



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

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SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

April 19, 2002

Agenda: April 23, 2002

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

ANIMAL CONTROL SERVICES AGREEMENT

Dear Members of the Board:

On March 19, 2002 your Board considered a report on the status of the agreement between the Santa Cruz SPCA and the public partnership (County, Scotts Valley, Santa Cruz, Capitola, UCSC) to provide animal care and control services, and set the matter over to the regular agenda for discussion. The matter was brought to your Board because the SPCA had requested our office approve a mid-year modification to the terms of the current agreement which would reduce animal control and field services staffing levels below that provided for in the agreement. The SPCA stated that they had unilaterally reduced field services by leaving approximately 4 of the 10 positions in field vacant, as a strategy to address serious cost over-runs experienced during the term of the three year agreement. In addition, the SPCA requested that the partners forgive adoption, license, impound, and spay and neuter fees and fines that were collected and belong to the public, which were used to help finance costs for services that the SPCA had incurred beyond those provided for in the animal control services agreement.

At your request, the Auditor Controller assigned an audit team to review the SPCA's records, and our office, in collaboration with the other public partners have consulted with counsel on various remedies to address the issues raised. Staff have met with the City Managers and public safety staff from Santa Cruz, Capitola, Scotts Valley and the University, and representatives from the SPCA to discuss the SPCA's fiscal year 02-03 request. As your Board may recall, the SPCA has requested a 56% increase, which totals approximately \$850,000 over the 01-02 contract amount of \$1.5 million, to provide animal care and control services next year.

Based on the information we have gathered to date, this report will:

- J describe what the public partners had hoped to accomplish over the term of the current agreement,
- ✓ discuss the public partners' perspective of the SPCA's management of the three year agreement,
- ✓ summarize findings by the Auditor-Controller's review of the SPCA's records

- J provide information on legal options,
- J discuss the SPCA's terms to provide animal control services for 02-03, in the context of appropriations provided for these services by other communities; and
- J suggest options for your Board's consideration.

A brief presentation will be made by the County Administrative Officer, and representatives of the SPCA will be available to answer any questions that your Board may have.

Background

Various sections of the Food and Agriculture, Health and Safety, and Penal Codes specify the animal control services which are mandated to be performed by local government, or their designate. These include mandates to:

- a pick up, house, and redeem stray animals, accept and house surrendered animals, and euthanize unwanted animals;
- a inspect biting animals and quarantine them for rabies testing;
- a pick up and house stray livestock;
- a pick up injured stray animals, and rescue animals in distress
- a license dogs and issue citations; and
- a investigate and remove dangerous animals

In September 1998, the California legislature passed new laws that affected the mandated responsibilities of local governments for animal care and control. AB 1856 (Vincent) provided that with some exception for medical reasons, no public animal control or rescue group shall sell or give away to a new owner any dog or cat that was not neutered. The new law also stipulated that a series of fines be charged to owners of non-spayed or non-neutered dogs or cats that are impounded. Costs for the Vincent requirements were to be offset by spay and neuter fees collected from the public for services performed and fines collected.

SB 1785 (Hayden) provided in very broad terms that no adoptable animal should be euthanized if it can be adopted into a suitable home, and no treatable animal should be euthanized. The law established new holding periods for stray and owner surrendered animals, required additional record-keeping, established new classes of protected animals, and provided new standards for the medical care of animals in a shelter. Costs associated with this program were to be offset through the SB 90 claiming process; reimbursement funds for certain activities are expected to be appropriated during the 2003 legislative year.

The Three Year Agreement

The three year agreement approved by your Board on September 28, 1999 endeavored to provide a substantially enhanced level of service to the residents of the County and significantly increased funding to carry out the programs that were specified by your Board. Among other things, the agreement included the following key elements:

- an incremental approach to address line-staff employee wages providing a range of equity adjustments + a 3% COLA for each of the three years. For example, the public partners intended to provide funds so that an animal control officer could expect a 32% gain in the hourly wage rate by the end of the contract term.
- \$25,000 towards constructing an on-site veterinary clinic for spay and neuter procedures and to treat injured animals;
- the addition of a full-time veterinarian and vet tech to staff the clinic, beginning January 1, 2000;
- the addition of .5 human resources assistant for each of the three years, and the addition of .75 administration assistant in years 2 and 3 to assist with administrative duties;
- the addition of 1.0 FTE in year two and 1.5 FTE in year three to coordinate assessment of in-coming animals, and to provide counseling for owner-surrenders to respond to the "adoptability" standards of SB 1785
- \$50,000 to add two new vans to the field pool;
- \$27,000 to purchase new medical equipment to outfit the clinic;
- approximately \$50,000 of additional medical supplies for the vet clinic, as well as funds for a new computer and printer, and funds for new record keeping software;
- increases to operating accounts to address rising costs;
- a \$5,000 contribution for the SPCA to complete a master plan process for the Seventh Avenue location;
- the continuation of the targeted patrol program; and
- the continuation of a cost reimbursement basis of payment, up to the maximum contribution provided each year

SPCA Management of the Agreement

During the first year of the Agreement, records and fees were submitted in a timely manner, and end-of-year 12 month budget reports from the SPCA's accounting system indicated that the organization had ended the year approximately within budget. During the fall, the SPCA Board of Directors declined to renew the contract of the executive team, and the SPCA's Board President assumed day-to-day management responsibilities as Interim Executive Director.

County Administrative Office staff met with the new director and provided a detailed explanation and written documentation that reviewed the specific requirements of the animal control services agreement, and requested materials that had not been submitted beginning in July of the second year. These materials included the annual audit for 1999-00. The SPCA Board began a nationwide search with an executive search firm to find a replacement Executive Director.

In February 2001, County Administrative Office staff corresponded with the interim director to report that monthly reports from the SPCA accounting system indicated that expenses were rising beyond the monthly target. By mid-April, the SPCA had claimed all of the funds available

Animal Control Services Agreement
Board of Supervisors
Page 4.

Agenda: April 23, 2002

to them for the County's portion of the contract's funding; however, SPCA management did not communicate any concern to staff about cash flow. As your Board may recall, SPCA representatives attended your Board's 2001-02 budget hearings in June 2001 to discuss the deployment of targeted patrols in the unincorporated area, and no mention was made of financial difficulties. A new executive director was hired by the SPCA's Board of Directors in late summer/early fall.

In October 2001, County Administrative staff met with the new director to advise him of various accounting records and remittances that were past due. At that meeting staff was informed of the SPCA's need to reconstruct accounting records, and that information would be forthcoming. County staff met with SPCA representatives in November and January 2002 to receive updates of the process to right the accounting processes, and to follow-up on the request for **paperwork**, especially the annual audits for 1999, 2000, and 2001, which were due to the County by December 30th of each contract year, and fees.

On January 3, 2002 SPCA representatives informed the County that significant unauthorized expenses had been incurred the prior fiscal year, and that they projected a deficit for the current fiscal year, if expenses continued to run at their projected levels. On February 8, 2002 the new executive director submitted to the County a request to leave vacant positions unfilled in the Field Unit to address anticipated cost over-runs in wages for the 2001-02 fiscal year. Records submitted indicated that the SPCA had a complement of staff that was in some cases in excess of that authorized by the agreement, and in some cases, especially with regard to the veterinarian, was less than that authorized. In addition, the SPCA calculated that they owed the public partners approximately \$137,000 in past due fees, which had been collected on behalf of the public for licenses, fines, spay and neuter procedures, adoptions, and fines, and were never remitted. The SPCA asked that these past due fees be forgiven.

After several more conversations and meetings to get a better understanding of the nature of the SPCA's financial difficulties, our office developed a status report to your Board in mid-March. By this time, the SPCA revised their estimate of the retained monies that belonged to the public to an amount closer to \$270,000. The new executive director ~~was dismissed by the SPCA Board, separated from the SPCA,~~ with no explanation to the public partners, and the former Interim director re-assumed management duties.

The SPCA submitted to our office an offer to exchange land that the SPCA owns on Sims Road to settle the past due fees. Working with appraisal staff from the Assessor's office, staff has determined that the land being offered is a Pet Cemetery. The SPCA indicated that this parcel was donated to the agency in the 1930's; the Assessor and Clerk-Recorder are unable to determine at this time if there were restrictions placed on the use of this land by the donor. The offer of the SPCA is being reviewed by the other public partners, however it is the opinion of the County staff that the Board should decline the offer and request the SPCA to develop an alternate plan to repay the public entities.

