



BUDGET COMMITTEE OF THE WHOLE MEETING

February 14, 2012 Referred to the February 22, 2012
SRCAO.12.01 Budget Committee of the Whole
Office of the Chief Administrative Officer
Strategic Initiatives Division

SUBJECT: Animal Services Update and Options

PURPOSE:


The purpose of this report is to provide Council with options for animal services and obtain future direction for the delivery of this service.

RECOMMENDATIONS:

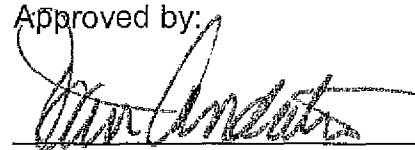
1. That Council provide direction to staff on the provision of animals services by selecting one of the following three options, as identified in SRCAO.12.01:
 - a) Option A: Continue with the existing level of service through a contracted provider;
 - b) Option B: Continue with the existing level of service from June 2012 to June 2015. Beginning mid 2015, increase the level of service by adopting a responsible pet ownership philosophy, adding a community outreach/public education component and have Town staff deliver patrol, pickup and drop off services. Have animals sheltered by a contracted provider;
 - c) Option C: Continue with the existing level of service from June 2012 to June 2015. Beginning in mid 2015, increase the level of service by adopting a responsible pet ownership philosophy, add a community outreach/public education component and build a Town owned and operated shelter, where patrol/pickup, drop off and sheltering are the responsibility of the Town.
2. Should Council select Option B or C, staff report back on an approach to implementation of the selected option.

Contacts: Gwen Manderson, Director, Strategic Initiatives, ext. 3815
 John DeVries, Director of Building Services/Chief Building Official, ext. 2548

Submitted by:


Gwen Manderson,
Director, Strategic Initiatives

Approved by:


M. Joan Anderton
Chief Administrative Officer

BACKGROUND:

Town of Richmond Hill Approach to Animal Services

The traditional framework for the provision of municipal animal services is based on a philosophy of enforcement and compliance with municipal by-laws that set out how animals will be controlled within a municipality. It views animal services from a nuisance point of view: where a domestic animal is loose, needs to be picked up by the 'dog catcher' and dropped off at the 'pound'.

Under this framework, there are two basic parts to the delivery of animal services: the first is the patrol, pick up and drop off of animals and the second is the sheltering of animals in a facility and its operation. The service model adopted by a municipality can include one or both parts.

Richmond Hill has adopted this traditional approach. The Town has an Animal Control By-law and focuses on enforcement and compliance. The level of service provided by the Town is for only the patrol, pick up and drop off of animals, both domestic animals and wildlife. The Town also licenses dogs and cats.

This level of service is provided on the Town's behalf through its contract with the Ontario Society for the Prevention of Cruelty to Animals (OSPCA). The longer term sheltering and care of the animals is not a level of service that the Town provides (although some sheltering-related costs such as rudimentary health care, sheltering for a short period of time and emergency wildlife care are included in the Town's contract).

In October 2008, Council approved a single source contract for animal services with the OSPCA for a three year period from June 2009 to June 2012. The OSPCA was awarded a single source contract as they were the only provider of animal services that met the Town's requirements for a secure source for animal services and at the level of service desired by the Town.

The current cost of the three (3) year animal services contract ranges from \$490,200 for the first year, \$499,310 plus Cost of Living Adjustment for the second year, and \$508,797 plus Cost of Living Adjustment for the final year.

In June 2012, the contract with the OSPCA will conclude. Staff requires direction from Council at this time regarding the provision of animal services so that it can be accommodated in the operating budget for 2012, and if required, the 2013 capital budget.

City of Calgary Approach to Animal Services

While many municipalities approach animal control the way Richmond Hill does, the City of Calgary approaches municipal animal services in a different way.

Faced with a service delivery approach that no one in the community was satisfied with, where animals were not being returned to their owners, Calgary responded by developing a new model that was more responsive to the community and its needs.

To be more responsive, there was a shift away from an animal control philosophy based on enforcement and compliance to one of animal services, where the emphasis is on responsible pet ownership. This means asking pet owners to be accountable for their pets by licensing them so that pets can be easily returned home. Community outreach and public education ensure that the concept of responsible pet ownership and the benefits of pet licensing are well known and understood by Calgary's residents. The role of the animal services officer is one of educator, collaborator and conflict resolution specialist, working with the community.

