



CITY COUNCIL AGENDA REPORT

City of Anaheim PLANNING AND BUILDING DEPARTMENT

DATE: MAY 7, 2024
FROM: PLANNING AND BUILDING DEPARTMENT
SUBJECT: NOTICE OF INTENT BETWEEN THE CITY OF ANAHEIM
AND THE COUNTY OF ORANGE FOR ANIMAL CARE
SERVICES FOR FISCAL YEAR 2024-25

ATTACHMENT (Y/N): YES **ITEM # 15**

GOVERNMENT CODE § 84308 APPLIES: NO

RECOMMENDATION:

That the City Council, by Motion, approve the Animal Care Notice of Intent with the County of Orange for animal care and shelter services for the period of July 1, 2024 through June 30, 2025 at an estimated cost of \$5,282,185 plus a 10% contingency.

BACKGROUND:

Since 1989, the City of Anaheim has contracted with the County of Orange to provide animal care services including field, shelter, and licensing services. On January 27, 2009, the City Council approved the County's "evergreen" contract, which allowed the agreement to roll over year-to-year with uninterrupted service and was effective until April 2016.

In 2016, the City Council approved a Participation Agreement and Agreement for Provision of Animal Care Services (Services Agreement) between the County and City for a ten-year term that will terminate in April 2026. The Participation Agreement defines the roles and responsibilities between the County and City for the funding and construction of the regional animal shelter in the City of Tustin. The City of Anaheim, the County, and 14 contract cities are paying their proportional share of the \$35 million cost of construction. The County "pre-funded" the construction and allowed contract cities to pay their proportional share in a lump sum or over a ten-year period in equal installments paid on a quarterly basis. Anaheim's share of the shelter cost is approximately \$7.7 million and is being paid in equal installments over a ten-year period. The current remaining balance is \$1,930,248 and the last invoice will be sent to the City on June 30, 2026.

The Services Agreement has a ten-year term and defines the roles and responsibilities between the County and City. The County provides all animal licensing, field, and shelter services on behalf of the City. Shelter services include animal impoundment and animal care before retrieval by the owner or adoption. Shelter services are also responsible for the care of any unwanted, sick, or severely

injured animals. Field services consist of animal capture or rescue, investigation of complaints, animal bites, vicious animal investigation, and enforcement of animal control regulations. To provide financial certainty and continuity, neither the County nor the contract cities may terminate the Services Agreement without cause. However, contract cities reserve the right to negotiate the individualized service levels, provided the resulting service levels do not conflict with existing law or endanger public health.

The City's costs are based on actual services provided by the County, less actual revenues generated (also received by the County but "credited" to the City). The Services Agreement provides cities with financial oversight and advisory functions. In addition, the Services Agreement includes a provision requiring the County to engage an external auditor no less than once every three years to ensure cities are being billed accurately. Cities reserve the right to conduct audits more frequently, at their expense, if desired.

DISCUSSION:

The County of Orange is obligated to provide an annual notice of estimated costs in the form of a Notice of Intent (NOI). The County requires the City to sign the NOI (Attachment) acknowledging its intent to pay for the services rendered. The County estimates a cost of \$5,282,185 for FY 2024/25. This amount represents an 9% increase in the budgeted net cost in comparison to FY 2023/24. The amount is comprised of costs that are divided between shelter services and field services. While only an estimate at this time, the City is required to pay the County, on a quarterly basis, for its net costs, which is based on actual costs reduced by actual fee revenues.

The methodology used for this estimate is allocated based on percentages of Animal Control Field Services and Animal Shelter Services provided and revenues collected on behalf of Anaheim, during the last full fiscal year (July 1, 2022, through June 30, 2023). This increase is due primarily to the salary increases approved by the County in recent labor negotiations, increase in veterinary costs, rising costs of essential supplies, and the continual need for OC Animal Care to fill critical positions (i.e. Field Services Manager, Community Outreach Staff and Animal Care Attendants) to provide the high-quality services expected.

The proposed Notice of Intent ensures the County will continue to enforce Title 8 of the Anaheim Municipal Code which adopts the County of Orange Animal Control Ordinances. Residents in the City of Anaheim will continue to contact the County regarding animal complaints and stray animals. Impounded animals will be retrieved at the Orange County Animal Care Facility in Tustin. Staff recommends that the City Council approve the Notice of Intent with the County of Orange to provide animal care services to the City of Anaheim.

IMPACT ON BUDGET:

There are sufficient funds in the Planning and Building Department's budget.

Respectfully submitted,

Ted White
Deputy City Manager/ Director of Planning and Building

Attachment:

1. Notice of Intent