



BLACK DIAMOND COUNCIL
Rebecca Olness, Mayor
Craig Goodwin, Mayor Pro Tem
Tamie Deady
Joe May
Ron Taylor



COVINGTON COUNCIL
Margaret Harto, Mayor
Jeff Wagner, Mayor Pro Tem
Mark Lanza
David Lucavish
Marlla Mhoon
Jim Scott
Wayne Snoey



MAPLE VALLEY COUNCIL
Bill Allison, Mayor
Victoria Laise Jonas, Deputy Mayor
Layne Barnes
Noel Gerken
Linda Johnson
Sean Kelly
Erin Weaver

**JOINT CITY COUNCIL MEETING AGENDA
CITIES OF BLACK DIAMOND, COVINGTON AND MAPLE VALLEY**

Thursday, February 23, 2012, 7:00 p.m.

Covington City Hall Council Chambers
16720 SE 271st Street, Covington, WA 98042

CALL MEETING TO ORDER - 7:00 PM - MAYOR HARTO

PLEDGE OF ALLEGIANCE/INTRODUCTIONS

APPROVAL OF AGENDA

OPENING REMARKS – MAYOR HARTO

ITEMS FOR JOINT COUNCIL DISCUSSION

1. Shared Animal Services (Derek Matheson and Tony McCarthy)

COUNCIL CLOSING REMARKS

ADJOURN

Any person requiring disability accommodation should contact the City of Covington at (253) 638-1110 a minimum of 24 hours in advance. For TDD relay service, please use the state's toll-free relay service (800) 833-6384 and ask the operator to dial (253) 638-1110.

Animal Control Options for Southeast King County Cities

Black Diamond, Covington and
Maple Valley City Councils

February 23, 2012



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Updated February 16, 2012

COUNTY OPTION



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History

- Southeast cities have contracted with Regional Animal Services of King County (RASKC) for many years
 - Covington and Maple Valley since 1997
 - Black Diamond since 1957



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History

- Prior to 2010, cities didn't contribute financially to the system
 - The county collected pet license revenue and heavily subsidized the system with other county funds



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History

- In 2009, the then-county executive terminated a longstanding contract, forcing renegotiation
- In 2010, the county and cities reached agreement on a successor contract



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History

- In 2010, per the successor contract, each city began to contribute the difference between pet license revenue generated in their city and the cost to serve their city
 - Costs are allocated to cities based on usage (50%) and population (50%)
 - Partially offset by “transition funds” – a smaller county subsidy



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Negotiations

- Successor contract expires December 31, 2012
- New contract negotiations began in November 2011
 - Covington city manager and Enumclaw city administrator are on the negotiating team



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Negotiations

- Many cities are looking at alternatives concurrently
 - Auburn definitely will leave
 - Kirkland is very likely to leave
 - Shoreline is on the fence



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Negotiations

- North and East cities (low usage but high populations) pushed for a new cost allocation formula:
 - Usage = 80%; Population = 20%
 - Big cost shift to South and Southeast cities



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Negotiations

- South and Southeast cities argued the presence of the county's animal shelter in Kent causes disproportionately higher system usage here



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Negotiations

- County will subsidize South and Southeast cities for at least three years to offset the new cost allocation formula
 - Will “seriously consider” longer subsidy period



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Negotiations

- South and Southeast cities agreed to consolidate their two patrol districts into one due to Auburn’s departure
 - One animal control officer would be based in the Southeast area (Enumclaw)



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Costs*

	2012	2013	
		Without Subsidy	With Subsidy
Black Diamond	\$8,450	\$15,657	\$8,451
Covington	\$66,696	\$102,350	\$60,871
Enumclaw	\$34,465	\$82,416	\$34,464
Maple Valley	\$48,197	\$71,859	\$48,197

* Cost data on these slides vary from data elsewhere in the meeting packet. Slide data is as of Feb. 15; other data is as of Feb. 1.

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Pros/Cons

Pros

- Don't have to provide the service
- Roughly equivalent to current county contract
 - Except Covington, which sees a larger reduction
- Less expensive than Southeast option in start-up year for each city
- Less expensive than Southeast option on ongoing basis for each city except Maple Valley if Enumclaw doesn't participate in Southeast option

Cons

- More expensive than Southeast option on ongoing basis for each city except Enumclaw if Enumclaw participates in Southeast option
- County subsidy not guaranteed after 2015
- County shelter needs to be replaced sometime after 2015
 - Cities will be expected to participate financially
- Alternative shelter option may not be available when contract expires

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Deadlines

- Non-binding statements of interest due:
 - February 14, 2012 (already sent by most cities)
 - May 1, 2012
- Interlocal agreement must be executed by July 1, 2012



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SOUTHEAST OPTION



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History

- Southeast city managers/administrators and finance directors began working on an alternative after the North and East cities proposed the new cost allocation formula but before the county offered a subsidy



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Concept

- A lead city...
 - Contracts with Humane Society of Tacoma & Pierce County for sheltering services
 - Hires an animal control officer
 - Hires a part-time licensing specialist
 - Purchases associated systems and equipment



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To-Do List

- Identify lead city
- Create cost allocation formula
 - Current assumption is 100% usage
- Negotiate interlocal agreement
- Prepare animal control regulations
 - Should be generally consistent across cities
- Hire staff
- Purchase systems and equipment
- Educate public
- (Probably more)



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Costs

With Enumclaw	Start-Up	Ongoing
Black Diamond	\$11,285	\$4,470
Covington	\$86,339	\$43,094
Enumclaw	\$73,853	\$41,741
Maple Valley	\$53,082	\$17,504

Without Enumclaw	Start-Up	Ongoing
Black Diamond	\$18,649	\$9,806
Covington	\$138,533	\$78,459
Maple Valley	\$92,683	\$44,322



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Pros/Cons

Pros

- Less expensive than county option on ongoing basis for each city except Enumclaw if Enumclaw participates
- No risk of lost county subsidy
- No risk of financial participation in a new county shelter

Cons

- Have to provide the service
- More expensive than county option in start-up year
- More expensive than county option on an ongoing basis for each city except Maple Valley if Enumclaw doesn't participate
- Cost estimates are highly speculative
- Heavy workload to bring online in nine months



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CONCLUSION



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Cost Comparison

With E'claw	County 2013	Southeast 2013-2014		Compare
		Start-Up 2013	Ongoing 2014	County v. Ongoing
Black Diamond	\$8,451	\$11,285	\$4,470	\$3,981
Covington	\$60,871	\$86,339	\$43,094	\$17,777
Enumclaw	\$34,464	\$73,853	\$41,741	(\$7,277)
Maple Valley	\$48,197	\$53,082	\$17,504	\$30,693

Without E'claw	County 2013	Southeast 2013-2014		Compare
		Start-Up 2013	Ongoing 2014	County v. Ongoing
Black Diamond	\$8,451	\$18,649	\$9,806	(\$1,355)
Covington	\$60,871	\$138,533	\$78,459	(\$17,588)
Maple Valley	\$48,197	\$92,683	\$44,322	\$3,875

