

# TRANSMITTAL

To:

**THE COUNCIL**

Date:

FEB 21 2013

From:

**THE MAYOR**

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



**ANTONIO R. VILLARAIGOSA**  
Mayor

**BOARD OF  
ANIMAL SERVICES  
COMMISSIONERS**

LISA McCURDY  
President

KATHLEEN RIORDAN  
Vice President

JIM JENSVOLD

TARIQ A. KHERO

ALANA YAÑEZ

**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

BRENDA BARNETTE  
GENERAL MANAGER

JOHN D. CHAVEZ  
ASSISTANT GENERAL MANAGER

January 29, 2013

Honorable Antonio R. Villaraigosa  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 North Spring Street  
Los Angeles, California 90012

**SUBJECT: PROCESSING FEE FOR EQUINE LICENSING**

Dear Mayor Villaraigosa:

At its meeting of October 23, 2012, the Board of Animal Services Commissioners voted to recommend to the Mayor and City Council that they:

**DIRECT** the Office of the City Attorney to draft ordinance language that will enable the Department of Animal Services to charge a \$3.00 processing fee for each equine license sold.

**SUMMARY**

Last year the Department sold 1,513 equine licenses, resulting in \$21,182 in revenue. However, no horse license revenue is credited to Animal Services. All equine-related licensing fees are deposited into the Recreation and Parks-controlled Equestrian Facilities Trust Fund (Los Angeles Municipal Code §53.15.1). This Fund is used for the acquisition, construction and maintenance of equestrian trails.

While the current practice of using equine licensing to maintain equestrian trails is prudent, the Department also has a responsibility to recover its costs where possible. This cost recovery becomes increasingly important as budgets get reduced. Therefore, Animal Services analyzed the process of issuing a horse license and the related cost. It determined that it costs \$3 to process each equine license sold.

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Visit our website at [www.LAAnimalServices.com](http://www.LAAnimalServices.com)

Subject: Processing Fee for Equine Licensing  
January 29, 2013

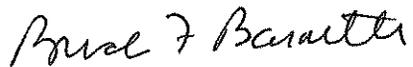
This \$3 fee will enable the Department to recover the administrative cost of issuing an equine license. The Department recommends that staff costs be reimbursed via a processing charge.

### **FISCAL IMPACT**

The implementation of a \$3.00 processing fee would have a beneficial impact on the Department's revenues. Last year, 1,513 equine licenses were issued, raising \$21,182. This amount was transferred to the Equestrian Facilities Trust Fund; Animal Services did not get credited for this amount. In contrast, a \$3 processing fee for 1,513 equine licenses would have generated \$4,539 for Animal Services.

I have attached the Board Report that was presented and approved by the Animal Services Commission for your review. If you require additional information regarding this action of the Board, please have your staff contact me, at (213) 482-9558 or Ross Pool, Management Analyst II, at (213) 482-9501.

Sincerely,



BRENDA F. BARNETTE  
General Manager

BFB:JDC

Attachment: October 23, 2012 Board Report, "Processing Fee for Equine Licensing"

cc: Dov Lesel, Assistant City Attorney  
Jim Bickhart, Office of the Mayor  
Ross Pool  
File

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**BRENDA BARNETTE**  
GENERAL MANAGER

JOHN D. CHAVEZ  
ASSISTANT GENERAL MANAGER

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**Report to the Board of Animal Services Commissioners**

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**COMMISSION MEETING DATE:** October 23, 2012

**PREPARED BY:** Brenda F. Barnette, General Manager

**REPORT DATE:** October 19, 2012

**SUBJECT: PROCESSING FEE FOR EQUINE LICENSING**

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**BOARD ACTIONS RECOMMENDED:**

- That the Board authorize the General Manager to charge a \$3 processing fee for every equine license so Animal Services can recover its administrative costs.
- That upon approval of the \$3 charge, direct the Office of the City Attorney to prepare and transmit the draft ordinance amending Section 53.15.1 of the Los Angeles Municipal Code.

**SUMMARY**

Residents purchasing equine<sup>1</sup>, or "horse," licenses currently pay \$14 per year. (This licensing amount will change. The details are discussed later in the report.) In 2011-12, Animal Services sold 1,513 licenses for a total of \$21,182 in revenue. All horse licensing revenue goes into the Equestrian Facilities Trust Fund and is used by the Department of Recreation and Parks for equestrian trail maintenance and construction; Animal Services receives no funding.

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<sup>1</sup> "Equine" means any horse, pony, donkey, burro, or mule, 12 months of age or older.

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To recover the cost of issuing these licenses, Animal Services recommends adding a \$3 processing fee for every license sold.