Auditor Controller Report

Your Board requested that the Auditor Controller assign audit staff to review the SPCAs records. The preliminary findings of the Auditor-Controller are attached for your review. Due to time constraints and the need to deliver meaningful information to your Board quickly, the Auditor reports that the work conducted by his staff does not constitute an official audit; rather it is a review of materials provided by the SPCA, the SPCA's auditor, SPCA management, and staff records. In the Auditor's opinion, the SPCA's financial difficulties have resulted primarily from poor management, inadequate accounting procedures, and a lack of adequate Board oversight, which have resulted in the following problems:

- e there was little monitoring of actual expenses to those authorized by the agreement's budget approved by the public partners;
- e accounting records were not properly maintained, which meant that the SPCAs Board and management did not receive adequate management or financial reports to enable them to properly monitor the agency's finances;
- e because accounting records were not properly maintained, the SPCA spent about \$182,000 to reconstruct accounting records and data and to re-staff the accounting department. About \$96,000 of this amount was charged to the contract, and should be disallowed.
- e The SPCA entered into expensive agreements for computer maintenance and a new telephone system, which were not authorized by the three year agreement, and these costs should be disallowed;
- e staffing levels fluctuated throughout the term of the agreement, both below and above the amount specified by the agreement approved by your Board;
- e while the public partners had expected that a full time veterinarian would be on staff to treat injured animals, as well as to spay and neuter animals that were due to be adopted, this does not appear to be the case, and extensive vet bills were incurred with outside firms to treat animals off-site;
- e from July 1, 1999 through February 28, 2002, the SPCA owes the public about \$272,000 in monies that were collected to offset the costs of providing animal control services, but never remitted, plus \$8,700 in interest. The SPCA has indicated that they cannot pay the public the money owed;
- e the former SPCA executive team charged expenses to an SPCA credit card which were not authorized, and the SPCA has not been able to recover these unauthorized charges, which total \$8,355
- e the **SPCA's** auditor has determined that there were missing records during the fiscal years 2000 and 2001, including journal entries, accounts payable reports, invoices, cash register tapes, cancelled checks, and voided checks. These missing records could yield other costs that should be disallowed.
- e the questioned and disallowed costs, plus past due interest are thought to be substantial.

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The SPCA has publically stated that their cost over-runs were associated with direct services to the animals as a result of the Vincent and Hayden legislation. However, a line item review of actual expenses through February 2002 conducted by the Auditor's staff indicate that the largest overages were in consulting (\$131,121) and computer maintenance (\$76,182). There were overages in animal supplies (\$71,192), and vet services (\$72,029), but staff questions how much of the services provided by outside vets at their facilities would have been forgone if an SPCA vet had been on staff full-time, as was required by the approved agreement.

Miscellaneous expense, temporary help, telephone expense, and vehicle maintenance account for the next highest tier of overages. Based on the review of SPCA accounting records, medical supplies, and medical equipment for the on-site clinic are at this date expensed significantly lower than the level of funding provided by the public partners. The data available does not support the statement that programs associated with Vincent and Hayden were the major cost centers that were exceeded during the term of the agreement.

Legal Remedies

County Counsel suggests that the SPCA has failed to comply with its obligations under the current three year agreement. Counsel is exploring various options to recover the monies owed to the public, including a review of all insurances and bonds, and will advise your Board of your options separately.

SPCA Request for 02/03 and Comparison of Appropriations

The current agreement provided that the Santa Cruz SPCA would submit a budget and program plan for the next three year period to the public partners by January 1, 2002. On March 29, 2002 the SPCA submitted to the County a preliminary draft of a budget that would be required fiscal year 2002-03. A summary comparison appears in the table below:

	Appropriated 2001-02	CAO Staff Estimated-Actual 2001-02	Request 2002-03	Difference from Approp and Request
Salaries & Benefits	\$1,156,862	\$1,176,638	\$1,759,995	\$603,133
Supplies & Services	\$362,862	\$468,113	\$510,309	\$147,447
Fixed Assets	\$25,000	\$4,941	\$96,200	\$71,200
Totals	\$1,544,724	\$1,649,692	\$2,366,504	\$821,780
Sales of Goods	(\$27,000)	(\$27,000)	\$0	\$27,000
Contract Services	\$1,517,724	\$1,622,692	\$2,366,504	\$848,780
Employees	31.6	29	40.25	8.65

Approximately \$347,000 of the \$603,133 in additional funds for salaries and benefits are associated with the 8.65 additional positions that the SPCA has requested. Based on the salaries and benefits appropriated in 2001-02, the remaining additional funds for wages would represent a 22% gain across the board, over all positions. The requested increase in supplies and services is split nearly evenly among direct services for the animals (general supplies, medical supplies, vet services), and administration (telephone, utilities, depreciation, insurances).

As part of our research, staff compared appropriations allocated to animal control services in other communities, and assigned a per capita cost to those expenditures, based on the population served by the various animal control programs. Santa Cruz County, the smallest California county aside from San Francisco, had the fifth highest per capita cost of the communities surveyed, with a per capita cost of approximately \$7.24. The average was \$6.27. Sacramento and San Francisco County animal control services programs cost the least on a per capita basis, at approximately \$4.50.

The SPCA's 02-03 request, if calculated on a per capita cost basis (and assuming a 1.5% gain in the population served) would be about \$10.90, \$2.00 per unit higher than the highest per capita cost program of all the communities surveyed. A copy of the comparison chart is attached.

The City of Santa Cruz is in the process of conducting research on the staffing complement of various animal control operations, in response to an analysis that suggests that the SPCA operation is very robustly staffed, considering the number of animals received, the population served, and the fact that we are the smallest California county in terms of land mass. For example, Sacramento County's operation employs 35 to serve 5 cities and the unincorporated area, with a combined population of 825,390. In 2001, there were approximately 32 positions budgeted by the SPCA to serve a population of about 212,000.

In the fall, the County had advised the SPCA of the need to reduce service levels and programs for dogs and cats because of extraordinary pressure on the general fund, due to decreased revenues available. At that time, the County was anticipating the need to reduce all program expenditures, including those that serve the neediest community residents, by at least 12%.

The public partners have also expressed their need for the SPCA to address dramatically increasing costs for service in light of the fact that both the numbers of animals coming into the shelter and field services statistics have decreased. All of the public partners are concerned about their ability to pay for any program increases, given falling revenues and a difficult local economy. The following table illustrates some of these trends:

Indicator	1994	1997	1998	1999	2000	2001
Contract amount	924,648	1,002,531	1,032,717	1,358,526	1,417,929	1,517,725
Hours in the Field	6,794	4,357	4,536	4,621	5,607	4,758
Contacts by Field Patrol	12,188	7,409	7,756	7,334	9,226	8,004
Number of Animals Impounded	3,311	2,259	2,305	2,042	2,035	1,968

While the SPCA has done an admirable job in some areas, such as reducing the rate of euthanasia, and attracting a substantial volunteer corps to provide companionship, foster care, and extra attention to shelter animals, the public partners continue to receive comments from public safety officials and staff about the lack of presence of SPCA field staff as a visible component on the beat. As your Board is also aware, residents have often expressed a preference to patronize the Watsonville shelter or other outlets to adopt animals because of the extraordinary level of scrutiny and the complex processing associated with adoptions by the Santa Cruz SPCA.

Based on the performance of the Santa Cruz SPCA over the term of the agreement set to expire on June 30, 2002, concerns over the safety and efficient use of taxpayer money, and concerns about the continuing dramatically increasing costs associated with the SPCA's approach, the public partners agree that they have no option but to explore other strategies to provide animal care and control service in our community.

Options for Consideration

At this time the public partners' staff are investigating the feasibility of forming a Joint Powers Authority, or other form of mutual agreement to provide animal control and care services within the economic constraints of the resources that are available to local governments for this purpose.

Field Services - Based on statistics submitted by the SPCA, the field services unit is spending increasingly less time out in the field and on patrol in the community. City and County public safety staff have expressed concerns about the level of professionalism and the visibility of the SPCA's animal control officers. While we agree that there are challenges in servicing rural areas, the public partners are reminded that the County of Santa Cruz is the smallest California county in terms of land mass, and that the SPCA is not responsible for patrolling the considerable amount of land under the control of State Parks.

The SPCA continues to complain of a high turnover rate in the field unit, and officers

seem to leave just as they become trained. The SPCA attributes this to low wages and high stress. While the public partners believe there is a tension that can be attributed to having an animal protection and advocacy organization responsible for enforcing state law and county ordinances that may be unpopular with dog owners, we also believe low morale and retention could be attributed to a lack of organization, leadership, and purpose.

