Report to the Board of Animal Services Commissioners
Edward A. Boks, General Manager

COMMISSION MEETING DATE: July 19, 2007    PREPARED BY: Linda Barth

REPORT DATE: July 23, 2007    TITLE: Assistant General Manager

SUBJECT: Amend Los Angeles Municipal Code to Remove Specific Fees and Charges Related to Adoption and Redemption and Add Authorization for the Board to Set Fees

BOARD ACTION RECOMMENDED:

That the Board request that the City Council direct the City Attorney to prepare an ordinance amending the Los Angeles Municipal Code (LAMC) to delegate authority to the Board to set fees and charges relating to impound, adoption, or redemption, based on a cost recovery model and subject to review by the City Administrative Officer, and to delete or modify specific fees and charges in sections of LAMC 53.00. et. seq., as described below.

SUMMARY:

During the City Council’s hearings on the Mayor’s Fiscal Year 07-08 Budget, the Department was requested to report on recent efforts to ensure that we were recovering costs in the fees we charged. No effort to adjust fees has been made since at least 1995. A pure cost recovery model could make animal adoptions and redemptions cost prohibitive, which is counter to our mission, and must be carefully consider. We also need to look seriously at permits, such as for pet shops and animal shows, to analyze cost recovery for those services, incorporating the need for consistency and inspections, and to examine our fine structure to determine if fines could offset a portion of the cost of the administrative hearing program. Those studies are currently underway, and will be subject of future recommendations to modify LAMC Sections 53.06, 53.12, 53.15, 53.18, 53.34, or 53.50, or others as applicable.

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Immediately, however, City Council explicitly requested our update of typical fees charged by the Department. These are captured in Section 53.12, “Pound Fees.” In this section, care and feed, and other cost-to-house fees are explicitly set species-by-species, allowing no flexibility to have those fees reflect actual costs when food, supplies, and salaries costs change, without carrying through a time-consuming and laborious ordinance process. Further, the exhaustive breakdown in Section 53.12 is inconsistent with the City’s cost recovery principle, as it incorporates different fees for a redeemed animal than for a stray adopted animal of the same species (for example, a redeemed cat is $2 per day, while an adopted cat is a flat $3). Section 53.12.2 sets a separate set of impoundment penalties, $35 to $100. Finally, the lengthy list of fees in Section 53.12 or scattered in other sections compounds the challenge of providing a simple, understandable invoice to the public adopting or redeeming an animal. Receipts may show six or more individual fee types with the charge for some varying from customer to customer depending on the details of the adoption and how the animal came to Animal Services.

Some fees in Section 53.12, such as for vaccinations, veterinarian services, or “other” animal adoptions, are expressly allowed to be set by the General Manager: “For feeding and caring for animals not specified in this section, the reasonable cost of feeding and caring for them” and “…the fees shall be charged and collected pursuant to a fee schedule to be established by the General Manager.” Upon study of how other Departments go about setting fees, and consultation with the City Administrative Officer, we recommend replacement of Section 53.12(a) with language similar to that in LAMC 57.04.12(c) describing the Fire Department’s fee development process. Further, that this section would also cover the setting of fees for permits. Relevant portion of the Fire Department language as suggested for 53.12:

The Board, with the concurrence of the Director of the City Administrative Officer, shall determine on a regular basis the verifiable costs of the City for the items set forth in this subsection. These costs shall be the actual total costs incurred, including all applicable indirect costs, as determined by the Board. The Board shall use those costs to develop a cost recovery schedule of applicable charges necessary to recover City costs for services or issuing permits in connection with the activities set forth in the schedule. The Board shall adopt such costs as fees at any time during each fiscal year.

The Fees that would be subject to this provision would be:

- Pound Fees - Section 53.12(a)
- Electronic Animal Identification Device Fees – Section 53.15.5
- Permit Fees – Section 53.50 (f)

As an adjunct to this major change, we further propose a change to expand the ability of the General Manager to waive a portion of the fees for promotional events. Now
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Confined to three events a year in Section 53.11(o), implied to mean three days a year, the current restrictive language essentially robs the Department of the tool every retail operator values—discounts and promotions to draw in customers. While the Department is already the highest volume pet adoption agency in the world, increasing adoptions even more is one of the strategic goals in ending the City’s pet overpopulation problems and achieving “No-Kill” for the City. The following language is a suggested replacement for Section 53.11(o).

o) Notwithstanding any other provision of this article, the General Manager shall have the power to waive all or any portion of the fees prescribed in Sections 53.12 and 53.15.3 of this article on as many as three separate days in any calendar year in order to encourage and promote pet adoptions, or more frequently upon the release of any animal by the Department to another municipal or county animal control agency, Society for the Prevention of Cruelty to Animals (SPCA), humane organization, or to a rescue organization, that meet the eligibility requirements of the Participant Shelter New Hope Program and enter into an agreement with the Department, for further adoption pursuant to this section. In addition, the General Manager shall also have the power to waive all or any portion of the electronic animal identification device (microchip) fees prescribed in Section 53.15.5 of this article at any time to encourage and promote pet adoptions or upon the release of any animal by the Department to another municipal or county animal control agency, Society for the Prevention of Cruelty to Animals (SPCA) or humane organization and to refund all or any portion of the fees to a rescue organization, upon their entering into an agreement with the Department.

Staff will provide a report on use of this provision by the General Manager, in the frequency and format requested by the Board.

If approved, this ordinance must be approved by Council prior to instituting any change to fees. During the approval process, staff will continue to work on cost recovery models and provide alternatives for fees to the Board so that new fees can be timely approved and implemented.

FISCAL IMPACT:

The Department will realize a revenue gain from the changes, since the General Manager and Board will be able to more timely update fees that will be tied to cost recovery formulas. However since the initial fee schedule is not set and implementation date is not known, no meaningful the estimate can be provided. Further, some changes in the fees may ultimately be based on program changes as well, such as increasing permit fees to pet shops to fund extra positions for additional inspections, so that
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revenue is offset and changes become revenue neutral. The Department will be greatly advantaged by this change regardless of the exact revenue increase because there are positive monitoring and accountability effects in tying fees charged to services actually expected of and performed by staff. Finally, the relaxing of ability of the General Manager to waive portions of fees for special events provides a powerful marketing tool to increase adoptions and redemptions overall through prudent and careful use of discounting to raise interest.

Approved:

Edward A. Boks, General Manager

BOARD ACTION:

_______ Passed                          Disapproved ________

_______ Passed with noted modifications  Continued ________

_______ Tabled                          New Date ________