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Recommendation

- Staff recommends the cities pursue the county option IF it remains financially advantageous
 - Consider the Southeast option again if necessary
 - Maintain contact with the Humane Society to try to preserve that option in 2016

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Direction

- Staff seeks preliminary direction whether to pursue the county option or Southeast option



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Next Steps

- If the councils support staff's recommendation, staff will:
 - Continue to submit non-binding statements of interest
 - Monitor other cities' responses and inform councils as necessary.
 - Present the final interlocal agreement to each council mid-year
 - Maintain contact with the Humane Society



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Extension of Interlocal Agreement for Provision of Regional Animal Services

City -County Workgroup
Agreement in Principle
February 2012

February 1 2012



King County/Cities Work Group for Animal Services ILA Extension

Agreement in Principle Dated February 1, 2012

The King County/Cities Workgroup has reached consensus on an Agreement in Principle for a 3-year extension of the current interlocal agreement (ILA) for regional animal services.

AGREEMENT IN PRINCIPLE: the Agreement in principle is summarized on **Attachment A** "Summary of Key Provisions" and **Attachment C** "Outline of Terms for Agreement." It will be an "amended and restated" ILA.

ESTIMATED INDIVIDUAL CITY COSTS: A model showing the estimated cost allocation for 2013 is provided in **Attachment B** "Draft 2013 Estimated Payment Calculation". It includes all cities currently in the system, except Auburn, reflecting the Auburn's previously announced departure. The Workgroup is aware that cities are considering other options. The City of Kirkland staff has indicated they will not recommend the regional option. With the departure of any city, there will be additional costs for the remaining jurisdictions, although the Workgroup would examine possible mitigation measures. As the non-binding statements are received, the model will be updated to show the impact of any city indicating a likely departure from the regional system.

KEY CHANGES PROPOSED: (1) shift to a cost allocation method based more on use, and less on city population; (2) increase the County's level of financial support to the system and hold that support steady over the 3-year contract term (2013-2015); (3) adjust animal control district boundaries to maintain service levels and control costs; (4) increase focus on system revenue generation; and (5) implement efficiencies and other changes to reduce allocable costs while maintaining service levels.

PROCESS/TIMELINE: City representatives and King County began working in November 2011, meeting weekly, in order to reach agreement in principle on an extension of the current Animal Services Interlocal Agreement. Auburn has indicated its intent to depart the system, therefore, the parties are now in a renegotiation discussion per the ILA. The current ILA will not be extended beyond December 31, 2012, and the parties have until July 1, 2012, to sign an amended ILA. If the parties do not reach agreement on a modified contract by July 1, 2012, the ILA terminates December 31, 2012. Timeline as follows:

- **February 1, 2012:** Complete and circulate Agreement in Principle and process timeline
- **February 14, 2012:** First non-binding statement of interest from Cities
- **March 15, 2012:** Complete final draft of amended and restated ILA for distribution
- **May 1, 2012:** Second non-binding statement of interest from all parties-cities and the County are asked to confirm their intent to approve the proposed amended and restated ILA. This will provide parties greater assurance regarding their expected share of system costs moving forward
- **May 10, 2012:** Final cost estimates circulated based on second statement of interest
- **July 1, 2012:** Parties will have executed an "Amended and Restated ILA."

The Workgroup presents the attached Agreement in Principle as the recommended regional option, understanding that cities are still considering local service options.

Attachment A: Summary of Key Provisions

Attachment B: Draft 2013 Estimated Payment Calculation

Attachment C: Outline of Terms of Agreement

Attachment D: Benefits of a Regional Animal Services System

Attachment E: Districts Map

Attachment F: Summary of Concerns Expressed by Cities in Workgroup Discussions

Attachment G: RASKC ILA Revenue Work Plan

Attachment H: ILA Negotiations Joint Work Group

Attachment I: E-mail Instructions for Providing Preliminary Notice of Interest

Attachment J: February 1, 2012 PowerPoint Presentation – Extension of the ILA

Summary of Key Provisions: Proposed RASKC Model
(includes all cities except Auburn)

	Current ILA (June 2010 – December 31, 2012— provides for extension through 2014) 2012	Proposed Agreement in Principle 2013-2015
Costs distributed through model	\$5.84 m (2012)	\$5.26 m (2013)
General cost allocation model – for shelter, licensing and control	50% usage, 50% population	80% usage, 20% population
Term	2.5 years, possible 2 year extension	3 years, re-opener with possible 2 year extension
Total County sponsored and mitigation contribution	\$1.37m (2012)	\$1.76 m (2013)
Revenue Focus	Licensing	Bridge to sustainability: Joint commitment to aggressively explore variety of specific mechanisms to increase system revenues and achieve sustainability at the end of the 3 years
Shelter replacement	Not Included	Not included
Service Days	5 days (Monday-Friday)	5 days (Anticipate at least one weekend day)
Service Protocols	Established in ILA	Cities to be involved in developing service protocols
Control Districts	4 Districts Officers home base at Shelter	3 Districts Officers hosted in each district

Summary of Key Provisions: Proposed RASKC Model
(includes all cities except Auburn)

- Goal of model: maintain or lower costs for cities from the estimated 2012 levels
 - Increasing county support, adjusting the cost allocation formula, providing credits or licensing support
- Total costs being allocated among all users is 11% lower in 2013 than 2011
- Cost efficiencies included for 2013, or sooner if possible
 - Reduce costs by aligning staffing with current operations
 - i. Shelter: Possible \$305,000 reduction due to projected lower number of animals in shelter
 - ii. Licensing: operating efficiencies, permanent tags and up to \$200,000 in savings (combining positions)
 - iii. Developing a project to bring laundry in-house instead of using commercial services \$65,000 savings
- Key changes from current ILA:
 - Shifted cost allocation model to (80% use/20% population) to place more emphasis on system use rather than population - responsive to low use cities
 - Removed additional shelter staff from the cost allocation model: County will fully fund additional \$235,000
 - Increased total direct county financial support to cities; targeted to high use cities
 - Included licensing support for cities to lower net costs
 - Maintain County financial contribution to higher use cities remains constant over 3 year contract term to provide some sense of cost stability
 - Reduced control districts from 4 to 3 by collapsing two south districts into one in response to Auburn indicating it will leave the system. Will evaluate other consolidations based on city commitments
- Service levels:
 - No shelter capital upgrades included in the cost model for the 3 year period
 - High quality shelter service levels retained, costs decreased
 - Control service levels maintained
 - County will seek to facilitate 5 day service coverage to include at least one weekend day
 - Licensing service levels retained, costs decreased
- System Revenues: Joint commitment to aggressively explore variety of specific mechanisms to increase system revenues and achieve system stability by end of 3 years
- Northern PAWS cities assumed to continue to purchase shelter services from PAWS

**Regional Animal Services of King County
DRAFT 2013 Estimated Payment Calculation**

Auburn Out, Allocation Method: Population = 20%, Usage = 80% Control Districts 240 and 260 combined into one (500), with 240 and 260 consolidated to District 500, costs to districts 25%, 25%, 50%. Usage and Licensing Revenue based on 2011 Preliminary Year End. Credits allocated to jurisdictions with shelter intakes per capita above the system average.

