



CITY COUNCIL AGENDA REPORT

MEETING DATE: January 20, 2009

ITEM NUMBER: Item Number

SUBJECT: ANIMAL SHELTER SERVICES

DATE: January 9, 2008

FROM: CITY MANAGER'S OFFICE / POLICE DEPARTMENT – ADMINISTRATION DIVISION

PRESENTATION TOM HATCH, ASSISTANT CITY MANAGER

BY: BRYAN GLASS, SERGEANT

FOR FURTHER INFORMATION CONTACT: BRYAN GLASS 714.754.5090

RECOMMENDATION:

1. Award animal shelter and related services contract to the Orange County Humane Society (OCHS), 21632 Newland St., Huntington Beach, California, in the amount of \$65,000, with automatic annual adjustments as specified in the Professional Services Agreement.
2. Authorize the Mayor and the City Clerk to execute the Professional Services Agreement for the contract.

BACKGROUND:

On July 3, 2007, the City of Costa Mesa entered into a contract with the City of Irvine for animal shelter services, provided by the Irvine Animal Care Center (IACC). The duration of the contract was expected to be up to five (5) years, as agreed upon in the terms and conditions of the contract.

On June 16, 2008, the City of Costa Mesa was informed by the City of Irvine, via a letter, that it was discontinuing the contract due to capacity issues and their desire to limit their services to Irvine Animal Control and Irvine residents. Irvine agreed to continue providing animal shelter services for Costa Mesa until an alternative means was identified or until May 31, 2009.

Since being notified of Irvine's intent to terminate shelter services, City staff contacted Irvine officials and verified there is no option to renegotiate a contract for animal shelter services. As a result, City staff has researched alternate options for animal shelter services and identified two options: the Orange County Humane Society or the Orange County Animal Center (OCAC).

At the December 9, 2008, Study Session, City staff submitted an Agenda Report and presented an analysis of the two options available to the City for animal shelter services. At the conclusion of the agenda item, the City Council provided direction to staff to pursue a Professional Services Agreement with the Orange County Humane Society for animal shelter services.

ANALYSIS:

The City of Costa Mesa is in a position where it requires animal shelter services that can accommodate the needs of Costa Mesa Animal Control and the community. The December 9, 2008, City Council Study Session Agenda Report on animal shelter services identified two options for the City and their associated costs.

<u>Option</u>	<u>Cost</u>	<u>Conditions</u>
1. Orange County Humane Society	\$65,000	Flat Rate, A
2. Orange County Animal Care	\$223,700	B, C

A - The OCHS service fee will be subject to automatic annual adjustments in proportion to the percentage change in the Consumer Price Index (CPI), All Items, for All Urban Consumers in the Los Angeles-Anaheim-Riverside Area for the preceding year, whichever is greater, promulgated by the Bureau of Labor Statistics of the US Department of Labor. In no event shall the annual adjustment to the shelter service fee exceed 3 percent (3%) in any adjustment period. The automatic adjustments shall commence on the 1st of July 2010, and shall continue every year thereafter on the same date.

B - OCAC has an additional impound fee of \$3 per live and \$2 per deceased animal brought to the facility. Based on our 2007 data, this additional cost for Costa Mesa is estimated to be \$3,249 (1,083 live impounds X \$3 per impound) plus deceased impounds at a cost of \$1,396 (698 impounds X \$2 per impound) for a total cost of \$4,645.

C - OCAC is in the preliminary stages of planning for the purchase of land and the construction of a new shelter facility in Orange County. When the proposed facility is approved, all cities contracting with OCAC will be required to fund a portion of an estimated \$15 million, 20-year bond that is expected to fund the project. The required portion to be funded by contracting cities is based on their utilization rate of the shelter facility and services. For example, the City of Costa Mesa is currently estimated to have a utilization rate of 2.9%, which would require the City to fund approximately \$435,000 of the bond. This is a preliminary estimate and the true amount would be based on the actual utilization rate at the time the project was approved.

The approval of a Professional Service Agreement with the Orange County Humane Society will generate an annual savings of approximately \$70,000; in addition to the saving in operational costs due to the facility's close proximity. This savings takes into consideration \$15,000 in funds being authorized annually to the Police Department's Administrative Division Animal Control Budget for educational programs, services related to animal care and control, minor capital improvements and capital equipment as well as materials that promote the well-being of animals at the shelter and in the community.

In contrast, if the City Council would have sought negotiations and animal shelter services with Orange County Animal Care, funds in the excess of \$80,000 would have to be authorized. This is in addition to the \$150,000 already allocated, creating an approximate \$230,000 animal shelter service budget item that would require annual funding. The City would also have to agree to fund a portion of the \$15 million dollar bond utilized to purchase the land and cover the costs of constructing of the proposed new Orange County Animal Care shelter facility when it came into fruition.

ALTERNATIVES CONSIDERED:

There are only two options available to the City of Costa Mesa for animal shelter services: the Orange County Humane Society and Orange County Animal Care. This is due to the quantity of animal impounds by Costa Mesa Animal Control, capacity needs, operational benefits, and services provided to the citizen of Costa Mesa. If the City Council decides not to approve a Professional Services Agreement with the Orange County Humane Society, City staff could negotiate with Orange County Animal Care staff on specifics for an animal shelter services contract.

FISCAL REVIEW:

The Adopted FY 08-09 Budget provides \$150,000 for animal shelter services, which was anticipated to continue for the extent of the contract with Irvine. If a Professional Services Agreement with the Orange County Humane Society is approved by the City Council, the City will experience an annual savings of approximately \$70,000 annually, while allocating funds for the automatic annual adjustments specified in the Professional Services Agreement and to the Animal Control budget.

LEGAL REVIEW:

The City Attorney's office has reviewed and approved the attached Professional Services Agreement as to form.

CONCLUSION:

It is recommended that City Council award animal shelter services to the Orange County Humane Society in the amount of \$65,000 per year with the automatic annual adjustments specified in the Professional Services Agreement, allocate \$15,000 annually to the Police Department's Administrative Division Animal Control Budget, and authorize the Mayor and the City Clerk to execute the Professional Services Agreement.

BRYAN F. GLASS
Police Department – Sergeant
Costa Mesa Animal Control Supervisor

THOMAS R. HATCH
Assistant City Manager

MARC R. PUCKETT
Director of Finance

KIMBERLY HALL BARLOW
City Attorney

DISTRIBUTION:

ATTACHMENTS: 1 [Professional Services Agreement with OCHS](#)

File Name

Date

Time