

# **2009-2010 GRAND JURY REPORT**

## **County of Riverside**

### **Department of Animal Services**

#### **Background**

The Department of Animal Services (DAS) is one of three departments, which comprise the Riverside County Community Health Agency (CHA). DAS provides a broad range of animal field and shelter services throughout the county, such as: adoptions, surrenders, licensing, micro-chipping, vaccinations, impounding strays, euthanasia and investigations of animal neglect and cruelty.

DAS has field and/or shelter services contracts with eleven of the county's cities. Some cities provide their own field and shelter services. Those cities, which contract with DAS for animal field and shelter services, are invoiced monthly. DAS is required to use rates approved by the Riverside County Board of Supervisors.

#### **Findings**

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.
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.

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 approximate million shortfall in revenues in fiscal year 2009-2010.
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.
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 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.
6. The County of Riverside has memoranda of understanding (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 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.

7. Upon receipt of 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 contract with DAS. Hemet and DAS were still negotiating the 2009-2010 contract 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.

8. On May 13, 2010, at about 3:40 p.m., Ramona received an email and a 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.

## **Recommendations**

**Riverside County Board of Supervisors  
Riverside County Community Health Agency  
Riverside County Department of Animal Services  
Riverside City Council**

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 to be 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.

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.
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.
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.
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 at 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 or any other federal, state or local laws/regulations may be the subject of progressive discipline, up to and including termination."

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.)

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 cost 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...."

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."