

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

691



FROM: Executive Office

SUBMITTAL DATE:
July 20, 2010

SUBJECT: Response to the Grand Jury Report: County of Riverside –Department of Animal Services

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve with or without modifications, the attached response to the Grand Jury's recommendations regarding County of Riverside –Department of Animal Services.
- 2) Direct the Clerk of the Board to immediately forward the Board's finalized response to the Grand Jury, to the Presiding Judge, and the County Clerk-Recorder (for mandatory filing with the State).

BACKGROUND: On July 13, 2010, the Board directed staff to prepare a draft of the Board's response to the Grand Jury's report regarding County of Riverside –Department of Animal Services.

Section 933 (c) of the Penal Code requires that the Board of Supervisors comment on the Grand Jury's recommendations pertaining to the matters under the control of the Board, and that a response be provided to the Presiding Judge of the Superior Court within 90 days.

90dayresponsef11animalservices07.10

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jay E. Orr
Jay E. Orr

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

Departmental Concurrence

SPECIFIC FINDINGS AND RECOMMENDATIONS

Community Health Agency

Department of Animal Services

FINDINGS:

Finding Number 1:

In September 2009, a local newspaper reported that DAS received only half of the expected revenue from annual animal license fees in fiscal year 2008-2009. The article went on to state DAS did not receive a \$1.2 million payment from the City of Riverside for the last six months of fiscal year 2008-2009. Testimony corroborated the accuracy of the article. DAS potentially lost significant interest during fiscal year 2008-2009, which might have been earned on contract revenues, had the billing and collection been timely.

Response:

X Respondent agrees with the finding.

Annual animal license fee revenue was less than projected. For clarification, this revenue is separate and apart from the City of Riverside contract. This revenue comes from the unincorporated county areas directly to the department.

DAS has revised billing practices and has recommended fees to be established by ordinance to create a simplified and more efficient billing system. The County of Riverside Board of Supervisors has set a public hearing to consider the recommended ordinance revisions for August 10, 2010. Since Fiscal Year 2008-2009, billing has been submitted and payments have been received timely from the City of Riverside.

Finding Number 2:

The DAS contracts with the City of Riverside began in July 2007, and are scheduled to terminate on June 30, 2012: one for animal field services and the other for shelter services. The hourly charge for field services is \$57.54 per hour in the field services contract and \$62.45 per hour in the shelter contract. The auditor-controller or DAS to show that the board of supervisors had approved either rate, which is required, could produce no documentation.

Response:

X Respondent agrees with the finding.

The contract with the City of Riverside as described above was amended on April 20, 2010. The contract billing requirements and service rates were complex and onerous for both parties. DAS, the Auditor-Controller, and the Executive Office worked collaboratively for many months to establish a simplified rate structure for city contracts. These fees were established to create a flat rate methodology to recover expenditures incurred to support contract cities. This rate structure is incorporated into the April 20, 2010 amendment that was approved by the Riverside City Council and Board of Supervisors.

There have not been flat contract rates for DAS services provided to cities in the past. The recently calculated rates for city services have been recommended for incorporation within ordinance. A public hearing has been set by the County of Riverside Board of Supervisors for August 10, 2010 to approve these recommendations.

Finding Number 3:

In fiscal year 2009-2010, DAS billed the City of Riverside for animal field and shelter services in accordance with the terms of their contracts. Testimony revealed DAS had not received contract revenues from the City of Riverside for July 2009 through March 2010. This resulted in an approximately million shortfall in revenues in fiscal year 2009-2010.

Response:

- X** Respondent disagrees partially with the finding.

Payments for the period July 2009 through March 2010 were delayed until April, 2010 while a contract amendment was negotiated by the County of Riverside Executive Office and the City of Riverside City Manager's office. The City of Riverside met their full contract obligation for fiscal year 2009-2010. There was no revenue shortfall from the City for Fiscal Year 2009-2010.

Finding Number 4:

The county is building a \$15 million, 38,000 sq. ft. animal shelter on five acres in the City of San Jacinto. The estimated completion date was in the spring of 2010. The county hiring freeze, budget reductions and cancellation of DAS contracts may preclude the subsequent timely operation and maintenance of the shelter by DAS.

Response:

- X** Respondent agrees with finding.

The San Jacinto Valley Animal Campus project is projected to be completed by September 2010. The Board of Supervisors has provided revenue to use the facility on a limited basis. The Executive Office and DAS are exploring options for recommendation to the Board to allow more extensive operations.

Finding Number 5:

DAS Policy and Procedure Manuals in the DAS administration office and at least three shelters are not being maintained properly. The tables of contents were incomplete and effective dates of some of the policies were difficult to ascertain. Many policy pages were placed haphazardly and unbound in 3-ring binders. Pages were often not numbered. Disorganization adversely affects the ability of the department to train new personnel and keep all personnel up-to-date on current and new policies and procedures.

Response:

X Respondent agrees with finding.

The Department recognizes that the Policies and Procedures manuals were not being maintained properly. Policies and procedures for the department have been revised and include table of contents and page numbering. Personnel have been assigned the responsibility to maintain policies and procedures and to implement training, as appropriate. Policies and procedures are available at all DAS locations and electronically.

Finding Number 6:

The County of Riverside has memoranda of understating (MOUs) with the Animal Friends of the Valley (Friends) and Ramona Humane Society (Ramona), two non-profit corporations, for animal shelter services. Among other things, the MOUs authorize Friends and Ramona to issue pet licenses, to collect fees and to retain a portion of those fees.

On or about July 7, 2009, DAS personnel unilaterally informed Friends and Ramona that they were no longer authorized to issue licenses or collect fees. Their MOUs with the county did not officially authorize the change until September 1, 2009. Residents in cities serviced by the Friends and Ramona had routinely been advised in writing they could purchase dog licenses with Friends and Ramona. Neither had an opportunity to inform the public prior to the change. For example, Friends had a licensing clinic scheduled for every Saturday at a pet store in Temecula. The abrupt change led to many complaints from county residents. Unauthorized changes resulted in loss of income to Friends and Ramona, which they had a legal right to receive.

Response:

X Respondent disagrees partially with finding.

The Department did notify Friends and Ramona that they were no longer authorized to issue licenses or collect fees on behalf of the County of Riverside on or about July 7, 2009. The contract amendments for July 1, 2009 – June 30,

2010 were signed by Friends' and Ramona's authorized agents and then ratified by the Board of Supervisors. Complaints received from County residents were responded to by the department. Residents were provided with forms and envelopes at each shelter to allow County residents to comply by mail.

Finding Number 7:

Upon receipt for DAS's projected significant increase in fees for services for fiscal year 2010-2011, the San Jacinto City council requested a bid for animal services from Ramona. On April 1, 2010, the city council voted to switch from DAS to Ramona as the city's animal services provider. At the council meeting, several council members and speakers expressed dissatisfaction with DAS's lack of responsiveness to complaints, lack of visibility of animal control officers in the city, and inability to submit required reports (specific performance measures) and invoices to the city in a timely manner.

On April 27, 2010, the Hemet City Council voted unanimously to terminate its contracts with DAS. Hemet and DAS were still negotiating the 2009-2010 contracts when Hemet received the costlier county proposal for 2010-2011. The city council decided Ramona would provide more responsive and less costly service.

On May 4, 2010, the Menifee City Council unanimously voted not to renew their contract with DAS; instead, negotiate a contract with Friends for field services and Ramona for shelter services. The primary reasons given for the change were the city was receiving many complaints and DAS has significantly increased charges for services.

Response:

X Respondent agrees with finding.

The information provided is correct. However, the Department to date has not received any related service complaints.

Finding Number 8:

On May 13, 2010, at about 3:40p.m., Ramona received an email and fax from DAS informing Ramona that effective May 14, 2010, DAS would no longer deliver stray animals picked up in the unincorporated area of the county to the Ramona shelter. The current contract between the county and Ramona for shelter services is not scheduled to terminate until June 30, 2010.

The current contract allows either party to terminate the contract, without cause, upon 10-days written notice. DAS's unilateral attempt to alter the contract will cause financial loss for Ramona. Also, since insufficient notice was provided to Ramona and no notice given to area residents, the search for missing pets and drop-off and pick-up of pets will be disrupted.

Response:

X Respondent disagrees partially with finding.

The Department did inform Ramona on May 13, 2010 that it would no longer authorize stray or owner turn-in animals to be delivered to Ramona. The contract between the DAS and Ramona does not require that animals be delivered to Ramona. It only provides a sheltering agreement for those animals that are delivered to Ramona. This decision was made in response to budgetary constraints at fiscal year end and did not constitute a contract alteration. Notice to residents was made via websites (DAS and Ramona) and press release.

RECOMMENDATIONS:

Recommendation Number 1:

The DAS director should comply with Community Health Agency Policy HAS F-5, Budget and Fiscal Operational Performance Reports, which notes that, it is the responsibility of department heads to oversee and approve the ongoing reporting of actual performance compared to the approved budget.

One method used for this task is to review monthly actual-to-budget performance and report this information to the CHA finance director. Department heads are to review and address all unfavorable variances between budget and actual performance.

Response:

X Respondent agrees with recommendation.

The DAS director does comply with Community Health Agency Policy HSA F-5. Monthly meetings are held with the CHA Finance Director to review and address all variances between budget and actual performance.

Recommendation Number 2:

DAS should evaluate all charges for services in all existing contracts and, in conjunction with the auditor-controller and the executive officer, make rate recommendations to the board of supervisors. DAS must obtain approval from the board of supervisors for all billing rates prior to billing for services. When rates are approved, charges should consistently be applied in all DAS contracts.

Response:

X Respondent agrees with recommendation.

DAS has evaluated all charges for services in conjunction with the Auditor-Controller and the Executive Office and made rate recommendations to the Board of Supervisors. Recommended rates and ordinance revisions are set for public hearing by the County of Riverside Board of Supervisors for August 10, 2010.

Recommendation Number 3:

All billings should be accurately documented and submitted in a timely manner. Receivables should be monitored on a regular basis and aggressively pursued until final payment is received. Late fees and/or penalties should be charged to past due accounts as appropriate.

Response:

- X** Respondent agrees partially with recommendation.

All billings are accurately documented and submitted in a timely manner. Receivables are monitored on a monthly basis. The Department researched its ability to include late fees and/or penalties as part of contracts. The Department was advised by the Executive Office and Auditor-Controller that this was not standard practice.

Recommendation Number 4:

DAS should immediately proceed with a competitive bidding process to obtain a contractor to operate the San Jacinto shelter. A vacant, unattended shelter could be subjected to vandalism and deterioration.

Response:

- X** Respondent agrees partially with recommendation.

The Board of Supervisors has provided revenue to use the facility on a limited basis and anticipates recommendations from the Executive Office and DAS for more extensive operations. Those recommendations will include the issuance of a Request for Proposals (RFP) for shelter operations. DAS officers will be housed in the facility at the time it is received from the contractor, so the facility will not be vacant or unattended.

Recommendation Number 5:

The policy and procedures manual should be maintained in a format that is simple to use and understand, updated in a timely manner and disseminated expeditiously to all users throughout the department. A minimum of one hard copy should be available to each shelter location as well as all administrative offices, in order...In order to train new personnel and keep existing personnel abreast of the state and county regulations/ordinances.

Outdated and incomplete policies and procedures preclude employees from following CHA Policy HAS P-1, which states in part: "Any employee who fails to follow policies and procedures pertaining to his/her position and employment procedures with the county of any other federal, state or local laws/regulations may be the subject of progressive discipline, up to and including termination."

Response:

- X** Respondent agrees with recommendation.

Policies and procedures for the department have been revised. Personnel have been assigned the responsibility to maintain policies and procedures and to implement training, as appropriate. Policies and procedures are available at all DAS locations and electronically.

Recommendation Number 6:

DAS management should adhere to the terms of the MOUs and contracts with shelter contractors.

(Only the board of supervisors, or in some specific instances, the county purchasing agent, may authorize alterations to the MOUs. Other county personnel may neither change nor waive any MOU requirements. See Board of Supervisors Policies: A-5: Board of Supervisors Agenda Procedure; A-18: Procedures for Contracting for Professional or Personal Services; B-3: Contract Services to Cities).

Response:

X Respondent agrees with recommendation.

DAS management will adhere to the terms of the MOUs and contracts with shelter contractors.

Recommendation Number 7:

DAS should review and respond to all service complaints received in a prompt and timely manner. DAS should also submit required reports and invoices to cities on a timely basis.

DAS should reevaluate its board of supervisors approved charges for services to determine if they are appropriate. DAS should also calculate new rates for field and shelter services and submit them to the board for approval according to Board of Supervisors Policy B-4, which states in part: "Where a charge is necessary and/or appropriate to recover the actual accost of providing services by a county department to...other public agencies...rates for such charges shall be established from time to time by...Resolution or Minute Order adopted by the Board of Supervisors..."

Response:

X Respondent agrees with recommendation.

DAS reviews and responds to all service complaints received in a prompt and timely manner. Complaint responses referenced at San Jacinto, Hemet and Menifee City Council meetings do not correspond with any complaints received by DAS.

DAS submits invoices with required reports on a timely basis.

DAS has evaluated all charges for services in conjunction with the Auditor-Controller and the Executive Office and made rate recommendations to the Board of Supervisors. Recommended rates and ordinance revisions are set for public hearing by the County of Riverside Board of Supervisors for August 10, 2010.

Recommendation Number 8:

DAS should strictly abide by the terms of the current Ramona contract. No alteration of this contract is valid unless in writing and signed by both Ramona and the board of supervisors. Section 19.2 of this contract states "Only the County Board of Supervisors or the County Purchasing Agency may authorize any alteration or revision of this Agreement. The parties expressly recognize that county personnel are without authorization to either change or waive any requirements of this Agreement."

Response:

X Respondent disagrees with recommendation.

Ramona does not have a current contract with DAS for shelter services. The last amendment to the shelter services contract expired June 30, 2010.