The Calgary model is based on the belief that poor animal behaviour results from a failed relationship between pet and owner, and therefore advocates responsible pet ownership based on four principles:

- License and provide permanent identification for cats and dogs
- Spay or neuter pets
- Provide training, physical care, socialization and medical attention for pets,
- Do not allow pets to become a threat or nuisance in the community

The City's Responsible Pet Ownership By-law allows its Animal and By-law Services staff 'to work with Calgarians to ensure that cats, dogs, their owners and neighbours live together in safety and harmony'. Under the By-law, at three months of age all cats and dogs residing in the City must have a City license. Those not in compliance with the By-law face steep fines from the City.

The 2012 budget for Calgary's animal services is approximately \$5.8 million. Licensing fees, not tax dollars, fund services and programs. Tax dollars are used to fund items such as accounting and human resources costs estimated to be approximately 5% of the Animal Services budget. Services include: shelter and care for cats and dogs impounded under the Responsible Pet Ownership By-law; adoption services to find new homes for cats and dogs impounded under the By-law that have not been claimed by their owner; funding to veterinary clinics to cover emergency medical care for injured stray cats and dogs; the reunification of lost cats and dogs with their owners; licensing of cats and dogs; enforcement of the Responsible Pet Ownership By-law; investigation of citizen complaints regarding animals; and helping neighbours resolve animal related issues.

There are also a number of animal services programs that are offered by the City: school and public education programs to teach children and adults about responsible pet ownership and responsible citizenship; coordination of a volunteer animal socialization program to help socialize cats and dogs awaiting adoption; operation of a 'no cost spay/neuter program' for cats and dogs of financially eligible Calgarians; and, 'I Heart My Pet' rewards program offers pet owners discounts from various partnering vendors.

Lessons Learned

City of Mississauga Animal Services

Closer to home, the City of Mississauga is moving toward implementing the Calgary model with its animal services. Mississauga, who owns and operates its animal services and shelter, has assessed the Calgary approach of responsible pet ownership, has observed its success and is moving in a similar direction. In an effort to educate the community about being a responsible pet owner, the City has hired a public education officer who is responsible for community outreach to schools and the broader community. Tours of the animal shelter are also available to increase the awareness of services provided by the shelter and also to promote adoption of pets. Dog licenses and applications are now available on-line. According to City staff, there has been an increase in licensing compliance which they credit to increased awareness and education of their residents about what responsible pet ownership means. Currently, Mississauga's animal services are funded from tax dollars however the City is hoping to increase its revenues through its licensing efforts.

Potential for Implementation in Richmond Hill

Given that Council is considering the Town's direction for animal services as part of this year's budget discussions, it is an opportune time to reconsider the Town's philosophy and animal services approach. Richmond Hill's citizens are likely no different than Calgary's or Mississauga's in wanting their lost or stray pets returned home. Assuming this is the case, there may be merit in exploring how the Town could implement responsible pet ownership with a 'made in Richmond Hill' approach. While not all of the services and programs that Calgary offers may be suitable for Richmond Hill, there may be components of Calgary's approach that could be considered and introduced incrementally, with or without an animal services facility. There may also be an opportunity to increase revenues in this area.

With this in mind, staff have identified three options for Council to consider regarding the direction for animal services, outlined below. One option is to maintain the status quo while the other two reflect a philosophical shift and increase in the level of service provided by the Town.

Options for Animal Services in Richmond Hill

Option A: Continue with the existing level of service through a contracted provider.

The existing philosophy and approach used by the Town for animal services, where the Town contracts with a provider for a multi-year period, is one option for Council to again consider. As is the case now, the contract would be with an operator who would be responsible for the patrol/pick up and drop off of animals to their shelter. The length of contract could vary but a minimum three year contract is recommended.

The benefit of this option is its ease of implementation compared to the other options, with no new staffing or additional resources being required. Should Council select this option and approve the budget for this item, it can be implemented by issuing an RFP and awarding the contract.

The main challenge with this option is the limited number of providers of this service. When this matter was discussed at Council in March 2008 and Council considered staff report SRCAO.08.16 (see Appendix A), staff advised that past experience in obtaining services demonstrated that there is a scarcity of operators providing animal services. At the time, the only provider that was able to meet the Town's needs, had capacity and was willing to negotiate a contract was the OSPCA.

While staff's experience with the service provided by the OSPCA from an enforcement perspective has been positive, Council and the community have expressed concerns about the OSPCA given events in 2011 at its York Region Branch that resulted in an independent review of OSPCA operations.

