

**TRANSMITTAL**

To:

**THE COUNCIL**

Date:

**JAN 19 2010**

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



**ANTONIO R. VILLARAIGOSA**  
**Mayor**

**BOARD OF  
ANIMAL SERVICES  
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PRESIDENT

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**City of Los Angeles**  
CALIFORNIA



**ANTONIO R. VILLARAIGOSA**  
MAYOR

DEPARTMENT OF  
**ANIMAL SERVICES**  
221 North Figueroa Street  
5<sup>th</sup> Floor  
Los Angeles, CA 90012  
(888) 452-7381  
FAX (213) 482-9511

KATHLEEN J. DAVIS  
INTERIM GENERAL MANAGER

LINDA J. BARTH  
ASST. GENERAL MANAGER

January 13, 2010

Honorable Antonio R. Villaraigosa  
Mayor, City of Los Angeles  
City Hall Room 300  
Los Angeles, CA 90012

Dear Mayor Villaraigosa:

At the meeting of January 12, 2010, the Board of Animal Services Commissioners voted to request that the Mayor, and subsequently the City Council, approve renewal forthwith of the Memorandum of Understanding (MOU) with the City of Beverly Hills for animal care (sheltering) and control (enforcement) services for the second and third years, effective February 1, 2010, through January 31, 2012, to avoid service interruption.

This MOU was finally approved by the Mayor and Council late in 2008, after a lengthy development and review period. Effective as of February 1, 2009, the MOU has met all expectations for providing cost recovery to the Department for about 150 animals a year that would likely have been turned in to the West LA Animal Care Center anyway with "unknown" addresses; the MOU implementation has had no negative impact on the Department's ability to maintain service levels. In the first ten months of the MOU, over \$59,000 was paid to the Department, and we estimate at least \$70,000 per year from Beverly Hills. The funds go 100% to the General Fund.

Details of the MOU and the reasons for approving renewal are provided in the attached Report of the General Manager. In order to continue service without interruption, we respectfully ask for consideration forthwith. If your staff has any questions, please contact Assistant General Manager Linda Barth at 213-482-9558.

Very truly yours,

Kathleen J. Davis  
Interim General Manager

Attachment

cc: Jim Bickhart  
Doug Tripp

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**KATHLEEN J. DAVIS**  
Interim General Manager

**Report to the Board of Animal Services Commissioners**  
**KATHLEEN J. DAVIS, Interim General Manager**

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**COMMISSION MEETING DATE:** January 12, 2010    **PREPARED BY:** Linda Barth

**REPORT DATE:** January 6, 2010

**TITLE:** Assistant General  
Manager

**SUBJECT:** Renewal of Memorandum of Understanding with the City of Beverly Hills  
for Animal Care and Control Services

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**BOARD ACTION RECOMMENDED:**

That the Board request that the Mayor, and subsequently the City Council, approve renewal forthwith of the Memorandum of Understanding (MOU) with the City of Beverly Hills for animal care (sheltering) and control (enforcement) services for the second and third years, effective February 1, 2010, through January 31, 2012, to avoid service interruption.

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**SUMMARY:**

On April 28, 2008, the Board approved recommending to the Mayor and City Council a MOU with the City of Beverly Hills for one year, with up to two one-year extensions, for the purpose of providing animal sheltering and animal law enforcement services to this city of under 40,000 residents. After significant collaboration with the City Administrative Officer (CAO) and the City Attorney, the MOU and methodology for billing was approved by the Mayor and Council on October 15, 2008, and the MOU was executed in January of 2009 with a February 1, 2009, start date. If an extension is not approved, the MOU will expire on January 31, 2010. Given the positive experience for both parties in the first year, and the revenue source this MOU represents, staff recommends pre-approving the next two years as an efficiency measure. A 90-day cancellation clause allows either party to terminate the MOU without cause during the next two years.

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### Results from the First Year

Beverly Hills has been an excellent and cooperative client, always paying timely. As estimated, the volume of animals handled appears to be in the range of 150 per year. Officer hours are less than estimated based on the County's billing (300 or more hours a year). In one case, the Department was very involved in helping Beverly Hills police with a cruelty/hoarding case. Generally calls are for hurt animals or strays and are easily handled along with regular services to City of Los Angeles residents in contiguous areas. No problems or adverse impacts have arisen.

In the first 10 months of the MOU, February – November 2009, as billed through December 2009:

Total Animal Intake:	136 animals
Officer Hours:	51 hours
Altered Licenses:	499
Unaltered Licenses:	24
Total Billed:	\$59,215.17

### Background

On June 7, 2005, the Department received a letter from the City Manager for the City of Beverly Hills, California, expressing interest in entering into an agreement with the Department to provide for animal regulation enforcement, animal care center services including taking strays and adopting out animals, dog licensing, and dead animal pick-up services. At that time the Los Angeles County, Department of Animal Care and Control provided those services, mostly dispatched through their shelter in Carson, California. The City of Beverly Hills had been interested in providing to their community a shelter location that was in closer proximity, and in the possibly quicker service response that the City's West LA Animal Care Center could provide. Efforts in 2005 to process an MOU for services was ultimately cancelled by City Council over concerns about the impact on the new West Los Angeles facility still in construction at that time, and whether the billing methodology achieved cost recovery.