We believe the public wants and deserves a visible animal control presence in their community, especially in light of recent publicity. In order to address these and other concerns, the public partners are investigating ways to provide publically directed patrol services. City Managers and public safety staff recognize that there are advantages to be gained by working together, and various options will be investigated, with the goal of assuring that there are patrol services in one form or another as of July 1, 2002.

Shelter - The public partners and the Santa Cruz SPCA have collaborated for many years to provide services to stray, abandoned, surrendered, at-risk, and injured animals at the SPCA facilities on Seventh Avenue in Live Oak. The SPCA and County staff have worked to mitigate concerns in the residential community, and the SPCA's proposed master plan suggests an arrangement of buildings and landscaping that could further mitigate noise and sight-line issues for the neighborhood.

However, the Auditor's assessment of the SPCA's capacity to manage the public's money safely and efficiently is of paramount concern. This concern is exacerbated by the high turnover of staff that manages the day-to-day shelter operations, and by the fact that the SPCA has failed to carry out the terms of the current three year agreement. The public partners are reaching the conclusion that this collaboration, as currently constructed, no longer serves the needs of the community. Such a conclusion is further supported by the SPCA's contention that their organization requires funding and staffing levels that our analysis confirms are far outside the industry norm. As a result, the public partners are now engaged in investigating the feasibility of providing a publically managed shelter operation that could meet the mandated requirements. Again, the partners agree that there are advantages to working together on this project. All of the public partners have stressed the desire and the need to work closely with the Santa Cruz SPCA to avoid undesirable impacts to our community's animal population.

Administration and Recordkeeping - The Auditor Controller's review of records indicated inadequate management and accounting practices were prevalent throughout the term of the agreement. The public partners recommend that all accounting processes for the future be run through the County Auditor Controller's office.

Conclusion

The current management and systems at the SPCA are inadequate to safeguard the public's trust. A system to ensure the security of the public's funds requires that the public partners assume additional responsibility for the financial oversight of these funds. At a minimum, it is recommended that the Auditor Controller develop a system for the public entities to account for and disburse funds for animal control services.

The issues raised in the attached review by the Auditor Controller are of grave concern. It is necessary for the SPCA to work to resolve the problems identified, immediately return the past due fees plus interest owed to the public agencies, develop a plan to address the questioned and disallowed costs, and conduct a complete audit of the contract.

From a service perspective, the goals that the public partners had intended over the three year agreement have not been achieved.

In view of the significant cost increases requested by the SPCA for the next fiscal year, it is also recommended that staff be directed to explore other options for the delivery of services for both patrol and shelter operations, including the possibility of the establishment of a Joint Powers Authority for the public provision of services as well as possible cooperative relationships with the SPCA that involve greater public oversight and management strategies. The staff of all of the public partners concur that current economic challenges make a 56% increase in the next year budget both financially untenable as well as unwarranted.

Recommendations

Staff welcomes your input with regard to the provision of patrol and shelter services. It is therefore RECOMMENDED that your Board:

1. Accept and file this report on the Animal Control Services, with attachments, including the Auditor-Controller's findings;
2. Request the Auditor Controller to conduct a complete financial audit of the contract including a full review of the extent of the questioned and disallowed costs with a further report during Budget Hearings;
3. On behalf of the County, decline the offer of the Sims Road property as repayment for past due fees owed to the public entities and request the SPCA to develop an alternate plan to repay the public entities;
4. Request County Counsel to advise the Board of necessary actions to recover fees and disallowed costs and assure the continued provision of animal control services;
5. Accept public testimony from representatives of the Santa Cruz SPCA and members of the public; and
6. Direct the County Administrative Officer to work with the public partners and return to

the Board with a recommended plan for the provision of animal control services for fiscal year 2002-03 as a part of the proposed budget.

Very truly yours,

A handwritten signature in black ink, appearing to read "Susan A. Mauriello", with a stylized flourish at the end.

SUSAN A. MAURIELLO
County Administrative Officer

SAM:sp/animalcontrol03bos.wpd
Attachments

cc: City Managers
UCSC
Law Enforcement Chiefs
Santa Cruz SPCA
Auditor Controller
County Counsel

	Population Served	Provider	Total Appropriations	Offsets	Revenues	Net Cost to County	Per Capita by Expend
Jurisdiction							
Santa Clara	100,300	County	892,591		260,526	632,065	\$8.90
Mendocino	87,000	County	770,000		30,500	476,751	\$8.85
Marin	250,000	SPCA	2,173,412		221,900	1,694,723	\$8.69
Mariposa	18,500	County	149,000		9,000	140,000	\$8.05
Santa Cruz	211,337	SPCA	1,529,765		449,756	921,009	\$7.24
Santa Barbara	415,000	County	2,772,397		683,587	2,088,810	\$6.68
Sonoma	300,000	County	1,900,000		1,300,000	600,000	\$6.33
Del Norte	29,000	County	183,287		92,715	90,572	\$6.32
Contra Costa	850,000	County	5,340,638		1,420,552	2,031,390	\$6.28
Yuba	62,000	County	386,478		70,000	226,478	\$6.23
San Luis Obispo	246,681	County	1,468,083		275,174	736,970	\$5.95
Watsonville	44,265	City	250,000				\$5.65
Ventura	632,453	County	3,286,174		1,100,000	1,346,304	\$5.20
Sutter	80,950	County	417,600		186,932	107,668	\$5.16
Orange	1,700,000	County	8,451,598		7,606,438	845,160	\$4.97
San Diego	2,200,000	County	10,900,000		3,900,000	2,700,000	\$4.95
Fresno	167,065	SPCA	809,028		100,644	545,011	\$4.84
Sacramento	825,390	County	3,840,862		658,000	2,222,862	\$4.65
San Francisco	776,733	County	3,200,000		200,000	3,000,000	\$4.12
						\$119.08	
Average							\$6.27



COUNTY OF SANTA CRUZ

AUDITOR-CONTROLLER'S OFFICE

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GARY A. KNUTSON, AUDITOR-CONTROLLER

Chief Deputy Auditor-Controllers

Pam Silbaugh, Accounting

Suzanne Young, Audit and Systems

Kathleen Hammons, Budget and Tax

April 19, 2002

Susan Mauriello
County Administrative Officer
701 Ocean Street
Santa Cruz, CA 95060

RE: SPCA Findings

Dear Ms. Mauriello:

At the request of the Board of Supervisors, my office has provided staff to assist in the review and evaluation of the Santa Cruz SPCA's current financial difficulties in order to report to the Board. The work performed by my staff does not constitute an audit, but is a review which included: inquiries of SPCA's management, their independent auditor and County personnel; analyses of financial data provided by the SPCA and the County Administrative Office, and the examination of some of the SPCA's accounting records. Our review, which has been brief because of the need to report quickly, has included the period of the present SPCA contract, i.e. July 1, 1999 to date. SPCA management and staff provided us their full cooperation and access to their records.

Summary

In our opinion, the Animal Shelter's financial difficulties have resulted primarily from poor management, lack of appropriate Board of Directors oversight and inadequate accounting practices. Inadequacies in oversight, monitoring and leadership, as well as numerous re-occurring changes in management personnel resulted in the following problems:

- There was little or no monitoring of actual to budgeted expenses.
- The Board of Directors did not ensure the receipt of adequate financial or management reports to enable them to properly monitor the agency's finances.

- 14
- Accounting records were not properly maintained. The SPCA incurred approximately \$113,000 in extra help accounting costs to reconstruct the records. These costs are not allowable under the contract budget.
 - Payroll reports **and** tax filings were not completed accurately and on time, so that the SPCA incurred over \$40,000 in federal and state penalties, late fees and interest charges.
 - The SPCA incurred over \$19,000 in late charges on accounts payable.
 - Staffing levels fluctuated above and below the full-time equivalents (FTE's) prescribed in the contract budget.
 - There have been significant over expenditures. Included in those over expenditures were expenses the SPCA, without consulting the participating agencies, incurred and charged to the contract, that were not provided in the contract budget.
 - Fees totaling \$272,397 as of February 28, 2002 were collected on behalf of the County and cities that participate in the agreement but have not been remitted to the entities.
 - Questioned or disallowed costs plus amount owing for past fees and interest total \$377,448 as of February 28, 2002.
 - The SPCA has a spotted history of problems in managing their contracts with the participating agencies.

Discussion of Findings

Contract Over Expenditures

Attachment 2 shows a comparison of the contract's budgeted and the SPCA's actual expenses for the fiscal years 99-00, 00-01, and 01-02 year-to-date.

Contract-to-date expenditures in the following line items are significantly over the budgeted amounts. Some line items include charges for services and purchases not authorized or budgeted in the contract. The largest over expenditures are in the following accounts:

- Consulting - \$131,121
- Computer Maintenance - \$76,182
- Veterinary Services - \$72,029
- Miscellaneous Expense - \$53,167, and
- Telephone - \$30,872.

These costs are not allowable.

Because we did not have an analysis of detailed charges to these accounts, we were not able to identify the specific dollar amounts related to those charges; however, we recommend that the SPCA provide an analysis of the costs charged to these accounts and any of the following expenses, where charged to the contract, be specifically identified and disallowed.

- Expenses incurred to reconstruct accounting records,
- All late fees, penalties and interest charges,
- Wages and benefits for staffing in excess of the number of FTE's specified in the contract for each position,
- Wages paid in excess of the amounts specified in the contract,
- Expenses for the purchase and installation of a new telephone system and new , computers, and
- All other costs not specifically set forth in the contract and/or budget,

Misuse of Public Funds

When the SPCA's expenses exceeded their cash flow from the contract allocations, the SPCA funded their expenses by misappropriating fees owed to the contract entities. In addition, they used a line of credit, and used foundation donations.

License Fees

The collections of license fees have not increased in relation to the change in population and pet ownership. Therefore, we believe that a strategic plan should be developed to work on the collection of more fees.

We recommend that the County Administrative Office seek ways to enforce the licensing ordinance, and might consider a partnership with kennels, pet shops and veterinarians to license dogs that they treat, sell or provide for adoption.

Contract Audit Requirements

The animal control contract currently provides for an annual audit by an independent CPA firm and that the audit be submitted within six months after the close of the fiscal year. Because of the condition of the Shelter's accounting records, recent audits have not been completed within that time. As of this date, the report on the audit for the year ended June 30, 2001 has not been issued.

We recommend that for the contract year 2001-2002 the Auditor-Controller be designated to conduct a full contract audit.

Contract Service Requirements

The contract requires the SPCA to provide 300 patrols per year for the County of Santa Cruz, 300 patrols for the City of Santa Cruz and 36 patrols for the City of Scotts Valley. We have not yet received any data from the SPCA to determine if this requirement has been met.

Amounts Owed to Public Entities

The SPCA prepared a spreadsheet showing amounts owed to the public entities these amounts were traced to the general ledger and audited financial statements, but auditing procedures were not performed due to time limitations. From July 1, 1999 to February 28, 2002 the SPCA owed the public entities \$272,397 plus estimated interest of \$8,722 for all agencies. The County of Santa Cruz was owed \$229,170, the City of Santa Cruz was owed \$31,520, the City of Capitola was owed \$4,268, and the City of Scotts Valley was owed \$7,439 and proportionate share of interest.

State Mandated Increase in Service Created Increased Costs

The County can claim for increased costs associated with legislation that mandated increased service requirements. Claims cannot be submitted until money is appropriated. The State has yet to budget for these costs. Appropriations are expected in fiscal year 2003, and the County will then proceed with the claim process. Until 2003, this represents an unfunded mandate and the State's financial crises may cause further delays.

Expenses Incurred to Reconstruct Accounting

The SPCA spent \$181,660 to reconstruct accounting records and data, and to re-staff the accounting department. Attached is a schedule prepared by the SPCA that details the money spent. Of this \$90,183 was charged to the contract in fiscal year 2001 and \$6,146 in fiscal year 2002. The money was spent on consulting fees for a temporary accountant to prepare auditable schedules, late fees, interest and penalties to the IRS, the State, on accounts payable, and a personnel settlement. These expenses are not allowable since it was management's obligation to provide accounting services under the contract, and because these costs were not authorized in the approved contract budget.

Staffing Levels

We compared staffing levels by department between at June 30, 2001 and April 1, 2002. Attached is a graph that shows the results. Staffing levels decreased in the following areas: Animal Care decreased by 80 hours, Client Services decreased by 107 hours, and Field Services decreased by 62.25 hours.

The contract provides 320 hours per week for Animal Care and actual hours are currently above that level at 340 hours per week. The contract provides 270 hours per week for Client Services and actual hours are currently below that level at 210 hours per week. The contract provides 400 hours per week for Field Services and actual hours are currently below that level at 240 hours per week. The data on actual hours was provided by the SPCA and does not include overtime.

Unauthorized Expenses

Based on information provided by the SPCA, in spite of a written policy, the former "executive team" obtained a credit card in the SPCA's name without board approval. The card expenses included numerous charges that the SPCA considers to be unapproved. The "executive team" declared bankruptcy shortly after leaving employment with the SPCA. The SPCA's attorney is seeking reimbursement through bankruptcy court and the SPCA's insurance carrier. We discussed other legal options with the Board President. Unreimbursed expenses total \$8,355;

17

these unauthorized expenses incurred were funded through donations. The board needs to be more vigilant in monitoring the activity of the directors and employees of the organization.

Internal Control Weaknesses

The SCPA should receipt/log all monies received by the agency through the mail. This would provide the agency with the means to verify that monies, which have been received, have been deposited. Checks should be restrictively endorsed when the agency receives checks.

Line of Credit

The SPCA has a \$100,000 line of credit through Coast Commercial Bank. The initial fee was \$500 and the interest rate is 8.75%. Currently there is no outstanding balance. The fees and interest are funded through donations.

Independent Auditor

Independent Certified Public Accountants audited the financial statements for the three fiscal years ended June 30, 1999 through 2001. The final fiscal year 2001 audit has not been issued. The CPA firm has not provided management letters to the SPCA in prior years, but has indicated they will provide one for fiscal year 2001. The CPA firm did not provide any services to the SPCA beyond the audit.

During the audit the CPA firm reviewed the SPCA's compliance with the contract. To determine compliance they checked to see if the SPCA remitted the required reports, reviewed budget to actual to determine compliance with the budget, performed tests to determine that the front office recorded fees properly, and reviewed the allocation of expenses between the contract and other SPCA funding.

The auditors noted that there were missing records during the audits of fiscal years 2000 and 2001. Missing records included general journal entries, accounts payable aging reports, invoices, cash register tapes, cancelled checks, and voided checks. While we reviewed the preliminary report there is the possibility that other questioned costs exist.

Monitoring of Fees

When fees were not remitted, the CAO questioned the flow of funds. The SPCA provided the explanation that the delay was due to reconstruction of the accounting records.

Additional Questioned or Disallowed Costs


Due to the limited review conducted, additional amounts, which are questioned or disallowed, may be identified after the conclusion of a full contract audit.

Exit Conference

We held an exit conference and discussed our findings and conclusions with the SPCA's Board President and the Interim Executive Director on April 19, 2002. The SPCA representatives provided additional information to clarify some of our findings, and in some places the language in this report has been modified accordingly. At the conclusion of our meeting, there were no disagreements with our report.

We believe it would be appropriate to conduct a more detailed review at the Board of Supervisors' request.

Yours truly,


Gary A. Knutson
Auditor-Controller

SCPA
Amount Owed to Each Jurisdiction - Excluding Other Questioned Costs

Item	Reason	County of		City of		City of		UCSC
		Total	Santa Cruz	Santa Cruz	Capitola	Scotts Valley		
Percentage of Allocation based on average of contract budget for three years								
		100.00%	70.40%	23.17%	2.15%	4.00%		0.28%
Fees	Not Remitted	272,397.00	229,170.00	31,520.00	4,268.00	7,439.00	-	-
Interest	Late remittance of fees	8,722.58	7,738.40	713.09	108.11	162.98	-	-
Reconstruct Accounting	Management's Obligation	96,328.56	67,815.31	22,319.33	2,071.00	3,853.14	269.72	
		377,448.14	304,723.71	54,552.42	6,447.17	11,455.12	269.72	

