



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

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

June 7, 2002

Agenda: June 11, 2002

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

ANIMAL CONTROL SERVICES

Dear Members of the Board:

On May 21st, your Board considered a status report on the provision of animal control and care services, and took a number of actions, including:

- agreed in concept to form a Joint Powers Authority to provide animal control services, and animal shelter services if necessary, and directed our office to work with the remaining Public Partners to gain their participation in a joint endeavor;
- directed our office to continue negotiations with the Santa Cruz SPCA on the provision of shelter services, including requesting that the SPCA provide an extension of the terms and budget of the current agreement for a period of up to 90 additional days;
- requested that our office develop written information on a number of topics, including a comparison of staffing provided by the various proposals, a cost differential between an average holding period of 5 days versus an average holding period of 15 days, a spay and neuter program at cost, how much is saved every day the shelter is closed to the public, how much savings would be generated by using an appointment system for adoptions and a streamlined approach, a proposal for using one of the public entities for bookkeeping; and the amount the SPCA spent on medical care outside of the funds provided by the current agreement's budget; and
- directed that our office provide your Board with any proposals from the public entities at the same time they would be presented to the SPCA.

This status report provides an update on the audit which is currently underway by the Auditor Controller, an update on the formation of a Joint Powers Authority, and a proposed Agreement for your approval, an update on the status of negotiations between the Public Partners and the SPCA for shelter and animal care services, and responds to the various questions raised by your Board.

Status of Audit

As you will recall, on April 23, 2002 the Board received a preliminary report from the Auditor Controller regarding the operation of the contract for animal control services between the Public Partners and the Santa Cruz SPCA. That report identified a number of material weaknesses in the systems and procedures at the SPCA and concluded that costs totaling \$377,448 plus interest were questioned or disallowed. The report recommended and the Board directed that a more complete review of the contract be undertaken by the Auditor Controller, with a report due back at or before Budget Hearings.

Our office has contacted the Auditor Controller's office. They are endeavoring to complete their report for presentation to the Board at the June 18th Board of Supervisors meeting, in order to provide the information in advance of the scheduled Budget Hearing for Animal Control Services which occurs on June 20, 2002.

Joint Powers Authority

Staff representing the cities of Scotts Valley, Capitola, and Santa Cruz and the SPCA agree that it is desirable to share animal control expertise and to optimize expenditures through the creation of a single public entity. By reducing costs and pooling resources, the JPA is expected to provide a substantial benefit to the citizens and taxpayers of the member Agencies. Through a collaborative effort, an Agreement to create a public entity, to be known as the Santa Cruz County Animal Services Authority, has been developed. City managers will be recommending that City Councils approve the Agreement on June 19th (Scotts Valley), June 25th (Santa Cruz), and June 27th (Capitola). It is recommended that your Board approve the County's participation in the JPA, and forward the Agreement to the Cities for action by their respective Councils.

The proposed Agreement is provided as Exhibit A.

Status of Negotiations for Animal Shelter and Care Services

SPCA Proposals

As your Board will recall, the current SPCA agreement totals \$1,517,725 . The SPCA submitted a proposal on March 29th for a combined shelter and field operation totaling \$2,366,504. As a result of several meetings, there was agreement for the Public Partners to assume animal patrol/field and licensing operations as of July 1, 2002, and for the SPCA to develop a proposal for animal sheltering and care. On May 13th , the SPCA submitted a revised proposal for a flat fee contract for a minimum of \$1,620,000 plus additional costs for certain services, and the redirection of revenues from the public agencies to the SPCA. Including forgone revenues, the costs to the public agencies would exceed \$1.7 million annually.

Over a series of meetings, our office has continued to request that the SPCA return with a budget for sheltering and care services that accommodates the County's overall reduction

target of 12%, which was estimated by the Public Partners would result in a proposal in the approximate range of \$750,000. There was a clear understanding that a budget in that range would require a reduction in service levels, but that its presentation would facilitate a better understanding of what could be done at that level of commitment of public funds. The SPCA disagrees that a 12% reduction in the costs of care would yield a program at the \$750,000 level. Rather, they conclude that the amount would be approximately \$990,000¹. The difference stems from how costs for client services and administration are allocated between the shelter and field functions.

The County has assessed approximately 50% of the costs of administration and client services to each of the two functions. Although thought to be an agreeable approach to the SPCA in early meetings, they are now of the opinion that 100% of those costs should be attributed to the animal care function.

On May 23rd, the SPCA submitted a modified proposal to reduce the cost for the animal care services function to \$1,459,042. On May 29th, the SPCA agreed to reduce the percentage of time charged to the public agencies for the Executive Director from 60% to 50%, and the percentage for the accounting staff from 80% to 70%, to reflect the transfer of all field and licensing operations to the Public Partners. They also made other adjustments to their prior proposal to yield a cost of \$1,418,478 for shelter and care services. The SPCA estimated that they could further reduce costs by approximately \$70,000 by closing to the public an additional day (making the shelter open 5 days per week). In this proposal, the SPCA is recommending to retain some of the fees currently paid to the public entities. A copy of this proposal is provided as Exhibit B.

The staff believes these costs are well beyond the capacity of the public agencies.

Possible JPA Assumption of Animal Care Services

In the interest of advancing discussions, the Public Partners presented the SPCA Board of Directors a preliminary proposal to accommodate our statutory animal control obligations by July 1st, by assuming responsibility for all services, including sheltering and care. Your Board was provided a copy of the proposal at the same time it was presented to the SPCA. That proposal is provided as Exhibit C. The proposal included:

- a proposed organizational chart and budget for shelter services
- a proposed organizational chart and budget for patrol, field and license services
- a combined organizational chart and budget for shelter and field services, assuming operation through a Joint Powers Authority. The preliminary budget for combined services was estimated at approximately \$1.6 million, with approximately half associated with the sheltering function, and half for patrol, field and licensing services. Increased

¹May 30, 2002 Press Release, Santa Cruz SPCA

costs would be offset by anticipated additional revenues.

In summary, the Public Partners sheltering proposal would:

- e lease facilities from the Santa Cruz SPCA in order to provide for the impoundment and redemption of animals
- e undertake a facilities needs assessment to determine the best location for shelter services on a long term basis
- perform all duties of poundmaster, and provide for the quarantine of biting animals, and working with the County Health Officer, address all legal requirements as set forth by health and safety codes
- e provide for public access to the shelter a minimum of four days per week, including weekend and evening hours;
- e receive animals on an emergency basis at all times
- e hold animals for an approximate 15 day period
- e arrange access to veterinary services for spay and neuter services and to provide medical care
- e provide adoption services
- e work with the SPCA to transfer adoptable animals after the 15 day period, or earlier if requested by the SPCA
- cooperate with the SPCA on humane education, and
- develop cooperative agreements with the SPCA for the use of any shared facilities

The proposal attempted to mirror a successful approach in San Francisco whereby the Society for the Prevention of Cruelty to Animals and the San Francisco Department of Animal Care and Control share a common purpose in saving animals' lives, preventing animal suffering, and eliminating animal abandonment. In an effort to achieve this common purpose the two organizations have entered into an agreement that essentially guarantees that the public agency will not euthanize any adoptable cat or dog, and that if it is not able to place an adoptable cat or dog through its own adoption programs, it will offer the animal to the SPCA. In turn, the SPCA guarantees that it will take any adoptable cat or dog offered to it by the public agency, and will hold the animal until it arranges for an adoption into a suitable home.

The Public Partners requested the SPCA's Board's input and feedback, and public agency representatives attended an SPCA Board of Director's meeting on May 28th, which included attendance by staff leads for Veterinary services, client services, and volunteer services, to provide further information on the proposal, to answer questions, and to seek feedback.

Response from the SPCA

On June 5th, the SPCA provided your Board and the Public Partners with a review of public's proposal suggesting that the SPCA would need much more detail in order to entertain the sheltering proposal further. Concerns regarding co-location of our operations were noted. The SPCA offered an extension of sheltering services for up to two months at a monthly rate of

\$135,000 (reflecting the SPCA's earlier proposal of \$1,620,000 for a twelve month period) in order to "provide for an orderly negotiation of terms and conditions, and for an orderly change to County participation in the animal control function, as well as the sheltering function, if that is the decision the public entities make." The SPCA characterized their proposal for shelter as final at approximately \$1.3 million. A copy of that correspondence is provided as Exhibit D.

As of our June 6th meeting, we had two approaches under discussion:

- SPCA option: Allocate additional funds for the provision of animal care and field services to a total of approximately \$2 million, a 32% increase, to provide a JPA field service operation and an SPCA animal care operation
- Public Partners Option: Allocate the same funding level as provided for in the current year, approximately \$1.5 million, for a JPA animal care and field operation to commence on approximately July 1 or September 1, 2002 ,with or without co-located operations.

At that meeting, the SPCA and the Public Partners agreed that the San Francisco model was a goal worthy of achieving. However, the staff of the Public Partners confirmed that they could not recommend the SPCA's \$1.3 million proposal for shelter services, or the \$135,000 rate per month to their governing bodies, due to financial constraints. We therefore do not have an agreed upon approach on how to achieve the San Francisco model.

The SPCA and Partners did agree to arrange for discussions at the staff level between a representative from the Public Partners and SPCA staff to further discuss the Public Partners' proposal to provide sheltering services. And for its part, the Public Partners assured the SPCA that the current standard of an average 15 day holding period for adoptable animals would not change. Staff was also directed to prepare a lease agreement for consideration by the SPCA at our next meeting.

Additional Questions Raised by the Board

Comparison of staffing provided by the various proposals

A chart summarizing staffing for the latest proposals is provided as Exhibit E.

The cost differential between an average holding period of 5 days versus an average holding period of 15 days,

The latest proposals by both the SPCA and the public agencies provide for a 15 day average hold period. The SPCA informs us that the cost for shelter services average \$19 per day per animal.

Spay and neuter program costs

The latest proposals by the SPCA and the public agencies propose to operate spay and neuter activities at no cost by charging fees that properly recover actual costs. The SPCA estimate is that the average spay and neuter cost will be \$50.

How much is saved every day the shelter is closed to the public

The SPCA estimates a savings of approximately \$70,000 for each day the shelter is closed to the public.

How much savings would be generated by using an appointment system for adoptions and a streamlined approach

This amount is difficult to calculate. It would depend on the structure of the systems created. It is expected that these amounts could be considerable. We are working with the SPCA and the Auditor Controller to attempt to develop a more precise estimate for your Board by Tuesday.

Proposal for using one of the public entities for bookkeeping

This issue continues to be pending. The SPCA has not agreed to our request to process all financial transactions associated with any of the proposed contracts through a public agency. This continues to be a requirement by the public agency partners and a recommendation of the Auditor Controller.

The amount the SPCA spent on medical care outside of the funds provided by the current agreement's budget

Information on these matters will be included in the detailed contract audit by the Auditor Controller.

Conclusion

There is consensus by staff of the Public Partners to bring the attached JPA Agreement to their governing bodies for approval before the end of June. Counsel has advised that once two of the member jurisdictions become party to the Agreement, the JPA's Board of Directors can convene to adopt a budget, and take steps to provide for the implementation of the approved program.

With regard to shelter services, staff recommends we work with the SPCA to transition to the San Francisco model for the delivery of animal care services. In this model, both the SPCA and

the public Authority would work together towards ending the euthanasia of adoptable and treatable cats and dogs. In San Francisco, the two organizations have executed an agreement whereby the public agency guarantees that it will not euthanize any adoptable cat or dog, and that if it cannot place that animal through its own adoption programs, it will offer the cat or dog to the SPCA. The SPCA guarantees that it will take any adoptable cat or dog offered by the public agency in order to arrange for an adoption into a suitable home.

While staff believes additional time to develop an orderly transition would be preferred, financial limitations associated with a continuing contract with the SPCA appear to preclude this approach. A short term extension to provide for a transition is recommended. We would like to work with the SPCA on an extension that could be recommended under this approach.

It is therefore recommended that your Board:

1. Accept and file this report;
2. Approve the attached Joint Powers Authority Agreement, and forward the Agreement to the Cities of Santa Cruz, Capitola and Scotts Valley for consideration by their City Councils; and
3. Direct staff to continue to work with the Santa Cruz SPCA and return during Budget Hearings with a recommended approach for the provision of uninterrupted animal control and care services.

Very truly yours,



SUSAN A. MAURIELLO
County Administrative Officer

Attachments

cc: Each City Manager
Santa Cruz SPCA
UCSC
Auditor Controller

JOINT POWERS AGREEMENT

In order to establish, operate and maintain an animal control and care authority for the Cities of Capitola, Santa Cruz and Scotts Valley, and the County of Santa Cruz the Parties agree to the following:

This Agreement, effective June 11, 2002, by and among the Cities of Capitola, Santa Cruz and Scotts Valley, (hereinafter referred to as "Parties") is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code relating to joint exercise of powers, for the purpose of creating a Santa Cruz County Animal Services Authority, an entity that is separate from each of the Parties hereto.

RECITALS:

The following Recitals are a substantive portion of this Agreement:

WHEREAS, the Parties are each empowered by laws to acquire sites, lease, construct, equip, staff, maintain, operate and lease public buildings and related facilities for the purposes of animal control and care services; and

WHEREAS, the Parties possess the power to provide for animal control and care services including all necessary animal field services, dead animal services and animal shelter services within their respective Jurisdictional Area; and

WHEREAS, the Parties desire to acquire, equip, staff and operate a consolidated county-wide animal control and care services facility (hereinafter referred to as "Facility"), and to provide a vehicle(s) for the accomplishment thereof; and

WHEREAS, this Agreement is an appropriate means through which the Member Agencies may provide the animal control and care services because the Jurisdictional Areas of the Member Agencies are in close proximity to one another and are susceptible of being served by the animal control and care services and related Joint Facilities under common administration and management and with the same equipment, resources and personnel; and

WHEREAS, the Member Agencies desire to share their animal control expertise and to optimize their expenditures in connection with the provision of the animal control and care services and related Joint Facilities; and

WHEREAS, the separate provision, management and administration of the animal control and care services and related Joint Facilities in each Jurisdictional Area by each of the respective member Agencies and using separate facilities, resources and personnel may result in duplication of effort, inefficiencies in administration and excessive costs, all of which, in the judgment of the Member Agencies, can be eliminated or substantially reduced, all to the substantial advantage and benefit of the citizens and taxpayers of all of the member Agencies, if the provision of the animal control and care services and the administration and management of the related Joint Facilities employing common equipment, resources and personnel, were to be performed by and through a single public entity and the creation of such a single public entity is the purpose of this Agreement; and

WHEREAS, the Parties desire to accomplish the aforesaid purpose of jointly exercising their common powers in the manner set forth in this agreement.