OPTION #1

	Control	Shelter	Licensing	Total Allocated Costs (1)	2011 Licensing Revenue (est)	Estimated Net Cost
Budgeted Total Allocable Costs	\$1,770,487	\$2,819,960	\$673,640	\$5,264,087		
Budgeted Non-Licensing Revenue	\$80,040	\$112,507	\$13,265	\$205,812		
Budgeted Net Allocable Costs	\$1,690,447	\$2,707,453	\$660,375	\$5,058,275	\$2,491,824	-\$2,566,451

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	2011 Licensing Revenue (Estimated)	Estimated Net Cost Allocation	2013-2015 Transition Funding (Annual) (5)	2013 - 2015 Credits (Annual) (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Proposed Transitional Licensing Support (7)	Estimated Net Final Cost (8)	
200	Carnation	\$4,118	\$3,497	\$1,239	\$8,854	\$4,752	-\$4,102	\$552	\$0	-\$3,550	\$966	-\$2,584	
	Duval	\$11,261	\$15,264	\$5,351	\$31,876	\$21,343	-\$10,533		\$0	-\$10,533	\$7,658	-\$2,875	
	Estimated Unincorporated King County	\$83,837	(see total below)	(see total below)	(see total below)	(see total below)	(see total below)	(see total below)	NA	NA	NA	NA	NA
	Kenmore	\$37,911	\$11,592	\$15,423	\$64,926	\$58,602	-\$6,324		\$0	\$0	-\$6,324	\$0	-\$6,324
	Kirkland	\$84,595	\$99,626	\$59,940	\$244,162	\$219,135	-\$25,027		\$0	\$0	-\$25,027	\$12,718	-\$12,309
	Lake Forest Park	\$22,894	\$7,034	\$12,099	\$42,027	\$48,504	\$6,477		\$0	\$0	\$6,477	\$0	\$6,477
	Redmond	\$37,867	\$54,303	\$32,308	\$124,478	\$116,407	-\$8,071		\$0	\$0	-\$8,071	\$0	-\$8,071
	Sammamish	\$35,341	\$44,214	\$31,129	\$110,684	\$117,649	\$6,965		\$0	\$0	\$6,965	\$0	\$6,965
	Shoreline	\$92,519	\$29,677	\$38,194	\$160,391	\$145,689	-\$14,702		\$0	\$0	-\$14,702	\$0	-\$14,702
	Woodinville	\$12,268	\$6,103	\$7,708	\$26,079	\$29,220	\$3,141		\$0	\$0	\$3,141	\$0	\$3,141
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		\$338,775	\$271,310	\$203,392	\$813,477	\$761,301	-\$52,176	\$552	\$0	-\$51,624	\$21,342	-\$30,282	
220	Beaux Arts	\$86	\$167	\$246	\$500	\$930	\$430	\$0	\$0	\$430	\$0	\$430	
	Bellevue	\$142,322	\$161,486	\$75,249	\$379,056	\$273,931	-\$105,125		\$0	-\$105,125	\$34,449	-\$70,676	
	Clyde Hill	\$1,866	\$3,168	\$1,952	\$6,985	\$7,170	\$185		\$0	\$185	\$0	\$185	
	Estimated Unincorporated King County	\$166,199	(see total below)	(see total below)	(see total below)	(see total below)	(see total below)	(see total below)	NA	NA	NA	NA	NA
	Issaquah	\$53,351	\$46,167	\$16,279	\$115,797	\$55,947	-\$59,850		\$0	\$0	-\$59,850	\$0	-\$59,850
	Mercer Island	\$13,581	\$18,177	\$13,853	\$45,611	\$49,962	\$4,351		\$0	\$0	\$4,351	\$0	\$4,351
	Newcastle	\$16,484	\$12,318	\$4,657	\$33,459	\$15,271	-\$18,188		\$0	\$0	-\$18,188	\$2,599	-\$15,589
	North Bend	\$15,851	\$16,273	\$4,128	\$36,252	\$15,694	-\$20,558	\$1,376	\$586	-\$18,596	\$6,463	-\$12,133	
	Snoqualmie	\$12,248	\$11,116	\$6,737	\$30,101	\$25,065	-\$5,036		\$0	\$0	-\$5,036	\$0	-\$5,036
	Yarrow Point	\$625	\$561	\$760	\$1,945	\$2,700	\$755		\$0	\$0	\$755	\$0	\$755
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		\$256,413	\$269,432	\$123,862	\$649,707	\$446,670	-\$203,037	\$1,376	\$586	-\$201,075	\$43,511	-\$157,564	
500	Kent	\$263,232	\$794,101	\$69,400	\$1,126,733	\$253,944	-\$872,789	\$110,495	\$495,870	-\$266,424	\$0	-\$266,424	
	SeaTac	\$79,732	\$184,894	\$13,311	\$277,938	\$47,232	-\$230,706	\$7,442	\$116,611	-\$106,653	\$0	-\$106,653	
	Tukwila	\$49,635	\$110,787	\$9,229	\$169,652	\$32,705	-\$136,947	\$5,255	\$61,987	-\$69,705	\$0	-\$69,705	
	Black Diamond	\$8,084	\$14,340	\$2,685	\$25,108	\$10,185	-\$14,923	\$1,209	\$3,263	-\$10,451	\$2,001	-\$8,450	
	Covington	\$52,490	\$82,456	\$12,634	\$147,580	\$48,982	-\$98,598	\$5,070	\$36,409	-\$57,119	\$0	-\$57,119	
	Enumclaw	\$41,747	\$56,672	\$6,920	\$105,340	\$25,307	-\$80,033	\$11,188	\$28,407	-\$40,438	\$5,973	-\$34,465	
	Estimated Unincorporated King County	\$309,089	(see total below)	(see total below)	(see total below)	(see total below)	(see total below)	(see total below)	NA	NA	NA	NA	NA
	Maple Valley	\$41,215	\$68,380	\$15,080	\$124,675	\$56,628	-\$68,047	\$6,027	\$6,867	-\$55,153	\$6,956	-\$48,197	
SUBTOTAL FOR CITIES IN 500 (excludes unincorporated area)		\$536,135	\$1,311,631	\$129,259	\$1,977,025	\$474,983	-\$1,502,042	\$146,686	\$749,414	-\$605,942	\$14,930	-\$591,012	
TOTAL FOR CITIES		\$1,131,322	\$1,852,373	\$456,514	\$3,440,209	\$1,682,954	-\$1,757,255	\$148,614	\$750,000	-\$858,641	\$79,783	-\$778,858	
Total King County Unincorporated Area Allocation		\$559,125	\$855,080	\$203,861	\$1,618,065	\$808,870	-\$809,195					-\$809,195	
		\$1,690,447	\$2,707,453	\$660,375	\$5,058,275	\$2,491,824	-\$2,566,451						

Source: Regional Animal Services of King County

Date: Jan 30, 2012 (Draft)

Numbers are estimates only for the purpose of negotiation discussions. The numbers and allocation methodology are subject to change while negotiations are underway.

