

REPORT NO. 5 of the
PUBLIC SAFETY STANDING COMMITTEE
of its meeting held May 18, 2011

Present: **Councillor Jones, Chair**
 Councillor Dilkens
 Councillor Gignac
 Councillor Maghnieh

Absent: **Councillor Payne**

That the following recommendations of the Public Safety Standing Committee
BE APPROVED as follows:

Moved by Councillor Maghnieh, seconded by Councillor Dilkens,
That City Council **APPROVE** the selection of the Windsor Essex County
Humane Society as the successful proponent to provide Animal Control and Pound Services
and,

That a total of \$84,100.00 be approved as a budget increase to the Licensing
2011 budget from the Budget Stabilization Reserve to meet the obligations of the Animal
Control Contract and that this amount be annualized in future budgets throughout the term of
the contract and,

That the City Solicitor **BE AUTHORIZED** to prepare a contract for those
services and further,

That the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to
sign the contract, satisfactory in form to the City Solicitor, in financial content to the City
Treasurer, and in technical content to the City Clerk.

Carried.

Councillor Gignac voting nay.

Clerk's Note: The report from the Manager of Policy, Gaming & Licensing/Deputy
Licence Commissioner and the Acting Coordinator of Policy & Procedures dated May 5, 2011 entitled
"Contract for Animal Control Services in the City of Windsor" is cc-ed as background information.

**THE CORPORATION OF THE CITY OF WINDSOR
Office of the City Clerk- Policy, Gaming & Licensing**

MISSION STATEMENT:

"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"

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To: Mayor and Members of City Council

Subject: Contract for Animal Control Services in the City of Windsor

1. RECOMMENDATION: City Wide: Ward(s):

THAT City Council **APPROVE** the selection of the Windsor Essex County Humane Society as the successful proponent to provide Animal Control and Pound Services **AND**,

THAT a total of \$84,100.00 be approved as a budget increase to the Licensing 2011 budget from the Budget Stabilization Reserve to meet the obligations of the Animal Control Contract **AND** that this amount be annualized in future budgets throughout the term of the contract **AND**,

THAT the City Solicitor **BE AUTHORIZED** to prepare a contract for those services **AND FURTHER**,

THAT the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign the contract, satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the City Clerk.

2. EXECUTIVE SUMMARY:

NA

3. BACKGROUND:

Section 103 of the Municipal Act requires that the Corporation of the City of Windsor provide for the seizure and impoundment of animals at large. The Corporation has contracted with the Windsor Essex County Humane Society to provide animal control services within the municipal boundaries since 1978.

As the current contract was set to expire on March 31, 2011, the Corporation issued RFP 35-11 on February 17, 2011 to solicit proposals for animal control services. The RFP closed on March 4, 2011. The Windsor Essex County Humane Society was the sole organization to respond. To allow for a fulsome review of the proponent's response and to provide continuity of service to the community, an extension agreement was approved by City Council on March 28, 2011. (CR96/2011)

4. DISCUSSION:

The Humane Society's response to RFP 35-11 meets all of the requirements to provide statutory animal control and pound services, dangerous dog control and twenty-four hour emergency services as requested by the Corporation. Additionally, the Society will accept unwanted animals, operate a pet adoption service, provide assistance to injured or sick animals and deliver an educational program to prevent animal cruelty and encourage respect for life.

The Humane Society's original request for the contract was \$840,000.00 exclusive of the HST and historical contribution for education. This amount was significantly above the projected budget amount for 2011. The proposal had also removed some services that had been provided in the previous contract.

The Society explained the rationale for the request, indicating that they have had to absorb substantial cost increases since the last contract including fuel, veterinary fees, shelter expansion costs and construction of the spay/neuter clinic. Additionally the Society had indicated that perhaps previous bids had been low in order to secure the contract. However, to remain viable, the Society is obligated to ensure its business practices recover their costs.

Although understanding of the Society's rationale for the increase, Administration is bound by Council's desire to maintain a zero tax levy increase and attempted to negotiate an amount within projected budget.

Administration negotiated with the Humane Society to preserve services for the community and managed to reduce the base amount of the contract to \$800,000.00. This amount is contingent upon the continuation of the license revenue sharing agreement and historical education contribution. Details will be expanded upon in the Financial section of this report.

Humane education is a non-statutory service that Council has provided \$20,000.00 for in prior contracts. A robust educational campaign is critical to the success of licensing and alteration efforts, the responsibility of pet ownership, the prevention of animal cruelty and teaching the value in living things.

Administration would like to draw Council's attention to the particular items noted below.

The negotiated terms of the Humane Society's response to RFP 35-11 are primarily consistent with recent contracts. They meet the City's legislated requirements and provide the same service levels to the community. While recognizing that final approval rests with City Council, Administration and the Humane Society have reached agreement in principle on the contract.

The Windsor Essex County Humane Society is prepared to enter a three year contract with the City to provide animal control and pound services. The contract will begin July 1, 2011 and expire on June 30, 2014. Should mutually agreeable terms be negotiated and approved by City Council, the parties have the option to extend the contract for an additional two years.