NOW, THEREFORE, the Parties, for and in consideration of the facts stated above, the mutual benefits to be derived, and the mutual covenants contained herein, it is agreed by and among the Member Agencies hereto as follows:

Section 1. Purpose. The purpose of this Agreement is to create the Authority to provide for the joint exercise of powers by the Member Agencies to own, manage, operate and maintain the Joint Facilities and to implement the financing, leasing, acquisition and/or construction of and any additional facilities and property later acquired, owned, leased or managed by the Authority and included in the Joint Facilities and thereafter to manage, operate the Joint Facilities, as so added to and improved, all to the end that the residents of the Area are provided with a humane, efficient and economical provision of the Animal Control and Care Services and related services consistent with the purposes of this Agreement.

This Agreement is made pursuant to California Government Code sections 6500, et seq., hereinafter referred to as the "Act", relative to the joint exercised of powers common to the Agreement's Parties.

Section 2. Creation of Authority. Pursuant to Section 6506 of the Act, there is hereby created a public entity, separate and apart from the Agreement's Parties, to be known as "Santa Cruz County Animal Services Authority", hereinafter referred to as the "Authority". The Authority which shall administer this Agreement is a public entity separate and apart from the member Agencies and each of them. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities and/or obligations of any of the Parties.

Section 3. Governance.

A. Board of Directors

The Authority shall be governed by a Board of Directors. Each entity which is a Party to this Agreement shall have one seat on the Board. Such seat shall be filled by the County Administrative Officer or the City Manager respectively, or their alternate. Such Board member shall cease to be a Director if she/he ceases to be an employee of the governing body of the participating entity, or if the entity ceases to be party to this agreement. Each Director shall notify the Secretary of the Board of their respective alternates. The Secretary shall notify each entity of the designation of the other Parties' representatives.

1. Officers of the Board of Directors

(a) Designation of Officers

The office of Chair, Vice and Secretary shall be rotated on an annual basis, at the first meeting of each fiscal year based on the following rotation which shall continue through the term of this Agreement.

(b) Duty of Officers

(1) Chair and Vice Chair

The Chair, or in his/her absence the Vice Chair, shall preside at and conduct all Board meetings. In the absence or inability of the Chair to act, the Vice Chair shall act as the Chair. The Board Chair, in consultation with the Controller and with the support staff, will develop meeting agendas.

(2) Secretary

The Secretary will give notice of regular meetings to the Board at least fifteen (15) working days in advance of the scheduled date, soliciting any agenda items. The Secretary will deliver the agenda and supporting documentation to each Board member and the public at least five (5) working days prior to the scheduled meeting.

(c) Controller of the Authority

The Board of Directors shall appoint the Controller of the Authority. The Controller shall attend the meetings of the Board of Directors and advise them in connection with any accounting, budgetary, monetary or other financial matters relating to the Authority. The duties and responsibilities of the Controller include, but are not limited to, those set forth in California Government Code sections 6505, 6505.5 and 6509.5 and shall include the following:

- (1)** establish with Board approval the annual budget format, accounts and documentation pertaining thereto which most nearly reflect the objectives of the Authority and the operation of the facility;
- (2)** establish and maintain the particular funds and accounts as required by generally accepted accounting practices and which most accurately and appropriately record and report the operations of the Authority as represented by the annual budget document;
- (3)** enforce strict compliance with the approved annual budget and approve only expenditures authorized therein;
- (4)** ensure that all available cash on hand is at all times fully invested in a cash management program and investment portfolio pertaining thereto; she/he will further ensure that sufficient liquidity is maintained to meet the Authority's cash disbursement needs;
- (5)** furnish monthly revenue, expenditure and funds status reports to the Animal Control and Care Services Authority General Manager and Board of Directors;
- (6)** maintain an inventory of all property of the Authority, and may designate the Board Chair to be custodian of the property;

(7) make all books and records of the Authority in his/her hands open to inspection at all reasonable times by Board members or their representatives.

(d) Attorney for the Authority

The Board of Directors shall appoint the Attorney for the Authority. The Attorney shall attend meetings of the Board of Directors as required to advise in connection with any legal matters relating to the Authority. Additional counsel may be solicited in the event of a conflict of interest involving the Attorney, or as needed.

(e) Authority General Manager

The Board of Directors shall appoint the General Manager for the Authority. The General Manager shall attend all meetings of the Board of Directors to advise in connection with any operational and personnel matters relating to the Authority. Among other things, the General manager shall be responsible for obtaining and maintaining liability and casualty insurance for the Authority and the Authority's property.

C. Meetings of the Board of Directors

1. Regular Meetings of the Board of Directors

The Board shall conduct regular meetings, holding at least one regular meeting each quarter. The first meeting of the fiscal year shall be the annual meeting. On or before the first meeting, the Board shall consider and adopt the annual budget for the Authority for the ensuing fiscal year. The Board shall provide for additional meetings as may be needed depending upon the pressure of business or as may reasonably be requested by any Board member. The date and hour of any regular meeting shall be scheduled by order of the Board of Directors. The location for the conduct of meetings shall generally be the Authority's facility. Changes in the location may be made from time to time by providing written notice to each Board member and the public; however on-going changes in the location must be made by resolution of the Board.

2. Ralph M. Brown Act

The Board of Directors shall adopt rules for conducting their meetings and other business. All meetings of the Board, including without limitation regular, adjourned regular and special meetings, shall be called, noticed and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).

3. Minutes

The Secretary of the Board shall keep minutes of regular, adjourned regular and special meetings. As soon as possible after each meeting, a copy of the minutes shall be provided to each of the Parties.

4. Quorum

A majority of the Board constitutes a quorum for the transaction of business, except that a lesser number may adjourn for lack of a quorum.

5. Animal Services to Other Agencies

The Authority may provide animal services to public agencies not a party to this Agreement, but only upon unanimous approval of the Board of Directors. Such service shall be by contract, executed by the Chair of the Board of Directors. The Board shall establish the amount of charge for the service, which shall be billed and paid quarterly. Charges will be set with the intent of recovering all operational, capital and maintenance costs expended by the Authority in providing the animal services to a particular agency, both annually and for prorated periods thereof.

Section 4. Powers and Duties

A. Authority

The Authority shall have the powers common to the Powers as set forth in recitals of this agreement, including and in addition: the power to lease, acquire existing sites and construct new sites, eminent domain, enter into contracts, equip, staff, maintain, operate buildings and related facilities, for the purpose of providing for animal control and care services in Santa Cruz County.

The Authority is authorized in its own name to perform all acts necessary for the exercise of common powers, including, but not limited to, any or all of the following:

1. to make and enter into contracts;
2. to employ agents and employees;
3. to lease, acquire, construct, manage, maintain and operate any buildings, works or improvements;
4. to lease, acquire, or dispose of property;
5. to incur debts, liabilities or obligations;
6. to receive gifts, contributions and donation of property and funds, services and other forms of financial assistance, from persons, firms and corporations and any governmental entity;
7. to rent or lease communications services to the-public agencies;
8. to acquire real property, buildings, and improvements for public use by eminent domain;
9. to sue and be sued in its own name.

Such powers shall be exercised in the manner provided in the Act except as expressly set forth in this Agreement, subject only to such restrictions as are imposed upon the Parties and the exercise of similar powers.

The Authority shall exercise its powers as needed to implement the purpose of this agreement. Pursuant to Section 6504 to the Act, the Authority is empowered and by this agreement required to assess the Parties to finance the entire operation of the Authority in the manner set forth in this Agreement.

B. Board of Directors

The Board of Directors, as the governing and administrative body of the Authority, shall formulate and set policy, and shall exercise the powers set forth in Section 4 of this agreement to accomplish its purpose. The Board is responsible for development of an animal services facility, and for the leasing of a facility and/or acquisition of equipment, personnel staffing and full time maintenance and operations of a facility. The Board will select the Authority General Manager, Controller, and Attorney.

Section 5. Facility The Authority is empowered to purchase, lease or otherwise obtain the use of an existing facility or build a new facility for the purposes of locating and establishing the animal services operation. The services facility may include at least the following: (1) customer service area; (2) supervisors and management administrative offices, including General Manager, clerical, computer resource and reception office space; (3) radio equipment; (4) storage for inventory and supplies and records; and (5) containment facilities and exercise areas for animals.

The Authority will determine what animal control and care equipment is necessary to operate the facility. The Board of Directors will determine what locally owned equipment will be provided to the Authority. Any Board member, whose equipment is used by the Authority, will be given a credit to the assessment against the Board member's share of the gross equipment costs.

Section 6. Fiscal Year and Annual Budget/Financing

A. Fiscal Year

The Authority's fiscal year shall be the twelve month period commencing each July 1, except if the effective date of this Agreement is other than July 1, the first fiscal year shall be the short year commencing the effective date and ending the following June 30.

B. Annual Budget

1. The Authority shall operate only under an approved fiscal year budget. The Authority may not operate at a deficit. The Parties shall pay for the entire operation of the Authority.
2. For Fiscal Year 2002-03 the assessment shall be as follows:

County	\$1,067,981
Santa Cruz	\$ 356,335
Scotts Valley	\$ 60,973
Capitola	\$ 28,436
UCSC	\$ 4,000

- 3. For Fiscal Year 2003-04 and thereafter, the Authority's Board of Directors shall use a formula for distributing costs for Animal Services which shall consider actual population and workload statistics, including the number of animal received at the shelter for the shelter portion of each year's budget, and the number of field contacts made for the patrol portion of each year's budget, with the exception of Capitola, whose costs for licensing services shall be calculated on population alone, and the University of California, Santa Cruz, whose contribution shall be set at \$4,000 for 2002-03, and whose share shall be adjusted after consideration of services provided during Fiscal Year 2001-02. A formula to equitably distribute costs shall be developed by the Board of Directors on or before February 1, 2003 and shall required the unanimous approval of the Board of Directors. Once developed, the formula shall be reviewed every three (3) years. Modification shall require the unanimous approval of the Board of Directors.

Revenue shall accrue to the Authority from: fines and impound fees, spay and neuter fees, adoption fees, boarding fees, and other fees taken in for operations, and shall be credited to the Parties share based on the proportionate share of the total costs, with the exception of license fees, which shall accrue to each of the participants based on the residence of the licensing party.

- 4. Each annual operating budget shall include a reserve contingency equal to at least four (4) percent of otherwise budgeted and approved expenditures. Money may be expended from this reserve only with the expressed approval of the Board of Directors. The reserve shall lapse at the end of each fiscal year, with all excess funds reverting back to the Parties in proportion to their assigned contributions.
- 5. All other budget matters shall be decided by a vote of a simple majority of the Board of Directors.

C. Budget Elements

The Board of Directors, in adopting an annual budget, thereby fixes the assessment against the Parties which is binding thereon. The budget policy shall include, but is not limited to, the following components:

- 1. Operation and Maintenance Expenses

The costs of operating and maintaining a facility for animal control and care services shall include, but is not limited to, personnel salaries and benefits, office and computer supplies and other consumables, payments to lease a facility, and replacement necessary to repair facility equipment due to normal wear and tear from ordinary usage.

- 2. Capital Expenditures

Capital expenditures shall include the costs of original lease or purchase of animal control and care facilities, of animal containment equipment, computer

equipment, hardware, software and other fixed asset type items typically having a useful life of more than one (1) year, including equipment improvements and additions, as opposed to replacement parts for ordinary maintenance during the useful life of the capital items. All costs associated with such purchase, such as installation, shall be capitalized. Replacement of equipment at the end of its useful life shall be a capital item.

Capital expenditures shall be shared by the Parties in conformance with the cost formula as established under Section B. 3. of this Agreement, except capital expenditures which are incurred for and are unique to a minority of the Parties, in which case such minority share the expense equally.

D. Assessments

Upon adoption of the fiscal year budget by the Board of Directors, and the forwarding thereof to the governing bodies of the Parties by the Board Secretary, unless, otherwise specified by order of the Board of Directors, the assessments fixed therein are automatically due and payable without further notice as follows:

July 1:	40 % of total assessment
October 15:	30 % of total assessment
January 15:	20 % of total assessment
April 15:	10 % of total assessment

The Board of Directors may set a different payment schedule to accommodate the capital items, if sufficient monies would not otherwise be on hand for such purchases.

If an assessment is not paid in full within seventy five (75) calendar days following any scheduled due date, the Party shall be in default and subject to termination in accordance with Section 9 of this Agreement.

E. Budget Authority for General Manager

The General Manager for the Authority has the authority to fully implement the approved budget. However, the General Manager may not exceed the personnel staffing authorized in the budget, either in number, position classification or salary. In addition, the General Manager may not alter the capital budget, utilize the reserve contingency or increase the total amount of the approved expenditure budget without the prior approval of the Board of Directors.

The General Manager may recommend expenditures for approval separate from the budget process, in which case the approval of the Board of Directors is required prior to any actual expenditure. The General Manager may also seek authorization from the Board of Directors for budgetary transfers or adjustments as necessary.

Section 7. Personnel

A. General Manager

The General Manager is authorized to act on the behalf of the Board of Directors in

all matters of personnel administration, given the positions and funding authorized by the Board of Directors in the Authority's annual budget. This includes, but is not limited to, hiring, supervisory direction, performance evaluations, disciplinary actions and terminations.

B. Supervisory and Operations Positions

The Authority may employ supervisory and operations staff as deemed necessary. All positions must be Board authorized and funded in the Authority's annual budget.