## **BACKGROUND**

Last year, Animal Services sold over 123,000 licenses. While most of these were for sterilized dogs (108,958), the Department also sold over 1,500 equine licenses, resulting in \$21,182 in revenue. Recently, in an effort to maximize horse licensing revenue, the Department mailed a licensing letter to over 400 homes that use "brown bins" for manure, but who had not licensed their horse(s).

However, no horse license revenue is credited to Animal Services. All equine-related licensing fees are deposited into the Recreation and Parks-controlled Equestrian Facilities Trust Fund (Los Angeles Municipal Code §53.15.1). This Fund is used for the acquisition, construction and maintenance of equestrian trails.

While the current practice of using equine licensing to maintain equestrian trails is prudent, the Department has a responsibility to recover its costs where possible. This cost recovery becomes increasingly important as budgets get reduced. (For 2013-14, Animal Services will need to take a 10% cut, which will result in a \$2 million reduction in its budget.) Therefore, Animal Services analyzed the process of issuing a horse license and the related cost.

The process is fairly straightforward: a Clerk Typist obtains the identification of the equine owner, the ID number, horse's name, kind, sex, color, tag number and expiration date. This information is entered into the animal database software, "Chameleon." The employee then processes the cash/check/credit card. Processing an equine license may take a Clerk Typist about 15 minutes, taking into account incoming calls and people at the counter, though five minutes is a more realistic time.

The estimated cost of each transaction, based on current salary rates, is \$3. The Department recommends that staff costs be reimbursed via a processing charge.

These processing charges are not uncommon in government. A survey of two City departments (Fire and Building and Safety), found processing and issuing fees, and surcharges. King County (Washington) levels a 5% surcharge on a variety of fees. The Department would work with the Offices of the City Administrative Officer and the City Attorney to implement this processing charge if approved by the Board.

## **CHANGES TO HORSE LICENSING**

Recently, Councilman Richard Alarcon initiated various equine-related issues, such as reviewing the 2001 General Plan Conservation Element as it pertains to equine policies, updated horse trail mapping, and licensing. In May 2012, the Councilman, who is the

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Chair of the Arts, Parks, and Aging Committee, had the Committee convene a special night meeting in the San Fernando Valley to focus on equine-related issues.

One result of equine-related initiatives is the change in equine licensing. The City Council approved the following changes (Council File 12-0307-S3) to equine licensing:

- Multi-year licenses can now be purchased.
- Discounts of 10% for a one-year license, 20% for a two-year license, 30% for a three-year license, 40% for a four-license, and 50% for a five-year license.

The table below summarizes these discounts:

LICENSE DURATION	COST OF LICENSE (\$)	DISCOUNT %	DISCOUNT AMOUNT (\$)	COST OF LICENSE (\$)
One Year	14	10	1.40	12.60
Two Years	14	20	5.60	22.40
Three Years	14	30	12.60	29.40
Four Years	14	40	22.40	33.60
Five Years	14	50	35.00	35.00

The Councilman's stated beliefs are that the reduction in costs will provide horse owners with an incentive to license their horses. The more licensed horses there are in an equestrian-zoned community, the greater the likelihood that the community will remain zoned for horses. These incentives should spur an increase in licensing, which should increase horse licensing revenues (which was \$21,182 last year). From the Department's perspective, increased horse licensing also helps Animal Services find equine in the event of an emergency, such as wildfire.

*Animal Services' proposed processing charge would only be charged once, even if it is a multi-year license.* For example, a horse owner purchasing a five-year license would be charged \$3 and not \$15.

At the October 16, 2012 Personnel and Animal Welfare (PAW) Committee, the City Attorney's Office presented the proposed ordinance that would incorporate these discounts into the Los Angeles Municipal Code. After much discussion about whether these discounts represent a "new" fee, whether a discount should be applied to the first year, and exempting LAPD's horses, this item will be heard before the PAW Committee on October 30, 2012.

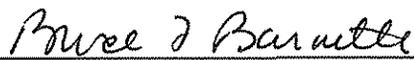
Upon approval before the PAW Committee, the discounted equine license ordinance would be scheduled for a vote before the full City Council.

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**FISCAL IMPACT:**

There would a beneficial impact on the Department's revenues. Last year, 1,513 equine licenses were issued, raising \$21,182. This amount was transferred to the Equestrian Facilities Trust Fund; Animal Services did not get credited for this amount. In contrast, a \$3 processing fee for 1,513 equine licenses would have generated \$4,539 for Animal Services.

Approved:

  
**BRENDA F. BARNETTE, General Manager**

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**BOARD ACTION:**

_____ Passed	Disapproved _____
_____ Passed with noted modifications	Continued _____
_____ Tabled	New Date _____