

**DATE:** October 2, 2007  
**TO:** Mayor and City Council  
**FROM:** Chief of Police  
**SUBJECT:** Proposed Donation from Hayward Friends of Animals

### **RECOMMENDATION**

That Council reviews the information in this report and provides direction to staff on the acceptance and use of a proposed donation from the Hayward Friends of Animals.

### **BACKGROUND**

Each year communities across the country spend millions of dollars to control and eliminate unwanted animals. Uncontrolled and/or irresponsible breeding fuels the feral cat population and contributes to dog problems which include bites and attacks.

Summer 2003 – The Hayward Friends of Animals proposed the creation of a Spay and Neuter Clinic at the Hayward Animal Shelter. In support of this, they offered to make a \$75,000 donation to defray the impact of the startup costs.

June 20, 2006 – Resolution 06-080 adopting the F.Y. 2006-07 Budget contained the objective: “Evaluate the financial feasibility of implementing a Spay and Neuter Clinic at the Animal Shelter by June 2008.” In anticipation of this initiative, the Positions and Salaries Resolution authorized a Veterinary Technician in place of the existing Volunteer Coordinator position.

May 22, 2007 – At a budget work session, and based on public comments appealing for a more aggressive evaluation timeline, Council directed that the objective be completed by September 2007.

September 11, 2007 – The Hayward Friends of Animals representatives met with the Chief of Police to review the feasibility of developing and financially supporting a Spay and Neuter Clinic at the Hayward Animal Shelter. Based on that discussion, they reluctantly withdrew their advocacy for a Spay and Neuter Clinic on the Animal Shelter site. Instead, they proposed donating money to upgrade the Animal Shelter’s HVAC system.

## DISCUSSION

Current Spay and Neuter Procedures: The Hayward Animal Shelter requires animals adopted by the public to be spayed or neutered. The Shelter maintains contracts with local veterinarians to provide these services at affordable rates. A voucher is purchased from the Shelter at the time of adoption and then is presented to the veterinarian when the procedure is to be performed. The veterinarian will take the voucher as payment in full for the surgery portion of the bill. Any person can purchase a voucher for a spay/neuter procedure, regardless of whether or not the animal is adopted from the Hayward Shelter. In fiscal year 2006-07, the Shelter facilitated 904 spay/neuter procedures at a total cost of \$54,735, an average of \$60.55 each.

Cost and Operational Challenges of a New In-house Spay and Neuter Clinic: Exhibit A is a cost analysis of operating a Spay and Neuter Clinic two days (16 hours) per week, based on 904 spay/neuter procedures. This chart shows that the first year cost is projected \$183,466, with recurring annual costs thereafter of \$178,708. Staffing the proposed clinic would require the addition of two new full time Animal Care Attendant positions, and funding for a 0.4 FTE contract veterinarian. The first year employee services costs assume hiring at an entry level wage, while the recurring annual costs assume top step salary scales.

There are several challenges presented when considering the direct operation of an in-house Spay and Neuter Clinic: (1) The City's ability to retain a part time veterinarian. In-depth telephone conversations with all the local veterinarians have failed to identify a single one with a strong interest in partnering in this venture. (2) Over the fifteen months that the vacant Veterinarian Technician position has been authorized, the City has been unable to identify a qualified applicant to whom a job offer could be made due to several concerns including the inability to pass the background check. (3) Medical procedures on-site require maintenance of appropriate medications and drugs on-site as well for the safety and comfort of the animals. These must have tightly controlled accountability procedures, which increase overall risk in managing the Shelter. (4) All of this increased activity and risk places additional demands on management, which is already stretched very thin, and introduces a new program area outside existing expertise.

This proposal is an initiative from one of the City of Hayward's most valued and committed volunteer groups, the Hayward Friends of Animals. Our Shelter abounds with improvements that have been conceived and financially supported by this exceptional group. Additionally, our operations are supported by an uncountable number of their volunteer hours.

