

Office of the
City Manager

August 25, 2010

Honorable Thomas H. Cahraman, Presiding Judge
Superior Court of California
County of Riverside
4050 Main Street
Riverside, California 92501

**Subject: City of Riverside Response to 2009-10 Grand Jury Report, Riverside County
Department of Animal Services**

Dear Judge Cahraman:

On behalf of the City of Riverside, I want to take this opportunity to thank the 2009-10 Riverside Grand Jury, especially Foreperson Todd, for their diligent review of the County of Riverside Department of Animal Services. I also wish to use this opportunity to transmit the City of Riverside's response to the Grand Jury Report, which was approved by the Riverside City Council on July 27, 2010.

While the report principally concerns the County of Riverside Department of Animal Services, the first three findings pertain to the City of Riverside and its contractual relationship with the County. None of the recommendations involve the City.

The following are the applicable findings from the Grand Jury report followed by the City's response to each of the items.

Finding 1:

In pertinent part states that DAS did not receive a \$1.2 million payment from the City of Riverside for the last six months of fiscal year 2008-2009. 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.

The finding is accurate as much as the City could not pay the County until billing discrepancies were rectified by the County and the City was billed accurately by the County for services rendered.

Finding 2:

In pertinent part states that the Grand Jury could not find documentation from County or Department of Animal Services to show County Supervisors approved the contract rate of \$57.54/hour for field services and \$62.45 for shelter services for the contracts with the term July 1, 2007 to June 30, 2012.

The Riverside City Council approved the contracts on December 18, 2007. The County of Riverside Board of Supervisors concurrently approved the contracts on December 18, 2007 for the same time period. The contract included the aforementioned hourly billing rates for Fiscal Year 2007-08. For the remainder of the contract term, the hourly billing rates will be annually negotiated between the City and County and ultimately approved by the County.

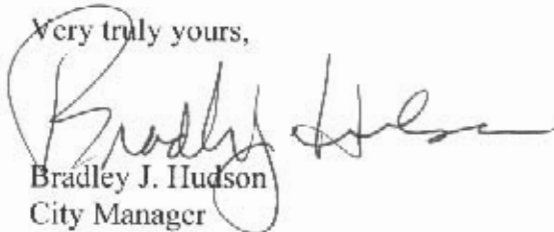
Finding 3:

In pertinent part states that in 2009-10 the Department of Animal Services billed the City of Riverside in accordance with terms of the contracts. The City did not pay the County for July 2009 through March 2010 resulting in an approximate million dollar revenue shortfall to the County.

This finding is accurate as the City could not pay the County until the First Amendments to the shelter and field services contracts were negotiated and approved. The City and County diligently engaged in contract negotiations for several months. The amendments reflect a reduction in service levels due to the fiscal climate. The Riverside City Council approved the contract amendments on April 20, 2010. The County of Riverside Board of Supervisors concurrently approved the contracts on April 20, 2010. Subsequent to approval, the County billed the City for services rendered. The City has paid the County for the period of July 2009 through March 2010.

Should you have any questions, please do not hesitate to contact me directly.

Very truly yours,



Bradley J. Hudson
City Manager

cc: Belinda J. Graham, Assistant City Manager
Gregory P. Priamos, City Attorney
Siobhan Foster, Public Works Director