



Board Agenda Item 66

DATE: June 18, 2024

TO: Board of Supervisors

SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health

SUBJECT: Amendment I to Agreement with Fresno Humane Animal Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment I to Agreement with Fresno Humane Animal Services, for animal shelter-master and animal control services decreasing the term by four years to January 1, 2020 through December 31, 2025, and decreasing the maximum compensation by \$7,158,106 to a total of \$11,773,686.

There is a \$500,000 increase in Net County Cost (NCC) associated with the recommended action, which will allow the County to remit adequate payments to Fresno Humane Animal Services (FHAS) for the cost of services provided under the Agreement scope of work. Additionally, approval of the recommended action will reduce the contract term by four years from the existing term of January 1, 2020 through December 31, 2029 to January 1, 2020 through December 31, 2025, allowing the Department to return to your Board in 2025 with a new agreement. While the animal shelter is located in District 1, services are provided countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the vendor will have to terminate the existing agreement due to lack of sufficient County funding to provide the required services.

FISCAL IMPACT:

There is an increase in NCC associated with the recommended action. There is an increase in costs of \$500,000 for FY 2023-24; however, these additional costs will be funded with budgeted Health Realignment appropriations in the Department's Org 5620 FY 2023-24 Adopted Budget, resulting in no increase in NCC. There will be an additional increase in NCC of \$500,000 for FY 2024-25 as these costs will be fully funded with NCC. Sufficient appropriations and estimated revenues will be included in the Department's Org 5620 future budget requests for the duration of the term. Given the four-year reduction to the term of the agreement, the recommended amendment will reduce the total maximum compensation from \$18,931,792 to \$11,773,686.

DISCUSSION:

On October 22, 2019, your Board approved Agreement A-19-562 with FHAS to serve as the County's shelter-master and animal control agency, including animal care, field service operations, enforcing leash laws, dog licensing and improving outcomes for animals taken into the County shelter. The Agreement took effect January 1, 2020 with a ten-year term through December 31, 2029. When the Agreement was written, animal control operations were housed at the prior County morgue located at 760 W. Nielsen, Fresno,

California 93706 while the new County shelter was under construction. The Department projected an increase in operational costs once the new shelter was complete and included language in the Agreement that allows for a re-evaluation of FHAS' compensation after one year in the new shelter. FHAS moved into the new shelter at 1510 West Dan Ronquillo Drive, Fresno, CA 93706 in April 2022.

Since January 2024, the Department and FHAS have been working closely to evaluate program costs and outcomes and confirmed the contract compensation is not sufficient to fulfill the contractual obligations. The calendar year 2022 through 2024 expenses-to-date are as follows:

	2022	2023*	2024 (Jan-Apr)	2024 Projection
Contract Maximum	\$1,765,008	\$1,935,096	\$1,782,630	\$2,782,630
Expenses	\$2,825,397	\$3,516,082	\$1,052,885	\$3,158,655
Difference	(\$1,060,389)	(\$1,580,986)	\$729,745	(\$376,025)

*FHAS received \$202,000 for vehicle purchases in 2023, which results in a decrease to the CY 2024 max comp.

FHAS has been covering the deficit with donations, grants and other funding sources, which is not a sustainable or suitable resolution.

The new shelter facility has a capacity of 194 dogs, which is a 159% increase over the capacity of 75 at the previous shelter. In addition to the increased capacity and square footage at the new shelter, requiring additional staff and resources to maintain the facility, the County shelter has also seen an increase in animal intake. In 2020, the total animal intake was 6,247 and 6,651 in 2021. The intake since operations began at the new shelter are as follows:

	2022	2023	+/-	2024 Projection	+/-
Dogs	5,522	5,786	+4.56%	6,360	+9.02%
Cats	1,997	1,674	-19.29%	1,540	-8.70%
Other Animals	239	253	+5.53%	388	+34.7%
Total	7758	7713	-0.58%	8,288	+6.93%

Approval of the recommended action will increase the funding in the Agreement and allow FHAS to continue operating the shelter with sufficient services and supplies. Approval of the recommended action will also allow the Department to work with consultant group, Hatching to evaluate the County's animal control program, including shelter and field operations, funding recommendations, and recommendations for efficiency. The agreement with Hatching is anticipated to be brought before your Board for approval at the July 9, 2024 County Board date, with services beginning shortly thereafter. Over the coming year, the Department will secure Hatching's evaluation report and return to your Board with a new recommended agreement before December 31, 2025.

REFERENCE MATERIAL:

BAI #7, October 22, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I to Agreement with FHAS
 On file with Clerk - Electronic Signature Verification

CAO ANALYST:

Ronald W. Alexander, Jr.