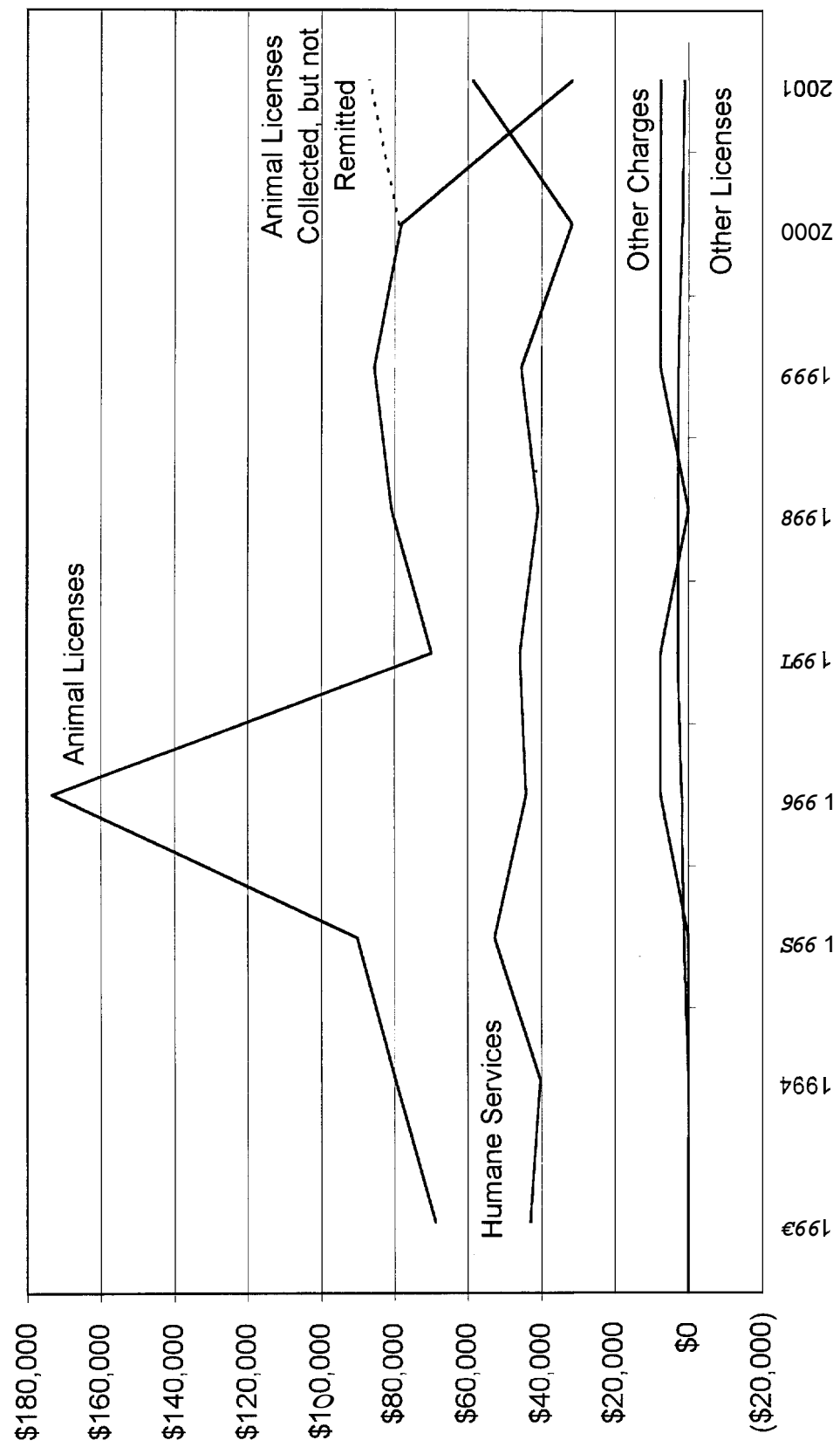
SPCA
Budget Per Contract
Actual Per SPCA