The Authority may utilize the service of a personnel director of any of the Parties to create any needed class specifications or address other personnel matters.

The General Manager shall first offer the opportunity of employment to qualified incumbents employed by the Santa Cruz SPCA as of the effective date of this Agreement. In order to be offered employment by the Authority, the qualified incumbent must successfully complete all applicable personnel requirements that are specified by the Authority, including but not limited to passing a standard physical examination, and in the case of Public Officers, passing a background check. Incumbents would become provisional employees of one of the member Public Agencies until such time as the Authority is able to hire its own employees, and shall be subject to the personnel policies and procedures of the Authority, including, but not limited to the rules regarding probation.

Section 8. Term of Agreement This Agreement shall become effective as of the date hereof and shall be binding upon all Parties hereto and shall thereafter continue in full force and effect until such time as the Parties agree to modify or terminate the Agreement, in the manner set forth in Section 9.

Section 9. Termination, Withdrawal

A. Termination

Each Party shall remain a Party to this Agreement and share in the costs of start up and operation of the facility, until the Board of Directors, with the concurrence of each participants' governing body, dissolves the Authority. If, in the interim, a Party defaults on payment of any assessment as defined in Section 6 or otherwise breaches this agreement, such Party may be automatically terminated as a Party to this Agreement. The terminated Board member remains liable for the defaulted payment and late charges for the balance of the year's assessment, and for assessments for years remaining in the term of agreed participation. Such subsequent assessments will be determined as if the terminated Party were still a Party to the agreement; the assessment will be due and payable in full on the first day of the fiscal year for which it is levied.

B. Withdrawal

A Board member may withdraw as a Party to this agreement without penalty commencing on the first month of the fifth fiscal year following the date of this Agreement/or on any last day of the fiscal year thereafter, with one hundred fifty (150) work days prior notice to the Authority. Such withdrawing Party shall perform all

obligations under this agreement until the noticed date of withdrawal.

C. Legal Redress

The Authority retains the right to seek legal redress, if necessary, to obtain payment on amounts due. A terminated Board member which withdraws forfeits any claim to any assets of the Authority.

Section 10. Dissolution After the close of the fifth fiscal year following the date of this Agreement, the Agreement shall terminate and the Authority thereby dissolve only if the Parties unanimously agree to terminate the Agreement. Dissolution shall only be effective upon the last day of the fiscal year, but shall in no event be effective until the requirements of Section 11 are met.

Section 11. Disposition of Assets

A. Process

This Agreement may not be terminated or disposition of assets made to the Parties to the Agreement until the Authority reasonably exhausts all means of collecting any monies due the Authority, and identifies and satisfies all obligations and liabilities of the Authority. The Board of Directors must formally accept a final accounting prepared by the Controller before any final disposition of net assets may be made and termination of the Agreement consummated.

B. Asset Ownership

If the cause for termination was reduction of the number of Parties to the agreement to less than three (3), or by mutual agreement, the total dollar amount of the net assets shall be apportioned among such Parties according to the relative assessments paid by those Parties during the previous five (5) year term of the Agreement.

C. Debt Obligation

If the Authority issues debt, each Party at the time of the issuance is responsible for their share of the annual debt service payment regardless whether they have withdrawn as a member Party.

Section 12. Amendment to Agreement The Agreement may be amended only by a unanimous vote of the Parties of the Agreement. Any proposed amendment shall be formally directed to the Board of Directors. The Board of Directors shall then review the proposed amendment and forward the proposed amendment with its own recommendation to the governing body of each party to the agreement. The proposal shall be accompanied by a copy of the proposed amendments to the agreement, which shall be adopted, properly executed and returned to the Board of Directors if the Party concurs with the amendment. The Secretary shall notify each Party of the resultant action.

Section 13. Additional Parties to Agreement

Parties, as defined in the Act, which are not Parties in this Agreement, may become

Parties hereto only by amendment to this agreement as defined in Section 12 and subject to the following terms and conditions:

- A. The existing Board of Directors shall determine a buy-in fee for long term fixed asset (capital expenditures) and associated debt owned by the Authority at the time of the time of the buy-in.
- B. The effective date of the amendment to this Agreement and inclusion as an additional Party shall only occur on the first day of the fiscal year. Such public agencies which become Parties hereto shall be entitled to all rights and obligations of the Authority and shall become Board members as defined in this agreement.

Section 14. Severability Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstances, be in conflict with any State or Federal law, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to continue to constitute the Agreement that the Parties intended to enter into in the first instance.

Section 15. Successors This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

Section 16. Notice of Creation A notice of the creation of the Authority by this Agreement shall be filed by the Authority with the Secretary of State, pursuant to Section 6503.5 of the Act.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their proper officers there unto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF SANTA CRUZ

CITY OF CAPITOLA

By: _____
City Manager

By _____
City Manager

CITY OF SCOTTS VALLEY

COUNTY OF SANTACRUZ

By _____
City Manager

By _____
County Administrative Officer

Approved as to form:

By: _____
Santa Cruz City Attorney

Approved as to form:

By: _____
Scotts Valley City Attorney

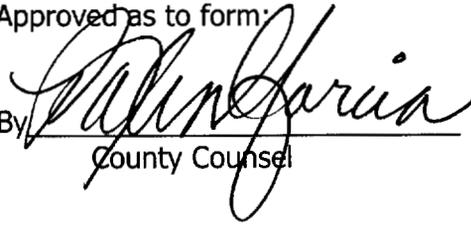
Insurances reviewed/approved

By _____
County Risk Manager

Approved as to form:

By _____
Capitola City Attorney

Approved as to form:

By  _____
County Counsel

SANTA CRUZ SPCA
BUDGETS FOR FISCAL YEAR 02-03
COUNTY WORKSHEET - 6th Revision

prepared by: M.Graham
Date Prepared: 5/29/02

Submitted to County: May 29, 2002

FY03: A HISTORY OF BUDGET PROPOSALS

2003 budget

First Proposal	2,366,504	
Remove Field & Licensing Expenses	(668,854)	
Subtract SN, Income	(77,650)	
Written Proposal	1,620,000	
Reduce Wage Increases (w/Taxes)	(53,678)	
Reduce Capital Requests	(22,500)	
Reduce Vet Services	(55,000)	
Miscellaneous Changes	(29,780)	
2nd Proposal on 5/23/02	1,459,042	
Reduce ED & Accounting & F/O	(39,751)	Take ED to 50% and Accounting Staff to 70%. take F/O down .5 FTE
Miscellaneous Changes	(814)	
<u>Latest Proposal on 5/28/02</u>	<u>1,418,478</u>	

Note: We have not yet incorporated the \$69K we can reduce if we close the shelter an additional day (making us open 5 days)

**SANTA CRUZ SPCA
BUDGETS FOR FISCAL YEAR 02-03
COUNTY WORKSHEET - 6th Revision**

Prepared by: M.Graham
Date Prepared: 5/28/02

Submitted to County: May 29, 2002

BUDGET REQUEST

	2003 budget	2002 Contract w/o Field & Licensing Note 1	Variance	% Change
Capital Expenditures	\$ 40,500	\$ -	\$ (40,500)	100.0%
Net Contract Operations	\$ 1,377,978	1,108,811	\$ (269,167)	(24.3%)
Total Contract	\$ 1,418,478	\$ 1,108,811	\$ (309,667)	(27.9%)
Prior Request (written prop.)	\$ 1,620,000	\$ 1,108,811	\$ (511,189)	(46.1%)
2nd Request(5/23/02)	\$ 1,459,042	\$ 1,108,811	\$ (350,231)	(31.6%)

Change in Proposal Amt: \$ 201,522 (or a 12.5% reduction)

NOTE: If we were to close 1 additional day, the new budget would be \$1,352,933 (or a reduction of 16.5% to the prior written request of \$1.6M)

FTE REQUEST

	2003 budget	2002 Contract w/o Field & Licensing	Variance	% Change
Admin	6.30	3.85	(2.45)	(64%) Note 2
Client Services	6.00	7.50	1.50	20%
Vet Services	3.00	2.00	(1.00)	(50%) Note 3
Animal Care	8.00	8.00	-	0%
Total Contract	23.30	21.35	(1.95)	(9%)

Note 1: To arrive at the net county contract for FY02, we excluded costs associated with Field and Licensing departments.

Total Contract	\$ 1,517,725
Field portion	380,876 (includes \$25K for Capital purchases)
Licensing portion	28,038
Net Remaining Contract	\$ 1,108,811

Note 2: Increase due to 1.4 FTE in Accounting (erroneously omitted in 2002 contract), addition of computer specialist (.8) to offset consulting expenses incurred in prior years, and addition of maintenance assistant (.8) as the majority of repair work must be completed by two people. Additions offset by reduction of Maintenance Supervisor and Admin Assistant of .45 FTE.

Note 3: Increase of 1 FTE to correspond with actual needs encountered during past years (Hayden/Vincent). Increase offset by a 1.5 reduction in Client Services due to certain functions moving to the Entities at 7/1/02.

SA NTA CRUZ SPCA
 BUDGETS FOR FISCAL YEAR 02-03
 COUNTY WORKSHEET - 6th Revision

DATE PREPARED: 23-May-02
 PREPARED BY: M.Gretem

DEPT #: 100-199
 DEPT NAME: Total Contract

Acct	Description	Proposed Budget FY02-03	FY02 Net Contract w/o Field&Licensing	Variance B/(W)	Variance % B/(W)	Reason for
4301-4006	Contract Income	1,418,478	1,106,811	\$ 309,667	20.9%	O.
4061	Program Income	-	-	-	-	-
4080	Rental Income	-	-	-	0.0%	-
4095	Unused S/N Certificates	-	-	-	0.0%	OW
4120	Direct Mail Donations	-	-	-	0.0%	-
4121	Donations - General	-	-	-	0.0%	-
4124	Vehicle Donations	-	-	-	0.0%	-
4130	Magazine Donations	-	-	-	0.0%	-
4135	Memorials	-	-	-	0.0%	-
4235	Fund Administration Fees	-	-	-	0.0%	-
4550	Donated Services	-	-	-	0.0%	-
4175	Training Income	-	-	-	0.0%	-
4040	Microchip Income	-	-	-	0.0%	-
4075	Heartworm Income	-	-	-	0.0%	O - m
4095	S/N Income	58,575	-	58,575	0.0%	-
4060	Sales of Supplies	-	7,000	(7,000)	-100.0%	Income/Expense to transfer to SPCA Donations-side
4065	Trap Fee Income	-	4,500	(4,500)	-100.0%	Income to transfer to county for Impounds
4070	FELV Income	-	12,500	(12,500)	-100.0%	Income/Expense to transfer to SPCA Donations-side
4090	Public Income	-	2,000	(2,000)	-100.0%	Income/Expense to transfer to SPCA Donations-side
4220	Misc. Income	30,601	1,000	29,601	2960.1%	-
	Total Operating Income:	\$ 1,507,654	\$ 1,138,811	\$ 371,843	32.7%	
4140	Bequests	-	-	-	0.0%	-
4200	Interest Income	-	-	-	0.0%	-
4205	Portfolio Interest	-	-	-	0.0%	-
4210	Reinvested Dividends	-	-	-	0.0%	-
4215	Reinvested Gains	-	-	-	0.0%	-
4230	Gain/Loss on Sales	-	-	-	0.0%	-
	GRAND TOTAL INCOME:	\$ 1,507,654	\$ 1,138,811	\$ 371,843	32.7%	
5000	Wages	919,099	654,772	(264,327)	-40.4%	See Salary Worksheet (Addendum 'A')
5005	Overtime	16,925	-	(16,925)	0.0%	Seasonality needs to accommodate rise in animals
5010	Payroll Taxes	71,606	49,966	(21,640)	-43.3%	-
5020	Workers Comp	23,639	24,182	543	2.2%	-
5030	Health Insurance	77,404	58,800	(18,604)	-31.4%	Industry rise in costs
5040	First-Aid	1,413	1,990	578	29.0%	-
5050	Annuity	19,380	16,808	(2,572)	-15.3%	-
5060	Unemployment Tax	7,687	5,008	(2,679)	-53.5%	Based on State Unemployment Tax rate of 3.5%
5065	Temporary Expense	-	1,709	1,709	100.0%	-
5480	Employee Relations	2,508	4,072	1,565	38.4%	-
5130	Recruiting Expenses	1,250	2,206	956	43.3%	-
	Subtotal-Employee Expenses:	\$ 1,140,909	\$ 1,119,610	\$ (321,300)	-39.2%	
5070	Consulting Expense	10,900	7,426	(3,474)	-46.8%	In FY02, Vet was in consulting firm; FY03, in Wages
5080	Conf & Seminars	2,400	2,971	571	19.2%	-
5080	Education & Training	8,100	2,912	(5,188)	-178.2%	-
5100	Meals & Lodging	3,300	2,036	(1,264)	-62.1%	-
5110	Mileage Reimbursement	900	789	(111)	-14.1%	-
5115	Travel Expenses	4,650	1,170	(3,480)	-297.3%	-
5140	Uniforms	900	1,034	134	12.9%	-
5150	Traps & Cages	600	4Dz	(158)	-49.1%	-
5160	Vehicle Maintenance	2,000	2,659	659	24.8%	Savings reflects loss of Field Department
5165	Vehicle Fuel	7 w	-	(700)	0.0%	Savings reflects loss of Field Department
5175	FF&E Maintenance	25,000	26,098	1,098	4.2%	\$25K for basic repairs to kennels, bldgs, etc. Savings depend on CapEx approval of \$2K in new computers.
5185	Computer Maintenance	20,000	29,971	9,971	33.3%	Additional equipment needs for Vet Clinic & Animal Care - air purifiers, scales, etc.
5187	Equipment <\$1500	8,700	25,915	17,215	66.4%	Contract included Med Supplies; offset in Med Supply Expense line (#5230)
5195	Supplies - General	20,000	35,309	15,309	43.4%	Offset in "General Supplies" (#5190)
5200	Animal Food	14,000	12,731	(1,269)	-10.0%	Reduction due to after-hour expenses eliminated
5210	Animal Disposal	8,000	10,609	2,609	24.8%	-
5230	Medical Supplies	3.5 m	-	(35,000)	-	-
5225	Veterinary Services	4,000	10,428	6,428	61.8%	-
5250	Postage Expense	2,125	2,760	635	23.0%	-
5260	Office Supplies	3,875	7,838	3,963	50.8%	-
5270	Print & Copy	5,590	6,979	1,389	19.9%	-
5280	Subscrip & Membership	1,350	970	(380)	-39.2%	-
5300	Advertising	1,000	318	(682)	-214.5%	-
5305	Bad Check Expense	-	265	265	100.0%	-
5310	Misc Rental	-	-	-	0.0%	-
5320	Utilities	37,500	23,764	(13,736)	-57.8%	Industry rise in costs
5330	Telephone Expense	25,000	9,142	(15,858)	-173.5%	Industry rise in costs
5335	Communications - 911	-	-	-	0.0%	-
5340	Property & Liability Ins.	1,885	25,196	(1,689)	-8.6%	Industry rise in costs
5355	Unrealized losses	-	-	-	0.0%	-
5365	Miscellaneous Fees	4,618	1,506	(3,112)	-206.6%	-
5380	Legal Fees	5,000	3,183	(1,817)	-57.1%	Increased Migration
5390	Public Relations	-	-	-	0.0%	-
5410	Direct Mail Expense	-	-	-	0.0%	-
5420	Development Expense	-	-	-	0.0%	-
5422	Donated Vehicle Expense	-	-	-	0.0%	-
5430	Depreciation	37,171	31,827	(5,344)	-18.8%	Increase to correspond with \$41K in CapEx requests
5470	Property Taxes	2,700	3,183	483	15.2%	-
5490	Board Relations	-	530	530	100.0%	-
5500	Volunteer Expenses	50	1,31	1,276	96.2%	-
5520	Cash Over/Short	200	265	65	24.5%	-
5530	Volunteer Wages	-	-	-	0.0%	-
5990	Misc. Expenses	4,050	2,621	(1,429)	-44.5%	-
9500	COGS Animal Supply	-	15,702	15,702	100.0%	Income/Expense to transfer to SPCA Donations-side
9510	COGS FELV Test Kits	-	6,365	6,365	100.0%	Income/Expense to transfer to SPCA Donations-side
9520	COGS Heartworm Kits	-	-	-	0.0%	-
9530	COGS Microchip	-	-	-	0.0%	-
Not P&L	Capital Expenditures	40,500	-	(40,500)	0.0%	See Capital Expenditure Sheet (Addendum 'B')
	TOTAL EXPENSES & CAPEX:	\$ 1,507,654	\$ 1,138,811	\$ (371,843)	-32.7%	
	NET PROFIT/(LOSS):	\$ 0	\$ 0	\$ 0	0%	

