CITY OF ORLAND STAFF REPORT
MEETING DATE: SEPT. 1st , 2026

TO: Honorable Mayor and City Councilmembers

FROM: Justin Chaney, Interim City Manager

SUBJECT: Feline Population Reduction Program: History, Status of the $25,000 Allocation, Reimbursement Demand, and Requested Direction (Discussion/Action)

BACKGROUND:

Since 2023, the City has considered various forms of support for feral cat population reduction and for Hidden Treasures Cat Rescue & Sanctuary, an independent nonprofit. The complete Council record is attached. The key actions are:

- **July 18, 2023:** Hidden Treasures requested $35,000 in unrestricted operational support. No action was taken.
- **September 5, 2023:** Council appointed two members to the Glenn County Feline Ad Hoc Committee. A funding request made during public discussion was not acted upon because it was not agendized for action; staff was directed to prepare an agreement.
- **September 19, 2023:** The City Attorney presented a draft reimbursement agreement with Hidden Treasures (not to exceed $4,000/month, four-month term, payment only on documented billings, terminable at any time). Council declined to approve the agreement and deferred to the countywide Feline Ad Hoc Committee. The agreement was never executed.
- **November 7, 2023:** On the ad hoc committee's recommendation, Council approved (5-0, roll call) a $25,000 contribution, from ARPA funds, to a countywide voucher program. Under the approved program design: residents pay a Glenn County veterinarian directly for spay, neuter, or euthanasia services; present their receipt to Glenn County Animal Control; and receive reimbursement of up to $100 per cat, limited to four cats or kittens per household per year. Any facility used must be in good standing with the County and City on code enforcement and permits.
- **2024:** The countywide program was never implemented.
- **November 19, 2024:** Council received a staff report noting the County Board of Supervisors had allocated $25,000 of County ARPA funds (November 12, 2024) to a joint spay/neuter reimbursement program that would include dogs. The report also noted that the City's ARPA account is an internally designated category of the General Fund. County and City staff were to plan logistics. The program was not implemented.
- **2025–2026:** Councilmembers and members of the public, including Hidden Treasures' director, have repeatedly requested implementation of the voucher program and renewed ad hoc committee activity.

ANALYSIS:

1. Status of the $25,000. The November 7, 2023 action was an internal designation of ARPA funds, not a transfer to a separate fund or an expenditure. The City claimed its ARPA allocation as revenue replacement under the U.S. Treasury Final Rule's standard allowance; funds claimed under that election carry no federal eligible-use restrictions or spending deadlines and are, for all practical purposes, General Fund monies. Consistent with that treatment, Orland's ARPA account is an internally designated category of the General Fund, which is why the $25,000 does not appear as a separate line item in the current budget. No funds have been spent, and the Council retains full discretion to re-appropriate, restructure, or rescind the designation.

2. Reimbursement demand. Hidden Treasures' director has submitted self-prepared vouchers totaling approximately $9,000 and has stated the City owes this amount. The voucher program approved November 7, 2023 was never implemented; no vouchers were ever authorized or issued by the City or by Glenn County Animal Control, and no contract between the City and Hidden Treasures has ever been executed. Under settled California law, a city may be bound only by contracts entered into in conformity with its statutory contracting requirements, and theories such as implied contract, quantum meruit, and estoppel are generally unavailable against a public entity where those requirements were not met. Separately, payment of public funds absent a legal obligation or enforceable program raises concerns under the gift of public funds clause (Cal. Const. art. XVI, § 6).

3. Options for the program going forward. If the Council wishes to proceed with a spay/neuter reimbursement program, staff recommends the following guardrails in any structure selected: reimbursement only upon documented third-party veterinary receipts; enforcement of the per-animal and per-household caps; processing by Glenn County Animal Control or City finance staff (not by any program participant); no retroactive reimbursements for expenses incurred before program adoption; and, if a nonprofit or clinic is engaged, a written services agreement with invoicing, insurance, term, termination, and audit provisions.

RECOMMENDATION:

Discussion and direction to staff on each of the following:

1. The $25,000 allocation. Whether to (a) rescind the November 7, 2023 designation of $25,000 and return the funds to unrestricted General Fund status, or (b) reaffirm the allocation and select a delivery model: (i) a City-administered reimbursement program adopted with written guidelines; (ii) the joint City/County program per the County's November 2024 action; or (iii) a written services agreement with a participating veterinary clinic or qualified nonprofit.

2. Implementation. If a program proceeds, direct staff to return with program guidelines and any necessary agreement for approval, incorporating the guardrails described above.

Attachments:

1. Comprehensive Record Packet: Hidden Treasures, Cats, and Spay/Neuter (January 2023 – January 2026)

FISCAL IMPACT OF RECOMMENDATION:

Up to $25,000 (General Fund, ARPA-designated) if the program is reaffirmed; $0 if the designation is rescinded. No payment on the $9,000 demand is recommended at this time.