However, the proposal involves a substantial long term financial commitment by the City that is in competition with limited law enforcement resources. An alternative to this proposal would be for the Shelter to become a distribution point for free spay and neuter vouchers, which pet adopters could take to participating veterinarians. The \$75,000 from the Hayward Friends of Animals could translate into approximately 1,240 animal sterilization procedures, or an increase of about 250 over our current level. This in turn, would allow us to gauge the actual demand for this service and allow the City to consider funding future voucher programs at what staff believes will be a fraction of the cost of establishing an in-house operation.

Hayward Friends of Animals does not support this approach. They believe that the \$60.00 per sterilization currently incurred by the Shelter is too high, and does not maximize the impact of the \$75,000 contribution.

Current State of the Shelter's HVAC System: Temperatures on one side of the Shelter reached over 100 degrees for a two-week period last summer when staff monitored temperatures. In the winter, temperatures can drop to 43<sup>o</sup> F , and during the daytime hours consistently remain in the low sixties. Throughout the winter, staff and volunteers double and triple blankets in each kennel to compensate for the cold.

Cost of HVAC Upgrade: The Shelter has long needed improvements to the HVAC system for the safety and comfort of animals, staff, and volunteers. As such, the Police Department has kept in communication with Finance-Facilities on the possible scope of work and related costs to accomplish this should money become available. Current cost estimates are \$140,000 to accomplish the needed HVAC upgrade.

After discussion of these issues with the representatives of Hayward Friends of Animals, they suggested withdrawing the offer of the \$75,000 donation for implementing an on-site Spay and Neuter Clinic. Instead, they indicated they are prepared to make a "substantial donation" toward improving the HVAC system in the Shelter. Staff enthusiastically supports this alternative and believes that it will dramatically improve conditions at the Shelter for everyone.

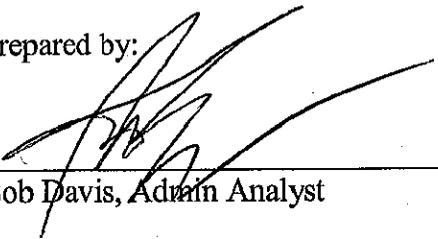
## **FISCAL IMPACT**

Implementing the on-site Spay and Neuter Clinic will cost the City an estimated \$183,466 in year one, and \$179,708 annually thereafter. Improving the HVAC system is estimated at a one-time cost of \$140,000. No money has been budgeted or identified as a source for either project other than the donation from the Hayward Friends of Animals. Anything required above their donation would need to come from the Unreserved Contingency balance of the General Fund.

## **NEXT STEPS**

Staff will work with Hayward Friends of Animals to implement any alternative identified by Council.

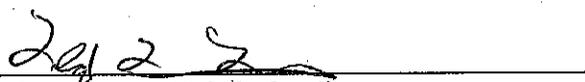
Prepared by:



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Bob Davis, Admin Analyst

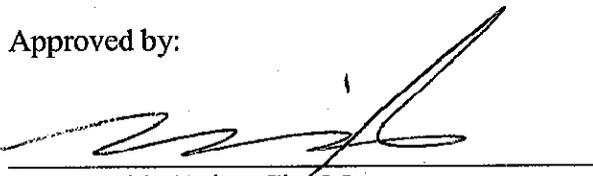
Recommended by:



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Lloyd Lowe, Chief of Police

Approved by:



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Fran David, Acting City Manager

Exhibit (A) - Cost Analysis of a City Operated Spay and Neuter Clinic

## Cost Analysis

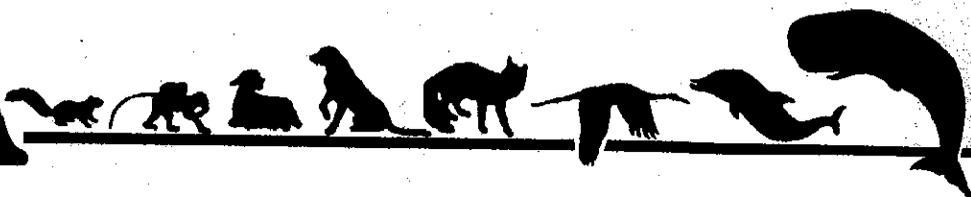
### *City Operated Spay & Neuter Clinic*

	Total First Year Costs	Recurring Annual Costs
<b>Staffing</b>	<b>\$281,866.00</b>	<b>\$293,359.30</b>
0.4 f.t.e. Veterinarian	\$52,000.00	\$52,000.00
1.0 Vet Tech	\$90,810.00	\$95,350.50
1.0 f.t.e. Animal Care Attendant	\$69,528.00	\$73,004.40
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<b>Supplies</b>	<b>\$25,800.00</b>	<b>\$25,800.00</b>
Supplies	\$18,000.00	\$18,000.00
Medicines	\$1,200.00	\$1,200.00
Medical Waste Disposal	\$3,000.00	\$3,000.00
Utilities	\$3,600.00	\$3,600.00
<b>Equipment/Facilities</b>	<b>\$96,345.00</b>	<b>\$9,634.50</b>
Modular S&N Building	\$55,595.00	
Engineering/Installation	\$750.00	
Outfitting	\$40,000.00	
Estimated Maintenance		\$9,634.50
<b>Less</b>	<b>-\$75,000.00</b>	<b>\$0.00</b>
H.F.O.A. Donation	-\$75,000.00	
<b>Annual Operating Cost</b>	<b>\$329,011.00</b>	<b>\$328,793.80</b>
<b>Gross Incremental Cost Increase</b>	<b>\$238,201.00</b>	<b>\$233,443.30</b>
<b>FY 2006-07 Costs</b>		
- Nr Procedures in FY 06-07	904	
- Avg Cost per Procedure	\$60.55	
<b>Net FY 06-07 Spay &amp; Neuter Cost:</b>	<b>\$54,735.00</b>	
<b>Net Incremental Annual Cost Increase</b>	<b>\$183,466.00</b>	<b>\$178,708.30</b>
<b>Equivalent Nr of S&amp;N Vouchers</b>	<b>3,030</b>	<b>2,952</b>

# HEA

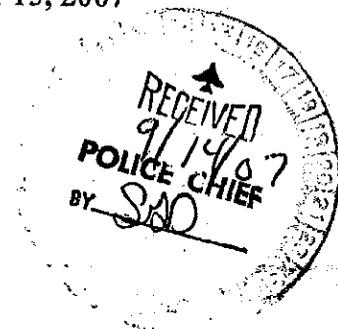
of

Exhibit B



September 13, 2007

Chief Lloyd Lowe  
Hayward Police Department  
300 W. Winton Ave.  
Hayward, CA 94541



Dear Lloyd,

After reviewing your report about the spay/neuter clinic, it is clear to us that the Police Department lacks the enthusiasm for this project that would be necessary to make it a success. Consequently, we withdraw our proposal for that clinic and see no need to occupy any more of your time and that of other City officials on it.

Your alternative of giving the \$75,000 we offered for the clinic to your department instead to experiment with free spay/neuter vouchers is not acceptable to us. We have been offering free spay/neuter to the Hayward community for years and see no need for your experiment. Also, spay/neuters cost us significantly less than the \$60 per operation you propose charging us.

We would still like to help the animals at the shelter—and if you will review our initial proposal for the vet clinic, you will see that it was primarily to improve the medical care and adoptability of those animals and only secondarily to be a spay/neuter clinic. As discussed at our meeting Tuesday, the shelter air conditioning for the animals definitely needs to be improved. The letter I received from Paul Sanchez gives a rough estimate of \$140,000 to accomplish that. Hayward Friends of Animals would be willing to make a significant contribution to meeting those costs, if you want—as we hope you would—to pursue that capital improvement for the shelter animals and workers.

Sincerely,

A handwritten signature in black ink.

Steve Sapontzis  
President

Cc: City Manager