Given Council and community concerns with the OSPCA, staff investigated other potential providers. In June 2011, the City of Vaughan opened their own animal services facility and has service contracts with King Township and Bradford/West Gwillimbury. Staff have investigated whether there is an opportunity for a service contract with the City of Vaughan at their new animal facility and been advised by Vaughan staff that their facility is at capacity. Consequently, they are currently not in a position to provide service contracts to other municipalities and have indicated that there are no plans for expansion of their facility at this time.

Without Vaughan as an option, few if any other animal service providers would be able to meet the Town's needs, however, it is possible that they exist and should Council decide on this option, staff would recommend issuing a Request for Proposal (RFP) to determine whether there are additional suitable service providers.

The Planning and Regulatory Services Department 2012 budget request includes a three (3) per cent or \$15,000 increase for the animal services contract.

In summary, this option will provide the same level of service that exists now. There is a probability that only one provider, the OSPCA, will respond to the Town's RFP. If this is the case, then the only contracted solution will be with the OSPCA. This option provides security for basic, traditional animal services as long as a suitable provider exists.

Option B: Increase the level of service by adopting a responsible pet ownership philosophy, adding a community outreach/public education component, and have Town staff deliver patrol, pickup and drop off services. Continue to have animals sheltered by a contracted provider.

This option reflects a philosophical shift that aligns with the Calgary model of responsible pet ownership but with a 'made in Richmond Hill' approach. Option B would

be predicated on moving animal services to a Town staff delivered service. Animals would continue to be sheltered by a contracted provider.

Bringing these responsibilities to the Town and shifting the focus to responsible pet ownership is an increase in the Town's service level and has resource implications. Staff and other resources would be required for this option to be feasible. New staff for patrol, pick up and animal drop off would be required, as would staff for the public education and community outreach component. There would likely also be administrative support required to assist with an increase in animal licensing. Funding would also be required for vehicles and equipment to support these activities.

The benefits of this option are that with more pets licensed, more pets can be returned to their owners sooner. There is also an opportunity to improve customer service and increase license revenues to help offset the additional resources required.

There are a number of challenges with this option. Implementation would not happen immediately and staff estimate that it could take two to three years before the Town is ready to assume these new responsibilities. A framework for the new approach will need to be developed as will an implementation plan including budget implications. Should Council decide to proceed with this option, staff are recommending that this work be completed and approved by Council before any changes are made.

In summary, this option provides an increased level of service and more significant financial impact. It allows Council to transition from the current animal control model to an animal services approach focused on responsible pet ownership but without the financial commitment of a new facility. With the Town assuming responsibility for a large part of this service, this option provides a higher level of security for animal services than Option A. Depending on how successful the new approach is, there may be an opportunity to increase revenues and offset some operating costs. As this option will have to be phased in, service must still be provided during the transition, meaning that it will be necessary to have a contract in place with a service provider until staff are in a position to assume these responsibilities.

Option C: Increase the level of service by adopting a responsible pet ownership philosophy, add a community outreach/public education component and build a Town owned and operated shelter, where patrol/pickup, drop off and sheltering are the responsibility of the Town.

Similar to Option B, this option reflects a philosophical shift that aligns with the Calgary model of responsible pet ownership but with a 'made in Richmond Hill' approach. This option moves the responsibility for all aspects of animal services, not just patrol, pick up and drop off but also the sheltering of animals to a Town owned and operated facility.

Bringing animal services functions to the Town in a Town owned and operated shelter plus shifting the focus to responsible pet ownership is a significant increase in the Town's service level and has significant resource implications.

As is the case with Option B, the benefits of this option are that with more pets licensed, more pets can be returned to their owners sooner. There is also an opportunity to improve customer service and increase license revenues to help offset other costs.

There are also a number of challenges with this option. Implementation would not happen immediately and staff estimate that it could take at least three years before the Town is ready to assume these new responsibilities. A framework for the new approach will have to be developed and approved by Council and resources put in place.

A significant financial investment in capital and operating is required to implement this option. Building a Town owned and operated facility was considered by Council in 2008 when the costing and location study completed by the consulting firm cm2r was presented (see Appendix A for SCRAO.08.16). The study concluded that a 12,000 square foot facility located at Richmond Green would meet the Town's needs to 2026 at a capital cost estimated at \$4.2 million. These cost estimates were subsequently updated for 2013 and have increased to \$5.2 million.

Asset Management staff in the Environment and Infrastructure Services Department estimate that a facility could be built in approximately thirty six months after receiving budget approval from Council.