SANTA CRUZ SPCA
 DETAIL OF FY02 CONTRACT WITHOUT FIELD DEPARTMENT
 WORKSHEET BASED ON FINAL CONTRACT & FINAL SCSPCA BUDGET

DATE PREPARED: 5/22/02
 PREPARED BY: M.Graham

GOAL: To provide Entities with a summary of the monetary portion of the current contract that is related to Field Services (e.g., how much of the contract monies do we spend on Field Services.)

Acct	Description	Formula Guide:				Field/Lic
		A FY02 Contract (Based on % of Bgt)	B Budget FY01-02	C Budget FY01-02	D Budget FY01-02	
4001-4006	Contract Income	\$ -	\$ 1,517,725	\$ -	\$ 1,517,725	0%
4061	Program Income					0%
4080	Rental Income					0%
4095	Unused S/N Certificates					0%
4120	Direct Mail Donations					0%
4121	Donations - General					0%
4124	Vehicle Donations					0%
4130	Magazine Donations					0%
4135	Memorials					0%
4235	Fund Administration Fees					0%
4550	Donated Services					0%
4175	Training Income					0%
4040	Microchip Income					0%
4075	Heartworm Income					0%
4055	S/N Income					0%
4060	Sales of Supplies		7,000		7,000	0%
4065	Trap Fee Income		4 . m		3,000	0%
4070	FELV Income		12 . m		13,200	0%
4090	Rabies Income		2,000		7 . m	0%
4220	Misc. Income		1,000			0%
	Total Operating Income:	\$ -	\$ 1,544,725	\$ -	\$ 1,548,425	0%
4140	Bequests					0%
42m	Interest Income					0%
4205	Portfolio Interest					0%
4210	Reinvested Dividends					0%
4215	Reinvested Gains					0%
4230	Gain/Loss on Sale					0%
	GRAND TOTAL INCOME:	\$ -	\$ 1,544,725	\$ -	\$ 1,548,425	0%
5000	Wages	16,874	928,676	18,447	1,015,232	2%
5005	Overtime			1,957	28,624	7%
5010	Payroll Taxes	1,291	70,920	1,561	79,855	2%
5020	Workers Comp	184	27,741	121	18,294	1%
5030	Health Insurance	3,455	79,785	4,938	113,992	4%
5040	First-Aid	80	2,906	50	1,825	3%
5050	Annuity	951	28,417	900	24,990	4%
5060	Unemployment Tax	200	7,311	100	3,650	3%
5065	Temporary Expense		1,709			0%
	Employee Relations	141	6,896	85	4,158	2%
5130	Recruiting Expenses		4,501		2,550	0%
	Subtotal-Employee Expenses:	\$ 23,176	\$ 1,166,862	\$ 28,157	\$ 1,293,189	2%
5070	Consulting Expense		7,426		78 OW	0%
5080	Conf & Seminars		2,971		625	0%
5090	Education & Training		7,639		1,233	0%
5100	Meals & Lodging		3,183		2,631	0%
5110	Mileage Reimbursement		1,061		479	0%
5115	Travel Expenses		1,773		1,538	0%
5140	Uniforms		2,652		2,950	0%
5150	Traps & Cages		1,167		1,740	0%
5180	Vehicle Maintenance		12 . m		6,000	0%
5165	Vehicle Fuel		10,132		10,000	0%
5175	FF&E Maintenance		26,098		21,800	0%
5185	Computer Maintenance		29,971		41,520	0%
5187	Equipment <\$1500		4 . m		4,700	0%
5195	Supplies - General	315	35,969	457	52,157	1%
52m	Animal Food		12,731		12,000	0%
5210	Animal Disposal		10,609		12,500	0%
5225	Veterinary Services		11,139		23,500	0%
5250	Postage Expense	3.8%	9,124	1,000	7,025	43%
5260	Office Supplies	270	11,352	125	5,250	2%
5270	Print & Copy	380	9,338	250	6,140	4%
5280	Subscrip & Membership		1,697		1,050	0%
5300	Advertising		318		-	0%
5305	Bad Check Expense		265		-	OX
5310	Misc Rental		5,464		5,554	0%
5320	Utilities		23,764		38,544	0%
5330	Telephone Expense		15,542		25,500	0%
5335	Communications - 911		13,222		14,000	0%
5340	Property & Liability Ins.		25.1%		31,865	0%
5355	Unrealized losses					0%
5365	Miscellaneous Fees		1,506		3,150	0%
5380	Legal Fees		3,183		7,200	0%
5390	Public Relations		530		150	0%
5410	Direct Mail Expense					0%
5420	Development Expense					0%
5422	Donated Vehicle Expense					0%
5430	Depreciation		31,827		32,788	0%
5470	Property Taxes		3,183		2,700	0%
5490	Board Relations		530		-	0%
5500	Volunteer Expenses		1,328		50	OX
5520	Cash Over/Short		265		200	OK
5530	Volunteer Wages					OK
5590	Misc. Expenses		2,945		4,550	0%
9500	COGS Animal Supply		15,702		3,500	0%
9510	COGS FELV Test Kits		6,365		13,200	0%
9520	COGS Heartworm Kits					0%
9530	COGS Microchip					0%
	Fixed Assets		25,000		39,300	0%
	TOTAL EXPENSES:	\$ 28,038	\$ 1,544,725	\$ 31,989	\$ 1,808,288	2%
	NET PROFIT/(LOSS):	\$ (28,038)	\$ -	\$ (31,989)	\$ (259,863)	12%

SANTA CRUZ SPCA
 DETAIL OF FY02 CONTRACT WITHOUT FIELD DEPARTMENT
 WORKSHEET BASED ON FINAL CONTRACT & FINAL SCSPCA BUDGET

DATE PREPARED 5/22/02
 PREPARED BY: M.Graham

GOAL: To provide Entities with a summary of the monetary portion of the current contract that is related to Field Services (e.g., how much of the contract monies do we spend on Field Services.)

Formula Guide:

Acct	Description	A	B	C	D	E
		Am't Field FY02 Contract formula (A=B*E)	County Contract Budget FY01-02	Am't Field Budget FY01-02	Proposed Budget FY01-02	% of Budget Field/Lic formula (E=C/D)
4001-4006	Contract Income	\$ -	\$ 1,517,725	\$ -	\$ 1,517,725	0%
4061	Program Income	-	-	-	-	0%
4080	Rental Income	-	-	-	-	0%
4095	Unused S/N Certificates	-	-	-	-	0%
4120	Direct Mail Donations	-	-	-	-	0%
4121	Donations - General	-	-	-	-	0%
4124	Vehicle Donations	-	-	-	-	0%
4130	Magazine Donations	-	-	-	-	0%
4125	Memorials	-	-	-	-	0%
4235	Fund Administration Fees	-	-	-	-	0%
4550	Donated Services	-	-	-	-	0%
4175	Training Income	-	-	-	-	0%
4040	Microchip Income	-	-	-	-	0%
4075	Heartworm Income	-	-	-	-	0%
4095	S/N Income	-	-	-	-	0%
4060	Sales of Supplies	-	7,000	-	7,000	0%
4085	Trap Fee Income	-	4,500	-	3,000	0%
4070	FELV Income	-	12,500	-	13,200	0%
4090	Rabies Income	-	2,000	-	7,500	0%
4220	Misc. Income	-	1,000	-	-	0%
	Total Operating Income:	\$ -	\$ 1,544,725	\$ -	\$ 1,548,425	0%
4140	Bequests	-	-	-	-	0%
4140	Interest Income	-	-	-	-	0%
4205	Portfolio Interest	-	-	-	-	0%
4210	Reinvested Dividends	-	-	-	-	0%
4215	Reinvested Gains	-	-	-	-	0%
4230	Gain/Loss on Sales	-	-	-	-	0%
	GRAND TOTAL INCOME:	\$ -	\$ 1,544,725	\$ -	\$ 1,548,425	0%
5000	Wages	257,030	928,676	280,986	1,015,232	28%
5005	Overtime	-	-	14,578	28,624	51%
5010	Payroll Taxes	19,563	70,920	22,611	79,655	28%
5020	Workers Comp	3,375	27,741	2,226	18,234	12%
5030	Health Insurance	17,434	79,785	24,908	113,992	22%
5040	First-Aid	836	2,906	525	1,825	29%
5050	Annuity	8,658	26,417	8,190	24,990	33%
5060	Unemployment Tax	2,103	7,311	1,050	3,650	29%
5065	Temporary Expense	-	1,709	-	-	0%
5480	Employee Relations	2,583	6,896	1,618	4,158	39%
5130	Recruiting Expenses	2,295	4,501	1,300	2,550	51%
	Subtotal-Employee Expenses:	\$ 314,076	\$ 1,156,862	\$ 357,991	\$ 1,293,189	28%
5070	Consulting Expense	-	1,426	-	78,000	0%
5080	Conf & Seminars	-	2,971	301	826	48%
5090	Education & Training	4,727	7,839	763	1,233	62%
5100	Meals & Lodging	1,147	3,183	948	2,631	36%
5110	Mileage Reimbursement	272	1,061	123	479	26%
5115	Travel Expenses	103	1,273	124	1,538	8%
5140	Uniforms	1,618	2,652	1,800	2,950	61%
5150	Traps & Cages	765	1,167	1,140	1,740	66%
5160	Vehicle Maintenance	12,200	12,200	8,000	8,000	100%
5165	Vehicle Fuel	10,132	10,132	10,000	10,000	100%
5175	FF&E Maintenance	-	26,098	-	21,800	0%
5185	Computer Maintenance	-	28,971	-	41,520	0%
5187	Equipment <\$1500	426	4,000	100	4,700	11%
5195	Supplies - General	345	35,969	500	52,157	1%
5200	Animal Food	-	12,731	-	12,000	0%
5210	Animal Disposal	-	10,509	-	12,500	0%
5225	Veterinary Services	711	11,139	1,500	23,500	6%
5250	Postage Expense	2,468	9,124	1,900	7,023	27%
5260	Office Supplies	3,243	11,352	1,500	5,250	29%
5270	Print & Copy	1,977	9,336	1,300	6,140	21%
5280	Subscrip & Membership	727	1,697	450	1,050	43%
5300	Advertising	-	318	-	-	E4
5305	Bad Check Expense	-	265	-	-	E4
5310	Misc Rental	5,484	5,484	5,554	5,554	100%
5320	Utilities	-	23,784	-	38,544	0%
5330	Telephone Expense	6,400	15,542	10,500	25,500	41%
5335	Communications - 911	13,222	13,222	14,000	14,000	100%
5340	Property & Liability Ins.	-	25,198	-	31,865	0%
5355	Unrealized Losses	-	-	-	-	0%
5365	Miscellaneous Fees	-	1,506	-	3,150	0%
5380	Legal Fees	-	3,183	-	7,200	0%
5390	Public Relations	530	530	150	150	100%
5410	Direct Mail Expense	-	-	-	-	0%
5420	Development Expense	-	-	-	-	0%
5422	Donated Vehicle Expense	-	-	-	-	0%
5430	Depreciation	-	31,827	-	32,786	0%
5470	Property Taxes	-	3,183	-	2,700	0%
5490	Board Relations	-	530	-	-	0%
5500	Volunteer Expenses	-	1,326	-	50	0%
5520	Cash Over/Short	-	265	-	200	0%
5530	Volunteer Wages	-	-	-	-	0%
5990	Misc. Expenses	324	2,945	500	4,550	11%
9500	COGS Animal Supply	-	15,702	-	3,500	0%
9510	COGS FELV Test Kits	-	6,365	-	13,200	0%
9520	COGS Heartworm Kits	-	-	-	-	0%
9530	COGS Microchip	-	-	-	-	0%
	Fixed Assets*	-	25,000	-	38,300	0%
	TOTAL EXPENSES:	\$ 380,876	\$ 1,544,726	\$ 417,544	\$ 1,806,268	25%
	NET PROFIT/(LOSS):	\$ (380,876)	\$ -	\$ (417,544)	\$ (258,833)	161%

*Fixed Assets are not considered part of Field Expenses as it was not an annual or recurring expense. The goal is to determine the monetary portion of the FY02 expense contract that belongs to Field/Licensing functions. Fixed asset monies are not normal approvals and are not part of the P&L for Field or Licensing.

ADDENDUM "A"

Title	FY 2001-02			FY 2002-03			Annual Based on Mid Range	Grand Total For Dept	Dept #	
	FTE	Hourly Pay Range Low	Hourly Pay Range High	FTE	Hourly Pay Range Low	Hourly Pay Range Mid				Hourly Pay Range High
1 Animal Care Technician Supervisor*	1.00	\$14.78	\$19.99	1.00	\$17.88	\$21.04	\$24.19	\$43,754.57		
2 Animal Care Technician lead	1.00	\$11.23	\$14.26	1.00	\$14.04	\$15.93	\$17.83	\$33,137.00		
3 Animal Care Technician	1.00	\$10.04	\$12.57	1.00	\$12.55	\$14.13	\$15.71	\$29,393.00		
4 Animal Care Technician	1.00	\$10.04	\$12.57	1.00	\$12.55	\$14.13	\$15.71	\$29,393.00		
5 Animal Care Technician	1.00	\$10.04	\$12.57	1.00	\$12.55	\$14.13	\$15.71	\$29,393.00		
6 Animal Care Technician	0.50	\$10.04	\$12.57	1.00	\$12.55	\$14.13	\$15.71	\$29,393.00		
7 Animal Care Technician	0.50	\$10.04	\$12.57	0.50	\$12.55	\$14.13	\$15.71	\$14,696.50		
8 Animal Care Technician	0.50	\$10.04	\$12.57	-	\$12.55	\$14.13	\$15.71	\$0.00		
9 Animal Care Helper	0.50	\$8.32	\$9.80	1.00	\$10.40	\$11.33	\$12.25	\$23,556.00		
10 Animal Care Helper	0.50	\$8.32	\$9.80	0.50	\$10.40	\$11.33	\$12.25	\$11,778.00		
11 Animal Care Helper	0.50	\$8.32	\$9.80	-	\$10.40	\$11.33	\$12.25	\$0.00	\$244,494.07	
12 Field Services Manager*	1.00	\$17.84	\$19.62	-	\$22.36	\$24.77	\$27.17	\$0.00		
13 Field Sergeant	1.00	\$15.77	\$17.59	-	\$19.00	\$21.05	\$23.10	\$0.00		
14 Field Sergeant	1.00	\$15.77	\$17.59	-	\$0.00	\$0.00	\$0.00	\$0.00		
15 Humane Officer/FTO	1.00	\$13.88	\$15.84	-	\$18.01	\$19.95	\$21.89	\$0.00		
16 Humane Officer	1.00	\$13.88	\$15.84	-	\$17.41	\$19.28	\$21.15	\$0.00		
17 Humane Officer	-	\$0.00	\$0.00	-	\$17.41	\$19.28	\$21.15	\$0.00		
18 Animal Control Officer	1.00	\$12.94	\$14.66	-	\$16.00	\$17.73	\$19.45	\$0.00		
19 Animal Control Officer	1.00	\$12.94	\$14.66	-	\$16.00	\$17.73	\$19.45	\$0.00		
20 Animal Control Officer	1.00	\$12.94	\$14.66	-	\$16.00	\$17.73	\$19.45	\$0.00		
21 Animal Control Officer	1.00	\$12.94	\$14.66	-	\$16.00	\$17.73	\$19.45	\$0.00		
22 Animal Control Officer	-	\$0.00	\$0.00	-	\$16.00	\$17.73	\$19.45	\$0.00		
23 Animal Control Officer	0.50	\$12.94	\$14.66	-	\$0.00	\$0.00	\$0.00	\$0.00		
24 Field Services Assistant	0.50	\$8.20	\$11.20	-	\$12.59	\$13.95	\$15.30	\$0.00	\$0.00	
25 Client Services Supervisor*	1.00	\$14.19	\$17.65	1.00	\$17.88	\$21.03	\$24.19	\$43,749.99		
26 Client Services Lead	1.00	\$11.35	\$13.79	1.00	\$14.19	\$15.71	\$17.24	\$32,682.00		
27 Client Services Technician	1.00	\$9.71	\$12.41	1.00	\$12.55	\$14.13	\$15.71	\$29,388.13		
28 Client Services Technician	1.00	\$9.71	\$12.41	1.00	\$12.55	\$14.13	\$15.71	\$29,388.13		
29 Client Services Technician	1.00	\$9.71	\$12.41	1.00	\$12.55	\$14.13	\$15.71	\$29,388.13		
30 Hayden Client Lead V/F	0.75	\$9.71	\$12.41	1.00	\$12.55	\$14.13	\$15.71	\$29,388.13		
31 Client Services Technician	1.00	\$9.71	\$12.41	-	\$12.55	\$14.13	\$15.71	\$0.00		
31 Hayden Intake Coordinator	0.75	\$9.71	\$12.41	-	\$12.55	\$14.13	\$15.71	\$0.00	\$193,984.52	
32 Licensing Specialist	0.75	\$8.05	\$11.70	-	\$13.65	\$15.12	\$16.59	\$0.00	\$0.00	
33 Human Resources Assist.	0.50	\$10.82	\$14.56	1.00	\$14.87	\$17.44	\$20.01	\$36,275.10		
34 Maintenance, Supervisor	1.00	\$12.65	\$16.16	0.80	\$16.45	\$18.73	\$21.01	\$31,160.90		
35 Admin. Assistant	0.75	\$9.79	\$12.48	-	\$13.65	\$15.53	\$17.40	\$0.00		
36 Accounting Services Manager-70%*	-	\$28.85	\$34.62	0.70	\$31.80	\$34.98	\$38.16	\$50,930.88		
37 Accounting Assistant-70%	-	\$16.50	\$19.80	0.70	\$16.50	\$18.15	\$19.80	\$26,426.40		
38 Maintenance Assistant	-	\$10.91	\$13.09	0.80	\$12.00	\$13.20	\$14.40	\$21,966.63		
39 Computer Specialist	-			0.80	\$13.65	\$15.53	\$17.40	\$25,833.60		
40 Director of Operations*	1.00	\$18.39	\$25.21	1.00	\$31.80	\$34.98	\$38.16	\$72,754.56		
41 Exec. Director Contract-50%*	0.60	\$43.26	\$52.57	0.50	\$49.32	\$54.62	\$59.93	\$56,808.02	\$322,156.10	
42 Veterinarian	1.00	\$37.13	\$42.17	1.00	\$37.13	\$39.65	\$42.17	\$82,472.00		
43 Registered Vet Tech.	1.00	\$13.27	\$15.91	1.00	\$17.88	\$21.04	\$24.19	\$43,754.18		
44 Vet Services Assistant	-	\$10.81	\$12.97	1.00	\$14.09	\$15.50	\$16.91	\$32,237.92	\$158,464.10	
Total FTE	32.10			23.30				Total Wages	919,098.79	919,098.79

SANTA CRUZ SPCA
 BUDGETS FOR FISCAL YEAR 02-03
 CAPITAL PURCHASES PROPOSED
 COUNTY WORKSHEET - 6th Revision

ADDENDUM "B"

26

DATE PREPARED: 23-May-02
 PREPARED BY: M. Graham

DEPT # 100-199
 DEPT NAME: Contract Division

Requesting Dept #	Item Description	Purpose	Date of Purchase	Est Cost	Est Life in Years	FY03 Dep Exp	Approved Y/N
Maintenance-Admin 100	Fence Repair	General Need	7/1/02	3,000	10	300	N
All Contract Depts All	New Computers	Replace computers from 99-00	7/1/02	5,000	3	1,667	N
Maintenance-Admin 100	Exterior Structure Painting	General Need	7/1/02	15,000	5	3,000	N
Maintenance-Admin 100	C Building Roof	General Need	7/1/02	7,500	15	500	N
Maintenance-Admin 100	Car Building Roof	General Need	7/1/02	5,500	15	367	N
Maintenance-Admin 100	C Building Furnace	General Need	7/1/02	3,000	5	600	N
Maintenance-Admin 100	A/C Annex Flooring	General Need	7/1/02	1,500	10	150	N
TOTALS				\$ 40,500		\$ 6,583	

**SANTA CRUZ SPCA
BUDGETS FOR FISCAL YEAR 02-03
COUNTY WORKSHEET - 6th Revision**

Prepared by: M.Graham
Date Prepared: 5/22/02

Overview: SCSPCA is proposing to keep all SN. adoption and boarding fees. In regards to the boarding fees, the SCSPCA will only keep non-impounded animals (e.g., only animals surrendered at our facility by customers); thus, all impound and boarding fees due to county officer impound orders will be processed and collected by the county. Furthermore, the SN fee is being proposed to increase to \$50/each to cover current cost of services. The funds below will be retained and the current contract proposal request has been reduced by the amounts below.

SN Income			
	\$ to County	#Animals*	Avg Fees/Per
Backup Statistics			
FY01	\$ 33,948	1,000	\$ 33.95
FY02 (Note 1)	\$ 46,586	1,343	\$ 34.69
2 Year Average	<u>\$ 40,267</u>	<u>1,172</u>	<u>\$ 34.37</u>
FY03 Calculation			
	Income = (2 year average # animals * \$50/each)		
FY03 income	\$ 58,575		

*# of Animals only reflect dogs and cats as they represent more than 95% of SN population.

Adoption Fees			
	\$ to County	# Animals	Avg Fees/Per
Backup Statistics			
			Note 2
FY01	\$ 19,979	1,922	\$ 10.39
FY02 (Note 1)	\$ 19,085	1,862	\$ 10.25
2 Year Average	<u>\$ 19,532</u>	<u>1,892</u>	<u>\$ 10.32</u>
FY03 Calculation			
	Income = (2 year average # animals * \$10/each)		
FY03 Income	\$ 18,920		

Boarding Fees			
	\$ to County	Non-County \$	
Backup Statistics			
		Note 3	
FY01	\$ 15,691	\$	10,513
FY02 (Note 1)	\$ 19,179	\$	12,850
2 Year Average	<u>\$ 17,435</u>	<u>\$</u>	<u>11,681</u>
FY03 Income	\$ 11,681		

- Note 1: FY02 includes actual statistics for July 01 - Apr 02 and estimates for May/June 2002 which are based on actuals realized in the same periods of FY01.
- Note 2: The adoption fee for cats & dogs is \$10/each and those animal types account for approx. 95% of our adoption statistics. However, the adoption fee for other animal types vary greatly from \$5 to \$150; therefore, the average adoption fee is just over \$10/each.
- Note 3: Reclaimed strays having no Animal Control involvement is estimated to be approx 67% of total boarding fees collected. All Animal Control-ordered impound and boarding fees will be processed and collected by the county.

Memo

To: SPCA Board of Directors

From: Animal Control Public Partners

Subject: Animal Control Services

Date: May 23, 2002

CC: Board of Supervisors, Each City Manager, UCSC, Gary Knutson

As discussed at our last meeting, the public agencies and the **SPCA** are proceeding with plans to perform field services through a Joint Powers Authority. A preliminary organizational chart, budget and services description is attached. As we indicated at our last meeting, we would be very interested in receiving your input to our plan. We are reviewing the proposed work schedule, as you suggested, to assure that the JPA has sufficient nighttime coverage.

With regard to shelter/animal care services, much work remains to be done. We continue to believe that your submission of a budget in the \$750,000 range would facilitate a better understanding of what can be done at that level of commitment of public dollars. We continue to await your proposal revisions to accommodate the approximate \$750,000 budget target.

In the interest of advancing the discussions, the public partners have developed a preliminary proposal to accommodate our statutory animal control obligations come July 1.

The attached material provides the following information:

- a proposed organization chart for shelter services
- a proposed budget for shelter services
- a combined organization chart for shelter and field services, assuming operation through a **JPA**
- a combined budget

SPCA Board of Directors
Page 2
May 23, 2002

As you know, the public agencies and the **SPCA** share the goal of meeting our statutory obligations while providing the best quality of care and service to the public and the animals. While an unlimited allocation of resources would allow us to provide services beyond those set forth here, we believe that exemplary service can be provided in the manner that we have outlined. The staff of the public agencies also believe it is important for the **SPCA** to help us to identify the appropriate role for the SPCA to play in advancing our shared goals.

While there are many approaches that are worthy of further review, and given the SPCAs stated concern about operating within the budgetary constraints described by the public entities, we would like to advance the possibility of the attached.

We are interested in your input and feedback.

s:\animalcontrlsvcs

FIELD SERVICES

**Outline of Services to be Provided by the
Santa Cruz County Animal Control Services Joint
Powers Authority**

MEMORANDUM

TO: SANTA CRUZ SPCA
FROM: ANIMAL CONTROL AGREEMENT PUBLIC PARTNERS
SUBJECT: DRAFT OUTLINE OF PROPOSED ANIMAL CONTROL/FIELD SERVICES
DATE: 5/23/02
CC: PUBLIC AGENCIES, AUDITOR CONTROLLER, BOARD OF SUPERVISORS

The public entities propose to create an animal control/field services unit that will abide by all the State, County and City laws and ordinances that govern animal control in Santa Cruz County. This proposal is presented for the purposes of discussion at upcoming meetings between the Animal Control Agreement Public Partners, the SPCA, and other interested parties.