Notes:

1. Based on various efficiencies and changes to the RASKC operating budget, adjustments for reduced intakes overall, reduced usage with Auburn out, and shifting two positions out of the model (county sponsored), the 2013 Estimated Budgeted Total Allocable Cost has been reduced to \$5,264,087.
2. One quarter of control services costs are allocated to control districts 200 and 220, and one half of control costs are allocated to district 500, then costs are further allocated 80% by total call volume (2011 Calls - Preliminary year end) and 20% by 2011 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 80% by King County shelter volume intake (2011 Preliminary year end) and 20% by 2011 population.
4. Licensing costs are allocated 20% by population (2011) and 80% by total number of Pet Licenses issued (2011) less \$0.00 Sr. Lifetime Licenses.
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. For additional detail, see 2010 Interlocal Agreement Exhibit C-4 (2013 column) for more information. Transition Funding does not change for years 2013 - 2015 (except for minimum payments as specified in the ILA).
6. Credits are allocated to those jurisdictions whose shelter intakes per capita exceeded the system average (.0043) and are intended to help minimize the impact of changing the cost allocation methodology from 50% population/50 usage to the new 20% population/80% usage model. See Interlocal Agreement Exhibit C-4 for more detail.
7. New Transition License Funding has been included for certain jurisdictions to help limit the Estimated Net Final Cost to the 2012 estimated level. Receipt of support is contingent on city providing in-kind services and county ability to provide resources and/or recover costs
8. Net Final Costs greater than \$0 will be reallocated to remaining jurisdictions with a negative net final cost, except northern cities where the anticipated rebate is used to offset the cost of sheltering with PAWS.

Outline of Terms for Agreement – changes from current ILA noted in italics

Note: This is a discussion draft and is subject to modification prior to reaching agreement

Item	Control	Shelter	Licensing
Parties	County and all cities in current system except Auburn	No change	No change
Services Exhibit A, B and E	<ol style="list-style-type: none"> 1. <i>Reduce control districts from 4 to 3</i> 2. Maintain staffing level of 6 total - 1 ACO each in districts 200 and 220; 2 ACO in new combined southern district on a regular basis 3. Maintain 5 day service, <i>but intend to negotiate coverage for at least 1 weekend day</i> 4. <i>Station officers at host sites within districts where service and travel time improvements or efficiencies result</i> 5. Cities may continue to purchase enhanced services in <i>addition to regular field services, provided they are not receiving a shelter or transition credit.</i> 	No changes proposed	Change III (5) to allow mail or e-mail notice for renewals
Cost Allocation Exhibit C	<ol style="list-style-type: none"> 1. Costs allocated to districts as follows: <ol style="list-style-type: none"> a) 1.5 ACO each to 200 and 220 b) 3.0 ACO to combined district (240/260) 2) <i>Costs allocated to all jurisdictions within district based 80% on use and 20% on population (current 50%/50%)</i> 	<i>Costs allocated to all jurisdictions based 80% on use and 20% on population (current 50%/50%)</i>	<i>Costs allocated to all jurisdictions based 80% on use and 20% on population (current 50%/50%)</i>

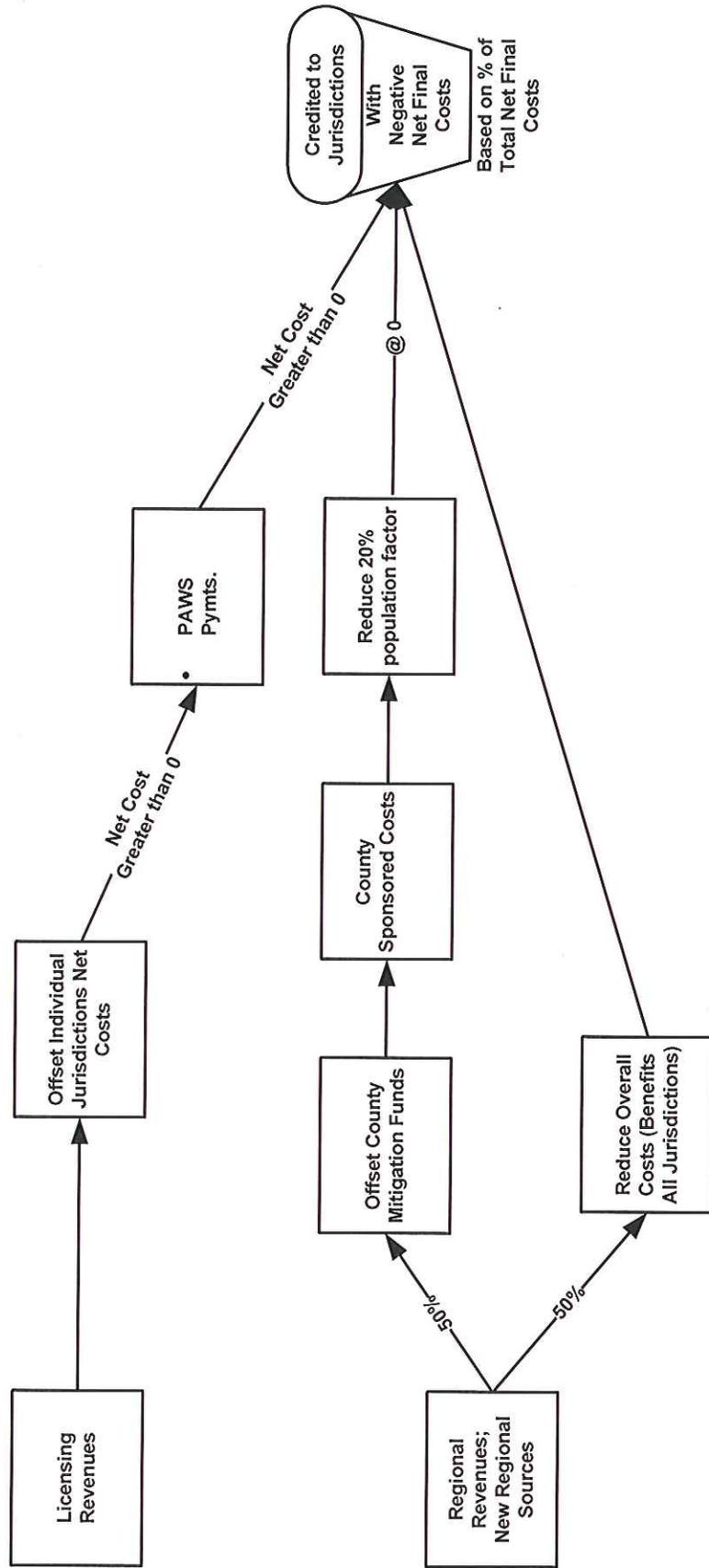
<p>Revenue Allocation</p>	<p><i>As a general principle, the parties agree that animal services should not be a profit making enterprise. It is critical to bring additional revenue into the system to reduce the need for general fund support and there should be appropriate incentives to promote revenue generation.</i></p> <ol style="list-style-type: none"> 1. <i>License revenues will first offset costs of jurisdiction where the revenue is generated (cost includes PAWS costs)</i> <ol style="list-style-type: none"> a. <i>License revenues above a jurisdiction's cost will be re-allocated to reduce costs for others.</i> 2. <i>New regional revenues for operating will be allocated as follows:</i> <ol style="list-style-type: none"> a. <i>50% to offset county mitigation funds first, then county sponsored costs, then to reduce the 20% component of the cost allocation model</i> b. <i>50% to reduce the overall costs (benefits all jurisdictions)</i> 3. <i>New fundraising, or foundation funds will be used to benefit all jurisdictions, unless designated for specific purposes</i> 4. <i>Major capital expenditures are not included in the cost allocation model. If there are new regional revenues or donation, fundraising, or foundation revenues that are designated for capital, these will be held separately from operating revenues.</i> <p><i>--See Graphic on Revenue Allocation Framework. --</i></p>
<p>Conditions for ILA to become Effective Section 15</p>	<ol style="list-style-type: none"> 1. <i>Implied 2013 payment maximum increase after all have signed cannot exceed estimated by 5% or \$3,500, whichever is greater --either party may waive</i> 2. <i>Minimum contiguity—may be waived by County</i> 3. <i>Minimum 6 month contract if implied 2013 payment test not met</i> 4. <i>Eliminate 60 day emergency agreement.</i>
<p>Payment Method/Timing Section 5</p>	<ol style="list-style-type: none"> 1. <i>Reconciliation due by June 30th each year</i> 2. <i>Non-binding preliminary estimate of Estimated Payment for upcoming year provided by county to cities by September 1st</i> 3. <i>Final Estimated Payment provided in writing to cities by December 15th each year</i> 4. <i>Exhibit C --allow adjustments to estimates of use and license revenue to include consideration of recent trending. County will work with joint city-county committee to determine the adjustments. Absent agreement on adjustments, the default will be to use actual license revenue and use data from last reconciliation year.</i> 5. <i>Exhibit C7 – updated Payment and Calculation Schedule (see attachment)</i>

<p>Cost Inflation Cap</p>	<p>Retain Annual Budget cap of inflation plus population growth for 3 year term</p>
<p>Exhibit C-1 (page 29)</p> <p>Contract term and termination provisions</p> <p>Section 4</p>	<p>1) Takes effect 1/1/2013</p> <p>2) Three year term (1/1/2013-12/31/2015)</p> <p>3) Extension</p> <p>i) Optional two year renewal (renewal no longer automatic, but at option of County whether to extend on same terms; re-opener provided so that parties can consider other amendments in connection with any extension.)</p> <p>ii) County must convene cities in September 2014 to discuss extension with existing terms or renewal with reopener of terms</p> <p>iii) Notice of intent not to renew must be given by March 15, 2015 (rather than May 1 as in current ILA)</p> <p>iv) Parties must reach agreement in writing by July 1, 2015 or ILA terminates 12/31/2015</p>
<p>Services purchased</p>	<p>Section 2</p> <p>Maintain language providing county discretion over staffing assignments and manner of handling calls, but add new language for cities to provide input through the Joint City-County committee to recommend service delivery metrics and to assist with developing service delivery modifications for handling and responding to calls within districts (build the flexibility in to Exhibit A. at Part I.2.d, d.)</p>
<p>Credits</p>	<p>Exhibit C</p> <ol style="list-style-type: none"> 1. Carry forward the 2013 transition funding credit from existing agreement for each year of the 3 year term 2. New shelter credit for each year of the 3 year term will be provided to cities with a per-capita shelter use greater than the average (capped at a total amount of \$750,000 per year for this credit category). Maintain option for Impact Mitigation Credit as a tool, but no dollar allocation at this time 3. County will give serious consideration to maintaining credits under an extension agreement.

<p>License revenue support Section 7</p>	<ol style="list-style-type: none"> 1. County will maintain system marketing efforts to generate license revenue across system 2. <i>The County may provide specific canvassing or other support to individual jurisdictions to reach license revenue goals (specific commitments will be detailed in ILA)</i> 3. Receipt of support is contingent on city providing in-kind services and county ability to provide resources and/or recover costs
<p>Joint City-County collaborative initiatives Section 11</p>	<ol style="list-style-type: none"> 1. Maintain committee structure. 2. The collaborative initiatives that <u>shall be reviewed</u> by the committee include items from existing ILA: <ul style="list-style-type: none"> • private licensing; • non-profit services; • marketing/licensing; • service delivery efficiencies refocused to be a continuous improvement effort; • review results of reconciliation; • review preliminary proposed budgets for animal services; provide input to reports; • review and provide input to proposed animal services operational initiatives; • item F – <i>Changed as follows: No major capital expenditures in the Kent facility are contemplated within the contract term. The County will update the estimate of facility needs as part of re-negotiation and/or new regional revenue discussions</i> 3. Add new: <ol style="list-style-type: none"> 1. <i>Maintain a marketing subcommittee</i> 2. <i>Collaborate on response and service improvements including communication with 911 centers</i> 3. <i>Engage in two-way problem solving</i> 4. <i>Develop alternative dispute mechanisms that could be used to resolve low level issues such as barking dog complaints</i> 5. <i>Work with cities to plan disaster response</i> 6. <i>Review and collaborate on billing protocol</i> 7. <i>Ensure there is at least one meeting each year between ACOs and law enforcement in each district</i> 8. <i>Revenue ideas (near, mid and long term)</i>

Proposed Revenue Allocation – Draft Framework

Draft 2-1-12



New fundraising, or foundation funds will be used to benefit the overall system

Note: Any new revenue source identified specifically for capital improvements would go solely for that purpose.

Benefits of a Regional Animal Services System

Effective and Efficient Service

- Provides a consistent level of service, common regulatory approach, and humane animal care across the region.
- Allows local police agencies to focus on traditional law enforcement instead of civil animal offenses (barking, off-leash, unlicensed animals).
- Builds economies of scale to provide a full range of services, making it less expensive to develop operations, training, licensing and care programs than it would be for cities to duplicate services at the local level.
- Provides a low-cost spay and neuter program which is key to reducing the population of homeless animals and thus reducing the costs of the system over time.
- Reduces the demand on individual jurisdictions to respond to communications from the media, advocacy groups and other interested parties (public disclosure requests).
- Use of volunteers and partnerships with private animal welfare groups increases humane animal treatment with minimal public cost: In 2011, volunteers contributed over 60,000 hours of support to the County animal services system, equivalent to 30 full time employees.
- Takes advantage of current technology – offices can access calls and database in the field; customers receive email notices prior to mailed renewal notices; citizens can locate lost pets online or by phone; cities get detailed, monthly reports on level and types of activity in their jurisdiction.
- King County Board of Appeals hears appeals to civil offenses thus centralizing the adjudication to a forum that is familiar with the issues.

Customer Service

- Provides a single access point for residents searching for a lost pet or seeking animal control help.
- Provides one single point of contact for citizen complaints.
- Pet Adoption Center is open and provides services 7 days a week.
- A regional, uniform pet licensing program that is simpler for the public to access and understand, with a broad range of accompanying services to encourage licensing; marketing, partnering with third parties to encourage license sales, and database management.
- Online licensing sales increase the ease of compliance for pet owners.

Public Health and Safety

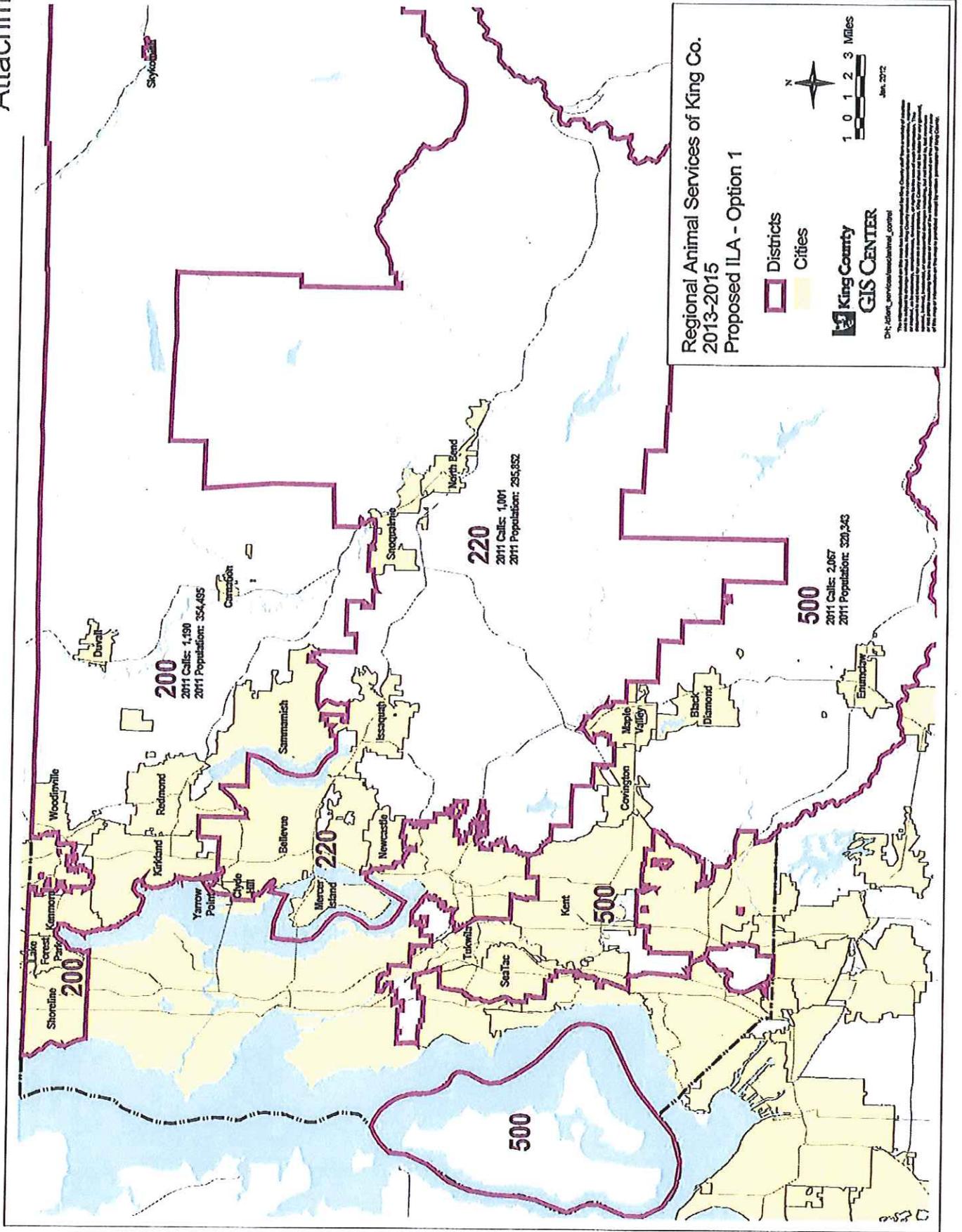
- Provides the ability to identify and track rabies and other public health issues related to animals on a regional basis.
- Reduces public health threats through routine vaccination of animals.
- Provides capacity to handle unusual and multi-jurisdictional events involving animals that often require specialized staff, such as: horse cruelty, animal hoarding, loose livestock, dog-fighting,

animal necropsies and quarantine, holding of animals as evidence in criminal cases and retrieval of dead animals.

- Provides consistent and knowledgeable services to over 6500 callers per year. Calls are dispatched on a prioritized basis. Emergency response services are available 24 hours per day.

Animal Welfare

- Reduces pressure on non-profit shelters through capacity at public shelter. Non-profit animal welfare groups contribute by accepting transfers of publicly sheltered animals for care and adoption.
- Animals find new homes and are not euthanized for capacity. Euthanasia rates have been reduced.
- Engages citizens through foster homes and other volunteer programs (on-site and adoption events).
- Provides regional response to animal cruelty cases.
- Provides regional preparedness planning and coordination for emergency and disaster response.
- Provides regional capacity for seasonal events (kitten season).
- Avoids competition across jurisdictions for sheltering space and comparisons across jurisdictions on animal welfare outcome statistics.
- Benefit fund allows private donors to contribute to the heroic care of animals—these services are not publicly funded and are not usually available in publicly funded animal service programs.



Summary of Concerns Expressed by Cities in Workgroup Discussions

Issue	Addressed in Proposed Agreement in Principle?
Costs & Service Levels Generally	
Costs are a major issue for all cities.	Yes
Reallocation of existing costs alone is not sufficient to keep the system together. There must be additional savings and efficiencies.	Yes
Service levels are generally good, although response times have been slower than anticipated.	Yes
There are benefits to a regional animal services system; avoiding the “hassle factor” of having to be in the business is a noted benefit for cities.	Yes
Cities would like the service to be as efficient and effective as possible.	Yes
Cities which have lower use of the system want a cost allocation model that moves away from the current 50% use / 50% population allocation towards a higher weighting on use. In contrast, Cities which have higher use cannot afford a model that gives greater weighting to use.	Yes--Moved to 80 use/ 20 pop. cost allocation model
There is a common desire for a stable long-term financing structure and sustainable operating model. It is agreed that the current model is not sustainable: it is too expensive; departure by any large city shifts costs substantially to remaining parties; and the system requires substantial additional financial contribution from the County beyond the 50/50 cost allocation formula.	Yes—will be major focus of work over next 3 years.
Cities are concerned about funding capital improvements at the Kent shelter in any extension.	Yes. No shelter replacement costs in the ILA
Cities want more input on control response protocols to be sure resources are focused on higher priority calls	Yes
Revenues	
Licensing revenues need to be increased: they have generally been lower than forecast in 2010.	Yes—focus on revenue generation
Additional effort is needed to bring new revenues to the system from other means.	Yes
Service Options: Menus and Service Levels	
Some cities are interested in an “a la carte” option where they could purchase only licensing or control services.	No.
Calls for service and animals in the shelter have dropped substantially. Most calls are lower priority calls (e.g., not life/safety).	Yes. Staffing has been reduced in shelter; cities will work with county on field response protocols
Some cities are interested in being able to buy different levels of service – for example, having control officers only respond to high priority calls – but it is acknowledged that this will only work if all cities within a district so agree (otherwise control costs are shifted significantly to those cities in a district seeking to retain response to both low and high priority calls).	No, but County will engage with cities to refine service protocols. Cities may purchase enhanced services.

Cities receiving shelter services from PAWS do not want to continue to pay a shelter charge.	Yes.
Some cities would like the County to reduce shelter service levels in order to reduce costs.	No. County is not willing to reduce service level in Shelter but is funding more of the shelter staffing costs.
With Auburn's departure, the control district boundaries and control staff deployment need to be re-examined to see if there are less expensive ways to retain service levels	Yes. District boundaries reconfigured, staffing levels reduced.
<u>Term</u>	
The current contract term (2.5 years) is too short and should be extended, but probably for less than 5 years.	Yes. 3 year term with reopener for possible 2-year extension.

RASKC ILA Revenue Workplan

Revenue Sustainability

All partners in RASKC share the goal of creating revenue sustainability for the regional system. Revenues from license sales have historically provided less than 50% of the funding for the system. The majority of additional funding under the current interlocal agreement is provided by the jurisdictions.

The items listed below reflect the partners current thinking of items that could increase revenues for the RASKC model and should be implemented or further evaluated. The list is not intended to be exclusive - new ideas may emerge and/or items on the list may be removed if determined not cost efficient or effective. The County will take the lead on the items and work in conjunction with the Joint City County Committee.

Near term - Potentially Implementable in 2012

- Create licensing tool-box for cities
- Increase canvassing effort
- Improve the RASKC website and promote linkages to it from city websites
- Increase public service announcements, media spotlight opportunities
- Utilize e-mail to reach out to supporters
- Consider implementing a second penalty-free licensing period

Medium Term - Potentially Implementable in 2012-2013

- Review/Analyze Licensing fee pricing structure and amount
- Improve options for making donations through the licensing program
- Investigate creation of entrepreneurial options with pet stores to provide discounts on pet items to people with licenses.
- Targeted partnerships with private sector businesses that provide high volume license sales (e.g. license sales in exchange for a share of the license fee)
- Create 501(c)3 for donations and improve efforts to secure donations

Longer Term - Potentially Implementable in 2013+

- Evaluate feasibility of regional levy to support system
- Evaluate feasibility of new legislative authority to levy a regional sales tax on pet related items

Regional Animal Services of King County

Interlocal Agreement – Negotiation Joint Work Group

Cities representatives

- | | |
|---|---|
| <ul style="list-style-type: none"> ➤ City of SeaTac, James Graddon ➤ City of Issaquah, Ross Hoover ➤ City of Newcastle, Melinda Irvine ➤ City of Woodinville, Sydney Jackson ➤ City of SeaTac, Annette Louie ➤ City of Mercer Island, James Mason ➤ City of Covington, Derek Matheson ➤ City of Tukwila, Peggy McCarthy | <ul style="list-style-type: none"> ➤ City of Kirkland, Lorrie McKay ➤ City of Lake Forest Park, Cheryl Niclai ➤ City of Kenmore, Nancy Ousley ➤ City of Lake Forest Park, Dennis Peterson ➤ City of Redmond, Nina Rivkin ➤ City of Bellevue, Sheida Sahandy ➤ City of Kent, Jeff Watling |
|---|---|

County representatives

- | | |
|---|---|
| <ul style="list-style-type: none"> ➤ Diane Carlson, Executive Office ➤ Norm Alberg, Records and Licensing Services Division ➤ Eric Swansen, Records and Licensing Services Division – Shelter Operations ➤ Tom Karston, Records and Licensing Services Division | <ul style="list-style-type: none"> ➤ Lorraine Patterson, Director, Records and Licensing Services Division ➤ Sean Bouffiou, Records and Licensing Services Division ➤ Yiling Wong, Budget Office |
|---|---|

- Neutral facilitator, Karen Reed

Cities represented in Interlocal Agreement

District 200	District 220	District 240	District 260
Carnation	Beaux Arts	Kent	Covington
Duvall	Bellevue	SeaTac	Black Diamond
Kenmore	Clyde Hill	Tukwila	Covington
Kirkland	Issaquah		Enumclaw
Lake Forest Park	Mercer Island		Maple valley
Redmond	Newcastle		
Shoreline	North Bend		
Woodinville	Snoqualmie		
	Yarrow Point		

EMAIL Requesting Initial Statement of Intent

TO: All cities currently contracting with King County for animal services

FROM: Lorraine Patterson, Director, Records and Licensing Services Division
Diane Carlson, Director of Regional Initiatives, King County Executive's Office

RE: **Your City's initial non-binding statement of interest in proposed extension of the animal services ILA --
Response requested by 2/14/12**

Hello—

As you know, the County has been in discussion with cities for several months now on terms for a potential extension of the existing animal services agreement. The City-County workgroup has reached a consensus regional recommendation on a proposed 3 year amended and extended agreement, which would run from January 2013 through the end of 2015. The terms of this proposal are presented in the attached documents. A presentation was made this morning to the King County city managers/administrators group reviewing these materials.

Under the cost allocation model, each jurisdiction's costs will depend upon the specific set of cities participating. For this reason, we are requesting an initial non-binding statement of intent from each city as to whether you are preliminarily interested in signing up for an extended and amended animal services ILA under the terms proposed in the attached materials. To accomplish this, **we are asking for an email from you by close of business February 14 indicating which option below best represents your city's position at this time—again, this is non-binding.**

Our next step is to prepare final draft contract language and cost estimates (to be circulated mid-March). The more accurate information we can get from you now, the more accurate that next set of cost estimates will be.

Please confirm your response by completing the information below (email to us is fine):

City of _____ **Initial Non-Binding Statement of Intent with Respect to Entering into an Amended and Extended Animal Services Agreement based on the draft proposal dated February 1, 2012.**

___ Please continue to include my City in the cost allocation model for purposes of developing a final draft contract language and cost estimates.