Owning and operating a Town animal facility would have significant operating cost implications. By-law Enforcement and Licensing staff have estimated additional annual operating costs that include an increase in staff resources, vehicles, operating and medical supplies and facility operating costs. In addition, there would be costs for program development. Staff's estimates for operating costs for the facility in 2008 were approximately \$1.0 million to \$1.4 million. Revised estimates for 2013 are \$1.16 million to \$1.62 million.

Operating a facility would require additional staff resources including supervisory, animal service, administrative and public education/community outreach positions. Other required resources include furniture, equipment and supplies for the facility and vehicles. A framework for the new approach will need to be developed as will an implementation plan with detailed budget implications. Should Council decide to proceed with this option, staff are recommending that this work be completed and approved by Council.

In summary, this option represents a significant increase in the level of service but does secure animal services for the longer term. Depending on how successful the new approach is, there may be an opportunity to increase revenues and offset some operating costs. As this option will have to be phased in, service must still be provided during the transition, meaning that it will be necessary to have a contract in place with a service provider until staff are in a position to assume these responsibilities.

FINANCIAL/STAFFING/OTHER IMPLICATIONS:

All three of the options for providing animal services have financial implications as outlined below.

Option A

- The Planning and Regulatory Service 2012 Budget includes a request for \$519,200 for the animal services contract, representing an increase of 3% or \$15,000. Staff resources to manage the contract can be accommodated within existing resources.

Option B

- The annual operating costs to implement this option, including staffing, a public information program, and contract with a veterinarian are estimated to be \$700,000.
- The one time capital costs to implement this option, including furniture, computers, vehicles and specialized equipment are estimated to be \$100,000.
- A contract with a shelter provider would be required for this option and is estimated to be \$120,000 annually.
- To ensure continuity of service until Option B is implemented, a service contract for animal services will be required. The Planning and Regulatory Service 2012 Budget includes a request for \$519,200 for the animal services contract.

Option C

- The capital cost estimate for a 12,000 square foot animal services facility plus and 18,000 square foot outdoor area is \$5.2 million. An Animal Services Solution 'placeholder' is identified in the Town's 2013 – 2016 Capital forecast for 2015 for \$5.5 million (SRCFS.11.055, November 1, 2011 Budget Committee of the Whole). The facility would not be eligible for development charge funding and would need to be funded through another reserve fund.
- The annual operating costs for the facility for 2013 are estimated to be between \$1.16 million to \$1.62 million annually. This includes staffing, a public information program, a contract with a veterinarian, office furniture and equipment and specialized equipment for patrol/pick up.
- To ensure continuity of service until Option C is implemented, a service contract for animal services will be required. The Planning and Regulatory Service 2012 Budget includes a request for \$519,200 for the animal services contract.



RELATIONSHIP TO THE STRATEGIC PLAN:

Providing animal services in a way that encourages responsible pet ownership and works with the community to deliver these services helps to achieve the Strategic Plan vision of 'coming together to build our community'. It also supports the Strategic Plan goals of stronger connections, better choice and wise management of resources.

CONCLUSION:

Council is considering the Town's direction for animal services as part of this year's budget discussions. Staff have identified three options for Council to consider for Animal Services, each providing a different level of service and having varying financial and resource implications.

APPENDICES

Appendix A: SRCAO.08.16 – Animal Services Feasibility Study

EXTRACT FROM COUNCIL MEETING
C#10-08 HELD MARCH 17, 2008
CONFIRMATORY BY-LAW NO. 56-08

4.0 Minutes – Committee of the Whole meeting CW#05-08 of March 3, 2008

4.15 Animal Services Feasibility Study – (SRCAO.08.16) – (Item No. 26)

- Rec. 15
- a) That Council approve the approach to providing animal services in Richmond Hill as outlined in SRCAO.08.16;
 - b) That staff be directed to negotiate a three year single source contract with the Ontario Society for the Prevention of Cruelty to Animals for animal services for the period from June 2009 to June 2012 and report back to Council on the results of the negotiation;
 - c) That should the Town enter into an agreement with the Ontario Society for the Prevention of Cruelty to Animals for animal services, a request be made that Councillor Lynn Foster be appointed to the Ontario Society for the Prevention of Cruelty to Animals Board of Directors.



TOWN OF RICHMOND HILL

COMMITTEE OF THE WHOLE

March 3, 2008

SRCAO.08.16

Office of the Chief Administrative Officer
Strategic Initiatives Division

**SUBJECT: Animal Services Feasibility Study
(SRCAO.08.16)**

PURPOSE:

The purpose of this report is to provide Council with additional information regarding the potential size, cost and location for an animal services facility in Richmond Hill. It also provides information regarding a potential animal services provider.

RECOMMENDATION(S):

- a) That Council approve the approach to providing animal services in Richmond Hill identified in SRCAO.08.16; and
- b) That staff be directed to negotiate a three year single source contract with the Ontario Society for the Prevention of Cruelty to Animals for animal services for the period from June 2009 to June 2012 and report back to Council on the results of the negotiation.

Contact: Gwen Manderson, Director, Strategic Initiatives @ Extension 3815
Rick McGee, Manager, By-law & Licensing Enforcement @ Extension 2427

Submitted by:

Gwen Manderson
Director, Strategic Initiatives

Approved by:

M. Joan Anderton
Chief Administrative Officer

BACKGROUND:

At its May 28, 2007 meeting, Council considered a staff report and feasibility study prepared by the PathWise Group consultants (SRPD.07.051) attached as Appendix 1. The staff report provided Council with an evaluation of the feasibility study results and recommended a course of action for the Town, summarized below:

- Based on a hybrid of two consultant recommended options, construct a Town owned and operated facility, located in Richmond Hill and build to a capacity for 2026;
- Aurora, King, Vaughan, Markham and Whitechurch-Stouffville be invited to purchase services that would be available until capacity is required by the Town. Should any of these municipalities purchase services, enforcement will be the responsibility of that municipality; and
- Design-build tender for new construction and a traditional approach for renovation are the preferred infrastructure delivery methods.

The staff report also recommended that prior to making a decision on an approach to providing animal services, additional information was required and Council approved the following recommendations:

- a) That staff determine the approximate size and cost of an animal control facility suitable for the Town of Richmond Hill, with capacity to 2026, and report back in September 2007;
- b) That a Request for Proposal be issued for a detailed assessment and comparative cost analysis of the two preferred sites as outlined in SRPD.07.051, Richmond Green and the former Hydro Building (Works Facility), and report back on the results in September 2007;
- c) That staff be permitted to investigate alternate sites for a smaller facility and report back in September 2007;
- d) That staff determine how this project fits with other corporate priorities through the Ten Year Capital Forecast process and report back in September 2007;
- e) That the Town of Aurora, Township of King and the City of Vaughan be advised of the direction the Town is taking with respect to animal services within the Town of Richmond Hill.

This staff report provides an evaluation of the costing and location study, other considerations related to the 'new facility' approach, an update on the Aurora, King and Vaughan's directions with respect to the provision of animal services and information on the Ontario Society for the Prevention of Cruelty to Animals (OSPCA). The report also discusses the Town's options for providing animal services and recommends a course of action.

Animal Services Costing and Location Study

A Request for Proposal for a costing and location study for a potential animal services facility was issued in August 2007 and the contract awarded in late October 2007 to cm2r Consulting Inc. A staff working group was formed to participate in the study consisting of the Commissioners of Planning and Development, Engineering and Public Works and Parks, Recreation and Culture, Fire & Emergency Services/Acting Commissioner of Corporate Services, Director of Asset Management, Director of Strategic Initiatives and Manager, By-law & Licensing Enforcement.

The consultant has completed their work and their study is attached as Appendix 2. Staff concur with the conclusions and recommendations in the cm2r study, summarized below:

- There is no single formula for determining a facility's size or threshold for providing an animal services facility;
- Richmond Hill requires a facility of approximately 12,000 square feet to meet its animal services needs for 2026. This size is based on providing kennels, adjacent outdoor fenced/covered kennel space, exercise yards and an area for administration/support for enforcement and educational programming. It does not include space for a crematorium or for wild animals, which will be dealt with by a third party;
- For each of the twelve sites reviewed, a technical, operational and financial appraisal was completed;
- The recommended site is Richmond Green A, approximately 0.557 hectares in size located adjacent to the arena parking lot on the west side; and
- The estimated capital cost of the facility is \$4.2 million net GST, not including land costs.

Other Considerations

There are other matters to be considered as part of the evaluation of the recommended site that were not within the study terms of reference: loss of parkland, reimbursement of the Cash-in-lieu of Parkland Reserve Fund, annual facility operating costs, timing of construction and provision of interim animal services until a new facility can be constructed.

Loss of parkland: Richmond Green A is located in the southwest corner of Richmond Green and is located directly adjacent and west of the arena parking lot. It serves as a visual buffer to the adjacent Operations Centre and is not active parkland. Utilizing this land for an animal services facility will not reduce the usable parkland located at Richmond Green or deter from the activities or enjoyment of the larger park and facilities.

Replacement costs of parkland: Richmond Green, including the recommended site, is Town owned and was acquired using cash-in-lieu of parkland payment from the Town's Cash-in-lieu of Parkland Reserve Fund.

As a condition of development, Sections 42 and 51.1 of the Planning Act permit a municipality to require land or payment instead of conveyance of land for park or other recreational purposes. Cash-in-lieu payments are to be paid into a special account (Town's Cash-in-lieu of Parkland Reserve Fund) and spent only for the acquisition of land for these purposes. The Act further states that

land conveyed to a municipality under this section may be sold at any time. While there is a provision in the Act for reimbursement into the Parkland Reserve Fund should it be sold, there is no corresponding requirement for reimbursement of the Parkland Reserve Fund should parkland be converted by the municipality for another municipal purpose such as a municipal animal services facility. In the recent past, the Town has reimbursed the Parkland Reserve Fund for the value of parkland converted to use as a community centre. The source of funding was the Town-wide development charge; land for community centres is a component for which a development charge can (and is) charged. That reimbursement was the financial mechanism to ensure development paid for the services (community centres) needed as a consequence of that development. There is no development charge for animal control facilities.

Given that neither the Planning Act nor Town policy requires reimbursement of the Cash-in-lieu of Parkland Reserve Fund, it is within Council's purview to decide not to do so. If it does so decide, it should base the decision on the fact that the service (animal control facilities) is not a service for which a development charge is imposed at this time – so as not to prejudice the practice of reimbursing where development charges are involved. However, Finance staff advise that it is considered good financial practice to do so in both cases. Therefore, should Council decide to proceed with constructing a facility at Richmond Green it may be necessary to reimburse the Cash-in-lieu of Parkland Reserve Fund with funds from another reserve fund. The area to be converted is 0.557 hectares. A land appraisal would be required to confirm the exact value of the site however for the purpose providing Council with an indication as to the amount that would need to be reimbursed, Richmond Green A site is estimated to be worth \$1 million.

Annual facility operating costs: These are estimated to be between \$1 million and \$1.4 million based on costs for 13 staff, essential supplies for the shelter and office functions and vehicle operation and maintenance. This assumes the facility is operating at full capacity and with extended patrol hours. It also estimates an annual facility operating cost of \$72,000. Current annual operating costs for animal services are approximately \$400,000, which includes contract fees with Kennel Inn, emergency fees and the costs for overnight emergency calls. The difference between the two is approximately \$0.6 million and \$1.0 million per year. Annual operating costs could be offset by contracts with other municipalities (until such time as there is no capacity for external service contracts), by reduced patrols and hours, and by greater enforcement of dog licensing and introducing cat licenses. Other initiatives could also reduce operating costs including sponsorships, advertising and sales of animal related products.

Timing of construction: Should Council approve building a Town facility and funds are allocated in the 2008 budget, staff are estimating that a facility could be constructed by spring 2010 (in approximately twenty-four months).

Provision of interim animal services: Spring 2010 is beyond the end of contract date of June 2009 with Kennel Inn. A service option will therefore be required to bridge the gap between June 2009 and spring 2010. Potential options include extending the contract with Kennel Inn or finding another service provider.

As identified in the May 2007 staff report on the Animal Services Feasibility Study (SRPD.07.051), there has been uncertainty regarding Kennel Inn's ability to operate beyond the term of the existing contract with the Town. Recent discussions with Kennel Inn indicate that these uncertainties still exist. Kennel Inn's ability to remain viable and offer animal services is

dependant on continued municipal contracts. As indicated in the section below, the Town of Aurora is no longer using Kennel Inn and has negotiated a contract with the OSPCA. In addition, there continues to be uncertainty with respect to the property owner's intent in both the short and long term. Both of these factors brings into question whether Kennel Inn will be able to provide either interim or long term services.

There may be an opportunity to negotiate a contract with the OSPCA to bridge the gap, however, this option depends on the capacity of the OSPCA in June 2009. In addition to Aurora, Markham is negotiating a contract with the OSPCA. According to OPSCA staff capacity does exist at this time however, should other municipalities such as Vaughan (whose contract with Kennel Inn expires in March 2009) contract with the OSPCA, capacity may be an issue.

Update on Aurora, King Township and Vaughan Directions

On May 30, 2007 correspondence from the Town Clerk advising of the Town's direction was forwarded to the Town of Aurora, Township of King and City of Vaughan.

In June 2007, the Town Clerk received correspondence from the Township of King advising that King Council had also reported to Council on the PathWise Group feasibility study and endorsed the Richmond Hill proposal to own and operate its own animal services facility and offer services to other municipalities. Further, the Township of King requested information as this matter progresses.

In November 2007, the Town Clerk received correspondence from the City of Vaughan that included a staff report adopted by Vaughan City Council. This report recommended that an Expression of Interest be provided to the Town of Richmond Hill to purchase animal shelter services, that staff be directed to contact King to review opportunities to provide animal shelter services for both municipalities.

No correspondence has been received from the Town of Aurora. However, as indicated previously, Aurora has entered into a three year service contract with the OSPCA from January 1, 2008 to the end of 2010 for the provision of animal control and shelter services at a cost of \$183,200 for 2008, \$187,249 for 2009 and \$191,387 for 2010. The Town of Markham is negotiating a three year agreement with the OSPCA for certain animal control and shelter services for July 2008 to June 2011 at a cost of \$370,000 for the first year with Consumer Price Index (CPI) increases for the second and third year.

Ontario Society for the Prevention of Cruelty to Animals

As indicated previously, the OSPCA has recently emerged as an operator that provide animal services for the Town. The OSPCA was founded in 1873 and has been Province-wide in scope since the 1960's. The OSPCA is a non profit charity whose mission is to 'facilitate and provide for province wide leadership on matters relating to the prevention of cruelty to animals and the promotion of animal welfare'. The Society's goal is to 'be a strong, unified and collaborative organization dedicated to the cultivation of a compassionate Ontario for all animals'. The OSPCA is fully supported by public donations and contracts with municipalities for animal-related services in Ontario including the Cities of Orillia and Brantford and the Towns of Severn, Gravenhurst, Orangeville, Stratford and Chatham and now Aurora and potentially Markham.

Whether purchasing services from the OSPCA is a feasible alternative depends on a number of factors: capacity at the Newmarket facility to accommodate the Town's needs in June 2009 (at the conclusion of the Kennel Inn contract); if an agreement can be reached regarding the length of time that the Town would be financially responsible for animals; and cost.

Staff have discussed all of these matters with the OSPCA and have been advised that at this time, there is capacity for the Town beginning in June 2009. There is no guarantee that the capacity will still exist in the future and it will be necessary to secure the service as soon as possible if Council decides to go this route. Staff are therefore recommending that should Council approve this option, staff be authorized to negotiate a single source contract with the OSPCA. Staff have also been advised that with respect to the length of time that the Town would be financially responsible for animals, a similar arrangement to that made with Markham can be negotiated of eight days for cats and ten days for dogs, after which the animals are the property and responsibility of the OSPCA.

The cost of services will depend on the number of patrol hours required by the Town. Duplication of the current level of service and number of patrol hours could cost the Town approximately \$475,000 as compared to approximately \$370,000 for the current level of service and reduced patrol hours (no Sunday patrols and twelve rather than fifteen hours of patrols on other days). The latter cost estimate is similar to the current contract amount paid to Kennel Inn by the Town (\$380,000 for 2008/2009).

Options for Providing Animal Services

Option 1: Approve the governance model and build a facility at Richmond Green

Owning and operating a Town of Richmond Hill facility is one option for providing animal services in Richmond Hill. The May 2007 staff report identified that a Town owned and operated facility was the best approach should a build option be approved.

The costing and location study completed by cm2r in 2008 has provided sufficient and sound information regarding size (12,000 square feet), services, location (Richmond Green) and costs of constructing a Town facility (\$4.2 million). By-law Enforcement and Licensing staff have estimated additional costs including annual operating costs (\$1 million to \$1.4 million) that include an increase in staff resources, vehicles, operating and medical supplies and facility operating costs. It is possible that a portion of the costs could be offset by service contracts with other municipalities, community fundraising, service contracts, sponsorships, increased revenue from licensing and sales of animal related products. Should Council decide to proceed with a build option, the annual operating costs will have to be further refined and will be subject to budget review.

It is estimated that a facility could be built in twenty-four months but would result in a gap in service. A bridge contract would be required between the end of the Kennel Inn contract in June 2009 and the opening of a new facility (spring 2010).

In summary, this option requires a significant financial investment by the Town in terms of both capital and ongoing operating costs, provides an increased level of service and secures animal services for the longer term.

Option 2: Do not build an animal services facility at this time and negotiate a single source contract with the OSPCA.

Negotiating a single source contract with the OSPCA facility in Newmarket is another option for the Town to consider. Past experiences in obtaining services has demonstrated that there is a scarcity of operators providing animal services. Finding one that has capacity, is willing to negotiate now for a June 2009 contract and is able to meet the Town's needs presents an opportunity that needs to be acted on as soon as possible.

Not acting on this now could put the Town at risk of not having services available when the Kennel Inn contract concludes and for the longer term. Negotiating a single source contract with the OSPCA would be consistent with Section 285.4.7(c) of the Town of Richmond Hill Municipal Code, which permits Council to waive the requirement for the calling of a tender, request for proposal or request for quotation for the purchase of the above consulting services because, due to time limitations, the interests of the Town would be best served by a direct purchase.

In summary, this option provides an improved level of service and either the same number of patrol hours at a higher cost or a reduced number of patrol hours at a similar cost, depending on the approach. A contracted solution with the OSPCA is likely to secure services for the longer term. Given the fact that the OSPCA is a well established charity that has been operating successfully for many years, it is unlikely that the OSPCA would not be able to meet contract obligations or not be in a position to renew its service contracts. While there is some risk to this option, it is minimal.

Recommended Direction for Animal Services

The original intent behind the feasibility and costing/locations studies was to find a secure source for animal services for the Town and at an improved level of service. Both of these options satisfy these requirements however Option Two is significantly more affordable. Based on the two consulting studies, recent information received from the OSPCA and staff's subsequent assessment of these documents and information, staff are recommending Option Two as the preferred option.

Approving Option Two at this time does not prevent the Town from building its own facility should Council reconsider its decision at some time in the future.

FINANCIAL/STAFFING/OTHER IMPLICATIONS:

Both options for providing animal services have financial implications as outlined below.

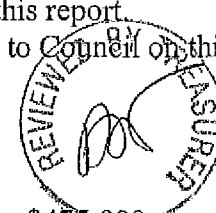
Option One:

- The capital cost estimate for a 12,000 square foot animal services facility plus an 18,000 square foot outdoor area is \$4.2 million with no identified source of funding and not eligible for development charge funding.
- The cost to reimburse the Cash-in-lieu of Parkland Reserve Fund is approximately \$1 million.

- The annual operating costs for the facility are estimated to be between \$1.0 million and \$1.4 million, an increase of approximately \$ 0.6 million and \$1.0 million annually. This represents an estimated tax rate pressure of 0.9% to 1.6% (annual cost).
- An animal services facility is not included in the Town's Ten Year Capital Forecast. It has been identified as a potential significant capital project in a previous staff report to the July 2007 Budget Committee of the Whole (SRFIN.07.019). The report states that this project along with others (Town Hall relocation, impacts from the Official Plan review, VIVA Phase Two, Wind Power generation, second location for grade separation and road widenings to provide for all-day GO Transit service) will cause significant financial pressures with no clear funding sources.
- Should Council decide to proceed with the project, it will have to be added to the Ten Year Capital Forecast using the cost estimates and timing identified in this report. Funding sources would be resolved and staff would report back to Council on this matter in June 2008.

Option Two:

- A contract with the OSPCA is expected to be in the range of \$370,000 to ~~\$475,000~~ per year, depending on the number of patrol hours. The lower end of the range is consistent with the current cost of the contract with Kennel Inn, exclusive of emergency fees and overnight emergency calls, estimated to be approximately \$20,000. Staff resources to manage the contract can be accommodated within existing resources. The additional costs of an additional \$75,000 per year for the contract represents a 0.1% tax rate increase.



RELATIONSHIP TO THE STRATEGIC PLAN:

The recommendations in this report implement the objective of providing service in the area of domestic animal care and control.

CONCLUSION:

Staff are recommending that Option Two (not build an animal services facility at this time and negotiate a single source contract with the OSPCA) be approved as the approach to providing animal services for Richmond Hill. Staff are further recommending that staff be directed to negotiate a single source contract with the OSPCA for animal services and report back to Council with the results of the negotiations.

Appendices

- Appendix 1: May 2007 Staff Report - Animal Services Feasibility Study (SRPD.07.051)
- Appendix 2: Animal Services Facility Study Prepared by cm2r