



Contra Costa County

To: Board of Supervisors
From: FINANCE COMMITTEE
Date: January 7, 2020

Subject: Proposed Changes to Contract Fees with Cities for Animal Services

RECOMMENDATION(S):

ACCEPT the attached report and recommendations included in the report; DIRECT staff to bring the topic of inadequate resources up at the next Public Managers' Meeting; DIRECT County Administration staff to attend the Animal Services Director meetings with city managers to discuss new contracts and fees; and, include these fees in the FY 2020-21 budget development for the department.

FISCAL IMPACT:

No fiscal impact at this time. If additional department revenues are not secured from contracted cities service levels to contract cities will be reduced.

BACKGROUND:

On June 18, 2019, the Board of Supervisors referred a review of city contract fees for Animal Services to the Finance Committee. The following report was provided to the Finance Committee at its meeting of December 16, 2019.

In the fall of 2017, Contra Costa Animal Services (CCAS) hired the firm City Gate Associates, LLC. (City Gate) to perform a cost analysis of the County's animal services

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Eric Angstadt (925)
335-1009

cc: Beth Ward, Animal Services Director

operations for animal control services to contracted cities. The County's primary purpose in conducting this analysis was to develop a factual and analytical study upon which the Department could make critical decisions for financial sustainability. The

BACKGROUND: (CONT'D)

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analysis was necessary to identify and begin financial recovery steps and processes for the Department, strengthen its operational and financial foundation to position itself for success, both short and long-term, and enhance its services for the future to adequately serve our community residents and care for our animals.

The report of the analysis was provided in early 2018 and action steps were already in place to address operational efficiencies and to create clear and realistic budget recommendations for FY 2018/19. The efforts to strengthen core financial and operational activities included working with the County Administrator's Office (CAO) on our budget and forecasting, updating the current Department fee schedule, developing Standard Operating Procedures (SOP's), increasing staff training, evaluating key programs to improve efficiencies (examples: phone services, customer wait times, field service response times, etc), and filling funded vacant positions.

The next phase was to address the impacts of population growth in Contra Costa County and the service demands of the residents we serve. Contra Costa County population has increased by nearly 10% since 2010 in the contracted cities and unincorporated areas that we serve. The analysis contained research and comparison of services provided by other similar animal control agencies by assessing these agencies' costs and revenues, including, but not limited to, personnel, operations, and service delivery models. Bay area traffic has grown over 80% since 2010, which has created more challenges for Animal Service Officers to respond to calls in a timely manner for dangerous, sick and injured animals and for members of the public trying to reach our shelters to search for their lost animals, bring in strays and use our services. Another key factor impacting the cost of providing field and shelter services is the state mandate to accept stray animals and the community's desire to have a place to safely surrender a pet that they no longer have the ability keep. This resulted in the Department receiving many challenging animals that are impounded into Contra Costa County shelters. These animals can require extensive resources to get them to an adoptable state as defined by the California Food and Agricultural Code 17005 (established in 1998) which reads:

“Adoptable animals include only those animals eight weeks of age or older that, at or subsequent to the time the animal is impounded or otherwise taken back into possession, have manifested no sign of a behavioral or temperamental defect that could pose a health or safety risk or otherwise make the animal unsuitable for placement as a pet, and have manifested no signs of disease, injury, or congenital or hereditary condition that adversely affects the health of the animal or that is likely to adversely affect the animal's health in the future”

Other key factors included the need of the community to retrieve stray animals, responding to injured animals, picking up deceased animals, supporting families who

may have been at risk due to a biting animal, investigating animal cruelty, etc.

Our current contract fee structure does not allow CCAS to keep up with the services the residents we serve desire to have available. Based on the Department's current staffing levels and response times to our communities, CCAS needs to increase the levels of staffing to appropriately care for the animals and to serve our community in a timely manner. As described in the City Gate report, the County has the authority to charge user fees for animal control services, such as those services provided by CCAS to the 18 contracted cities and unincorporated County areas per capita based on the population of each jurisdiction. The fees charged by the County must not be more than the estimated cost that the County incurs to provide the services for which the fees are charged. The main cost the County incurs providing animal control, husbandry and veterinary care and services is the cost of County staff time.

Summary of Key Findings:

CCAS city contracts were established in 1985. The contract stipulates services for mandated programs and the enforcement of all animal related laws. The fees were based on Department costs at that time and on a city's population (per capita). In May of 2005, the Board of Supervisors granted approval for the Animal Services Department to increase city contracts each fiscal year based on the municipality's population growth and the Consumer Price Index (CPI) percentage. There was no adjustment for the drastic increase in costs for providing services as a baseline. These annual increases at approximately 3.5% per year have not generated sufficient revenue allocations to cover the increased expenses for providing animal control services throughout Contra Costa County. Personnel costs account for over 72% of the Department's budget. City Contract revenues remained flat from FY2010/11 to FY2014/15 due to the Board waiving the annual CPI increases during the economic downturn, while operational and personnel expenses continued to rise.

In the City Gate, LLC. report, it highlights in Section 1.2.2 "Post-Great-Recession Rebuild" that the Department has suffered a significant turnover in leadership, budget cuts, and had difficulty with personnel retention and recruitment. In parallel, the demand from the public and animal advocates around the "No Kill" movement increased the Department's expectations to provide a higher level of veterinary care, which increased the operational cost for medical services for shelter animals. The City Gate report indicates the public expectation has become that shelters can achieve a goal of saving 90% of all sheltered dogs and cats. In FY 2015/16, the Department began to assess its cost for services to the contract cities. The internal financial analysis determined that the cost for services are far greater to provide contracted animal control services to the 18 Cities, which is discussed in the City Gate report in Section 4.2.2.

In FY 2017/18, the Department implemented strong financial strategies with the support of the County Administrator's Office that were discussed in Section 5 of the City Gate, LLC. Report. The action items that were implemented have provided the Department a financial baseline on what the personnel, operational and community service levels are,

and what they must be to provide adequate care for our animals and the staffing levels needed to provide public safety for our community members.

Recommendations:

In order for the Department to sustain current services levels, along with the County's population growth, the Department recommends the formula for city contract fees would be current per capita fee (\$6.38) multiplied by the Bay Area CPI, which is estimated at 3.5% plus \$1.00 for five (5) years as a method for spreading the fee increase out over time to ease the impact on the contract cities:

FY 20/21 - \$ 7.60

FY 21/22 - \$ 8.87

FY 22/23 - \$10.18

FY 23/24 - \$11.54

FY 24/25 - \$12.94

Committee Direction:

The following report was provided to the Finance Committee at its meeting of December 16, 2019. The Committee accepted the report and recommendations included in the report and directed staff to bring the topic of inadequate resources up at the next Public Managers' Meeting. Additional direction included County Administration staff joining Beth Ward to attend individual meetings with city managers to discuss new contracts and fees. Peter Wilson from Project Delta View Cats spoke in support of additional resources to address the needs of the community. Staff was directed to bring the recommendations to the full Board of Supervisors.

CONSEQUENCE OF NEGATIVE ACTION:

If these actions are not implemented the Department will not have the adequate resources to sustain its current service levels. The gap between the Department's budget revenues and actual expenses will negatively impact the communities and animals in Contra Costa County.

The immediate impact if the Department recommendations are not approved will be:

1. Minimize public shelter service hours
2. After hours Field Operation Services will need to be eliminated
3. Eliminate deceased animal pickups, which would have to become the responsibility of each City and the County's Public Works Departments.
4. The population of sheltered animals would have to be controlled significantly through euthanasia for animals with treatable conditions outside of the Department's veterinary scope of services and financial resources.

Additionally, if cities decline to agree to new contracts and fee structures then CCAS would stop providing services other than those required by State statute to those cities. The cities who may choose not to contract with the County would then be responsible for

enforcement of their own animal control ordinances, management of stray animals in their jurisdictions similar to how the City of Antioch currently operates independent of the County.

ATTACHMENTS

FY 2020-21 City Fee Proposal