



City Council Agenda Report

Meeting Date: 6/11/24
Initiated By: Joseph Ledoux
Prepared By: Katie Krauss
Approved By: Gabe Engeland

Subject: Animal Control and Sheltering Services Agreement

COUNCIL PRIORITY AREA

- ☐ Business Communities
- ☐ Circulation Safety and Efficiency
- ☐ Environmental Sustainability
- ☐ Housing
- ☒ Neighborhood Safety Infrastructure
- ☒ General Government

RECOMMENDATION

Approve a five-year agreement for Animal Control and Sheltering Services with the City of Palo Alto.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION

Does the City Council wish to approve the agreement for Animal Control and Sheltering Services with the City of Palo Alto for a period of five years?

FISCAL IMPACT

The annual cost to the City is anticipated to be \$326,000 in Fiscal Year 2025 based on 15.5% of total costs (Fiscal Year 2023 actuals) and is not expected to exceed \$400,000 in any year.

ENVIRONMENTAL REVIEW

Council action on this item is exempt from CEQA review under section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

PREVIOUS COUNCIL CONSIDERATION

November 21, 2003; May 27, 2014; June 25, 2019

DISCUSSION/ANALYSIS

The City of Los Altos has been contracting with the City of Palo Alto for Animal Control and Sheltering Services since August of 1997. On November 21, 2003, Council approved entering into a ten-year Animal Control agreement. The agreement allowed for two five-year extensions, so long as it was mutually advantageous for both Cities. The second extension of the agreement

expires on June 30, 2024. Since 2019, animal care and shelter services are provided by Pets in Need through a contract with the City of Palo Alto. Animal Control Services are provided directly by the Palo Alto Police Department/Animal Control Officers.

Historically, the compensation associated with the contracts has been based on an annual percentage of animals handled by Palo Alto for each partner agency (Los Altos and Los Altos Hills). Under this cost structure, Los Altos is responsible for 11.3% and Los Altos Hills is responsible for 4% of animal care and animal control costs. This percentage was derived from an average percentage of animals handled by Palo Alto over a ten-year period and Palo Alto's total costs for animal control and shelter services. Los Altos has been responsible for \$148,000 and Los Altos Hills has been responsible for \$51,000 annually, based on the average of the previous three fiscal years.

Agreements with Los Altos and Los Altos Hills will terminate on June 30, 2024 and have been reevaluated for scope and cost of services. The new agreement reflects a similar scope to the current agreement with an adjusted compensation model. To provide assurance to all parties that the partner agencies are paying for animals handled in their jurisdictions only, the agreement will shift from an average percentage-based model to actual program costs (animal care and animal control). The actual program costs will be derived from the number of animals handled in each jurisdiction as compared to all animals handled each fiscal year.

Prior to Pets in Need (PIN) operating the Animal Shelter, the City was responsible for licensing of animals and remitted the associated revenue from licenses from Los Altos and Los Altos Hills animals back to those agencies. With the City of Palo Alto taking back the function of animal licensing, which was done by PIN during the five-year term (2019-2024) of the contract with PIN and the City of Palo Alto, revenue from licenses issued in Los Altos will be remitted back to our City.

The Palo Alto City Council approved a new five-year agreement with Pets in Need on March 18, 2024, to provide animal care and sheltering services to the City of Palo Alto, Los Altos and Los Altos Hills at the Palo Alto Animal Shelter. The new agreement with PIN represents increased costs to the City of Palo Alto to operate the shelter. In Fiscal Year 2025, the cost to operate the shelter will be \$1.4 million and animal control costs are estimated to be \$715,000, for a total estimated cost of \$2.1 million. This increase in costs also translates to higher costs for Los Altos and Los Altos Hills. The provision of animal care and control services to Los Altos and Los Altos Hills is expected to result in annual revenue of \$416,000 in FY 2025. This is derived from the anticipated revenue from both agencies less licensing revenue remitted back to each agency. Expected costs to Los Altos and Los Altos Hills in Fiscal Year 2025 are \$326,000 and \$154,000, respectively. Expected revenue from licensing that will go back to Los Altos and Los Altos Hills is \$46,000 and \$18,000, respectively.

ATTACHMENTS

- 1. Agreement for Animal Control and Sheltering Services 07/01/24-06/30/29**
- 2. City of Palo Alto Staff Report 05/06/2024**
- 3. Current Agreement for Animal Control and Sheltering Services 07/01/19-06/30/24**