

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 5/14/02
Department Name: Public Health Department
Department No.: 041
Agenda Date: 6/4/02
Placement: Administrative
Estimate Time: 20 Minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Roger Heroux, Director
Public Health Department

STAFF Jinna Lessard, Community Health Manager, 681-5252
CONTACT: Suzanne Jacobson, Fiscal Manager, 681-5183

SUBJECT: Fee Resolutions for Animal Services and Emergency Medical Services

Recommendation(s):

That the Board of Supervisors:

- A. Adopt the attached resolution to increase Emergency Medical Technician (EMT) certification/re-certification fees from \$10 to \$20, and Paramedic accreditation/re-accreditation fees from \$20 to \$52 for initial accreditation and \$20 to \$28 for re-accreditation, effective July 1, 2002.
- B. Adopt the attached resolution to adjust the Animal Services fees to consumers effective July 1, 2002.
- C. Approve the per capita fee methodology to be used for calculating incorporated area, full service contract costs for Animal Services, effective July 1, 2002.

Alignment with Board Strategic Plan:

Goal #1: An Efficient Government Able to Respond Effectively to the Needs of the Community.
Goal #2: A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

Emergency Medical Services

- A. Emergency Medical Services (EMS) Agency administers the EMT certification and Paramedic accreditation process in Santa Barbara County. EMTs are certified at the county level. Paramedics are licensed at the State level, but must maintain a local county accreditation due to different local scopes of practice through-out California.

The current fees of \$10 for EMT certification/re-certification and \$20 for Paramedic accreditation/re-accreditation were established when EMS became part of the Public Health Department in 1981. The EMT and Paramedic fee schedule has not increased since inception. An activity-based costing study was conducted which realigns fees to the costs of service. The fee study is in accordance with Generally Accepted Accounting Principles and incorporates all costs incurred in providing services including the current Board approved cost of living increases and County Wide Cost Allocation (A87 Plan Overhead) charges.

Animal Services

The Animal Services consumer fees have not been brought before your Board since July 1992. In this 10-year timeframe Animal Services has undergone many changes. The program was reunited with the Public Health Department (PHD), SB 1785 (referred to as the Hayden bill) was passed increasing holding periods for stray animals, a spay/neuter ordinance was put into effect, and a new City was incorporated. Due to these and other factors, a comprehensive cost/fee study was conducted. In accordance with Generally Accepted Accounting Principles and Administrative Policy and Procedures, this fee study incorporated all costs incurred in providing services including the current Board approved cost of living increases and County Wide Cost Allocation (A87 Plan Overhead) charges.

Because of the complexity involved, the Public Health Department contracted with KPMG consulting in order to determine and align the actual costs for providing services. Through a long series of joint meetings and thorough analysis, a comprehensive cost worksheet tool was developed for the Department for determining and recommending reasonable and representative fees. Animal Services has three types of fees, two of which are before your Board today:

1. **Consumer fees** - The resolution for your Board's approval is attached.
2. **Per capita fees** – Animal Services requests a change in the methodology used to charge cities that contract for both field and shelter services.
3. **Fee-for-service** - The methodology, used to charge cities that have their own field staff and contract for shelter services only, will be brought to your Board in a separate action.

The resolution before your Board represents the results of this 'activity-based costing' fee study methodology. This study, which essentially realigns fees to costs, will become the benchmark for comparison and methodology for future Animal Services fee resolutions. The consumer fees that are being recommended are estimated to recover approximately 25% of the total Animal Services costs. The remaining 75% of costs consists of services to the cities, unincorporated areas, are County mandates.

As part of the process for recommending fee adjustments, a benchmark study of other jurisdictions was prepared (Attachment I). In addition, the new fees have been reviewed and a consensus obtained through extensive meetings and discussion with the staff and volunteers at all three animal shelters. In addition, Staff and volunteer input was incorporated into the recommendation that is before your Board.

B. **Service Categories Recoverable Through Consumer Fees**

Impounds:

Animal Services impounds many types of animals both owned and unowned. Of the approximately 11,000 animals impounded each year, 2,000 (18%) are returned to their owners, who are charged a fee. The total annual return-to-owner fee revenue is estimated at \$49,705. Of the 12 types of dog and cat impound fee categories, the average increase from the current fee of \$29 to \$35 is \$6 (21%).

Boarding:

The boarding fee is a per day fee. Of the approximately 67,600 boarding days each year, the cost for 14,000 (21%) are recoverable through fees. The boarding fee revenue is estimated at \$112,282. The increase from the current fee of \$5.50 per day to \$8.00 per day is \$2.50 (45%).

Euthanasia:

Although part of Animal Services' mission is to avoid euthanasia, sometimes it is necessary and unavoidable. Of the 2,800 animals that are euthanized each year, 430 (15%) are performed as a service at the request of the animal's owner. The total annual euthanasia fee revenue is estimated at \$18,300. The average increase from the current fee of \$23 to \$30 is \$7 (30%).

Adoption:

Animal Services places many types of animals with new owners. The adoption fee incorporates vaccinations and spaying or neutering. Approximately 3,775 animals are anticipated to be placed annually at a total estimated revenue of \$198,820. The recommended fee of \$65 for adopting a dog is \$35 (116%) more than the current fee of \$30, and the recommended fee of \$50 for adopting a cat is \$25 (100%) more than the current fee of \$25. However, these recommended fees include vaccinations and spaying or neutering, the current fees do not.

The cost of the adoption program is \$293,836. The proposed fees will recover 68% of the cost. To recover 100% of adoption costs, the adoption fee for all animals would need to be set at \$81. The benchmark county average is \$60. Animal Services would like to remain with the industry average in order to continue placing as many animals as possible.

Licensing:

The licensing program is part of the State mandate for rabies control. Discounts are given to owners whose animals are spayed or neutered, and to owners who are senior citizens. Approximately 13,900 animals are anticipated to be licensed at an estimated revenue of \$275,047. The recommended fee of \$15 for a 1-year license for an altered dog is \$3 (25%) more than the current fee of \$12. The cost of the licensing program is \$244,423. The proposed fees will recover 100% of the licensing costs plus \$30,624 of the bite investigation costs, which is also part of the State mandate for rabies control.

Service Categories Not Recoverable Through Consumer Fees

Bite Investigation:

Bite investigations are part of the State mandate for rabies control. Animal Services investigates approximately 1,400 bites annually. The cost of the Bite Investigation program is \$110,191 of which \$30,624 (28%) is recommended to be recovered through the licensing program. Although 100% of this cost could be added to the licensing fee, it is not part of the recommendation. The license fee

recommended is slightly higher than the benchmark county average. Animal Services would like to remain with the industry average in order to continue licensing as many animals as possible.

Night Calls:

Approximately 750 night calls (after hour calls) are responded to annually. When officers respond to these calls, it usually involves injured stray animals. Because there is no owner, no fee can be recovered. The after-hour call cost is high due to the fact that the County has three animal shelters. Three officers are on-call during non-working hours (16 hours per day.) Stand-by pay is paid at \$3 per hour and is negotiated through the union, SEIU Local 620. When officers are called out, overtime is paid at time and a half. The cost of after hours service is \$157,897.

Officer Services:

Officer services are difficult to quantify into a fee as the service may not result in an action that can be charged to a responsible party, such as an owner. These services include: sick and injured animal calls, investigation into animal cruelty or neglect cases, dead animal pick-up, wildlife issues, stray animal reports, animal transports to veterinarians, aggressive or vicious animals, abandonment, and animal rescues. The cost of these services are \$638,258.

C. In addition to consumer fees, the KPMG cost worksheets allowed the Public Health Department to calculate for the first time a per capita rate for negotiating contracts with the cities that have full service contracts, which provide for both field and shelter services: Guadalupe, Santa Maria, Lompoc, Solvang, Buellton and Goleta. The recommended per capita rate is \$4.65 per person in these incorporated areas and includes the following:

- No County Wide Cost Allocation (A87 Plan Overhead) distributed to the cities.
- No unfunded rabies mandates (licensing and bite investigations) distributed to the cities.
- Public Health Departmental overhead of 10.99% was added.

The current full service contracts with cities for both field and shelter services are not based on population and also leave unfunded costs of \$420,610 to provide services to incorporated areas. It is the goal of the Public Health Department beginning Fiscal Year (FY) 2002-2003 to negotiate contracts based on the per capita rate. Because implementing this methodology may be a financial hardship to some cities, a graduated increase will be suggested with full cost recovery over four years. Animal Services will return to your Board with these city contracts pending approval of these actions.

Because the County currently does not distribute County Wide Cost Allocation and mandated services to incorporated areas, the unincorporated per capita rate is \$8.14. It is interesting to note that the unincorporated population represents 32.5% of the County population. However, because not all costs of the program can be passed on to Cities, the unincorporated cost represents 51% of the costs not reimbursed by consumer fees, or \$1,039,825.

The unincorporated area services to the County have traditionally been supported by local monies. The current General Fund Contribution to the Animal Services program is \$695,885, which is \$343,940 less than the cost of service ($\$343,940 + \$695,885 = \$1,039,825$). The Public Health Department is currently funding the difference by reallocating part of its departmental General Fund Contribution. In addition, by allowing the Cities to become financially responsible within the next four years, the Public Health Department will be

contributing the currently unfunded costs of the incorporated areas of \$420,610. This \$420,610 of the current \$764,550 ($\$420,610 + 343,940 = \$764,550$) annual PHD commitment will be reduced in subsequent years as the City contracts increase.

The balance of \$343,940 for the unincorporated area will be committed as long a possible. To help offset this cost, the Public Health Department will continue to:

- Seek County Counsel opinion regarding County Wide Cost Allocation and mandated service cost distribution to cities
- Begin the process of SB90 claiming for the SB 1785 (Hayden bill) unfunded mandated costs. Because this has never been done, the amount cannot be estimated at this time.
- Continue to increase consumer fee revenue by licensing more dogs and adopting more animals.

The discussion above reviews the main categories for fees charged by Animal Services. The resolution includes fees for all services and all fees were reviewed as part of the process.

Mandates and Service Levels:

Emergency Medical Services

- A. California Health and Safety Code Chapter 4, section 1797.212 authorizes the local EMS Agency to establish a schedule of fees for certification in an amount sufficient to cover the reasonable cost of administering the certification provisions.

Animal Services

- B. And C. The County is mandated “to maintain or provide for the maintenance of a pound system and a rabies control program...” (H & S 121690 {e}). Services to the incorporated areas have been provided for years and service levels are not expected to change.

Fiscal and Facilities Impacts:

The methodology used to calculate both the Emergency Medical Service fees and Animal Service fees was reviewed and approved by the Auditor Controller’s Office in accordance with the county’s fee policies.

Emergency Medical Services

- A. The proposed fee resolution, if adopted, will be in line with the FY 2002-2003 proposed budget for Emergency Medical Services. For the first time, EMS has incorporated all costs, both direct and indirect, with the provision of these services. The estimated annual revenue will increase by approximately \$7,872 to \$15,072, an estimated increase of 109%.

Animal Services

- B. The proposed fee resolution, if adopted, will be in line with the FY 2002-2003 proposed budget for Animal Services. The estimated additional revenue anticipated with these new consumer fees is \$301,940. This increase will be offset by \$201,090 in increased costs (salary and benefits COLAs,

inequity increases, insurances, and services and supplies.) The remaining \$100,850 will be used to offset previous shifts of local Public Health Department funding utilized to sustain the program (See Attachment B).

- C. There are two types of incorporated area contracts: 1) full services, providing both shelter and field service, and 2) shelter services only. The proposed FY 2002-2003 budget includes \$137,617 of increased revenue for the Goleta city contract for providing full services. This contract is being negotiated at full allowable per capita fee methodology. This increase in program revenue has been offset by a reduction in General Fund Contribution. After approval of this action, Animal Services will submit contracts with the cities that receive full services to your Board with a separate action. The cities of Santa Barbara and Carpinteria contract for shelter services only. These cities will continue with fee-for-service contracts. The Santa Barbara city and Carpinteria city fee schedules and contracts will be brought before your Board in a separate action.

Approval of these fees will not result in any additional staff or need for facilities.

Special Instructions:

Return one fully executed copy of each resolution to the Public Health Department, attention: Suzanne Jacobson.

Concurrence:

Auditor-Controller

County Counsel