Account	Budget 1999/2000	Actual 1999/2000	Difference 1999/2000	Budget 2000/2001	Actual 2000/2001	Difference 2000/2001	Total Budget Year 1 & Year 2	Total Actual Year 1 & Year 2	Difference Year 1 & Year 2	Budget 2001/2002	Actual* 2001/2002	Difference 2001/2002	Total Budget 3 Years	Total Actual 3 Years	Difference 3 Years
Wages	774,107	768,806	5,301	878,868	1,012,074	(133,206)	1,652,975	1,760,880	(127,905)	928,676	732,869	195,807	2,581,651	2,513,749	67,902
Payroll Taxes	59,323	31,208	28,115	67,103	76,174	(9,071)	126,426	107,382	19,044	70,920	197,346	-126,426	197,346	166,354	30,992
Workers Comp Ins	22,968	26,933	(4,965)	23,118	36,997	(13,879)	46,236	64,990	(18,754)	27,741	19,243	8,498	78,081	77,173	914
Health Insurance	61,959	54,178	7,780	73,118	122,290	(49,172)	135,077	176,469	(41,392)	79,795	80,897	-1,102	214,882	257,366	(42,504)
Flea Aid	2,550	6,287	(3,737)	2,741	-	2,741	2,741	6,287	(3,546)	2,906	-	2,906	8,197	6,287	1,910
Animal	22,018	8,773	13,245	25,000	47,018	(22,018)	47,018	8,773	38,245	26,417	19,601	6,816	73,435	8,773	64,662
Unemployment Tax	6,095	7,071	(976)	6,821	8,162	(1,341)	13,016	15,233	(2,217)	7,311	19,668	(12,357)	20,327	34,901	(14,574)
Temp Help	1,500	26,638	(25,138)	1,613	21,887	(20,274)	3,113	48,536	(45,423)	1,708	4,523	(2,815)	4,822	53,089	(48,236)
Recruitment	3,850	2,895	955	4,248	4,787	(539)	8,196	7,783	413	2,584	2,017	567	12,897	10,297	2,600
Total Personnel	963,670	932,851	30,819	1,096,862	1,282,381	(185,519)	2,039,432	2,216,272	(176,840)	1,143,966	912,666	231,300	3,189,398	3,127,928	61,470
Uniforms	2,500	3,710	(1,210)	2,576	3,573	(997)	5,076	7,283	(2,207)	2,652	1,529	1,123	7,727	9,812	(1,085)
Education & Training	2,800	12,325	(9,525)	2,884	4,270	(1,386)	5,694	18,595	(12,901)	2,971	1,950	1,021	8,665	18,245	(9,580)
Confer & Seminars	2,800	4,187	(1,387)	2,884	6,980	(4,096)	5,694	11,167	(5,473)	2,971	252	2,719	8,665	11,419	(2,754)
Meals & Lodging	3,000	5,124	(2,124)	3,080	4,455	(1,375)	6,090	9,579	(3,489)	3,183	2,182	1,001	9,273	11,761	(2,488)
Mileage	1,000	838	162	1,030	1,742	(712)	2,030	2,580	(550)	1,061	415	646	3,091	2,995	96
Travel	1,200	3,470	(2,270)	1,238	1,658	(420)	2,436	5,128	(2,692)	1,273	480	793	3,709	5,588	(1,879)
Vehicle Maint	11,500	16,248	(4,748)	11,845	25,850	(14,005)	23,345	42,098	(18,753)	12,200	17,802	(5,602)	35,545	59,700	(24,155)
Fuel	9,550	11,780	(2,230)	9,837	19,387	(9,550)	19,387	11,780	7,607	10,132	10,132	-	29,519	11,780	17,739
Facilities & Equip Maint	37,850	17,820	20,030	37,850	67,717	(29,867)	75,600	60,089	15,511	40,155	14,454	25,701	116,881	64,343	52,448
Spray/Neuter Clinic Remodel	25,000	9,480	15,520	25,000	26,950	(1,950)	25,000	26,950	(1,950)	500	-	500	25,000	26,950	(1,950)
Computer Equipment	5,800	9,480	(3,680)	5,800	11,000	(5,200)	11,000	9,480	1,520	4,868	15,914	(11,046)	11,000	9,480	1,520
Staff Training	5,800	4,332	1,468	4,332	10,021	(5,689)	10,021	9,480	541	4,868	15,914	(11,046)	11,000	9,480	1,520
Computer Maint.	15,000	43,832	(28,832)	15,000	48,320	(33,320)	30,000	83,252	(53,252)	15,914	28,294	(12,380)	46,364	122,546	(76,182)
Janitorial & Licensing Supplies	3,500	4,868	(1,368)	3,500	7,207	(3,707)	7,207	9,968	(2,761)	3,786	3,786	-	7,207	4,868	2,339
Vet Services	12,000	34,333	(22,333)	12,000	42,619	(30,619)	24,360	78,861	(54,501)	11,339	27,532	(16,193)	32,654	104,483	(72,029)
Animal Food	10,000	13,368	(3,368)	10,000	9,113	887	20,000	22,500	(2,500)	10,609	12,731	(2,122)	30,908	30,638	270
Animal Disposal	10,000	11,330	(1,330)	10,000	11,330	(1,330)	20,000	22,500	(2,500)	10,609	12,731	(2,122)	30,908	30,638	270
Animal Supplies Stock & FELV Test = COGS	10,000	21,752	(11,752)	10,000	11,330	(1,330)	20,000	22,500	(2,500)	10,609	12,731	(2,122)	30,908	30,638	270
Animal Supplies	9,800	21,571	(11,771)	10,000	11,330	(1,330)	20,000	22,500	(2,500)	10,609	12,731	(2,122)	30,908	30,638	270
Spray/Neuter Clinic Med Equip	20,768	21,571	(803)	20,768	42,988	(22,220)	20,768	42,988	(22,220)	10,367	16,952	(6,585)	30,281	101,483	(71,202)
Medical Supplies	29,780	23,266	6,514	31,227	17,114	14,113	61,007	17,114	43,893	3,500	27,768	(24,268)	93,210	17,114	76,096
Traps and Cages	1,100	784	316	1,133	813	320	2,233	2,527	(294)	1,167	321	846	3,400	2,848	552
Investigations	300	309	(9)	309	609	(300)	609	609	(300)	318	-	318	927	-	927
Film Developing	575	575	-	592	1,167	(575)	1,167	1,167	-	610	-	610	1,777	-	1,777
Postage	8,600	7,836	764	8,958	17,458	(8,500)	17,458	15,551	1,907	9,124	6,549	2,575	26,582	22,100	4,482
Office Supplies	10,700	25,511	(14,811)	11,021	12,987	(1,966)	21,721	38,508	(16,787)	11,352	7,859	3,493	33,073	46,367	(13,294)
Printing/Copies	8,900	5,588	3,312	9,064	6,695	2,369	17,864	12,253	5,611	9,336	8,095	1,241	27,200	20,348	6,852
Subscription/Memberships	1,800	1,808	(8)	1,848	1,807	41	3,248	3,615	(367)	1,687	539	1,148	4,945	4,154	791
Licensing Fees	50	-	50	52	52	-	102	-	102	53	-	53	155	-	155
Advertising	300	2,934	(2,634)	309	2,408	(2,099)	609	5,342	(4,733)	318	298	20	927	5,640	(4,713)
Bad Checks	250	133	117	258	6,597	(6,339)	508	6,720	(6,212)	285	35	250	773	6,755	(5,982)
Cash Over/Short	250	310	(60)	258	469	(211)	508	779	(271)	285	52	233	773	831	(68)
Trailer Rental	5,150	7,824	(2,674)	5,306	9,798	(4,492)	10,455	17,622	(7,167)	5,484	5,454	-	15,919	23,078	(7,159)
Utilities	22,400	27,744	(5,344)	23,072	35,599	(12,527)	45,472	63,343	(17,871)	23,784	22,864	920	69,256	86,207	(16,951)
Telephone	14,650	17,481	(2,831)	15,090	30,491	(15,401)	29,740	47,972	(18,232)	15,542	28,182	(12,640)	45,282	76,154	(30,872)
Communication	23,750	28,081	(4,331)	24,453	29,312	(4,859)	48,213	57,373	(9,160)	25,196	19,513	5,683	73,409	76,986	(3,577)
Insurance	30,000	31,947	(1,947)	30,900	41,805	(10,905)	60,900	73,752	(12,852)	31,827	28,187	3,640	92,727	101,939	(9,212)
Depreciation	3,000	3,460	(460)	3,090	4,225	(1,135)	6,090	7,695	(1,605)	3,183	163	3,020	9,273	7,948	1,325
Property Tax	1,370	1,405	(35)	1,411	84,847	(83,436)	14,210	98,408	(84,198)	7,426	56,351	(48,925)	21,535	152,737	(131,202)
Bank & Payroll Fees	7,000	1,947	5,053	7,210	8,336	(1,126)	14,210	16,446	(2,236)	7,426	6,860	566	21,535	16,446	5,089
Legal Fees	3,000	168	2,832	3,090	1,125	1,965	6,090	10,183	(4,093)	3,183	924	2,260	9,273	10,183	(910)
Public Relations	500	10,368	(9,868)	500	4,506	(4,006)	13,016	13,016	(4,006)	5,600	5,600	-	11,000	11,000	-
Employee Relations	8,500	10,368	(1,868)	8,500	13,016	(4,516)	13,016	13,016	(4,516)	6,808	6,808	-	20,816	16,888	3,928
Board Relations	500	2,594	(2,094)	500	1,016	516	1,016	2,594	(1,578)	500	500	-	1,545	2,594	(1,049)
Volunteer Expenses	1,000	1,000	-	1,000	1,000	-	2,000	2,000	-	1,000	1,000	-	3,000	3,000	-
Miscellaneous Expense	1,000	7,137	(6,137)	1,000	49,792	(48,792)	3,857	58,229	(54,372)	2,016	90	1,926	3,857	58,229	(54,372)
Total Operating	401,566	483,723	(82,157)	389,072	673,219	(284,147)	791,028	1,311,842	(520,814)	389,768	371,721	18,047	1,130,766	1,603,663	(472,897)
Fixed Assets	25,000	50,234	(25,234)	-	-	-	25,000	50,234	(25,234)	25,000	4,941	20,059	50,000	55,175	(5,175)
Master Plan/Permit Process	30,000	60,234	(30,234)	-	-	-	30,000	60,234	(30,234)	25,000	4,941	20,059	55,000	60,176	(5,176)
Total Capital Outlay	1,386,626	1,441,848	(55,222)	1,444,934	3,897,448	(2,452,514)	2,890,460	3,897,448	(1,006,988)	1,644,724	1,298,318	346,406	4,375,184	4,896,766	(521,582)
Total Expenses	963,670	932,851	30,819	1,096,862	1,282,381	(185,519)	2,039,432	2,216,272	(176,840)	1,143,966	912,666	231,300	3,189,398	3,127,928	61,470
Total Paid by County	963,670	932,851	30,819	1,096,862	1,282,381	(185,519)	2,039,432	2,216,272	(176,840)	1,143,966	912,666	231,300	3,189,398	3,127,928	61,470

Source: Budget from contract.
Actuals provided by SPCA.

* Year to 3/31/02

SPCA Actual per FAMIS Fees Remitted to the County



SANTA CRUZ SPCA

FY01 Extraordinary Costs Incurred (Broken out by Year Expensed & Contract Designation)

Source:

Revised:

4/17/02

Accounting Department Reconstruction & Re-staffing

<u>Item Description</u>	<u>FY01</u>	<u>FY01</u>	<u>FY02</u>	<u>FY02</u>
	<u>Contract</u>	<u>Donations</u>	<u>Contract</u>	<u>Donations</u>
SP consulting	75,628.00	10,689.16		
SP consulting		37,503.11		
MA consulting	10,425.00	1,023.75	4,522.50	1,130.63
MG consulting	26,526.89	1,543.60		
MG consulting		3,762.25		
IRS Fees	38,759.18	7,751.84		
State Fees	1,825.55	366.11		
Severance	5,797.73	1,159.55		
Unemployment	2,029.00		1,623.20	405.80
Accdg Legal fees	840.00			
A/P Late Fees*	19,828.82			
Total Costs \$	181,680.17	90,182.86	6,145.70	1,536.43
				Various, not definable

