

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Animal Services	(2) MEETING DATE 10/22/2013	(3) CONTACT/PHONE Eric Anderson / 781-4400	
(4) SUBJECT Request to approve renewal contracts (Clerk's File) with the incorporated communities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles, and San Luis Obispo for a three year term to provide animal care and control services within these communities.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign the renewal contracts with the incorporated communities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles, and San Luis Obispo for a three year term to provide animal care and control services within these communities.			
(6) FUNDING SOURCE(S) Service fees assessed to contracting cities	(7) CURRENT YEAR FINANCIAL IMPACT \$830,311.00	(8) ANNUAL FINANCIAL IMPACT \$830,311.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director  
Eric Anderson, Animal Services Manager

DATE: October 22, 2013

SUBJECT: Request to approve renewal contracts (Clerk's File) with the incorporated communities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles, and San Luis Obispo for a three year term to provide animal care and control services within these communities.

## **RECOMMENDATION**

It is recommended that the Board approve and direct the Chairperson to sign the renewal contracts with the incorporated communities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles, and San Luis Obispo for a three year term to provide animal care and control services within these communities.

## **DISCUSSION**

As a result of numerous state, county, and municipal laws, local communities are required to provide a wide array of animal care and control services. These services include the sheltering of stray and homeless pets, rabies surveillance and control, investigation of animal cruelty complaints, the capture and control of dangerous animals, and the resolution of animal related nuisances. Historically, all seven of the incorporated cities of San Luis Obispo County (Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo) have contracted with the County to fulfill these functions.

Since 2010, a service based methodology has been utilized to assess the service fees associated with the fulfillment of these contracts. This methodology assesses fees based upon a city's actual use of services and generation of revenue. By using a direct and measurable cost allocation, the contract fees derived reflect the true cost of service, resulting in an equitable fee structure with those cities having the highest service rates paying proportionately more than those with lower service rates.

Each of the proposed contracts provides for animal care and control services through June 30, 2016. Under the terms of the contracts, each city will receive the same scope of services including the following:

### Animal Sheltering and Management

- Intake and sheltering of stray, owner surrendered, confiscated, or quarantined animals.
- Reunification of stray animals with their owners or adoption into new homes.
- Medical care and humane euthanasia of sheltered animals.
- Receipt and processing of Lost and Found reports.
- Quarantine and observation of domestic animals which have bitten a person.
- Vaccination and microchipping of sheltered as well as privately owned animals.
- Licensing of all dogs over 4 months of age.
- Issuance of Assistance Animal tags.

### Field Services

- Impound of dogs running at large.
- Response to reports of aggressive animals running at large. Capture and management of animals posing a threat to public safety.

- Investigation of animal related nuisances. Mitigation of nuisances through public education, administrative actions, or criminal prosecution.
- Response and investigation of allegations related to abusive or neglectful treatment of an animal.
- Investigation of animal bite reports. Establishment of quarantine for biting animals.
- Regulation and permitting of animal related businesses and breeders.
- Removal of dead domestic animals from public roadways.
- Assistance to other law enforcement and public safety agencies responding to cases in which animals are involved.

Humane Education

- Public outreach and education regarding responsible pet ownership, targeted primarily at elementary aged children.

**OTHER AGENCY INVOLVEMENT/IMPACT**

The cost allocation methodology used in assessing service fees for each of the proposed contracts was developed by a working group composed of representatives of the contracting cities, the Animal Services Manager, Health Agency Deputy Director, and Health Agency fiscal services staff. County Counsel has reviewed and approved the contracts as to form and legal effect.

**FINANCIAL CONSIDERATIONS**

Costs for the provision of animal care and control services to each of the cities of San Luis Obispo County is projected to be \$830,311 in FY 2013-14 as approved in the Adopted Budget. Fees paid by the cities in FY 2012-13 were \$932,743.

Some of the \$102,432 variance between the two fiscal years can be explained by differences between the current and prior contracts regarding the annual fee setting process. The previous contract included a cost of living inflator linked to the previous year's Consumer Price Index (CPI) whereby the rate each city paid was increased by the annual CPI, regardless of whether Animal Services' budgeted expenditures were increasing or not. As has been the case over the past few years, Animal Services' expenditures have been relatively flat. In the new contracts, language regarding the automatic CPI inflator was removed and replaced with an annual service fee calculation. The annual service fee calculation will more accurately keep contracted fees aligned with actual costs and avoid any potential "adjustment" as was the case this year when expenditures remained flat but revenue increased due to the automatic CPI inflator.

Also contributing to the variance between the current and prior year's city fees was an increase in services for the unincorporated areas of the County, reducing the percentage of fees paid by cities. The table below shows contract service fees by city.

<b>Animal Care and Control Contract Service Fees</b>								
	Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Paso Robles	Pismo Beach	San Luis Obispo	Total
FY 2012-13 (Actual)	\$95,312	\$248,874	\$84,825	\$46,001	\$271,035	\$34,121	\$152,575	\$932,743
FY 2013-14 (Budget)	\$60,393	\$229,459	\$72,489	\$26,066	\$308,482	\$20,234	\$113,188	\$830,311

The proposed contracts establish a fee structure which achieves full cost recovery for services provided to the cities. Moreover, operating a single animal care and control organization with jurisdiction throughout the county creates an economy of scale, allowing each of the cities and the County to meet requirements for the provision of services at a reduced cost.

In order to accommodate the potential for future increases in operational costs and ensure that fees assessed to the cities continue to reflect actual costs for service over the three year term, the proposed contracts include a provision for an annual fee recalculation which will be conducted by Animal Services and provided to the contracting cities by April 15

each year and adjustments will take effect at the beginning of the following fiscal year.

## **RESULTS**

Approval of the proposed contracts promotes a *Safe* and *Livable* community by ensuring uninterrupted animal care and control services throughout the County. This establishes a means for addressing public safety concerns and problems related to dangerous animals, animal related nuisances, and animal welfare violations. Additionally, the sheltering of lost pets and reunification with their owners together with the adoption of other homeless animals into new families enriches the personal lives of the members of our community.

## **ATTACHMENTS**

1. Clerk's File Statement for renewal contracts with the incorporated communities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo.