

ITEM 9.E.

MOORPARK CITY COUNCIL AGENDA REPORT

TO: The Honorable City Council

FROM: David C. Moe II, Economic Development and Housing Manager *DCM*
John Brand, Senior Management Analyst *JB*

DATE: April 28, 2015 (CC Meeting of May 6, 2015)

SUBJECT: Consider Resolution Updating Animal Control Program License Fees
and Rescinding Resolution No. 2006-2437

BACKGROUND

Since incorporation, the City of Moorpark (City) has utilized the animal license fees adopted by Ventura County Animal Services (VCAS). The City has the ability to change the animal licenses fee to a different rate structure pursuant to the Moorpark Municipal Code Title 6 Animal Regulations Section 6.04.030. Staff has discussed a possible fee structure change, unique to the City, with the VCAS staff. Staff was assured that VCAS would still be able to process the Moorpark animal licenses with its existing licensing system should Moorpark's fee structure deviate from VCAS's.

In 2006, the Council adopted Resolution 2006-2437, established fees for various services provided by City staff such as dead animal pickup, while continuing to use the VCAS animal license fees.

DISCUSSION

The City's Animal Control Program is a hybrid arrangement where the City provides the field services and VCAS provides license processing, shelter services, canvassing, and other administrative service through a contractual arrangement with the City. The total annual cost to deliver this service was \$341,154.00 in FY 2013/14; is estimated to be \$347,051 in FY 2014/15, and is projected to be \$374,013.00 in FY 2015/16. The City expense for FY 2014/15 also has an additional one-time non-operational expense for a CALPERS unfunded liability that added \$67,349.

As shown in the table below, license revenue offsets some of the total program costs, but the City General Fund makes up the difference.

Moorpark Animal Services Program Costs						
	VCAS Contract	City Exspense*	Total Program Cost**	License Revenue	Other Revenue ***	Net Cost to General Fund
FY 2013-14	\$ 194,859	\$ 146,295	\$ 341,154	\$ 153,282	\$ 10,622	\$(177,250)
FY 2014-15	\$ 195,900	\$ 218,500	\$ 347,051	\$ 155,000	\$ 10,500	\$(181,551)
FY 2015-16	\$ 220,500	\$ 136,783	\$ 357,283	\$ 166,000	\$ 4,500	\$(186,783)
* Reflects one full time equivalent (FTE) staff in FY 2015/16, was 1.2 FTE in previous years						
** Excludes one-time Calpers unfunded liability payment of \$67,349 in FY 2014/15						
*** Includes redemption fees, impound fees, sale of animals, etc.						

As staff mentioned at the April 15, 2015, City Council meeting, licensing fees for dogs and cats have not been increased for a considerable amount of time. The license fee for an altered dog or cat has remained \$20.00 since it was last increased in 2002 by VCAS. The license fee for an intact dog or cat has remained \$75.00 since 2008.

The American Veterinary Medicine Association (AVMA) pet ownership calculator suggests that there are 7,731 dogs and 4,095 cats in Moorpark. In calendar year 2014, the City issued 5,346 dog licenses and 32 cat licenses. This represents that approximately 69% of all dog owners and less than 1% of cat owners are in compliance with the City's licensing requirement. Staff estimates that the City could generate an additional \$239,830.00 if 100% of the pet owners complied with the City's licensing requirement. With that said, achieving 100% compliance among the pet owners would be extremely difficult and may be impossible. Staff believes that a more realistic goal may be an 85% compliance rate.

The table below shows the additional revenue available if all cats and dogs were licensed at the current rate:

Pet Ownership Calculator

Estimate the number of pet owning households and number of pets in your community by entering the community population* in the box below.

What is your community population? **34,421**

City of Moorpark

<https://www.avma.org/KB/Resources/Statistics/Pages/US-pet-ownership-calculator.aspx>

AVMA Pet Calculator			Moorpark Data				
	Number of Pet Owning Households	Pet Population	Licenses Issued 2014 \$20 Fixed \$75 Intact	License Revenue 2014 \$28.67 Average	Compliance Rate	Unlicensed Pets	Additional Revenue Available with 85% license compliance
Dogs	4,832	7,731	5,346	\$153,282	69.2%	2,385	\$58,121
Cats	4,025	8,446	32	\$640	0.4%	8,414	\$205,045
Horses	199	543			0.0%		

Staff is recommending a goal of operating the Animal Control Program as if it were an Enterprise Fund, where the license fees cover the costs without subsidy from the General Fund. Staff believes it may take a few years to eliminate the General Fund subsidy. For Council's consideration, staff has prepared four (4) license fee options in \$5.00 increments.

The fiscal impact of the rate options are discussed below, assuming the City's current 70% compliance rate for dogs is maintained, and licensing data from FY 2013-14 is used to estimate license revenue generated by each option. As indicated, the compliance rate for cats is negligible. If cats were also at 70% compliance, an additional \$118,244.00 may be generated. However significantly improved cat license compliance may take action by the VCAS or the State of California, as discussed later in this report.

- Option 1 increases the rates from \$20.00 to \$25.00 for altered pets, and from \$75.00 to \$80.00 for unaltered pets. This may increase dog license revenue by \$16,330, from \$154,134.00 to \$171,464.00 per year. If cats were also at 70% compliance it would provide an additional \$147,805.00, according to the projections.
- Option 2 increases the rates from \$20.00 to \$30.00 for altered pets, and from \$75.00 to \$85.00 for unaltered pets. This may increase dog license revenue by \$32,659.00 to \$187,793.00 per year. If cats were also at 70% compliance it would provide an additional \$177,366.00, according to the projections.
- Option 3 increases the rates from \$20.00 to \$35.00 for altered pets, and from \$75.00 to \$90.00 for unaltered pets. This may increase dog license revenue by

\$48,989.00 to \$204,123.00 per year. If cats were also at 70% compliance it would provide an additional \$206,927.00, according to the projections.

- Option 4 increases the rates from \$20.00 to \$40.00 for altered pets, and from \$75.00 to \$95.00 for unaltered pets. This may increase dog license revenue by \$114,308.00 to \$220,453.00 per year. If cats were also at 70% compliance it would provide an additional \$236,488.00, according to the projections.

Below is a chart representing the current and proposed options in rate structures for the Animal Control Program.

Projected License Fee Revenue at Various Rates						
		Current	Option 1	Option 2	Option 3	Option 4
	Unaltered	\$75.00	\$80.00	\$85.00	\$90.00	\$95.00
	Altered	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00
	Avg. Per License:	\$28.67	\$31.68	\$34.70	\$37.72	\$40.74
Dog Population:	7,731	Projected Dog License Revenue				
Compliance Rate:	70%	\$155,134	\$171,464	\$187,793	\$204,123	\$220,453
Compliance Rate:	85%	\$188,377	\$208,206	\$228,035	\$247,864	\$267,693
Cat Population:	8,446	Projected Cat License Revenue				
Compliance Rate:	85%	\$143,582	\$179,478	\$215,373	\$251,269	\$287,164
Total		Projected Cat and Dog License Revenue Combined				
Compliance Rate:	70%	\$273,378	\$319,269	\$365,159	\$411,050	\$456,941
Compliance Rate:	85%	\$331,959	\$387,683	\$443,408	\$499,132	\$554,857

The elimination of General Fund dependence might be achieved with the proposed rate adjustment combined with other license compliance improvements such as improved canvassing, and as indicated above, rabies vaccination reporting by veterinarians. The AVMA has a model Rabies Control Ordinance that has a provision for automatic vaccination reporting to the local rabies control authority or Public Health Officer, but it has not been implemented by VCAS. VCAS Director Tara Diller has indicated general support for automatic reporting by veterinarians.

Another option might be to consider an annual livestock fee. According to the AVMA pet calculator, there may be about 550 horses in Moorpark. However, staff is not recommending licensing horses or other livestock at this time.

Additionally, the proposed fee structure provides for the ability of pet owners to purchase a license good for up to three (3) years to match the duration of a rabies vaccination. It also allows staff to sell a pro-rated license in order to line the license renewal date with the rabies vaccination expiration date. It is believed that this will be a convenience to the pet

owners in the City, and will streamline the administration of the pet license program.

As pet owners are aware, while a pet's first rabies vaccination has a one (1) year duration, all subsequent vaccinations in the pet's lifetime have a three (3) year duration. Over two (2) years ago at a Ventura County Animal Commission meeting, Mayor Parvin suggested a future commission item to address why a pet license is for one (1) year, while a rabies vaccination is good for three (3) years. The discussion was never agendized at a commission meeting and VCAS has taken no action to-date to remedy the situation. VCAS has been reminded of this request.

Selling licenses that match the duration of the animal's rabies vaccination may be a great convenience to Moorpark pet owners. While no multi-year discount is proposed, purchasing a license valid for up to three years will "lock in" the license fee for the pet owner, providing protection against possible future fee increases.

The proposed resolution carries forward the services fees adopted in Resolution 2006-2437, so that if adopted, there will be a single Animal Control fee resolution.

A companion item for Council consideration is to modify the Moorpark Municipal Code (MMC 6.16.030) to allow the term of a pet license to be set by resolution of the Council. If such action is taken, staff would recommend that the maximum term of a pet license be three (3) years, so that it will be consistent with the proposed variable license terms in the attached resolution

The following is survey of license fees and terms of nearby jurisdictions.

Dog License Fee Survey		6 mos.	1 yr	2 yr	3 yr	Notes
City of Moorpark (current)	unaltered	-	\$75	-	-	unchanged since at least 2008
	altered	-	\$20	-	-	unchanged since at least 2002
City of Moorpark (option 1)	unaltered	\$40.00	\$80.00	\$160.00	\$240.00	
	altered	\$12.50	\$25.00	\$50.00	\$75.00	
City of Moorpark (option 2)	unaltered	\$42.50	\$85.00	\$170.00	\$255.00	
	altered	\$15.00	\$30.00	\$60.00	\$90.00	
City of Santa Barbara	unaltered	\$39	\$64	\$116	\$168	
	altered	\$17	\$29	\$56	\$83	
County of Santa Barbara	unaltered	\$45	\$80	\$140	\$200	
	altered	\$13	\$25	\$48	\$74	
City of Los Angeles	unaltered	-	-	-	-	mandatory spay/neuter in effect.
	altered	-	\$20	-	\$55	\$100 fine, plus misdemeanor if not paid.
County of San Luis Obispo	unaltered	-	\$66	-	-	
	altered	-	\$26	-	\$65	
County of Ventura	unaltered	-	\$75	-	-	Includes all Ventura County cities except Thousand Oaks and Oxnard. Cat licenses voluntary in county unic.
	altered	-	\$20	-	-	
City of Oxnard	unaltered	-	\$50	-	-	Oxnard also requires cat licenses.
	altered	-	\$20	-	-	
City of Thousand Oaks	unaltered	-	\$60	-	-	Contracts with LACO DACC.
	altered	-	\$20	-	-	
County of Los Angeles	unaltered	-	\$60	-	-	Fees vary among the 61 cities served by LACO DACC.
	altered	-	\$20	-	-	
City of Santa Paula	unaltered	-	\$75	-	-	Santa Paula issues its own dog licenses.
	altered	-	\$20	-	-	

FISCAL IMPACT

Taking no action by maintaining the current rate would have no fiscal impact. Each option outlined in the report provides additional revenue at various levels.

The City cost projections in this report reflect the current practice not to charge management supervision costs to Animal Regulations. The FY 2015/16 City costs show a change in the staffing cost allocations of two full time staff split 50% for Animal Regulations and 50% for Vector Control. This better represents the actual time spent. Previous budgets allocated staff at 60% Animal Regulations and 40% Vector Control.

Projected License Revenue FY 2015/16 Option 2				
Option 2 \$30 Altered \$85 Intact	Compliance Rate	Projected Revenue If Option 2 is Approved	Projected Program Costs, plus 15%	Net Cost to General Fund
7,731	70.0%	\$ 187,786	\$ 357,283	\$168,387
8,446	0.38%	\$ 1,110		

Pet license fees are exempt from taxer approval measures, including Proposition 218 and Proposition 26.

STAFF RECOMMENDATION (ROLL CALL VOTE)

Adopt Resolution No. 2015-____, approving the Option 2 rate structure to be effective January 1, 2016.

Attachment A: Resolution No. 2015-____

ATTACHMENT A

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ESTABLISHING FEES AND CHARGES FOR SERVICES, AND LICENSES REGARDING TITLE 6, ANIMAL REGULATIONS OF THE MOORPARK MUNICIPAL CODE AND RESCINDING RESOLUTION NO. 2006-2437

WHEREAS, in 2002 the City Council established the City's Animal Control Program, and

WHEREAS, it is appropriate and necessary to collect certain fees and charges for animal services; and

WHEREAS, the City Council wishes to establish a fee schedule to reflect current services provided by the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES ORDAIN AS FOLLOWS:

SECTION 1. Resolution 2006-2437 is hereby rescinded.

SECTION 2. The following rates and charges for services rendered by and for the City Animal Compliance program are hereby established.

- 1) License Fees
 - a. Fees in the table below may be prorated in six month increments for the purpose of synchronizing the duration of a valid rabies vaccination to the term of the license.

License Fees	<u>6 mos.</u>	<u>1 yr</u>	<u>2 yr</u>	<u>3 yr</u>
Dogs and Cats				
unaltered	\$42.50	\$85.00	\$170.00	\$255.00
altered	\$15.00	\$30.00	\$60.00	\$90.00

- b. If a license fee is thirty (30) days or more past due, a late penalty is added that is equal to 100% of the license fee due. The late license penalty is applied for each year or portion thereof in six-month increments.

- c. Regardless of when the license fee is paid, the license term is calculated and fees and penalties are to be paid from the license original due date.

- 2) Pick-up and disposal of a dead household pet as defined in Chapter 6.04 of the Code weighing up to 75 pounds (charge to animal owner per animal)
 - a. Dogs and cats, licensed: \$65.00
 - b. Dogs and cats, unlicensed: \$90.00
 - c. Fowl, rodents, bird, other small household pets: \$65.00

- 3) Pick up and disposal of a dead, wild, or stray animal on private property not owned or kept by the property owner or occupant:
no charge

- 4) Miscellaneous
 - a. Humane Trap Rental - Refundable deposit to Moorpark residents for traps used within the City of Moorpark. \$40.00

 - b. Other Services - For those services rendered by City animal staff not listed above, the current Ventura County Animal Services fee schedule shall be used to determine the rate payable to the City.

SECTION 2. This resolution shall be effective January 1, 2016.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 6th day of May, 2015.

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk