



## MEMORANDUM

**TO: CITY COUNCIL**

**FROM: STEVEN N. ANNIBALI, CHIEF OF POLICE**

**SUBJECT: CONSIDERATION OF CONTRACT FOR ANIMAL CARE AND CONTROL SERVICES**

**DATE: JULY 26, 2016**

### **RECOMMENDATION:**

It is recommended the City Council approve the Contract for Animal Care and Control Services with the County of San Luis Obispo not to exceed the first year amount of \$79,285 and authorize the Mayor to execute the Agreement.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

This new contract will provide for contract animal services beginning July 1, 2016, or fifteen (15) days following the date of the signature of the County, whichever is later, through June 30, 2019, unless terminated sooner as provided in the contract.

This contract is based on the costing methodology that resulted from the animal services study that was conducted by the Animal Services Committee in 2009. The revised "Service Based Methodology" has resulted in significant cost reductions over the past two contracts.

The proposed first year cost for FY 2016-17 is \$79,285. That cost represents an additional reduction of \$5,752 from the FY 2015-16 budget. The City of Arroyo Grande will be notified in April of 2017 regarding any adjustments for the subsequent years and the Police Department will budget accordingly.

A total of \$82,000 in the General Fund is budgeted in FY 2016-17 for animal services, which will cover the \$79,285 cost.

### **BACKGROUND:**

The San Luis Obispo County Division of Animal Services has successfully provided animal care and control functions, including enforcement of ordinances and State codes, to the City of Arroyo Grande for over thirty years. On August 13, 2013, the City Council approved and executed a contract with the County of San Luis Obispo to provide animal services within the City's boundaries. The agreement expired on June 30, 2016.

In 2009, in response to concerns from a number of municipalities over rising costs for animal services, the County Health Agency and Administrative staff, working with representatives of the cities, including Chief Annibali, conducted an animal services study. The study identified specific animal services provided to the cities, data collection elements

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and an allocation and fee setting methodology with the intent of gaining a clearer understanding of the rate setting process. This study has resulted in improved services and a reduction in costs for the City of Arroyo Grande.

**ANALYSIS OF ISSUES:**

The Service Based Methodology model adopted in 2010 allocates costs and revenues to the cities (and to the County for unincorporated areas) based on each city's actual use of services and revenue generated. Usage is measured by allocating actual field calls, animal impounds, and licenses issued (allocated by address of animal owner). This method provides a more direct and measurable relationship between the actual amount of service being provided to a city, combined with the actual revenue generated by a city through animal licenses and other fees, and the costs charged to the city for that service. Cities that have a lower rate of service and/or generate more off-setting revenue pay lower contract fees than cities with higher usage rates and/or generate less off-setting revenue. The City of Arroyo Grande benefits under this methodology by having a service population that is highly responsible with regards to pet ownership and licensing.

The proposed contract provides for the provision of Animal Care and Control services to the City of Arroyo Grande for three years, through June 30, 2016. Services include, but are not limited to:

- Sheltering and medical care of stray, owner surrendered, confiscated, and quarantined household animals.
- Reunification of sheltered animals with owners or adopted into new homes.
- Receipt and publication of lost and found animal reports.
- Response to calls for service from the Police Department or residents for stray or loose animals, dangerous or vicious animals, bite and neglect/abuse investigations, potential rabies exposure investigations and quarantines, pick up of deceased animals.
- Regulation of breeders and sales of domestic animals.
- Animal-related nuisance investigation.
- Enforcement of State and local animal-related laws.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation to approve the contract with the County of San Luis Obispo;
2. Do not approve staff's recommendation and direct staff to seek alternatives for animal services; or
3. Provide direction to staff

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**ADVANTAGES:**

Approval of the Contract for Animal Care and Control Services will enable the City to provide continuity in animal services and will result in a budget savings.

**DISADVANTAGES:**

No disadvantages have been identified.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The public impacted by the proposal is the Arroyo Grande Police Department's service population. The public has been made aware of the proposal before Council by a posting of the Agenda in the front of City Hall on Thursday, July 21, 2016 and on the City's website on Friday, July 22, 2016. No public comments have been received to date.

**ATTACHMENT**

1. Contract for Animal Care and Control Services

**CONTRACT  
FOR  
ANIMAL CARE AND CONTROL SERVICES**

THIS CONTRACT is made and entered into by and between the County of San Luis Obispo, a public entity in the State of California, ("County") and, Arroyo Grande, an incorporated city in the State of California, ("City").

WITNESSETH:

WHEREAS, County has established the Division of Animal Services to provide animal care and control functions including the enforcement of the ordinances of San Luis Obispo County Code Title 9 and of California state codes pertaining to the care, keeping, and management of animals; and

WHEREAS, County, through Animal Services, maintains and operates an animal shelter and a humane education program; and

WHEREAS, City is desirous of contracting with County for the provision of such services;

NOW THEREFORE, in consideration of the covenants, conditions, agreements, and stipulations set forth herein, the parties hereby agree that County shall perform the services described herein for the compensation set forth herein, subject to the terms and conditions set forth herein.

1. Services. The parties agree to perform the services described in Exhibit A, attached hereto and incorporated herein by reference as if set forth in full at this point.

2. Compensation. The parties agree to the compensation described in Exhibit B, attached hereto and incorporated herein by reference as if set forth in full at this point.

3. Duration. The parties agree to the duration described in Exhibit C, attached hereto and incorporated herein by reference as if set forth in full at this point.

4. General Conditions. The parties agree to the general conditions described in Exhibit D, attached hereto and incorporated herein by reference as if set forth in full at this point.

5. Notices. Notices required in this contract shall be provided to:

COUNTY  
Eric Anderson, DVM  
Animal Services Manager  
PO Box 4110  
San Luis Obispo, CA 93406

CITY  
Steven N. Annibali  
Chief of Police  
200 N. Halcyon Road  
Arroyo Grande, CA 93420

IN WITNESS WHEREOF, the parties have executed this agreement as of the date set forth below.

CITY OF ARROYO GRANDE  
An Incorporated City in the State of California

By: \_\_\_\_\_  
JIM HILL  
Mayor of the City of Arroyo Grande

\_\_\_\_\_ Date

ATTEST:

By: \_\_\_\_\_  
KELLY WETMORE  
City Clerk of the City of Arroyo Grande

\_\_\_\_\_ Date

COUNTY COUNSEL:  
APPROVED AS TO FORM AND LEGAL EFFECT:  
RITA NEAL County Counsel

By: \_\_\_\_\_  
DAVID STOTLAND  
Deputy County Counsel

\_\_\_\_\_ Date

COUNTY OF SAN LUIS OBISPO  
A Public Entity in the State of California

By: \_\_\_\_\_  
LYNN COMPTON  
Chairman of the Board of Supervisors

\_\_\_\_\_ Date

ATTEST:

By: \_\_\_\_\_  
TOMMY GONG  
County Clerk and Ex-Officio Clerk  
of the Board of Supervisors

\_\_\_\_\_ Date

**CONTRACT  
FOR  
ANIMAL CARE AND CONTROL SERVICES**

**EXHIBIT A**

**SCOPE OF SERVICES**

1) County Obligations. The County shall perform the following duties.

*a) Shelter Services*

- i) Maintain, or cause to be maintained, an animal shelter whereat stray, owner surrendered, confiscated, quarantined and custodially impounded household pets are received and provided with appropriate care, housing, and shelter services in accordance with state regulations, local ordinances, and policies governing the humane treatment of such animals.
- ii) Provide services allowing sheltered animals to be returned to their owners, adopted into new homes, or to be humanely euthanized.
- iii) Provide for the receipt and publication of lost and found animal reports.
- iv) Provide services for the humane euthanasia of household pets and for the disposal of their remains.

*b) Field Services*

- i) Receive and respond to public calls for service related to alleged violations of local or state codes pertaining to the care, keeping, treatment, and management of animals.
- ii) Provide for the response to any of the following circumstances 24 hours a day, seven days a week:
  - (1) Domestic animals posing an active and present threat to public safety
  - (2) Domestic animals which are severely injured, ill, or in eminent risk and whose owner is unknown or unavailable.
  - (3) Domestic or wild animal demonstrating signs of possible rabies infection.
  - (4) Calls for assistance from law enforcement or emergency response personnel.
  - (5) Reported animal bites where the animal remains in the area unconfined and whose owner is unknown or unavailable.
  - (6) Loose livestock roaming on roadways or other public areas.