As the subject of voluntary cat licensing and spay/neuter vouchers for low-income pet guardians was being discussed by City Council, RFP 35-11 requested information on those services to provide Administration the flexibility to investigate the *programs*. Both subjects will be addressed in a separate report coming before Council in the near future.

5. FINANCIAL MATTERS:

The budgetary impact of this contract is described in the table below.

Existing Budget Account Items	2011 Approved Budget	2011 Increase	2011 Revised Budget
Base Contract (Including Education)	\$785,600	\$48,900	\$834,500
Pound and Board Fees	-	\$30,500	\$30,500
Commission Expense			
Vendor (\$5/tag)	\$33,000	(\$12,000)	\$21,000
Windsor Humane Society	-	\$24,500	\$24,500
Dog Tag Sales	(\$172,200)	(\$7,800)	(\$180,000)
Total 2011 Net Budget	\$646,400	\$84,100	\$730,500

The base contract amount provides for animal care and pound services and includes the cost of the facility, staffing, food, medical care of animals, acceptance of unwanted animals, pet adoption service, and emergency service for sick/injured animals.

The cost for services in 2011 is \$834,500 (inclusive of *HST* and education contribution) representing a percentage increase of approximately 6.2%. As the Harmonized Sales Tax has recently been enacted, the Humane Society is still in the process of investigating what aspects of their operations are subject to the tax. Cost projections have been outlined assuming that the City will be obligated to pay HST, 1.76% represents the City's non-recoverable portion of HST. If HST is not applicable, the 2012 budget will be reduced accordingly.

Although the base cost of the new contract has increased from 2010, Administration did negotiate a reduction from the original request, preserve services and reduce the Corporation's financial risk in other areas.

In the previous contract the Humane Society was responsible to remove and dispose of dead animals on city streets during their regular patrol hours. Outside of those hours the responsibility fell to City staff. In its recent submission, the Society originally declined to provide this service, citing concerns that to do so may undermine the health of live animals should they be inadvertently exposed to remains. The proposal stated that if the City were to insist on the provision of this service, there would be an additional charge of \$12,000.

fu speaking with the Environmental Services Manager, it was found that the Corporation no longer had the budgetted resources to assume this responsibility, should it not be provided by the Humane Society. Administration and the Society were able to reach an agreement whereby the Society would continue to remove dead animals as per the terms of the previous contract and within the base contract amount, thereby saving the Corporation \$12,000.00.

The removal of dead deer is excluded from this agreement. As the Society does not have the human resources or equipment to remove a large animal, the Corporation has agreed to assume responsibility for deer. The Humane Society advises that historically the demand for this service

Typically it has been difficult to budget for pit bulls and impound and boarding fees as the number of animals entering the shelter cannot be predicted. However, based on last year's actual cost, a budget of \$30,500.00 (inclusive of HST) been requested. fu the new contract impound fees have been reduced to \$50 from \$65. It also now includes pit bull dispositions, which means the Corporation is not billed \$130 each time a pit bull enters the shelter.

The Corporation receives funds from the sale of dog tags and pays a commission to vendors on each license sold (\$5/tag). fu 2010, the Corporation raised \$192,065.00 in dog tag sales and paid \$20,687.00 in commissions to vendors. As per the last negotiated contract, the Humane Society waived payment of this commission in favour of a revenue sharing model. The formula for determining revenues shared with the Society remains unchanged from the last contract and payments are made from total gross dog tag sales in the year. In 2010, the Society received \$31,690.00. If revenue were to increase substantially, it is a positive variance for both parties.

fu its response to RFP 35-11, the Humane Society had proposed being paid a commission on cat licenses. As City Council will be discussing voluntary cat licensing in the future, Administration negotiated the addition of cat licenses to the dog license program, should the program be approved.

An escalation clause of 2% has been negotiated in the new contract. The Humane Society had proposed an annual increase in the base amount of the contract by the Consumer Price Index (CPI) + 1%. fu order to reflect an accurate budget and minimize the financial risk to the Corporation, Administration negotiated a 2% increase per annum, rather than the CPI increase of the previous contract. This increase will be effective July 1, 2012 with the last increase due July 1, 2013.

Should it be Council's desire to approve the requested operating funds, this matter should be viewed as a corporate priority that will result in a base budget approval to next year's Operating Budget.

6. **CONSULTATIONS:**

Consultations have taken place with Compliance & Enforcement; Finance; Policy, Gaming & Licensing; Purchasing, Environmental Services and the Windsor Essex County Humane Society.

7. CONCLUSION:

The City's Community Strategic Plan speaks to a diverse and caring society, where the public safety is assured and residents, visitors and property are protected. Additionally, the local government pledges to be responsive and responsible and to form beneficial partnerships with public, private and not-for-profit sectors.

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Deputy License Commissioner

Valerie Critchley
City Clerk/License Commissioner

Chief Financial Officer/City Treasurer

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Corporate Policy Coordinator (A)

APPENDICES:

NOTIFICATION :				
Name	Address	Email Address	Telephone	FAX
Melanie Coulter, Executive Director - Windsor Essex Humane Society	1375 Provincial Road, Windsor, ON N8W5V8	melanie@windsorhumane.org	519-966-5751	519-966- 2546

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