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DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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ANIMAL CARE SERVICES
DIVISION

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May 26, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: HUMANE SOCIETY OF THE UNITED STATES AUDIT CLOSURE REPORT
AND BUDGET ADJUSTMENTS RELATED TO \$507,181 IN HAYDEN CLAIM
REIMBURSEMENT REVENUE**

LOCATION AND COUNCIL DISTRICT: Citywide, All Districts

RECOMMENDATION:

This report recommends that the Mayor and City Council adopt the attached resolution:

- Amending the FY2004/05 Animal Care Services revenue budget (101-310-3173-3510) to include the \$507,181 Hayden claim reimbursement revenue received;
- Appropriating \$507,181 to the FY2004/05 Capital Improvement Program expenditure budget for Animal Care Repairs (PN: GA12).

Staff also recommends that the Mayor and City Council approve and file Animal Care Services' response to the Humane Society of the United States (HSUS) audit report.

**CONTACT PERSONS: Hector Cazares, Animal Care Services Manager, 808-7433
Donna Wicky, Administrative Officer, 808-6719**

FOR COUNCIL MEETING OF: June 14, 2005

SUMMARY:

This report provides Animal Care Services' (ACS) response and closure to the HSUS recommendations of March 9, 2001, which addressed citizen and City Council concerns regarding shelter management and operations.

Additionally, this report recommends that the Mayor and City Council adopt the attached resolution transferring funds from ACS's operating budget to the CIP (GA12). These funds represent the first State of California reimbursement claim to ACS for compliance in meeting the mandates of SB 1785, the Hayden "animal adoption" Bill. To address critical facility housing issues for shelter cats, the Citizens Advisory Committee has placed the construction of a new cattery building on the list of most urgent priorities for future improvements at the City shelter. Transfer of the Hayden reimbursement funds to ACS's CIP will facilitate implementation of this high priority project and reduce the reliance on Citywide CIP funds.

COMMITTEE/COMMISSION ACTION:

Citizens' Advisory Committee met on April 26, 2005, and approved the attached report (Attachment A).

BACKGROUND INFORMATION:

HSUS Audit Closure

On March 9, 2001, the HSUS issued an independent, comprehensive assessment of the City's Animal Care operations, management, and administration in response to City Council's direction and a series of concerns raised by citizens. As a result of the study, 359 recommendations were made for improving ACS, of which 83 were determined to be a high priority by a Blue Ribbon Committee.

Nearly all of the recommendations have been completed. Several recommendations were deemed unnecessary and many other improvements not listed in the HSUS report have been accomplished. Some of the major accomplishments include:

- Completing extensive renovation of all kennel runs including water and feeding systems, sealing and painting for preventing the spread of disease.
- Requiring the vaccination of all adoptable incoming animals.
- Establishing modern sanitizing protocols for disease prevention.
- Purchasing a spay/neuter trailer for altering and adopting animals in the community.
- Improving customer service with the installation of an improved telephone system.
- Installing improved security systems including video surveillance.
- Streamlining the entire adoption process to include logistical changes, use of photos on websites, disease testing, microchipping and fee restructuring.
- Reducing live animal intakes, euthanasia rates, and increasing animal outplacements.

- A follow-up request for an outside evaluation of our euthanasia policies and procedures resulting in an overall finding that was very favorable, characterizing our euthanasia program as a “high quality program”.

Improving the care and housing of cats remains a critical component of the Citizens Advisory Committee’s recommendations. Construction of a cattery building will provide continuity to the improvements recognized by the Advisory Committee in the attached report.

Hayden Disbursement

On July 1, 1999, SB 1785, also known as the Hayden Bill, became effective. The provisions of the Hayden legislation mandated costly adjustments in the manner that publicly funded animal shelters do business. The legislation requires longer holding periods for stray and owner-surrendered animals, as well as additional operational and administrative changes. These changes resulted in significantly increased costs in shelter organizational activities and facility modifications, upgrades and renovations.

Recently, the State began to uphold its constitutional obligation to recompense publicly funded shelters for implementation of the Hayden legislation mandates. The first of the State’s reimbursement obligations for \$507,181 to the City’s Animal Care shelter has been received and deposited into ACS’s operating budget.

To address the final proposals of the HSUS audit recommendations, Animal Care’s CIP (GA12) was established. Most of the modifications required by the mandates have been completed. However, a major facility project, a new cattery building, has not been addressed and remains a high priority on the list of critical recommendations made by the Citizens Advisory Committee in response to the HSUS audit recommendations. Granting the Finance Director authority to transfer the Hayden reimbursement funds to CIP (GA12) will allow Animal Care Services to continue improvements in the care and housing of the shelter’s cat population and address an item of urgent concern to the Advisory Committee.