Estimated late penalties and fees 2% of total AP's issued 7/00-3/15/01

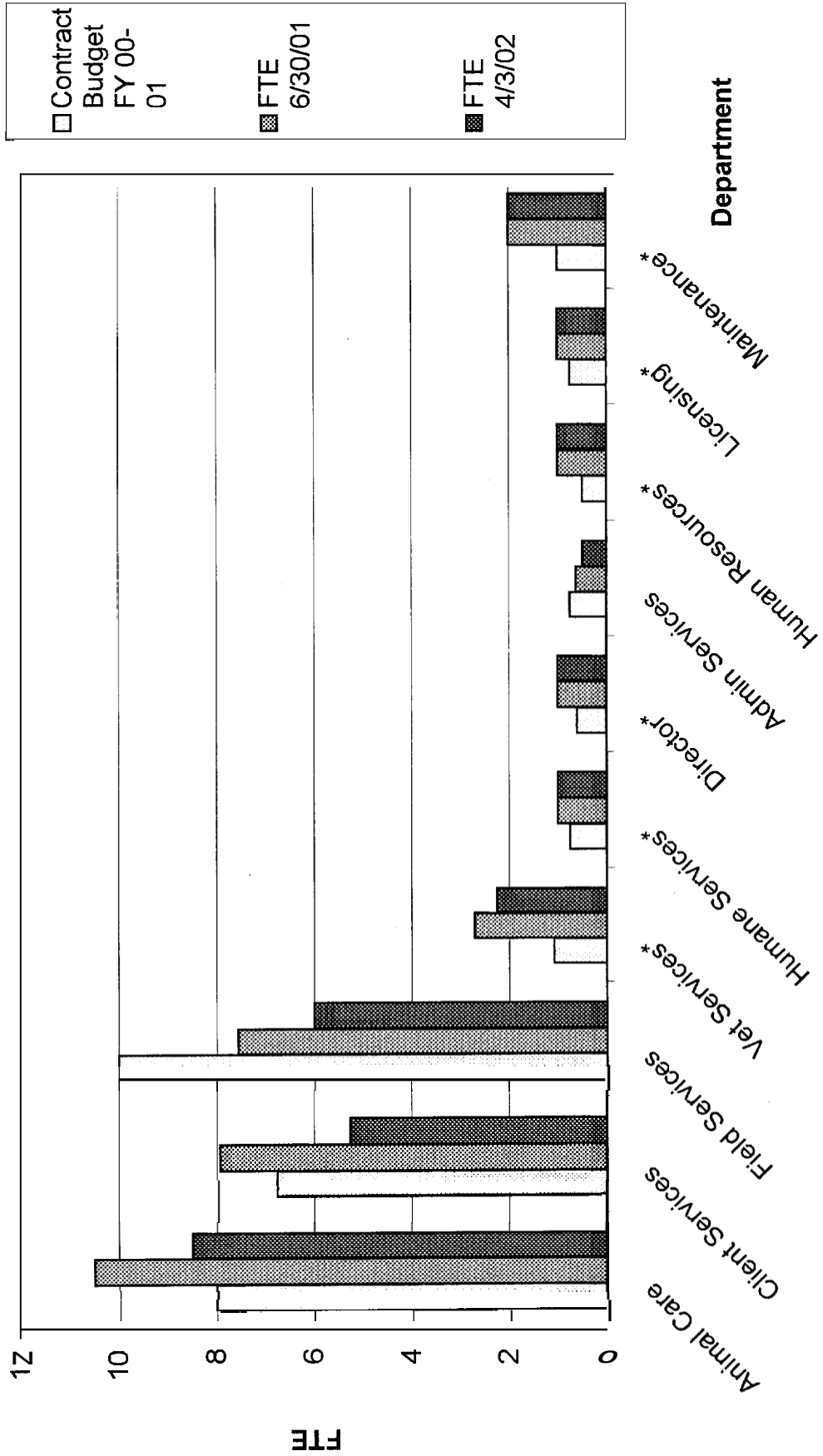
Summary of Expense Line Item Totals

	<u>FY01</u>	<u>FY01</u>	<u>FY02</u>	<u>FY02</u>
	<u>Contract</u>	<u>Donations</u>	<u>Contract</u>	<u>Donations</u>
Consulting Expense	30,822.29	15,475.16		
Temp Help Expense	21,782.60	39,046.71		
Misc. Expense	32,467.78	8,118.95	4,522.50	1,130.63
Wages	4,638.18	1,159.55		
Unemployment			1,623.20	405.80
Legal Fees	672.00	168.00		
	90,182.86	63,966.36	6,145.70	1,536.43

Prepared by SPCA

28

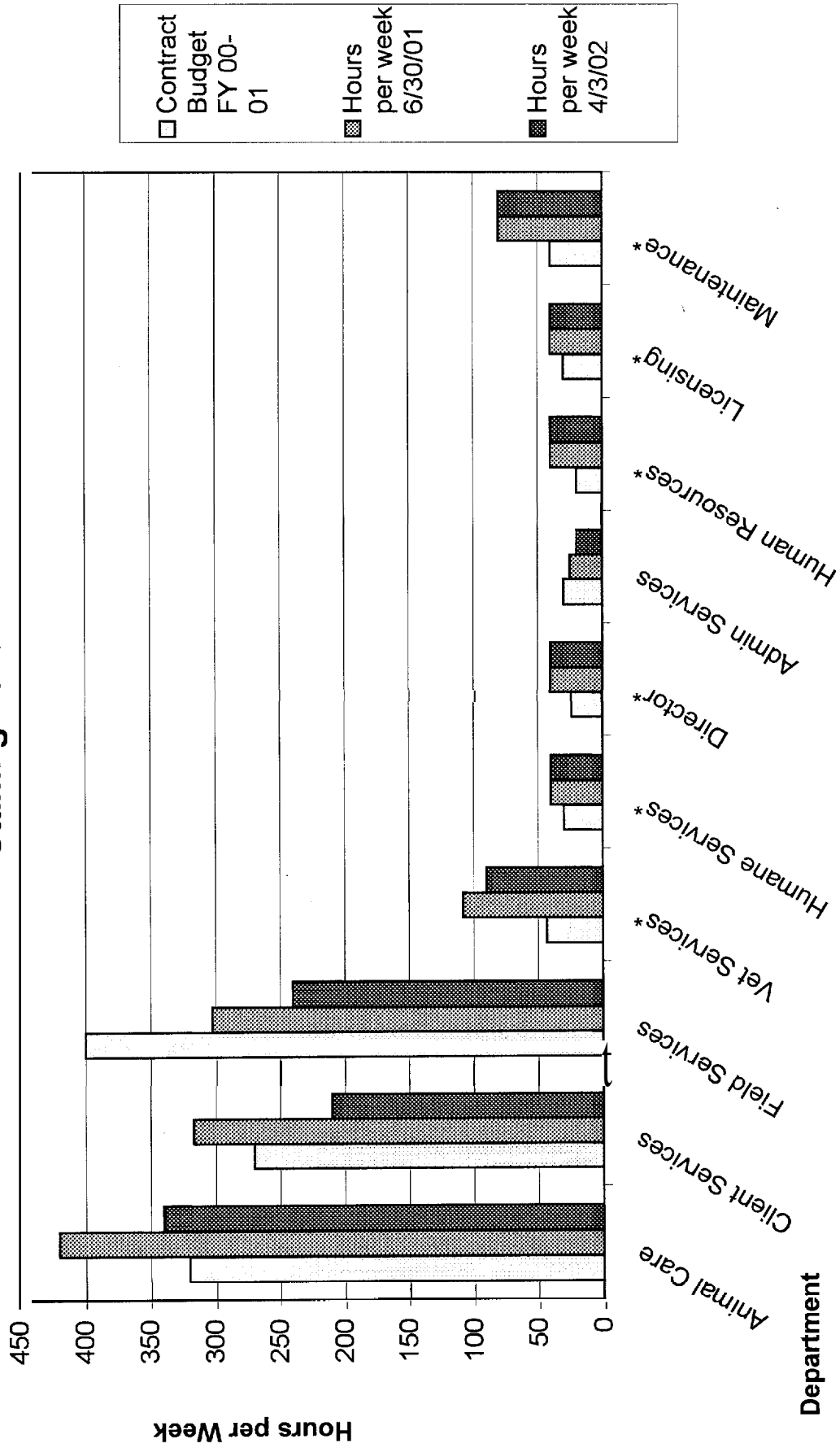
SPCA Staffing Levels



* Departments have additional hours funded by donations.
This does not include overtime.

60

SPCA Staffing Levels



* Departments have additional hours funded by donations.
This does not include overtime.

