 30, 2008.
- 2) Authorize the expenditure of \$4,756,911 for animal control services for Fiscal Year 2003-2004.
- 3) Eliminate Municipal Code Section 44.0322, and adopt all animal services fee levels established by the County Board of Supervisors by reference.

Other Recommendations: None.

Fiscal Impact: The contract amount estimated for Fiscal Year 2003-2004 is \$4,756,911. This amount is budgeted and available in the Citywide Program Expenditures budget for Fiscal Year 2004.

BACKGROUND

Agreement Renewal

On August 3, 1998, the City Council authorized the City Manager to execute an agreement with the County of San Diego to provide animal control services for the period of July 1, 1998 through June 30, 2003 (Document No. RR-290573). The County has successfully provided the City services for animal control, welfare, sheltering, licensing, and adoption during that time. The agreement allows for an extension beyond June 30, 2003 by mutual consent. The County is willing to renew the agreement for an additional five-year term, for the period of July 1, 2003 through June 30, 2008, with a provision for termination for convenience with one year's written notice. All contract terms and conditions will remain the same, with the exception that the City will have the option to contribute to the Spay/Neuter Trust Fund in Fiscal Year 2003-2004.

Fiscal Year 2003-2004 Expenditure

The County of San Diego has provided an estimate of \$4,756,911 net cost for animal control services for Fiscal Year 2003-2004. This is based on a gross cost of \$6,282,711, less projected revenue of \$1,525,800, with no contribution to the Spay/Neuter Trust Fund.

The general operating expenditure is a fixed amount. It is calculated based on a 50/50 weighting of the population and the service demand among the unincorporated County and seven client cities. The Spay/Neuter Trust Fund expenditure is based on five percent of the City's projected license fee revenue. These funds may be used only for spay/neuter incentives for citizens of the City; any amount not expended during the year is refunded to the City. It is anticipated that the City's Fiscal Year 2002-2003 Spay/Neuter Trust funds will be fully expended before the close of the fiscal year.

The City receives a revenue credit for all fees and fines collected by the County from City residents. If the full amount of estimated revenues is not collected, then the City owes the County additional funds. If more revenue is collected than was estimated, then the City receives a refund. At this time, it is anticipated that Fiscal Year 2002-2003 actual revenue will equal the projection. However, fees and fines from City residents have steadily trended down, and there was a revenue shortfall in Fiscal Year 2001-2002. Contributing factors to this reduction include more citizens electing to spay/neuter their dogs, and choosing longer-duration licensing options, which the City encourages.

The County Department of Animal Services' operational costs for Fiscal Year 2003-2004 are estimated to increase dramatically from the current year. This is a result of negotiated salary and benefit changes, utility increases, information technology costs, and most significantly, an increase in mandatory retirement contributions. To partially mitigate the increase, the County and the client cities have worked together to develop recommended reductions in service as well as a proposed fee increase.

Fee Increases

On May 13, 2003, the County Board of Supervisors authorized modest fee increases for dog licenses and animal adoptions to finance more of the operational costs of services provided to citizens. Dog license fees were last increased in January 1994. Animal adoption fees were last increased in June 1991 and restructured (but not increased) in December 1998 to be a flat rate for puppies or dogs and a flat rate for kittens or cats. The approved fee increases are approximately 20 percent for dog licenses and 15 percent for adoptions. Both amounts are comparable to fees charged by other local jurisdictions. The County fee increases, summarized below, will be effective July 1, 2003.

County of San Diego Animal Services – Dog License Fees				
License Duration	Altered		Unaltered	
	Current Fee	New Fee	Current Fee	New Fee
12-Month	\$10	\$12	\$25	\$30
24-Month	\$17	\$20	\$41	\$49
36-Month	\$23	\$28	\$53	\$64

County of San Diego Animal Services – Adoption Fees		
Animal/Adopter	Current Fee	New Fee
Dog	\$60	\$69
Cat	\$50	\$58
Rabbit	\$25	\$28
Senior Dog or Cat (Over seven years)	\$30	\$35
Senior/Disabled Citizen (For Dog or Cat)	\$30	\$35

The City of San Diego has historically maintained a fee structure identical to the County's. Municipal Code Section 44.0300, "San Diego County Animal Control Ordinance – Adoption by Reference," already includes County Code Section 62.603, the relevant section on fees. Although the City's rates are currently the same as the County's, San Diego Municipal Code Section 44.0322 specifies the City's dog license fee structure. As such, any County dog license rate change subsequently adopted by the City requires an ordinance amendment.