FINANCIAL CONSIDERATIONS:

The City’s architectural staff has estimated a cost of \$1.6 million for the construction of a new cattery building. Augmenting the existing CIP balance with ACS’s Hayden reimbursement revenue will substantially reduce Animal Care Service’s reliance on the General Fund when approval for the next critical component of the HSUS recommendations is requested.

As of June 6, 2005, the Animal Care Repairs project (PN: GA12) has an unobligated balance of \$398,331. Appropriating \$507,181 to the project will increase the unobligated balance to \$905,512. This appropriation will be offset by an equivalent increase in the Animal Care Services FY2004/05 revenue budget. This action will have no adverse impact on ACS’s current operating budget.

ENVIRONMENTAL CONSIDERATIONS:

This report concerns administrative and informational activities that will not have any significant effect on the environment and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Sections 15601(b) (3); 15378(b)).

POLICY CONSIDERATIONS:

The action being taken herein is consistent with the City of Sacramento's Strategic Plan goal of improving and expanding public safety and achieving sustainability and livability. The transfer of the State's reimbursement to the City's Animal Care Services' CIP (GA12) will result in mitigating certain anticipated costs related to the Hayden Bill mandates and the HSUS report of recommended facility improvements.

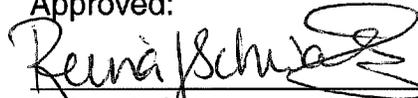
ESBD EFFORTS: No goods or services are being purchased with this report.

Respectfully submitted,



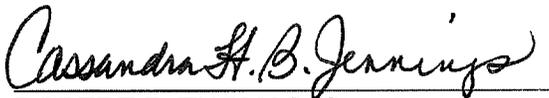
Hector R. Cazares, Manager
Animal Care Services

Approved:



Reina J. Schwartz, Director
Department of General Services

RECOMMENDATION APPROVED:



ROBERT P. THOMAS, City Manager

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ATTACHMENT A

CITY OF SACRAMENTO, ANIMAL CARE CITIZENS ADVISORY COMMITTEE ASSESSMENT OF COMPLIANCE TO THE HSUS CONSULTATION REPORT FOR PRESENTATION TO CITY COUNCIL ON JUNE 14, 2005

Background:

The City of Sacramento contracted with the Humane Society of the United States in 2000 to conduct a comprehensive review and evaluation of its Animal Care and Control Division's Animal Care Services current operations and programs with an eye to the future.

A site visit was conducted in November 2000, and a report containing 359 recommendations, 83 of which were identified as high priority items, was submitted in March 2001. The City appointed a Blue Ribbon Committee to conduct public hearings to review and evaluate the recommendations. The Committee elected not to consider cost when prioritizing the recommendations. After conducting four public hearings, the Committee developed an implementation plan.

During this same time period, the City allocated more than \$1 million of budget savings for one-time improvements at the shelter. Subsequently, the City funded additional capital improvements and staff positions.

The Citizens Advisory Committee, which was created as part of the package of reforms instituted at the shelter, has held public meetings to discuss the HSUS recommendations and the City's response. In addition, this year Animal Care Services contracted with Penny Cistaro, an expert consultant in shelter operations, for an evaluation of the shelter's euthanasia program.

Outstanding Issues:

In looking to the future, the Citizens Advisory Committee deemed improving the care of the cats at the shelter as a top priority. The City needs to move forward to increase the space necessary to humanely house and treat the cats under its care. The Committee recommends the immediate construction of a new cattery.

Equally as important is the need for the shelter to have a plan and goals to further reduce its current euthanasia rates. While efforts have resulted in fewer dogs coming into the shelter, an unacceptably high number of cats are euthanized each year with no decrease anticipated in the near future.

The City's continued commitment and funding to improve the quality of care for lost and homeless pets is urged. There is no doubt that the shelter has made significant positive changes and vast improvements at this facility; it is the hope of the Committee and the community that these efforts will continue.

Summary:

The Citizens Advisory Committee found that the vast majority of the HSUS recommendations had been addressed and issues resolved, with significant improvements having been made over the course of the last four years. The Committee commends the shelter for the following:

- Renovating the dog housing areas, installing improved water and food delivery systems, adding misters.
- Separating stray dogs from adoptable dogs, providing raised platforms, beds and toys.
- Providing larger cat cages with ledges, beds and toys.
- Providing veterinary care on-site, vaccinating animals on intake, altering animals prior to adoption, caring for sick and injured animals during their stray hold period.
- Enhancing computer record keeping, improving systems for identifying and tracking animals, creating new and improved kennel cards, adding a kiosk to assist customers in finding new pets or lost animals, creating owner surrender questionnaires to assist in the placement of animals.
- Maintaining a trained staff that is service-oriented and a volunteer program that promotes pet adoptions.
- Establishing a Web site presence, installing an upgraded phone system.
- Promoting spay and neuter practices in the community through collaborative efforts, billboards, utility bill inserts and sending the SNO-Mobile into neighborhoods.
- Adopting out pets that have been assessed, altered, tested, vaccinated, microchipped and licensed and providing leashes or cardboard carriers.
- Installing appropriate signage and security systems, improving maintenance.
- Providing customers with educational materials and adoption care packets, posting flyers of upcoming events, creating binders with lost and found ads.
- Maintaining a customer friendly front counter.
- Creating a separate housing area for rabbits, rodents and other exotic animals.
- Creating an exercise area and enclosed meet and greet area for the dogs.
- Closing night drop and turning it into an intake center.
- Installing a commercial washer, dryer and dishwasher.
- Working collaboratively with the SPCA and rescue groups to increase adoptions and educate the public.
- Establishing written policies and procedures for shelter operations.

Conclusions:

The Citizens Advisory Committee concluded that the shelter has accomplished the vast majority of the facility improvements and policy changes identified as high priority in the HSUS Report.

The Housing of Cats is one significant outstanding issue that needs immediate attention. The Committee raised a number of concerns regarding the current cattery; the net result is that the cats too often become ill with upper respiratory infections after being housed in the cattery, which means a decrease in adoptions and increase in euthanasia for health reasons. The Committee questioned the adequacy of the air ventilation system and disease control measures which emphasizes the need for a larger cat housing area.

Building a New Cattery is considered by the Committee to be imperative for the City. The Committee strongly supports Animal Care's proposal to add an additional building to the current site. Existing space limitations at the shelter prevent certain specified HSUS recommendations from being implemented. Improved housing and sanitary measures are critical for the health and safety of cats that enter the shelter and ultimately are adopted into the community or reunited with their owners.

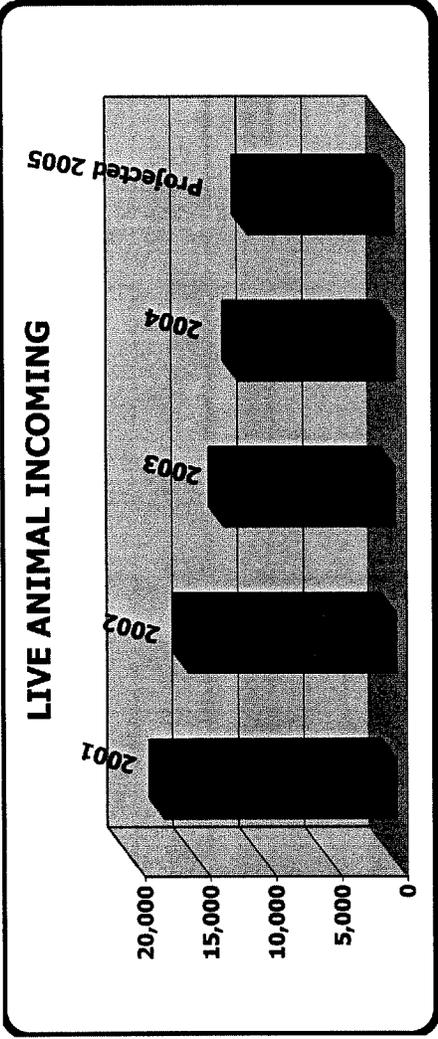
Euthanasia Policies and Procedures was an important issue for the Committee. In February, a site visit was conducted by an independent evaluator and an 11 page report was produced containing observations and recommendations. The overall findings of the audit were favorable. Nevertheless, the Committee strongly believes that the city's euthanasia rates are unacceptably high and that efforts should be continued to reduce those rates. Recommendations from the site visit have been implemented. The Committee also felt that "spot checks" should be conducted on a regular basis to ensure that proper procedures are being used and, more importantly, humane practices followed. The shelter should strive to report why animals are euthanized so that this information can be captured and used to reduce the overall euthanasia rate at the shelter.

Enhancement of Staffing and Training is urged by the Committee in order to continue the progress made in the on-site veterinary program, the volunteer and foster programs, and upgrading the skills of staff.

Addition of Meeting Rooms and Office Space was considered by the Committee to be of importance. Office space for supervisors is essential for working effectively with staff. It was anticipated that this would be addressed with the addition of a new building.