I. ANIMAL CONTROL FIELD OFFICER PATROL RESPONSIBILITIES

Animal control field priorities

- 1. Respond to requests of domestic or wild animal threat or attack against a person
a. rabies control
b. bite reports
c. quarantine of biting animal
2. Respond to requests for domestic or wild animal threat or attack against a domestic animal
a. livestock depredation
b. rabies control
1) wild animal attack of domestic animal
2) destruction of wild animal involved in attack
3) quarantine of domestic animal suffering attack
3. Livestock trespassing on public property
4. Respond to request for pick up of a confined stray domestic animal
a. confined animal at school or day care facility
b. confined animal by government jurisdiction
c. confined animal by citizen at residence or business
5. Respond to report of stray dog violating the leash law with description
6. Respond to general report of stray dog/s running at large
7. Noise nuisance complaint
8. Owner release pick up

- a. disabled person request
- b. elderly person request
- c. authorized pick up by supervisor

9. Respond to all other violations of local ordinances

II. ANIMAL CONTROL FIELD OFFICER SHELTER RESPONSIBILITIES

Pickup and transport impounded animals to facility

1. log all impounds of animals on officers activity log - activity log shall include the following:
 - a. date and time of pick up
 - b. address or location of pick up
 - c. animal description including color, sex, type or breed of animal
 - d. sex of animal
 - e. identification if applicable, including license, rabies tag, microchip or other indicate observable health of animal
2. provide shelter staff an impound card for each impounded animal to include the following information:
 - a. type or breed of animal
 - b. sex of animal
 - c. date of pick up
 - d. identification if applicable, including license, rabies tag, brands, or other
 - e. brief physical description, i.e. Injured, size, color, health, anything distinguishing
 - f. name of person turning over animal if applicable, telephone number or other contact informatio
 - g. note if officer notification required prior to release to owner

Unload impounded animals at the shelter facility - place animal in holding area as directed by shelter personnel or turn over to shelter staff at the discretion of shelter staff

1. tag individual animal if required by shelter staff requested by shelter staff
2. take animal to area indicated by shelter staff for initial health check or place in quarantine area as indicated by shelter staff if applicable

Log animals turned over to shelter staff on log designated by shelter staff - log shall indicate the same information as provided on officers' activity log

When field services accepts an owner release animal, a copy of signed release will be provided to shelter staff - advise orally and indicate on shelter log any advisory concerning impounded animal

1. health of animal noted
2. observed behaviors such as a tendency to act aggressively or bite, or unusually docile or lethargic
3. detectable identification

- 4. other information if applicable

III. ~~RELEASE OF~~ IMPOUNDED ANIMALS TO OWNERS/CARETAKERS

Animal Control Officer responsibilities of impounded animals - notification by shelter staff of release of any impounded animal only required when indicated on the shelter log and/or impound card

- 1. shelter staff may be asked not to release animal without approval by the Animal Control Officer or their designee
- 2. shelter staff may be asked only to release an animal with instructions or information provided to the shelter staff indicated on the impound card.
- 3. Impound, deposit, and other stipulated fees shall be collected only by authorized shelter staff and policy
 - a. shelter staff shall collect and record all fees collected as an agent for the County and prescribed by applicable County ordinance or State law
 - b. all accounting records and forms shall be approved by the Auditor-Controller
 - c. all funds collected by shelter staff shall be deposited with the County Treasurer in accordance with the policies and procedures established by the Auditor-Controller and/or Treasurer.
- 4. no animal shall be released without the appropriate fees and licenses being collected for without the express permission of the Director of Animal Control or their designee

IV. ~~DISPOSITION OF~~ IMPOUNDED ANIMALS

Impounded animal status - Animals held in for impound will be held for at least the minimum periods required by County ordinance and State law. Maximizing the adoption of animals and minimizing euthanasia will continue to be the goal. It is proposed, upon release by the public agencies, adoptable animals shall become the sole ward of the Santa Cruz SPCA and shall be adopted or disposed of in accordance with applicable law and the policies and practices of the SPCA.

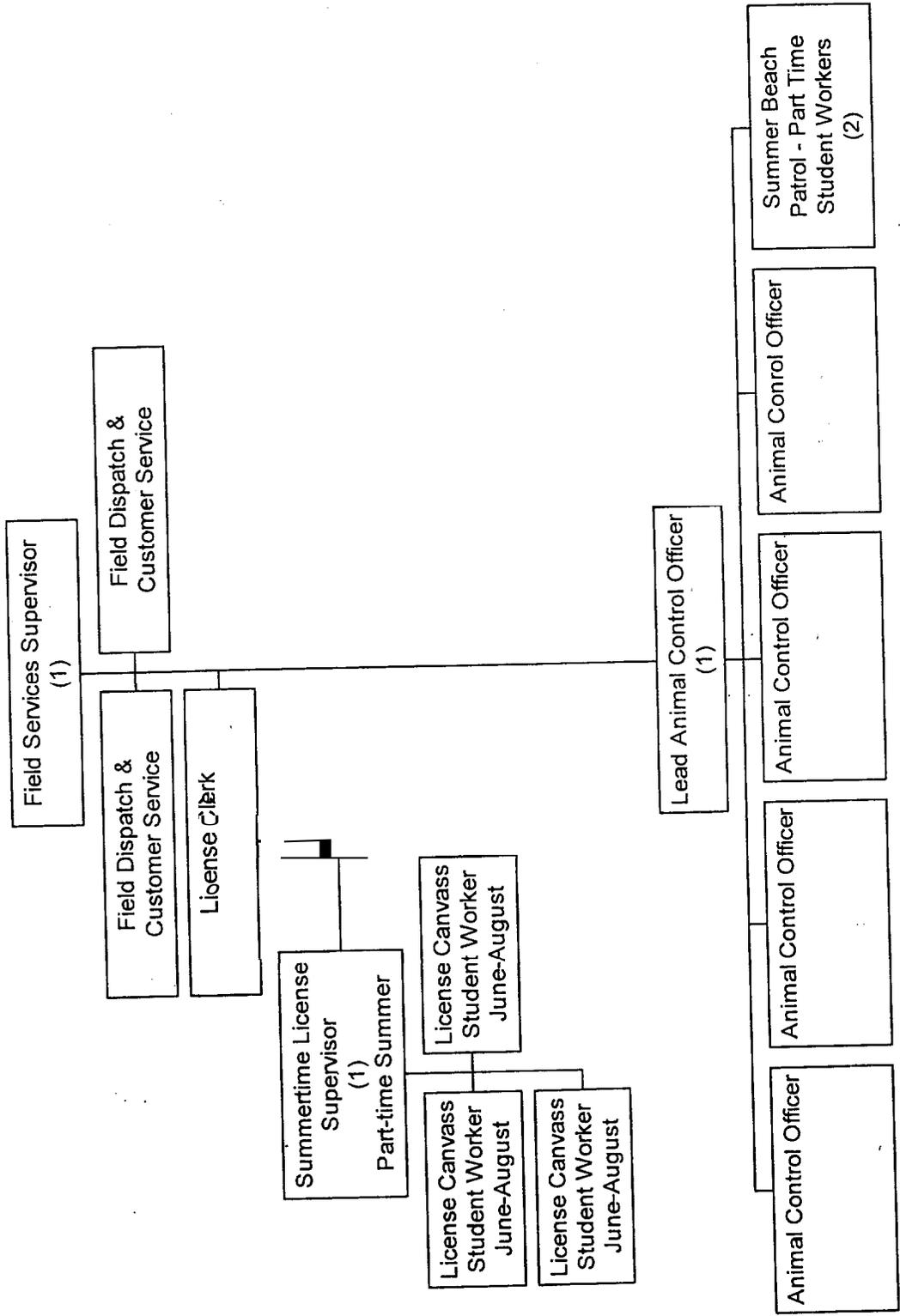
V. OTHER RESPONSIBILITIES

- 1. Issuance of dog licenses
- 2. As staff, represent the interests of the JPA to the board, public and other agencies

FIELD SERVICES

Organizational Chart

Animal Control – Field Services



FIELD SERVICES

Budget

**SPCA '2001-02
Budget***

Field Services

Field Services & Licensing

Wages 313,810
 Overtime 5,000
 Taxes/Fees/Recruit 30,765
 On Call 8,330
 Bilingual 3,120
 Benefits/First Aid 57,949

Wages/Benefits 418,974
Contract FTEs 9.00
Hours in the Field 9,900

Supplies & Services

Overhead - Acct, Legal, Payroll 15,000
 Consulting Expense 5,450
 Education/Training/Conf/Trav 5,000
 Maintenance for Field Equipment 2,100
 Uniforms 2,500
 Equipment - Inventoriable Items 2,000
 Equipment Maintenance & Lease 2,500
 Medical Supplies 5,000
 Vet Services 12,400
 Post/Office/Sub/Advert/Gen Supplies
 Utilities 6,500
 Telephone 13,378
 911 Communication **12,550**
Radios & Radio Charge GSD - County 24,000
 Rental 20,300
 Vehicle Maintenance - Svc Cen/Dep/NR 9,000
 Vehicle Fuel 10,000
 Insurances - Liability and Vehicle - 50%

**Public Partners
Proposal**

**SPCA '2001-02
Budget***

Fees			
Facilities Improvement/Main			
Property Taxes			
Depreciation	4,000		
Misc			
COGS			
Supplies and Services F & L Total	151,678		
Baseline Total Field anc.license	570,652		
		750,000	
Summer Module - Salars & Taxes			
Lead Lic Canvass	12,000		
Lic Canvass - Student Wkr (3)	15,000		
Beach Patrol Student Wkr (2)	10,000		
Total	37,000		
Fixed Assets			
Animal Transport Units 0	58,200		
Stock Trailer	4,500		
Mobile Radios	6,300		
Personnel Mobile Radio	4,800		
Dispatch Control Station	5,000		
Clerical Workstations	15,000		
Total	93,800		
			701,452
Total F/L with Assetst+Swmmpt			
Revenue Offsets			
License Fees	100,000		
Impounds and Fines	80,000		
Summer License	25,000		
DPW Pick Up	7,000		
	212,500		
Net Cost F & L			488,952

SHELTER SERVICES

**Outline of Services to be Provided by the
Santa Cruz County Animal Control Services Joint
Powers Authority**

Animal Control

Brief Description of Animal Control Services

The Santa Cruz County Animal Control JPA proposes to undertake the following responsibilities for animal care and shelter services:

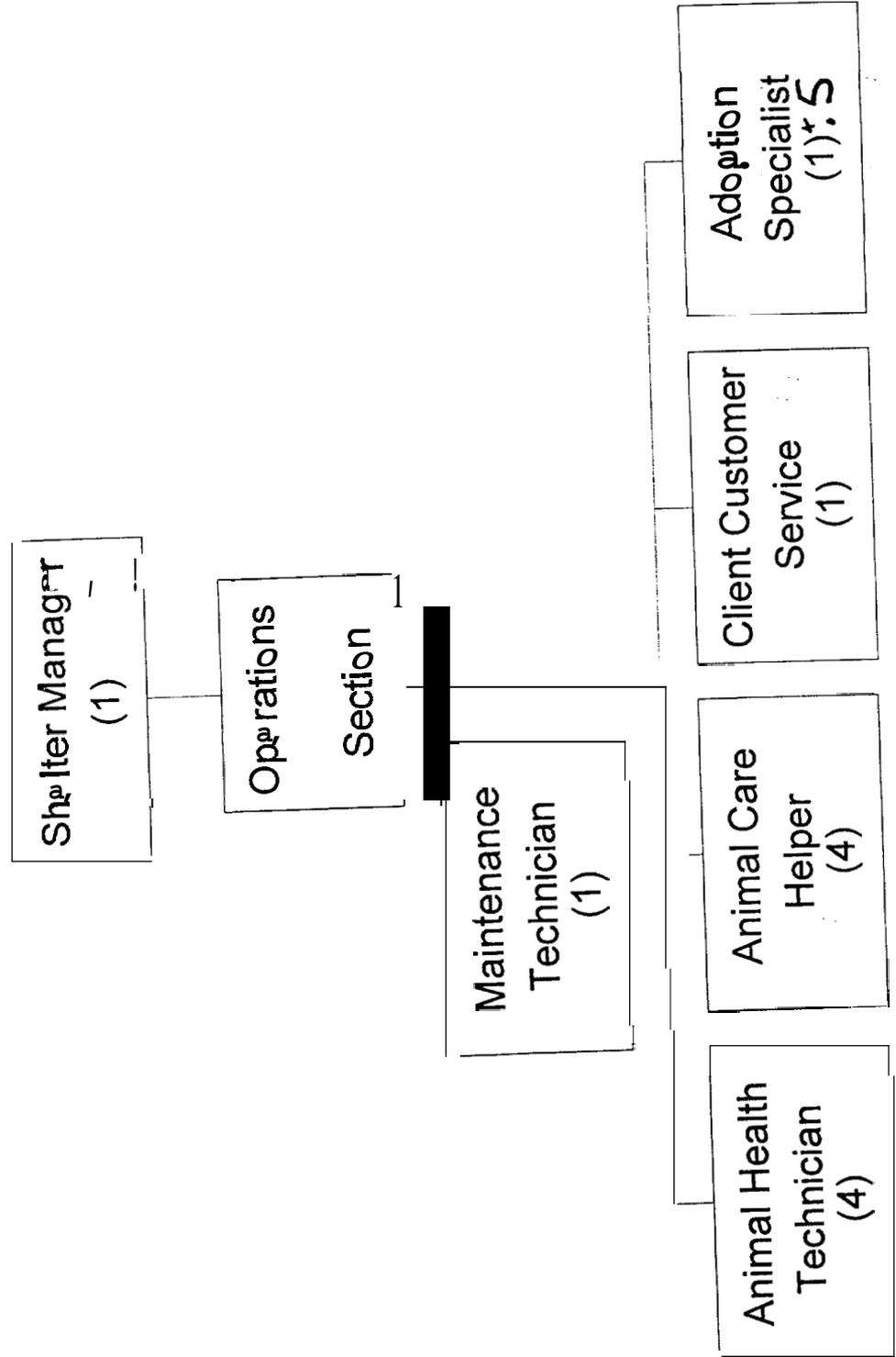
- operate, equip, staff and maintain an animal care services program on behalf of participating public entities
- Lease facilities from the Santa Cruz SPCA in order to provide for the impoundment of animals
- Undertake a facilities need assessment to determine the best location for the operation of shelter care services on a long term basis
- perform the duties of the "poundmaster" as set forth in local ordinances and enforce all laws relating to the care, treatment and impoundment of animals in a manner consistent with local and state laws
- provide for the quarantine of biting animals and working with the Health Officer to address all legal requirements including those set forth in the health and safety codes of the state
- assess and collect fees as set forth by the public entities
- provide and maintain suitable facilities, buildings, enclosures, equipment, supplies and vehicles to provide animal care services on behalf of the public entities
- provide for public access to the animal shelter facilities on a minimum of four days including evening and weekend hours
- receive animals on an emergency basis at all times
- operate the animal shelter and assure the relief of animals from suffering
- Hold animals for approximately a 15 day maximum holding period, while meeting the minimum holding periods required by law
- arrange access to veterinary services to spay and neuter animals and to provide veterinary care
- coordinate with neighbors to address noise and other issues which arise
- maintain a system to access customer service
- work with the **SPCA** to transfer custody of adoptable animals after the 15 day holding period, or earlier if requested by the **SPCA**
- cooperate with the **SPCA** on humane education
- develop cooperative agreements with the **SPCA** for the use of any shared facilities

Shelter Services

Organizational Chart

**ANIMAL CONTROL SERVICES
SHELTER SERVICES PROPOSAL WITH**

ADOPTION MODULE



Shelter Services

Budget

Shelter Budget	SPCA Contract 2001-2002 Budget*	SPCA Proposal 2002-03 Shelter Budget**	Public Partners Proposal 2002-03 Shelter Budget
Administration			
Wages		299,170	
Overtime		1,250	
Taxes/Fees		27,108	
Benefits		25,542	
Wages/Benefits Total Admin	320,869	353,070	
FTE's		6.75	
Supplies & Services			
Consulting Expense		4,950	
Education/Training/Conf/Trav		27,520	
Computer		1,200	
Equipment		13,260	
Post/Office/Sub/Advert		42,398	
Utilities		15,500	
Telephone		33,458	
Insurances		10,100	
Fees		35,000	
Facilities Improvements/Main		2,700	
Property Taxes		49,642	
Depreciation		3,200	
Misc			
COGS			
Supplies and Services Admin Total	241,969	238,928	
Admin Grand Total	562,838	591,998	

Client Services			
Wages	229,310		
Overtime	3,912		
Taxes/Fees/Recruit	27,709		
Benefits/First Aid	26,912		
Wages/Benefits Total Client Svcs	287,843	268,618	50,000
FTE's	7.50		3.5***
Supplies & Services			
Consulting Expense	2,400		
Education/Training/Conf/Trav	4,550		
Computer			
Equipment			
Post/Office/Sub/Advert	5,075		
Utilities			
Telephone			
Insurances			
Fees			
Facilities Improvements/Main			
Property Taxes	5,000		
Depreciation			
Misc	300		
COGS			
Supplies and Services Client Total	17,325	12,535	50,000
Client Services Total	305,168	281,153	

Veterinary Services			
Wages	150,030		
Overtime	652		
Taxes/Fees/Recruit	17,266		
Benefits/First Aid	10,218		
Wages/Benefits	178,166		
FTE's	3.00		
Supplies & Services			
Consulting Expense	3,050		
Education/Training/Conf/Trav	150		
Uniforms			
Computer	3,500		
Equipment	12,000		10,000
Medical Supplies	2,000		36,000
Vet Services			
Post/Office/Sub/Advert	525		
Utilities			
Telephone			
Insurances	250		
Fees			
Facilities Improvements/Main			
Property Taxes			
Depreciation			
Misc	300		
COGS			
Supplies and Services Veterinary Total	21,775		46,000
Vet Services Total	199,941	103,341	46,000

Animal Care				
Wages	327,558			350,440
Overtime	11,111			5,000
Taxes/Fees/Recruit	40,068			41,329
Benefits/First Aid	37,695			72,506
Wages/Benefits Anina Care Total	416,432	238,243		469,275
FTE's	11.00			9.00
Supplies & Services				
Consulting Expense	500			15,000
Accounting/Legal				5,000
Education/Training/Conf/Trav	7,200			1,500
Uniforms	1,000			11,680
Computer				2,500
Equipment	4,600			25,000
Medical Supplies	30,000			15,000
General Supplies	10,000			12,000
Animal Food	14,000			9,500
Disposal	10,300			12,000
Vet Services	50,000			14,500
Post/Office/Sub/Advert	2,600			23,000
Utilities				7,000
Telephone				60,000
Facility Lease				10,000
Insurances				
Fees				10,000
Facilities Impro/Equip Maint				
Property Taxes				
Depreciation				6,000
Misc	500			3,500
Cleaning Supplies				
COGS				
Supplies and Services Anin Care Total	130,700	93,913		243,180
Animal Care Total	547,132	332,156		712,455

Grand Total SPCA 2001-02 Budget** 750,000
Capital Purchases/Fixed Assets
 Computers 20,000
 Fence Repair 5,000
 Exterior Painting 15,000
 Roof 13,000
 Security Gate 5,000
 Furnace - C Building 3,000
 Flooring 1,500
Capital Purchases/Fixed Assets Tot 62,500
 Adjustment to equal SPCA Total -68,739
Grand Total SPCA Request** 808,455
 Total FTE's 12.25

Revenue Offsets
 Adoption Fees 60,000
 Spay & Neuter Fees 80,000
 Boarding 7,500
 Rabies & FLEV 15,000
Revenue Tot Shelter & Field/L 162,500
Net Shelter Cost 645,955

*Used Breakout version of 2001-02 SPCA Revision #5 dated 10/5/01, line item is for reference only, total is estimated at \$750,000 for Shelter, \$750,000 for Field

**Used Breakout Version of 2002-03 Total Budget from March, omitting Field and License

***Public Partners: Salaries/B for 2.0 Client Services are in Animal Care

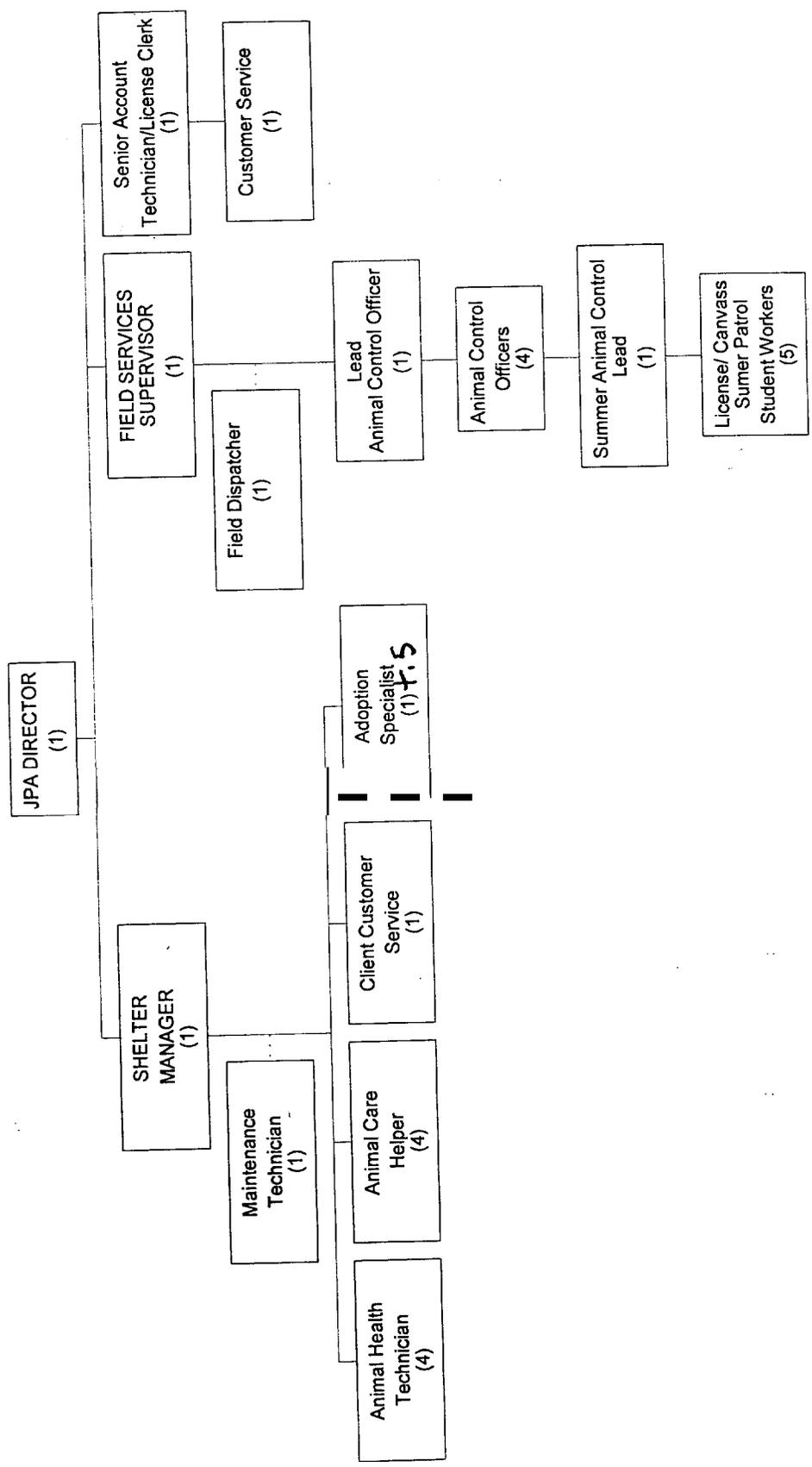
ANIMAL CONTROL SERVICES Shelter and Field Services

Organization Chart

ANIMAL CONTROL SERVICES

SHELTER & FIELD PROPOSAL WITH

ADOPTION MODULE



ANIMAL CONTROL SERVICES
Shelter and Field Services

Budget

	Contract 2001-02 Budget	3-02 SP 2002-03 Budget	Request	Request Chg from Cont 2001-02	5-02 SPCA Request (Animal Care Only)	PP Proposal Field	PP Proposal Shelter	PP Proposal Total
Expenditures-Parsonnel								
Wages	928,676		1,422,962	484,286		350,810	400,000	850,810
Overtime	0		40,073	40,073		5,000	5,000	10,000
Payroll Taxes	70,920		111,922	41,002		25,265	27,268	52,533
Workers Comp Ins	27,741		27,884	143		3,000	12,000	15,000
Health Insurance/Employee Benefits	79,785		109,772	29,987		35,982	47,976	83,958
First Aid	2,906		2,213	(693)				
Annuity	26,417		26,580	163				
Unemployment Tax	7,311		11,729	4,418		21,967	24,531	46,498
Temp Help/On Call/Bilingu	1,709		0	(1,709)		2,500	2,500	5,000
Recruitment	4,501		2,650	(1,851)		11,450		11,450
Employee Relations	6,896		4,210	(2,686)				
Personnel Total	1,156,862		1,759,995	603,133	1,235,511	455,974	519,275	1,075,249
Expenditures-Operating								
Consulting	7,426		2,900	(4,526)			36,000	36,000
Conference & Seminar	2,971		8,275	5,304		600	600	1,200
Education & Training - On-Going	2,971		4,800	1,829		2,000	2,000	4,000
Education & Training - New Leg	4,668		0	(4,668)		1,500	1,500	3,000
Meats/Lodging	3,183		7,400	4,217				
Mileage/Travel Expenses	2,334		4,000	1,666		2,100	1,500	3,600
Uniforms/Traps & Cages	3,819		4,790	971				
Clinic Remodel								
Vehicle Maintenance	2 0		15,000	2,800		12,692		12,692
Vehicle Fuel	0 2		15,000	4,868		9,000		9,000
Facilities/Equipment Maintenance			32,275	6,177		5,000	10,000	15,000
Computer & Equip Maintenance			27,520	(2,451)		2,000	11,680	13,680
Equip> \$1,500			9,700	9,200		2,500	2,500	5,000
General Supplies	4,694		16,040	11,346			15,000	15,000
Animal Food	12,731		14,000	1,269			12,000	12,000
Animal Disposal	10,609		10,300	(309)			9,500	9,500
Medical Supplies	35,703		42,000	6,297		2,500	35,000	37,500
Vet Services	11,139		55,900	44,761		5,000	12,000	17,000
Cleaning Supplies	9,124		7,525	(1,599)		7,500	3,000	10,500
Postage			5,500	(5,852)		2,400	10,000	12,400
Office Supplies	11,352					2,500	1,500	4,000

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	Contract	3-02 SPCA Request	Request	5-02 SPCA	PP	PP	PP	PP
Sub & Membership	1,697	1,800	103		1,350	900	2,250	
Advertising	318	4,000	3,682					
Bad Check Expense	265	0	(265)					
Misc Rental/Trailers/Lease	5,464	19,864	14,400		24,000	60,000	84,000	
Utilities/Radio Charges	23,764	42,398	18,634		12,550	23,000	35,550	
Telephone	15,542	27,500	11,958		6,500	7,000	13,500	
Communications 911	13,222	14,000	778		13,378	10,000	20,000	
Property & Liability Insurance	25,196	33,458	8,262		10,000	15,000	30,000	
Miscellaneous Fees	1,506	3,150	1,644					
Legal Fees	3,183	7,200	4,017					
Depreciation	31,827	49,641	17,814		7,608		7,608	
Property Tax	3,183	7,700	4,517					
Public Relations	530	150	(380)					
Board Relations	530	0	(530)					
Volunteer Expenses	1,326	50	(1,276)					
Cash Over/Short	265	200	(65)					
Miscellaneous Expenses	2,016	4,750	2,734		4,000	6,000	10,000	
COGS Animal Staff	22,097	0	(22,097)					
Operations Subtotal	362,892	507,176	144,284		151,678	289,180	440,858	
Capital Expenditures	25,000	96,200	71,200		93,800		93,800	
Ops + Capital	387,892	603,376	215,484		245,478	289,180	534,658	
Ops + Capital+Personnel	1,544,754	2,363,371	818,617		701,452	808,455	1,609,907	
Less Adjustment		0	27,000					
Less SPCA Program Revenue COGS	(27,000)	845,617	845,617					
Contract Total	1,517,754							
Revenue Offsets								
Adoption Fees						60,000		
Spay & Neuter Fees						80,000		
Boarding						7,500		
Rabies & FLEV						15,000		
License Fees								
Impounds and Fines								
Summer License								
DPW Pick Up								
Revenue Totals						162,500	375,000	
Net Costs						645,955	1,234,907	

Society for the Prevention of
Cruelty to Animals
2200 Seventh Avenue
Santa Cruz, CA 95062



831-465-5000 main
831-479-8530 fax
www.santacruzspca.org

June 5, 2002

Animal Control Public Partners
County Administrative Office
County of Santa Cruz
701 Ocean Street, Suite 520
Santa Cruz, CA 950604073

RE: May 23, 2002 Proposal

SUMMARY

Per your memorandum dated May 23, 2002. The Santa Cruz SPCA is responding to your request for input on the Joint Powers Authority Field Services program as well as the Entities' proposal for sheltering services.