DISCUSSION

Agreement Renewal

The current agreement was the product of nearly a year of effort by representatives of the County and each of the nine cities then served by the Department of Animal Services. One of the main purposes of the agreement was to provide a fair and equitable means to apportion Department operational costs between the County and each of the client cities. Another objective was to achieve a level of stability in funding that would allow the Department to effectively plan and implement service and capital improvements.

The County, while funding its share of the Department's annual operational costs, also has invested substantially in capital and major maintenance projects that benefit the City, such as the

new Kroc-Copley Animal Shelter (\$2 million), the planned North County Shelter (\$6.1 million to date), fire suppression systems at both the North and South shelters (\$259,000), a new Call Center (\$250,000), and modernization of the Animal Services truck fleet (\$113,000).

With the long-term commitment by the City and other client cities, the County Department of Animal Services has been able to provide significant service-level improvements and some notable accomplishments over the contract period:

- A 47 percent increase in annual adoptions over the last four years. In Fiscal Year 2001-2002, 11,799 animals were adopted from the three County-operated shelters, an all-time high.
- A corresponding 36 percent drop in euthanasia. Over 65 percent of sheltered animals are now adopted or reunited with their owners, compared to 39 percent in Fiscal Year 1997-1998.
- Enhanced partnerships with private shelters and other animal welfare groups have virtually ended the euthanasia of healthy, adoptable animals at County shelters.
- Improvement in all four levels of patrol response has resulted in a 16 percent overall increase in on-time response over the last three years.
- Refinements to the Department's landmark administrative hearing process for the regulation of dangerous dogs have helped achieve a 16 percent reduction in dog-bite incidents.
- Customer satisfaction ratings have increased from 4.1 (1 to 5, with 5 as excellent) to 4.6, based on feedback from the 3,000-4,000 constituents surveyed each year.
- Department resources have been shifted to appreciably enhance the level of medical and shelter care provided to the approximately 30,000 animals that annually enter the shelters.
- In May 2002, the Department moved all Central Area patrol, shelter, and administrative operations into the new \$8.5 million Kroc-Copley Animal Shelter.
- The Board of Supervisors has committed to construct a new \$6.6 million facility to replace the aging North County Shelter in Carlsbad, which serves the northern portion of the City of San Diego.
- Greater collaboration with local law enforcement agencies and prosecutors has resulted in a number of well-publicized animal cruelty seizures and convictions.
- In the past year, an enhanced spay/neuter coupon program has provided more than 4,500 constituents with financial help in getting their pets spayed or neutered, nearly tripling the rate of public participation.
- The County has aggressively pursued full reimbursements for the County and the City for costs related to the new state-mandated animal holding periods.

While these efforts represent major progress, it will take continued investment by the County and City to attain the joint goal of eliminating euthanasia of all healthy, adoptable, and treatable animals by 2005.

Fiscal Year 2003-2004 Expenditure

In consideration of the severe budget conditions that have affected both the County and City, the County has proposed an operating and financial plan that increases costs for the City by \$313,289. The proposed amount allows the County to meet all the requirements of the existing agreement, but there will be significant impacts to services. Budget reductions will result in the elimination of 21 County positions. Although there will be 40 hours of public shelter services,

the number of days open will be reduced from seven to five per week. Non-emergency phone services will also be reduced to five days per week. However, the current levels of service will be maintained for animal care, medical care, field services, and emergency phone service. The proposed amount presumes additional revenue from a City fee increase for dog licenses and animal adoptions.

Fee Increases

The County Department of Animal Services does not anticipate a decrease in the number of dogs licensed or the number of animals adopted from the shelters as a result of their fee increases. If the City elects to raise its fees as well, the revenue generated would offset City costs by an estimated \$215,800.

Elimination of Municipal Code Section 44.0322 and adoption of all animal services fees by reference will ensure that the City of San Diego maintains a fee structure consistent with the County. Varying rates between the County and City would result in increased County administrative costs and could be confusing to citizens.

ALTERNATIVES

- 1) Authorize the City Manager to execute the contract extension with the County of San Diego for animal control services for the period July 1, 2003 to June 30, 2004 only. This is not recommended as it would not be cost-effective for the City to provide its own animal control services, and there are no other interested providers.
- 2) Authorize a modified expenditure amount with a corresponding impact on service levels.
- 3) Do not adopt fee levels as established by the County Board of Supervisors by reference; retain or modify current levels with a corresponding impact on revenue.

Respectfully submitted,

John Welter
Interim Chief of Police
Police Department

Approved: Michael T. Uberuaga
City Manager

MAHEU/CL/AP

- Attachments: 1. [Agreement Between the County of San Diego and the City of San Diego to Extend the Term of and to Amend the Agreement for Animal Control Services](#)
2. [Sixth Amended Agreement Between the County of San Diego and the City of San Diego for the Provision of Animal Control Services](#)