ANIMAL CARE STATISTICS 2001 through 2005 (projected)

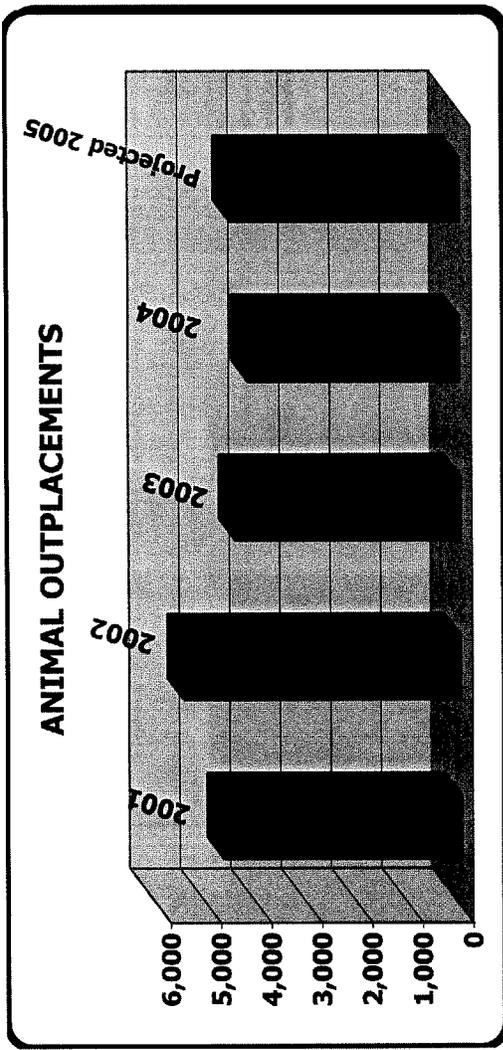
ATTACHMENT B



Live Animal Incoming	Value
2001	17,597
2002	15,702
2003	12,990
2004	11,887
Projected 2005	11,115

Percentages of increase/decrease

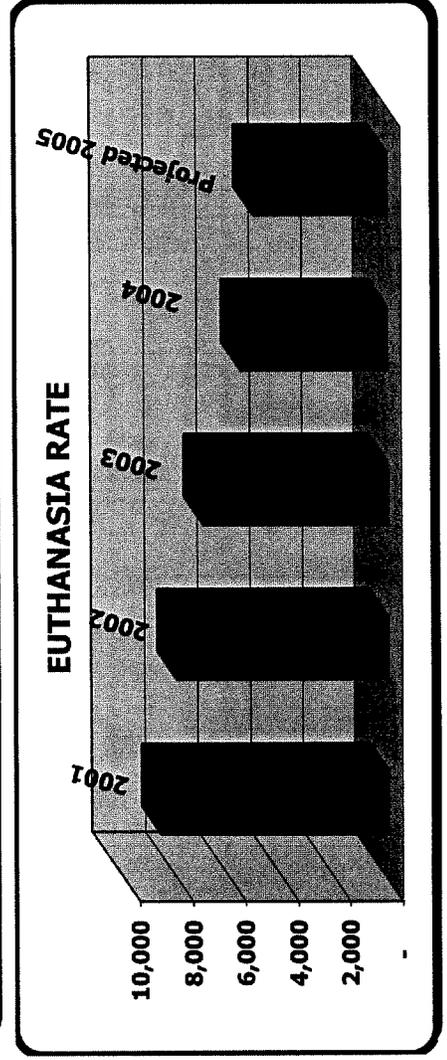
Live Animal Incoming	Percentage
2002	-11%
2003	-17%
2004	-8%
Projected 2005	-9%



Outplacement	Value
2001	4,682
2002	5,472
2003	4,432
2004	4,179
Projected 2005	4,524

Percentages of increase/decrease

Outplacement	Percentage
2002	17%
2003	-19%
2004	-6%
Projected 2005	8%



Euthanasia Rates	Value
2001	8,648
2002	8,049
2003	7,014
2004	5,591
Projected 2005	5,078

Percentages of increase/decrease

Euthanasia Rates	Percentage
2002	-7%
2003	-13%
2004	-20%
Projected 2005	-9%

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

HUMANE SOCIETY OF THE UNITED STATES AUDIT CLOSURE REPORT AND BUDGET ADJUSTMENTS RELATED TO \$507,181 IN HAYDEN CLAIM REIMBURSEMENT REVENUE

Whereas on March 18, 2005, reimbursement funds received by Animal Care Services from the State of California for costs incurred by Animal Care Services in compliance with the mandates of SB 1785, the Hayden Bill, were deposited in Animal Care Services' operating budget;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The FY2004/05 Animal Care Services revenue budget (101-310-3173-3510) is amended to include the \$507,181 Hayden claim reimbursement revenue received; and
2. The FY2004/05 Capital Improvement Program expenditure budget for Animal Care Repairs (PN: GA12) is amended to include an appropriation of \$507,181 (101-500-GA12).

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____