It is clear that we have quite a bit of work still to be done. The SPCA wishes to allow for an orderly negotiation of terms and conditions, and for an orderly change to County participation in the animal control function, as well as the sheltering function, if that is the decision the public entities make. Accordingly, the SPCA hereby offers an extension of sheltering services for up to two months (ie, through August 31, 2002) at a monthly rate of \$135,000. In order to go forward with this proposal we also will need to reach a resolution of the issues still outstanding on the current three-year contract. We believe this proposal is eminently fair to all parties. It will alleviate the time pressure currently present in the negotiating process for a sheltering contract. The SPCA remains ready and willing to continue to provide sheltering activities to the entities in the long term, on a commercially reasonable basis. We also believe this two-month extension will make the entities' assumption of animal control duties on July 1 run more smoothly, by allowing the public entities to focus their attention on the animal control program on July 1, while providing continuity in the sheltering program.

The Board has given both proposals serious consideration and analysis, including the involvement and input of our key management staff. We have provided specific input to the Field proposal as detailed below.

Regarding the Entities' sheltering proposal, though a fair amount of detail is still missing, it appears that this proposal conflicts with our mission and goals, which best exemplify the SPCAs role in the Santa Cruz community. To have a shelter services program that is shared on the SPCAs property and that provides inadequate care, as set by community standards, would hinder our ability to achieve the Santa Cruz SPCA goals and, in turn, solicit private donations. For example, the Entities have stated that it is unable to guarantee the 15-day hold period should their budget be inadequate. This is in direct contradiction with the SPCA's mission and, therefore, we cannot be party to an agreement that puts us in partnership with an entity that does not support this mission in word and action. This new proposal by the public entities that they cohabit with the SPCA, on the SPCA's property, to provide sheltering services lacks so far, the detail necessary to evaluate it. We look forward to learning from the entities more about the program you propose, including the questions raised here, so that the SPCA can evaluate whether the program fits with the SPCA's mission.

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Every SPCA and Humane Society has **goals** that go well beyond *the* statutory minimums, and to limit what care is to be provided to animals under the **SPCA's** operation and name is something to which the Board of Directors cannot agree.

The distinction **between** the Entities and the **SPCA** has always been **an** unclear line given **our** role in animal control. **We** have relinquished that role in hopes of more clearly delineating **between** the two entities. We are concerned that the latest sheltering proposal blurs that line once again. **We** look forward to receiving more information from you.

Given the **Santa Cruz SPCA's** decades of shelter management experience, we are able to comment on your Shelter services program and have done **so** to help you gain a better understanding of where your proposal falls short.

The Santa Cruz **SPCA** has submitted a final budget of approximately **\$1.3M** to maintain **state** and **local** mandated sheltering services. **We feel this proposal is** in keeping **with the** service levels requested by the Entities while staying **true to the** mission of the agency. **We** hope you will continue to consider this offer.

FEEDBACK TO ENTITIES FIELD SERVICES PLAN

1. Animal Cruelty Investigations. **The SPCA does not see** where animal cruelty investigations **are a** routine part of field services. **Is another entity (District Attorney) going to be handling investigations as well as prosecution of such cases?** This is a public function and needs to **be** better addressed.
2. Student Workers. To have untrained students canvassing neighborhoods to increase licensing **fees has huge** safety and liability **issues**. How many other situations do the Entities canvass for compliance? The **key** to having better compliance has been shown to **be** ease/convenience of the licensing process, not **door-to-door** monitoring. Working with local vets and having mobile licensing facilities will be far more helpful in both **the** short and long **term**.

Organizational Chart

- i. The chart shows that Field Services **will be nine** full-time equivalent **employees** (FTEs) and four seasonal employees at a **cost of \$318,810** in wages. It is difficult for us to comment on this reduced staffing without **seeing wage** line detail (including **the** projected **salary**) for each position hired.
- ii. Each Field Services Employee will be in the field 1100 out of 2000 annual work hours. Given **the** complexity and volume of **paperwork** associated with providing animal care and control, this field number appears to **be** very high.
- iii. There appears to be **a** significant liability risk, not to mention public relations risk, with having student workers canvassing **for** unlicensed animals. **Is** this done **in** other jurisdictions? The **Santa Cruz SPCAs** quick survey found **no such successful** programs existing today.
- iv. There appears to be **a** significant liability **risk**, not to mention public relations **risk**, with hiring a student worker to **do** Summer Beach Patrol. **A** position of this nature requires extensive training **and** knowledge of local **ordinances**.
- v. **Is the JPA revising the** patrolling **areas/requirements** that were provided **for** under the **3-** year agreement with **the SPCA?** Only **with a** dramatically reduced service level **can** four Animal **Control Officers (ACOs)** perform adequately without turnover, overtime, and public **safely** being impacted.

Budget

The total budget the Entities have imposed is **6% OVER** the current **SPCA's** contracted budget of **\$1.5M** when combined with the Entities' proposed sheltering **budget**. The **SPCA** has understood from **the** CAO that **the** only **proposal worth considering** is **one** under **12% from** last year's contract.

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The **SPCA**s previously proposed budget for FY2002-03 for Field and Licensing was \$760,504 with no offset for fees received. The Entities' current proposed Field budget is \$770,880. The contracted amount for the current fiscal year field services is \$436,000. **12% less** would be \$383,680. The Entities' proposal does not reflect a **12%** decrease over last year's budget, which is what is being requested of the **SPCA**.

The line item cost for **benefits** seems to be understated in consideration of the wage line item. Typically, **benefits** account for at least 25% of wages.

Approximately 60% of your field services **budget** would be for wages and benefits. This appears to be a low **ratio** for these required services. In reviewing this percentage, **this is** below what Santa Cruz and other **public** and private contractors are providing for the same or a similar **services budget**. The **target is usually** 70% This is normal for an **SPCA**.

Under this budget proposal, exactly how many patrols are going to be scheduled? It is unclear what the service level will be for this **budget** amount. More **detail** in **regards** to the **service level** will be **needed** in order to **make** more detailed comments.

For **any** fees that are going to be generated (e.g., licensing) are **you** proposing that there be a fee increase in addition to the new canvassing program? It **seems** that revenue projections, at the current fee schedule, are too optimistic without **associalfed** fee increases. Those will take time to implement and might not be realizable in FY2002-2003.

INPUT TO ENTITIES' SHELTER SERVICES PROPOSAL:

We feel it is helpful to point out some of the tactical as well as organizational **issues** that **arise** from this **model** to further assist the Entities in developing a realistic solution.

Shelter Services/Client Services/Veterinary Services

1. There are conflicting statements in the documents **as well as** verbal discussions as to **how** long animals are going to be held under your custodial care and at your expense. We believe the JPA **needs** to develop an intake protocol for the various types of animals. Such a protocol will reveal that your **cost** estimates for these public functions **is** understated. In addition, you'll find the community to be fairly unforgiving should euthanasia rates begin to increase in this county. **As** mentioned, you **are** unable to guarantee a minimum holding period of **15 days** should your budget prove to be inadequate. To place this burden on the SPCA is something we cannot accept given our current funding and the obvious uncertainty of our future.
2. The budget for shelter **services** does not accommodate the **fact** that over 6,000 animals **are processed**. While the **SPCA understands** that the Entities believe that 50% of the contract money **is** allocated to shelter **services**, the more expensive and labor intensive part of running these operations comes from shelter **services**. Therefore, this percentage is inaccurate.
3. You cannot process 2000 adoptions with the **staffing** levels for which **you have** budgeted. **For** example, **1.5** adoption counselors to process all these adoptions will result in adoptions going down, which means euthanasia **goes up**.
4. The number of animal **care staff** **you** have budgeted **we** feel will result in lower standards of health and **behavioral** care. It **seems** impossible for **4** registered vet technicians to provide animal care **AND** spay/neuter. **In** addition, **contracting a vet for \$36K/year is** not an **easy** endeavor especially **when** there is no **support** staff for the **vet** allocated. There **is** no provision to have a volunteer program in the **JPA proposal**.
5. Operating two shelter operations, **one** public and **one** private, in the current location with no remodeling **is** untenable. There are too many legal, logistical, and financial **problems** and it would be the **SPCA** that would bear the adverse **effects** of such an ill-advised plan. Just a few **examples** include:

The implementation **and** sharing of standard protocols and procedures

Whose needs **and** decisions **take** priority when **space** becomes an **issue**?

Who mandates protocols: cleaning, disease prevention, isolation, **stress** reduction, feeding, handling, **etc**? **A lack of consistency leads to increased** health **and** behavior problems, which leads to increased euthanasia.

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Adoption counselors **could** be working side *by side*, with different adoption standards being **followed**.

If there is a Parvo breakout in one of the "**county**" kennels, it is likely that your responsiveness and resources would not **be** sufficient to provide **a** quick **and** sustained reaction. The **risk of** Parvo spreading quickly (including outside the shelter) is a high risk.

We've been **told** that **the** union **would have a** problem with volunteers working in roles that replicate those of union workers. It **is** our understanding the **JPA's workers would be** union. Therefore, the volunteers available would diminish drastically. Currently, our volunteers supplement many of the paid roles **at** the shelter.

This **is just a** short list of **some** of the tactical items that would require an incredible amount of **work to** resolve.

Budget

The line item cost for benefits seem to **be** vastly understated in consideration of **the** wage line item. Typically, benefits account for at least 25% of wages. **Is** this benefits line item consistent with other budgets for public workers? **Why** is it **less** than 10% of wages?

It appears that approximately 50% of your shelter services budget would **be** for wages and benefits. This appears to be **a** low ratio for these required services. **As stated** earlier, **in** reviewing this percentage, this **is** far too low compared to both public and private contractors providing the same or similar services.

- i. Additionally, **the** cost **of** supplies would appear too **low** **given** the statements that animals would be held fifteen days **at** the **JPA's expense**. Further clarification **is** needed.
- ii. Building maintenance **is** **low** comparable to known needs of this old facility.
- iii. No janitorial services are provided **for**.
- iv. **Staffing** for the front office function at 1.5 FTEs **does** not even **begin to meet** the needs for staffing for adoptions, other mandatory functions such **as** trap rental, lost and found, **stray** receiving, general information questions from walk-ins and telephone, etc. It has been stated that Field Dispatchers and Veterinary Technicians will **also** help out in the front office. **This** is not a viable option. Space is limited in the front office and if two dispatchers and one licensing clerk **are** situated in the front office, it will leave little **space for** adoption **and** other mandated functions.

Organizational Chart

- i. Given statements from the Supervisors about increasing the level of customer service to expedite adoptions, it seems difficult to imagine **1.5 FTEs** handling **the** adoptions. The SPCA **uses 5 FTEs** for this same function today. Again, the **JPA** seems to have **too** much **reliance** on **volunteers** but **no** means of **recruiting** and managing volunteers. It **also** appears that volunteers cannot **work** beside paid union workers doing **the same** job.
- ii. It also appears **that** more than four animal veterinary technicians would be handling more than just animals up for adoption. **Again, more** clarification **is** needed **by** the **JPA**. Given **the** current **employment** climate, **even** hiring **4** registered veterinary technicians in this **area** will **be** difficult, if not impossible.

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- iii. It appears that the client services person will also be handling impoundment issues, not just adoption issues. Given the workload we currently see, we predict long lines, unhappy clients, reduced adoptions and increased euthanasia. Again, the formula is a clear one as to how customer satisfaction relates to the rates of euthanasia.

In closing, we thank the Entities for seeking the SPCA's input on the field services proposal as well as our initial input on the Entities' sheltering proposal. In order for us to entertain the sheltering proposal further, we need more detail as indicated in the various sections, We have requested some of this detail from Susan Pearlman at previous meetings and on May 28, at the SPCA's Board of Directors meeting.

We hope that this input will further aid the entities to come to a realistic solution that benefits the community and the animals of Santa Cruz County.

Regards,

Santa Cruz SPCA Board of Directors

cc: Doreen Lozano
Santa Cruz County Board of Supervisors
Gary Knutson

Exhibit E

Comparison of Staff Levels - Most Recent Proposals, Compared to 2001-02 Contract Levels

FTE Request	2002 Contract	SPCA 2002-03	Public Partners 2002-03
Administration - Including Maintenance & Head of Shelter	3.85	6.30	3.0
Client Services	7.50	6.00	2.50
Veterinary & Animal Care	11.00	11.00	8.00*
Field Services & Licensing	10.75	0.00	9.00**

* Plus contract veterinarian to provide spay and neuter services (.5 FTE)

**Plus 6 June-August Summer Augmentation Positions for License Canvas and Beach Patrol (1.5 FTE)