



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

VACANT
Fourth District

JIM DESMOND
Fifth District

DATE: May 2, 2023, and May 23, 2023

03

TO: Board of Supervisors

SUBJECT

COST RECOVERY PROPOSAL TO AMEND ARTICLE XX OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES, SECTION 364.8 RELATING TO FEES CHARGED BY THE DEPARTMENT OF ANIMAL SERVICES EFFECTIVE FISCAL YEAR 2023-24 (5/2/2023 – FIRST READING; 5/23/2023 – SECOND READING UNLESS ORDINANCE IS MODIFIED ON SECOND READING) (DISTRICTS: ALL)

OVERVIEW

The Department of Animal Services (DAS) protects the public from dangerous animals, protects animals from abuse and neglect, and saves the lives of thousands of unwanted, abandoned or lost pets each year. Historically, approximately 6,500 animals from the unincorporated area of the county enter DAS' two shelters annually. DAS provides animal-related law enforcement, sheltering, medical and pet adoption services to the unincorporated area of the county. For some of the services it provides, DAS charges fees. Today's action requests that the San Diego County Board of Supervisors (Board) approve amendments to Article XX Fees and Charges.

The Board of Supervisors' (Board) Policy B-29, *Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery*, directs departments to recover the full cost of services provided to agencies or individuals. The Board has historically waived Policy B-29 as it applies to dog license and animal services fees, based on the recognition that increasing fees to full cost recovery would deter some residents from licensing their dogs and from adoption or claiming animals. This would likely contribute to unnecessary euthanasia of sheltered animals and impair DAS' ability to maintain the County goal of zero euthanasia of healthy and treatable animals.

To determine the proposed changes, DAS calculated the costs of staff salary and benefits and services and supplies carrying out the services tied to each of the department's fees, to determine the full cost recovery fee amount. The resulting full cost recovery fees are then compared to fees charged by other regional animal services agencies to ensure that DAS' proposed fees are comparable to the regional average. DAS also analyzed local economic and animal services needs data to ensure that the proposed fees are attainable to residents of the department's service area. The last DAS cost recovery package approved by the Board was June 4, 2019 (12). Since that time, fees charged by DAS have not kept pace with the steady increase in operational costs for shelter services and medical care, consequently, the County has experienced net cost increases. Today's request increases 39 of 56 existing fees, decreases one, and adds seven fees to DAS's fees schedule.

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for a total of 63 fees, to recover a greater share of the operational costs for the services provided to the residents of the County's unincorporated area. According to surveys completed by DAS, the proposed fees are comparable to fees charged by other regional jurisdictions. If the proposed fees are approved, DAS does not anticipate a decrease in the number of dogs licensed or the number of animals claimed from County shelters, nor any adverse impact to adoption rates. If approved, DAS will begin collecting fee increases and new fees on July 1, 2023.

Today's request includes two steps. The ordinance is being introduced today, May 2, 2023, and if approved, will be scheduled for adoption on May 23, 2023. If the proposed ordinance is altered on May 23, 2023, then on that date a subsequent meeting date will be selected for the ordinance's adoption.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Waive Board Policy B-29: Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery, which requires full cost recovery for services.
2. Approve the introduction of the Ordinance (first reading):

AN ORDINANCE AMENDING ARTICLE XX OF THE SAN DIEGO COUNTY CODE ADMINISTRATIVE ORDINANCES, SECTION 364.8 RELATING TO FEES CHARGED BY THE DEPARTMENT OF ANIMAL SERVICES

3. If on May 2, 2023, the Board takes the actions as recommended then, on May 23, 2023, consider and adopt (unless ordinance is modified on second reading):

AN ORDINANCE AMENDING ARTICLE XX OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES, SECTION 364.8 RELATING TO FEES CHARGED BY THE DEPARTMENT OF ANIMAL SERVICES

EQUITY IMPACT STATEMENT

The proposed actions would amend some of the Department of Animal Services (DAS) fees for services that are provided to cover more of the full cost of those services in alignment with current San Diego County Board of Supervisors' standards and to reflect applicable laws and regulations. By recovering more of the cost of services through small adjustments in its fee schedule, the DAS ensures that sufficient resources remain to provide services to individuals experiencing financial hardship and those in historically underserved and underrepresented communities that require animal services. To develop the fees, an analysis was conducted to examine the tasks and functions performed, including direct and indirect costs of performing those tasks, as well as a regional comparison with similar agencies. The calculation for the fee increases were reviewed to ensure that the services are not cost prohibitive for customers.