- iii) Provide for the response to any of the following during Animal Services' normal business hours:
  - (1) Pick-up and impoundment of unlimited numbers of stray confined, domestic animals.
  - (2) Pick-up and disposal of unlimited numbers of dead domestic animals from roadways, parks, and other public areas.
  - (3) Pick up and transfer to shelter of owned animals for surrender or euthanasia
  - (4) Pick up of dead owned animals for disposal
- iv) Provide for the necessary medical treatment and emergency care for domestic animals picked up by Animal Services personnel and for those domestic animals presented directly to veterinarians by private citizens and emergency response personnel.
- v) Provide for the receipt, processing and investigation of animal bite reports as well as the subsequent quarantine of animals in accordance with state codes pertaining to rabies control.
- vi) Receive and respond to reports of animals, domestic or wild, which are suspected to be rabid or to have been exposed to rabies infection and attempt to affect their capture. Captured animals will be processed in accordance with state codes pertaining to rabies control.
- vii) Receive and process all applications related to the keeping and sale of household pets; inspect and regulate permitted operations in accordance with local and state codes.
- viii) Provide for the recording, investigation, administrative hearings, and issuance of findings and orders related to animal nuisances, animal seizures or confiscations, and dangerous or vicious animals. Nuisances which remain unresolved following the issuance of an abatement order will be processed to court through the City Attorney's office.
- ix) Assist in the preparation and filing of court documents related to the civil and/or criminal prosecution of cases involving violation of municipal codes pertaining to the care, treatment, and keeping of domestic animals.
- x) Provide for the preparation, filing and civil or criminal prosecution of cases involving violations of California state codes pertaining to the care, treatment, and keeping of domestic animals.
- c) *Reporting*: Provide to the City bi-annual service activity and financial reports reflecting field services, licensing, shelter operations, and humane education programs. Reports will detail this information for both the individual quarter and year-to-date.

- 2) City Obligations. The City shall perform the following duties.
- a) *Ordinance Conformity*: Adopt, either by direct incorporation in the municipal code or by way of reference, animal control ordinances which are in conformity to and are not in substantial conflict or in variation from Chapter 9 of the San Luis Obispo County Code.
  - b) *Prosecution of Municipal Code Violations*: Through the City Attorney, provide for the preparation, filing and civil or criminal prosecution of cases involving violation of municipal codes, pertaining to the care, treatment, and keeping of animals, including all such codes incorporated into the municipal code by way of reference.
  - c) *Assistance*: Provide such assistance and support to Animal Services personnel as may be reasonably necessary to safely and effectively execute the operations required by this contract within the City limits.
- 3) Animal Care and Control Coordination Group: The County and City agree to meet and confer periodically, along with other parties contracting for like services, to discuss current issues as they relate to the fiscal and practical application of this contract. Such meetings shall be coordinated by the Animal Services Manager from time to time as becomes necessary, but no less than once annually.



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**EXHIBIT B**

**COMPENSATION**

- 1) First Year Service Fee: The City agrees to pay to the County the amount of \$79,285 for services provided under this Contract during the first year of service.
- 2) Subsequent Years' Service Fee: The County shall compute on an annual basis a service fee assessed to the City for services provided under this Contract.
- 3) Timing of Service Fee: The County shall calculate annual service fees and provided them to the City prior to April 15<sup>th</sup> of each year, with service fees becoming effective on July 1<sup>st</sup> of that year. No further action by either party is necessary to implement new fees in subsequent years.
- 4) Service Fee Methodology: The County shall use a service based methodology for determining city service fees. The service based methodology shall be based on four key facets of Animal Services' operations:
  - Field Service
  - Licensing
  - Shelter Operations
  - Education Services
  - a) *Determination of Cost of Service* – The cost of providing services to the City will be calculated by determining the average percentage of service allocated to the City over the preceding three years for each of the four facets of operations and multiplying this percentage against Animal Services operational cost for each facet. Combined, this then represents the City's total service cost in proportion to the County and all other contracting parties.
  - b) *Credit for Fees* – The average annual revenue generated from fees or fines assessed directly to residents of the City by Animal Services over the preceding three years will be applied against the City's total service cost.
  - c) *Determination of Service Fee* – The fee assessed to the City for provision of services outlined in this contract shall be determined by subtracting the average revenue as determined by item 4b of this exhibit from the average cost of service as determined by item 4a of this exhibit.
- 5) Billing – County shall bill City for contracted services in quarterly increments. City shall remit payment to the County within thirty (30) days of receipt of billing.

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**EXHIBIT C**

**DURATION**

- 1) Effective Date: This contract shall be effective July 1, 2016 or fifteen (15) days following of the date of the signature of the County, whichever is later. The County shall be the last to sign this contract.
  