Opening of the new West LA Animal Care Center in November of 2007 enhanced the attractiveness of the facility to the nearby Beverly Hills residents. The Center appeared to be taking in, caring for, and adopting out, animals for Beverly Hills residents, because of the proximity of the West LA location. Without having an official agreement, however, Beverly Hills residents were not forthcoming about their residency when using West LA services, and the City recouped no cost of service. That led to a renewed interest on both the City's side and that of the City of Beverly Hills, to formulate an acceptable agreement.

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### New Agreement and Approved Cost Recovery Method

The greatest challenge in regard to working out an agreement amenable to both parties was calculation of costs. To revisit the concept of an agreement which would formalize the relationship with Beverly Hills and ensure the City is reimbursed for handling their animals, staff worked with the CAO on various scenarios to best capture true costs. Several assumptions guided this discussion, which served as foundation for the MOU and the billing methodology, including:

- The City of Los Angeles will not provide dead animal pickup; Beverly Hills will have to privately contract for that service.
- Euthanasia on request services to Beverly Hills residents will not be offered.
- Fees and charges for adopted animals or reunited animals continue to be collected by the Department and credited as general fund revenue.
- All overhead included in the annual CAP rate published by the CAO is applied to any cost recovery.
- The 2000 population of Beverly Hills was 33,784, with 15,035 households; 2007 population is estimated at 36,000. The City is 5.7 square miles. We extrapolated an estimate of less than 8,000 dogs and 10,000 cats residing in the City of Beverly Hills. Annual intake generated by Beverly Hills for West LA was estimated at 150 animals.

Ultimately, staff developed a formula for assessing both Department administrative costs and direct costs of West LA in providing services. The cost recovering model developed for revising the Department's fees, which incorporates hourly rates of all staff, overhead charges (benefits, days off, vehicle use, and other central services), average stays of animals, and expenses including food and medicine, was used to calculate an average "daily animal cost." The 5% of West LA's portion of Department budgeted resources was applied to the costs of Department administrative staff and supplies (for example, Personnel, Call Center, Administration, and Accounting). Each month, Beverly Hills is billed 1/12 of the annual calculated administrative overhead cost for the current month, plus the actual costs per animal day sheltered by the Department and actual costs for hours of Animal Control Officer services, less licenses paid, for the previous month. Fees for animal-related business permits, like adoption fees, are retained by the Department. Annual overhead, fees, and costs for monthly are recalculated at the start of the fiscal year on July 1<sup>st</sup>. The current fees:

Annual Administrative/Overhead Costs	\$46,682
Hourly Charge for Animal Control Officer I	\$57.52
Hourly Charge for Animal Control Officer II	\$65.53
Per Animal Daily Charge First Week	\$28.17
Per Animal Daily Charge After First Week	\$15.43
Less Licenses Purchased Spay/Neuter	-\$15.00
Less Licenses Purchased Unaltered	-\$100.00

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Review of the Material Provisions of the MOU

- Term: One year, with renewals up to 2 additional years; costs are recalculated on June 1<sup>st</sup> each year for billings as of July 1<sup>st</sup>. Either party may cancel with 90 days notice. In acting to approve the MOU, although it included two one-year extensions, Council only approved one year to start.
- Services Provided: The Department intakes, cares for, adopts, reunites, or treats animals coming from persons with Beverly Hills residency, or picked up in the City of Beverly Hills. Animal Control Officers respond to calls for help or service from persons in the Beverly Hills city limits. The Department responds to or assists in education in relation to wildlife sightings. The Department receives license applications and information and processes licenses, and receives and processes animal-related business permits. Beverly Hills adopted the City's ordinances relative to animals, including the spay/neuter ordinance. Any Beverly Hills-specific legislation would not be enforced or services provided by the Department.
- Invoicing: The City of Beverly Hills pays 1/12 of the annual cost recovery fee by the 15<sup>th</sup> of each month, along with the previously month's actual charges.
- Liability: The City of Beverly Hills and the City of Los Angeles mutually indemnify and agree to defend each other, as typical with such agreements between jurisdictions.
- Other Services: Animal Cruelty investigations, should they arise, are handled by the City of Beverly Hills staff, with advice from the Department on a cost-per-hour basis. While not handling barking dogs complaints, the Department could conduct Potentially Dangerous Dog hearings for Beverly Hills, should the need ever arise. The Department assists in education information on animals, wildlife, pet ownership, and related topics, but will not trap and remove wildlife or any animals for reasons of nuisance to residents or property owners

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**FISCAL IMPACT:**

The MOU with Beverly Hills allows reimbursements of costs the City was largely subsidizing before the agreement. Total revenue for a 12-month period will exceed \$70,000 and could run to \$100,000 depending on services required and intake. All payments are deposited to the General Fund. Although this MOU is successful and should be extended for the remaining two years, a major reason for the success is that Beverly Hills is a small city, with low demand, and which is contiguous with the City on

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nearly all borders, allowing effective and efficient service without negative impact to our own residents. That may suggest that contracting with larger jurisdictions that require more dedicated services is not a good option to consider at this time.

Approved:

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**Kathleen J. Davis, Interim General Manager**

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**BOARD ACTION:**

\_\_\_\_\_ Passed

Disapproved \_\_\_\_\_

\_\_\_\_\_ Passed with noted modifications

Continued \_\_\_\_\_

\_\_\_\_\_ Tabled

New Date \_\_\_\_\_