



## **REPORT TO CITY COUNCIL**

**To:** Honorable Mayor and Members of the City Council

**From:** Nicole Dailey, Senior Management Analyst

**Date:** October 24, 2017

**Subject:** Amendment No. 1 - Professional Services Agreement for Animal Control Field Services with Animal Friends of the Valleys

### **Recommendation**

Authorize the City Manager to execute the amendment to renew and extend the City's Professional Services Agreement for Animal Control Field Services with Animal Friends of the Valleys (AFV).

### **Background**

The City of Lake Elsinore has contracted with AFV to provide a full range of animal control services to safeguard the health and safety of the citizens of the City and its domestic animals for nearly 30 years. These services include field services, after-hours emergency response, humane treatment of animals, public education, and enforcement of animal control municipal codes.

The City has agreements with AFV for animal control sheltering and field services, which are governed by separate agreements. The City's existing agreement for field services expired June 30, 2017 and has been operating on a month-to-month basis. The City's animal sheltering services are covered by an agreement with the Southwest Communities Financing Authority administered by Riverside County on behalf of the City and our neighboring cities.

Cost for animal control field services are based on the number of animal control officers committed to the City plus back-up when necessary, cost for vehicle mileage, other infrastructure cost, after hour calls and vet expenses.

In 2011, the City began making base monthly payments to AFV over the term of the field services agreement and AFV began remitting animal license fees, late charges and citation fees to the City.

In 2014, the City increased the number of animal control field services hours from five (5) hours per day to eight (8) hours per day.

Last year, the City's cost was \$247,611.36 with revenues of approximately \$144,114. Therefore, these revenues covered approximately 58% of the City's cost for animal control field services.

## Discussion

The proposed amendment includes an updated Scope of Services included in Exhibit C. No major changes have been made to the level of service or the scope of services. While AFV has recommended that the City consider additional service hours, at this time the City does not have the funding for the additional cost (see Exhibit C). In addition, the City currently receives very little to no complaints about the existing level of service.

The major change included in this amendment, Exhibit A, is a new billing structure. The City of Lake Elsinore is currently on a monthly base rate billing structure whereas AFV remits all license and citation revenue to the City. However, AFV has proposed that the City switch to a fixed monthly rate that allows AFV to keep all license and citation revenues. The cities of Canyon Lake, Murrieta, Temecula and Wildomar currently pay a fixed monthly rate.

Below are the City's two billing options:

<b>Payment Option:</b>	<b>Cost Per Month</b>	<b>Est. Revenues</b>	<b>Total Cost Per Year</b>
<b>Monthly Base Rate Billing includes a 2.5% Increase Per Year</b> <i>(City Keeps Revenues)</i>			
Fiscal Year 2017/2018	\$ 21,150.14	\$ 131,108.00	\$ 122,693.68
Fiscal Year 2018/2019	\$ 21,678.89	\$ 131,108.00	\$ 129,038.68
Fiscal Year 2019/2020	\$ 22,208.63	\$ 131,108.00	\$ 135,395.56
<b>Total for Term of Agreement:</b>			<b>\$ 387,127.92</b>
<b>Fixed Monthly Rate</b> <i>(AFV Keeps Revenues)</i>			
Fiscal Year 2017/2018	\$ 7,500	\$ 0	\$ 90,000.00
Fiscal Year 2018/2019	\$ 7,500	\$ 0	\$ 90,000.00
Fiscal Year 2019/2020	\$ 7,500	\$ 0	\$ 90,000.00
<b>Total for Term of Agreement:</b>			<b>\$ 270,000.00</b>
<b>Proposed Savings:</b>			<b>\$ 117,127.92</b>

Staff recommends we proceed with the fixed monthly rate of \$7,500 per month and allow AFV to keep all revenues. It is estimated that this fixed monthly rate will save the City approximately \$117,000 over the next three years without any changes to our existing level of service.

As part of this change, the City has requested that AFV provide an end-of-year accounting to compare their total annual revenues to the total annual cost for services. The total annual revenues would include the City's flat monthly payments plus the revenues from the animal licenses, citations and late charges collected by AFV during the fiscal year. Any excess revenues in any given fiscal year could be used (at the City's discretion) for special programs and/or marketing efforts related to improving animal control or increasing the City's services hours.

The amendment also extends the term of the Animal Control Field Services Agreement for an additional three (3) years from October 24, 2017 through June 30, 2020.

This agreement was presented to and approved by the Public Safety Advisory Commission on September 20, 2017.

**Fiscal Impact**

Approval of this agreement will cost the City \$90,000 each year for the next three fiscal years with a projected overall savings of \$117,000. The proposed cost for this year is included in the Fiscal Year 2017/2018 Operating Budget.

**Exhibits**

- A – Amendment No. 1
- B – Original Agreement
- C – Scope of Services
- D – AFV Fee Schedule