- 2) Service Date: City and County acknowledge that the services provided under this contract are a continuation of those established during the preceding contract term and that these services may have been provided uninterruptedly between July 1, 2016 and the date of execution by the County in order to ensure the interest of public service.
  - a) Both City and County expressly and retroactively authorize the provision of those services.
  
  - b) For the purposes of billing and determination of the First Year Service Fee as provided in Exhibit B, the first year of service will be presumed to have begun on July 1, 2016.
  
- 3) Duration: The term of this Contract shall expire June 30, 2019 unless terminated sooner as provided in Exhibit D.

**CONTRACT  
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**EXHIBIT D**

**GENERAL CONDITIONS**

- 1) Termination: Either party may terminate this contract at any time by giving the other party thirty (30) days written notice of termination. Termination for convenience shall have no effect upon the rights and obligations of the parties arising out of any services provided occurring prior to the effective date of such termination. County shall be paid for all work satisfactorily completed prior to the effective date of termination. In the event that the contract is terminated prior to the conclusion of a quarterly billing cycle, the City shall remit to the County a prorated amount based upon the number of days of service relative to the total number of days in the billing cycle.
  
- 2) Indemnification: Nothing in the provisions of this Contract is intended to create duties or obligations to, or rights in third parties not party to this contract, or affect the legal liability of either party to contract, by imposing any standard of care respecting the regulation and enforcement of laws regarding animals different from the standard of care imposed by law.

It is understood and agreed that neither City, nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by the County under or in connection with any work, authority or jurisdiction delegated to the County under this Contract. It is also understood and agreed that pursuant to Government Code 895.4, County shall defend, indemnify and save harmless the City, all officers, and employees from all claims, suits or actions of every name, kind, and description brought forth or on account of injuries or death of any person or damage to property resulting from anything done or omitted to be done by the County under this Contract except as otherwise provided by Statute.

It is understood and agreed that neither County nor any officer or employee thereof, is responsible for any damage or liability occurring by reason of anything done or omitted to be done by the City under or in connection with any work, authority or jurisdiction delegated to the City under this Contract. It is also understood and agreed that pursuant to Government Code Section 895.4, the City shall defend, indemnify and save harmless the County, all officers and employees from all claims, suits or actions of every name, kind and description brought fourth on account of injuries or death of any person or damage to property resulting from anything done or omitted to be done by City under connection with any work, authority or jurisdiction delegated to the City under this Agreement except as otherwise provided by Statute.

- 3) Notices: Any notice, payment, statement, or demand required or permitted to be given hereunder by either party to the other shall be effected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses

appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three days after mailing.

Notices for County shall be addressed to:

Eric Anderson  
Animal Services Manager  
PO Box 4110  
San Luis Obispo, California 93406

Notices for Contractor shall be addressed to:

Steven N. Annibali  
Chief of Police  
200 N. Halcyon Road  
Arroyo Grande, CA 93420

- 4) Status of the Parties' Officers/Employees/Agents: Neither party's officers, employees, agents, partners, other contractors or subcontractors shall be deemed to be employees of the other party at any time. Nothing in this contract shall be construed as creating a civil service employer- employee relationship or a joint venture relationship. No officer, employee, agent, partner, other contractor or subcontractor of the other party shall be eligible for membership in or any benefits from any plan for hospital, surgical, or medical insurance, or for membership in any retirement program, paid vacation, paid sick leave, other leave, with or without pay, collective bargaining rights, grievance procedures, appeals to the Civil Service Commission or any other benefits which inures to or accrues to an employee of the other party. The only performance and rights due the other party are those specifically stated in this contract.
- 5) Governing Law and Venue: This Contract shall be governed by and construed in accordance with the laws of the State of California. Additionally, this contract has been formed and shall be performed in San Luis Obispo County; the venue for any legal action on the contract shall be in San Luis Obispo County.
- 6) Entire Agreement: This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties relating to matters herein; and except as otherwise provided herein, cannot be modified without the prior written agreement of the parties.
- 7) Severability: In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Contract.
- 8) Successors and Assigns: This Contract shall be binding upon and insure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and, except as otherwise provided in this Contract, their assigns.

- 9) Captions: The captions to the various clauses of this Contract are for information purposes only and shall not alter the substance of the terms and conditions of this Contract.
- 10) Authorization: Each of the parties represents and warrants to the other that this Contract has been duly authorized by all necessary corporate or governmental action on the part of the representing party and that this Contract is fully binding on such party.

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