___ It is extremely unlikely that my City will participate in a contract extension. Please remove my City from the cost allocation model for purposes of developing the final draft contract language and cost estimates.

My Name/Title: _____ Date: _____

Additional questions/comments/suggestions:

If you have any questions about the attached materials please email or call either of us.

Lorraine Patterson: (206-296-3185) Lorraine.patterson@kingcounty.gov

Diane Carlson: (206 263-9631) Diane.carlson@kingcounty.gov

February 1, 2012

Extension of Interlocal Agreement for Provision of Regional Animal Services

City –County Workgroup
Agreement in Principle
February 2012

February 1 2012



Introduction

- ▶ Today's Presentation
 - Background on Regional Animal Services
 - Summary of the Current ILA – regional animal services, costs and cost allocation
 - Recommended changes to ILA
 - Timeline and process to reach final agreement by July 1.

February 1, 2012

Background

- ▶ Regional Animal Services of King County (RASKC) serves 26 cities and unincorporated King County
 - Interlocal Agreement entered into in mid- 2010.
 - Over 1 million citizens
 - Estimated pet population of over 500,000

- ▶ ILA provides for 3 core services, and ancillary support
 - Shelter (5,300 animals in 2011)*
 - Animal control (4,800 calls for service in 2011)
 - Licensing (99K licenses issued; approx. 18% of pet population is currently licensed)
 - Ancillary support includes responding to Public Disclosure Requests, adjudication of civil infractions, animal cruelty investigations, etc.

*4 cities receive shelter services from PAWS

February 1, 2012

Background, cont'd.

- ▶ Cities and County have very different service demand patterns—difficult to find a single, simple cost allocation formula that works for everyone.

- ▶ Current ILA: July 2010–December 2012
 - Implemented following uncertainty about County ability to continue providing animal services
 - Allocates cost 50 % population / 50 % usage
 - Variety of credits mitigate impact of allocation formula

- ▶ Total system costs allocated under ILA in 2012: \$5.84M.
 - License fees support 50% of system costs
 - 6 % from penalties, adoption fees, other revenues
 - County and City funding cover the balance
 - County fully funds an additional \$1.37M through credits and costs not included in the model

February 1, 2012

Benefits of Regional Model

- ▶ Consistent level of service, humane animal care, and regulatory approach countywide.
- ▶ Euthanasia rate continues to be reduced, currently under 15%.
- ▶ Uniform, regional licensing system and a central location for citizens to license their pets, find lost pets and track health related animal issues
- ▶ Economies of scale for marketing/licensing, field services and shelter operations

February 1, 2012

Benefits of Regional System, cont'd.

- ▶ Pet Adoption Shelter open to the public 7 days a week ; provides 24/7/365 on-call response to owners looking for lost pets
- ▶ Ancillary Services
 - Animal cruelty investigations
 - Civil offenses handled by Board of Appeals (not law enforcement or courts)
 - Respond to hundreds of Public Disclosure Requests (PDR's) annually; a centralized approach reducing the impacts to local jurisdictions for PDR's as well as media and/or advocacy group inquiries

February 1, 2012

Since the 2010 ILA Began

- ▶ Increased the humane treatment of animals and reduced euthanasia
- ▶ Improved citizen support, over 500 volunteers
- ▶ Upgraded software to improve reporting accuracy and timeliness
- ▶ Hired a marketing manager who helps individual cities develop plans
- ▶ A regional “branding effort” begins this year to increase revenues



Why negotiate an extension?

- ▶ Contract ends in 2012; automatically extended for 2 years unless a party drops out—which compels renegotiation.
- ▶ City of Auburn, a high user of services, notified County of intent to depart model at end of 2012 – will create unsustainable cost shifts for remaining parties unless ILA is amended.
- ▶ City-County workgroup formed in November 2011. Has considered many options for changing system costs, cost allocation, service delivery that can best support continuation of this regional service option for cities.

February 1, 2012

Cost Issues

Cost Issues

- ▶ Cost is major issue for all cities.
- ▶ Reallocation of existing costs is not sufficient
- ▶ Costs must be reduced, by additional savings and efficiencies.
- ▶ PAWS Cities cost allocations for shelter must be reduced.

Workgroup Proposal

- ▶ County has significantly reduced costs:
 - \$148k (2013) transition funding — continues.
 - \$750k/year additional credits to high-use cities
 - \$235k more in shelter staffing will be fully funded by County (Vet Director and Volunteer Coordinator)
 - \$305k downsize operations with Auburn's departure.
- ▶ Shift in cost allocation: 80% usage / 20 % population

2013 Estimated Total Allocable Costs are \$671K (11%) *less* than in 2011.

February 1, 2012

Revenue Issues

Revenue issues

- ▶ Stable long-term financing structure and sustainable operating model needed.
- ▶ Additional effort is needed to bring new revenues to the system from other means.
- ▶ Licensing revenues need to be increased: they have generally been lower than forecast in 2010.

Workgroup Proposal

- ▶ Increased focus on revenue generation: "bridge to sustainability."
- ▶ Pursue numerous revenue generating ideas (enhanced marketing, donations, new revenue streams)
- ▶ Increase support for licensing - Better tools for marketing and ongoing canvassing support

February 1, 2012

Service Issues

Services issues

- ▶ Cities want services to be efficient and effective
- ▶ Cities want input into response protocols -best use of scarce resources
- ▶ With Auburn's departure, the control district boundaries need to be adjusted to re-balance cost, service demand

Workgroup Proposal

- ▶ Service levels retained, costs reduced.
- ▶ Joint City-County Committee collaborate on issues—including response protocols, efficiency ideas, revenue ideas
- ▶ New district boundaries - combine south districts into single district.

February 1, 2012

Summary

	2012- Current ILA	2013 - proposed Agreement in Principle
Allocated System cost	\$5.84M	\$5.26M
Cost allocation	50% use / 50% pop.	80% use / 20% pop.
Term	2.5 years, 2 yr extension	3 years, re-opener for possible 2 yr. ext.
County support and mitigation payments	\$1.37M	\$1.76M
Number of Control Districts	4	3

- Moving to ensure 1 day weekend coverage
- ACOs hosted in each district
- Cities engaged in shaping response protocols
- Bridge to Sustainability: focus on new system revenue generation
- Current service levels maintained

February 1, 2012

Timeline

- February 1, 2012 - Reach agreement in principle
- February 14, 2012 - Cities provide County an initial non-binding statement of interest
- March 30, 2012 - finalize amendments to the Agreement and cost model based on initial statements of interest
- May 1, 2012 - Cities provide County 2nd nonbinding statement of interest
- May 10, 2012 - Final cost estimates circulated
- July 1, 2012 - formal adoption *and execution* of Agreement
- If approved, the "amended and restated ILA" will take effect January 1, 2013 and run for 3 years through December 31, 2015, with option to extend an additional 2 years.

February 1, 2012

Thank you.

Questions? Suggestions?
Comments?

February 1, 2012