26

60

SPCA
Unauthorized expenses

Attachment 7

25

Date	Type	Amount Owed	Check-Date	Repaid	Check#
PERSONAL MASTERCARD CHARGES PREVIOUSLY IDENTIFIED					
05/15/2000	Saks Fifth Avenue	\$1,254.72	06/20/1999	\$1,254.72	1154
06/29/2000	Taylorvision-Sattell	\$231.12	8/20/99		1120
06/29/2000	Dishnetwork Sat TV	\$79.98	8/20/99	\$311.11	1120
08/14/2000	JetBlue-J.Storsberg-Oakland-New York	\$418.00	09/01/2000	\$418.00	5031
09/23/2000	Dollar RAC Kailua	\$66.62	10/29/2000	\$66.62	5128
	Personal Mastercard items repaid	\$1,983.82		\$1,983.83	
PERSONAL MASTERCARD CHARGES DISCOVERED DURING AUDIT					
07/30/1999	BittersweetBistro	\$169.31	08/03/1999	5169.31	1161 checks found destroyed
08/16/1999	Montalvo-Association of Saratoga	\$87.00	8/16/99		
09/11/1999	Mattress Discounters	\$916.92	8/16/99	\$1,003.92	1166 checks found destroyed
11/11/1999	Continental Airlines-B.Taylor-Newark	\$350.61	11/30/99		
11/10/1999	Sierra Mar Restaurant	\$210.57	11/30/99		
11/11/1999	Continental Airlines-J.Storsberg-Newar	\$350.61	11/30/99	\$911.79	1200 checks found destroyed
	Personal Mastercard items owing	\$2,085.02		\$2,085.02	
APPARENTLY PERSONAL CHARGES - NO SUBSTANTIATION OF BUSINESS PURPOSES					
07/07/1999	Wine Club	255.34			
07/09/1999	Alamo Rent-a-car - Seattle WA	137.55			
07/12/1999	Madison Renaissance- Seattle WA	36.27			
09/10/1999	Circuit City	\$ 2,926.29			
10/16/1999	Anderson Behel	\$500.00			
11/03/1999	Wine Club	\$184.42	B/J wrote "probably B/J personal, will pay		
11/05/1999	Hightower USA.. Los Angeles	\$219.80	charged to animal supplies		
11/24/1999	J8K Publish/Sirius	\$173.55			
01/11/2000	Wine Club	\$320.40	Says Thank you for Snip Ship"		
02/15/2000	Lindo Michoacan Cantin, Las Vegas	\$105.01	** Some Las Vegas may be legitimate meals during HSUS Conference		
02/16/2000	Rio Wine Cellar, Las Vegas	\$26.00			
02/16/2000	Rio Wine Cellar, Las Vegas	\$132.00			
02/17/2000	Aureole at Swan Court, Las Vegas	\$54.12			
02/19/2000	Treasure Island Battle, Las Vegas	\$43.25			
02/19/2000	Vellagio Aqua, Las Vegas	\$460.48			
02/20/2000	WB Stage 16 Restaurant, Las Vegas	\$98.28			
02/20/2000	WB Stage 16 Restaurant, Las Vegas	\$30.50			
04/07/2000	Two Fools Cafe	\$61.75			
05/20/2000	Wine Club	\$366.83	Backup says Wine/Noses - Board thought all wine was donated		
05/27/2000	J8K Publish/Sirius	\$676.20			
06/30/2000	Amazon.com	\$106.78			
06/15/2000	Ramp Restaurant, San Francisco	\$40.75			
08/16/2000	Paul K, San Francisco	\$176.07			
08/11/2000	Hice Sewing Service 800-752-4927 AL	\$320.00			
08/18/2000	Hice Sewing Service 800-752-4927 AL	\$128.00			
08/26/2000	Express WW Florist 800-453-5672 TX	\$48.66			
08/26/2000	Cafe Cruz	\$109.24			
08/29/2000	Waigreen	\$13.69			
08/30/2000	Video USA	\$5.24			
08/30/2000	Video USA	\$5.24			
09/03/2000	Dishnetwork Sat TV	\$63.51			
09/16/2000	Hawaii Akatsuka Farm Volcano	47.04	This might be Jean Langenheim's orchid		
10/04/2000	Dishnetwork Sat TV	50.98			
		\$7,923.74			
DIRECT REIMBURSEMENTS TO ET ON EXPENSE REPORTS:					
03/13/1999	Taxi charges in Las Vegas	\$191.00			Not a agency expense
07/22/1999	Noah's Bagels	86.30			Reimbursed on Exp Rpt Iferns appear on Mastercard also
07/21/1999	DeLuxe, Aptos	\$41.25			Reimbursed on Exp Rpt Items appear on Mastercard also
07/22/1999	Gayle's Bakery	\$105.92			Reimbursed on Exp Rpt Items appear on Mastercard also
02/11/2000	Mileage Reimb on Company Car	\$249.92			Mileage not paid on company car
	Expense items paid to ET in error	\$604.39			
03/20/2000	Parking Fine - Pacific Grove - Audi	\$42.00			
		\$2,085.02			
		\$7,923.74			
		\$604.39			
Less cashier's check sent in 10/25/00		-\$2,300.12			
	Total owed to SCSPCA by ET	\$8,355.03			

Prepared by SPCA

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From: CFrobish@aol.com
Sent: Tuesday, April 09, 2002 1:49 PM
To: Jan Beautz; Ellen Pirie; Mardi Wormhoudt; Tony Campos; bds051@co.santa-crus.ca.us
Subject: SPCA

To the Supervisors of Santa Cruz County. I am writing to urge you to support funding for the SPCA. I am a volunteer at the SPCA and have adopted a puppy and gone through dog training classes at the SPCA. I see firsthand how dedicated and loving the staff is to the animals under their care. I feel without the SPCA the animals in Santa Cruz County would face extreme hardship. Please find a way to help in the funding of this important program.

Sincerely,
Bc b Frobish
245 Meadow Drive
Bc ulder Creek

From: Fyreladdie@aol.com
Sent: Tuesday, April 09, 2002 12:59 PM
To: marymm@soe.ucsc.edu; Jan Beautz; Mardi Wormhoudt; Tony Campos; Jeff Almquist; Ellen Pirie
CC: dlozano@scspca.org
Subject: Re: Support of the Santa Cruz SPCA

County Supervisors,

I have to add my support to the comments made by Mary Mc Murtry. If you pull funding and allow the cat and dog population to explode, you have wasted years of hard work and staggering amounts of money. Many of us volunteers have spent thousands of dollars each year to preserve and support an agency which needs all the help it can get. Even euthanasia costs money. The fiscal impact will be far greater in the long run.

Past mismanagement should be viewed as such. Look more carefully at what is happening now and consider where it is going.

Respectfully,
Bob Mc Murtry
1115 Fern Ave.
Felton, CA 95018

From: Mary McMurtry[marymm@soe.ucsc.edu]
Sent: Tuesday, April 09, 2002 10:43 AM
To: Jan Beautz; Mardi Wormhoudt; Tony Campos; Jeff Almquist; Ellen Pirie
Cc: dlozano@scspca.org
Subject: Support of the Santa Cruz SPCA

Dear County Supervisors:

I am writing in support of the Santa Cruz SPCA, whose contract is up for a vote on April 16. I have seen the SPCA go through many changes over the last five years or so, nearly all of them for the better, in spite of staff turnover and inadequate wages. It looks to me as though they do have their house in order, financially speaking, so there is no point in "punishing" them for old issues which have been resolved.

I do not want the county to drop the SPCA's contract and thereby eliminate most of their funding -- what possible good could that do for the animals? It is far more economical, and more humane, to put money and effort into an existing operation which has effective procedures already in place than to withdraw funding until a new county animal control unit can be built and made operational (a minimum of two years). A lot of animals will not survive that lack of funding. As a cat fosterer/rescuer, I know that kitten season, with its unimaginable burden of extra cats and kittens, many of them under eight weeks of age and in need of foster care, is just around the corner. This annual inundation of extra felines is a big burden for all shelters. I don't want to consider what it will mean to go through a kitten season where most of the mothers and babies will have to be euthanized because there is no money to care for them.

In addition to renewing the county contract, I support an increase in funds sufficient to cover any additional operating expenses. The people who work at the SPCA do not earn a living wage, yet many of them also foster animals in need, paying for extra pet food and medications. They are very dedicated people, and they deserve to be compensated fairly. I urge you to use both your heads and your hearts, and vote in favor of continuing the contract and increasing the funding.

Mary Margaret McMurtry

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Mary McMurtry
UCSC
School of Engineering
1156 High Street
Santa Cruz, CA 95064-1077
Ph: (831) 459-1544
Fax: (831) 459-4829

To:

April 12, 2002

Santa Cruz County Board of Supervisors

Dear Ms Beauty,

I am writing to ask you to continue the county's contract with the Santa Cruz SPCA. In spite of recent accounting and financial difficulties, the SPCA should be commended for its dedication to animal welfare. As a volunteer for over 2 years, I have observed, first hand, the commitment of the staff and volunteers to each and every animal that passes through the shelter doors.

I believe the staff is underpaid and underappreciated and that their wages should be increased to be commensurate with the responsibility and care that they devote to the needy and orphan pets in our community. Increased funding to our existing shelter should be a top priority.

Thank you for your time. I am proud to support the Santa Cruz SPCA and implore you to continue the county contract.

Sincerely,

Tom & Cherie Metz

107 Hidden Dr.

Scotts Valley, CA

#440-1222 95066

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