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SUSTAINABILITY IMPACT STATEMENT

The proposed adjustments to the Department of Animal Services (DAS) fee structure are based on available expenditure and revenue data, live time studies, and regional comparisons. The fee changes are a result of the cumulative increase of cost drivers, such as salaries and benefits, services and supplies, and associated indirect costs of DAS. The proposed adjustments are appropriate as they support the County of San Diego's Strategic Initiative of Sustainability to align the County's available resources with services while maintaining fiscal stability and ensuring long-term solvency.

FISCAL IMPACT

There is no fiscal impact in the current fiscal year. If approved, additional funds from the revised fees, estimated at approximately \$352,000, will be included in the Fiscal Years 2023-25 CAO Recommended Operational Plan for the Department of Animal Services (DAS). The proposed fees will not achieve full cost recovery for the services provided. If approved, the estimated amount of the requested B-29 waiver is approximately \$1,084,000 in Fiscal Year 2023-24 and will be absorbed with existing General Purpose Revenue budgeted in DAS. Future years costs not covered by the revised fees will be absorbed with existing General Purposed Revenue and included in future Operational Plans. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The Department of Animal Services (DAS) is committed to sustaining its mission of protecting the health, safety and welfare of people and animals in the unincorporated area of the County. The continued increases in the cost of doing business requires the evaluation of fees to more closely align with current costs. DAS has reviewed its internal costs and proposes an increase to 39 of its existing fees for various services, a decrease to one adoption fee where the adopter is a senior and/or disabled person, and the addition of seven new fees for spay and neuter services by animal type and weight, rabbit adoption and owner requested dead on arrival (DOA) services.

The proposed fees are reasonable and consider current costs of providing services and survey information of similar fees charged by other regional jurisdictions. DAS will begin collecting fee increases and new fees on July 1, 2023. The Auditor and Controller has reviewed and approved the supporting documentation and methodology for establishing fees in this proposal for Fiscal Year 2023-24.

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Dog License Fees

Dog licenses provide a uniform system of identification, as well as a means of ensuring that the animal has been vaccinated against rabies, and lost dogs that are found wearing license tags can be quickly reunited with their owners. Dog license revenue represents roughly 6% of the funding needed to support DAS operations and reduces the need for General Purpose revenue.

DAS conducted a survey of dog license fees charged by other jurisdictions within San Diego County and in Southern California. The following table represents DAS' proposed dog license fees by category. See attachment D for additional details.

| Action | Number of Fees | Description |
|-------------------|----------------|---|
| Increases | 7 | <ul style="list-style-type: none">• Dog license – 12, 24 and 36 Months (Altered)• Dog license – 12, 24, and 36 months (Unaltered)• Dog license – late fee |
| No change | 3 | Dog license – late fee, transfer fee, tag replacement fee |
| Total Fees | 10 | |

In addition to reducing net costs, the proposed fee structure would also provide greater incentives for dog owners to have their dogs spayed or neutered and to purchase multi-year licenses. Owners of altered dogs save at least 60% to the costs of licensing an unaltered dog and all owners of altered dogs who purchase a 24-month or 36-month license save at least 10% over the cost of 12-month licenses. The proposed fees would continue to comply with State law that requires dog license fees for altered dogs to be one-half or less of the fee required for an unaltered dog.

Adoption Fees

DAS offers adoption services as part of an overall strategy to maximize the number of animals exited from its shelter facilities each year, which reduces boarding expenses and increases the overall live release rate. Adoption revenues represent roughly 2% of the funding needed to support operations. Based on analysis of adoption expenses and a survey of other shelters in the region, DAS proposes to increase some, decrease one of its adoption fees, and add the rabbit adoption fee to the schedule, as indicated in the following table. See attachment D for additional details.

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| Action | Number of Fees | Description |
|-------------------|----------------|---|
| New Fee | 1 | <ul style="list-style-type: none"> Rabbit adoption |
| Increases | 5 | <ul style="list-style-type: none"> Kitten, Cat, Puppy, Dog and Dog or Cat over 5 years adoption |
| Decrease | 1 | <ul style="list-style-type: none"> Senior/Disabled person with any animal adoption |
| No Change | 1 | <ul style="list-style-type: none"> Senior/Disabled person with animal over 5 years adoption fee remains free |
| Total Fees | 8 | |

Animal Sheltering Fees

DAS conducted a review of its fees for animal sheltering and a survey of similar animal sheltering fees charged by regional jurisdictions of San Diego Humane Society, City of Chula Vista, City of Coronado, Riverside County, Orange County and Ventura County. Animal sheltering fees include charges for impoundment, relinquishment, board, and medical treatment of shelter animals, and fees for owner requested euthanasia services. The following table represents DAS' proposed animal sheltering fees by category including the new Spay/Neuter fees. See attachment D for additional details.

| Action | Number of Fees | Description |
|-------------------|----------------|--|
| New Fees | 5 | <ul style="list-style-type: none"> Spay/Neuter fees (based on animal type and weight) |
| Increases | 14 | <ul style="list-style-type: none"> Impound fee: fowl, small animal including dog and cat; medium animal, including sheep and goat; and large animal, including equine and bovine Impound fee: dog found at large second and subsequent time Board fee: fowl, small animal including dog and cat; medium animal, including sheep and goat; and large animal, including equine and bovine Medical examination, vaccination and/or treatment Owner-requested euthanasia at shelter |
| No Change | 1 | <ul style="list-style-type: none"> Impound fee: Intact dog found at large second or subsequent time |
| Total Fees | 20 | |

Regulatory and Miscellaneous Fees

DAS also conducted a survey of regulatory fees charged by the same regional animal control agencies. Regulatory fees include fees for quarantine, kennel license, dangerous dog/public nuisance initial registration and annual registration, guard dog operator, and protection dog

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premises permits, as well as fees for owner requested euthanasia and dead-on arrival (DOA). The following table represents DAS’ proposed regulatory and miscellaneous fees. See attachment D for additional details.

| Action | Number of Fees | Description |
|-------------------|----------------|--|
| New Fee | 1 | <ul style="list-style-type: none">• Owner requested DOA |
| Increases | 13 | <ul style="list-style-type: none">• Quarantine fees• Kennel license fee• Dangerous dog/Public nuisance initial registration fee |
| No change | 11 | <ul style="list-style-type: none">• Kennel license fee• Dangerous dog/Public nuisance initial registration fee• Owner requested Euthanasia |
| Total Fees | 25 | |

If the proposed fees are approved, DAS does not anticipate a decrease in the number of dogs licensed or the number of animals claimed from County shelters, nor any adverse impact to adoption rates, as the proposed fee adjustments are aligned with current local and regional market rates for these services. These fee increases are expected to help cover a greater share of the operational costs for animal services and reduce the need for General Purpose Revenue.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed actions support the Strategic Initiatives of Sustainability, Equity, and Empower in the County of San Diego’s 2023-2028 Strategic Plan by periodically reviewing the Department of Animal Services fees to ensure optimized service delivery efficiency, integration and innovation while maintaining fiscal stability.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Interim Chief Administrative Officer

ATTACHMENT(S)

Attachment A: An Ordinance Amending Article XX of the San Diego County Code of Administrative Ordinances, Relating to Fees Charged by the Department of Animal Services (Clean Copy)

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Attachment B: An Ordinance Amending Article XX of the San Diego County Code of Administrative Ordinances, Relating to Fees Charged by the Department of Animal Services (Informational Copy)

Attachment C: Summary of Proposed Ordinance

Attachment D: Sample Comparison of Regional Fees