

**ANIMAL CONTROL SERVICES – BRADFORD WEST GWILLIMBURY AGREEMENT**

**Recommendation**

The Director of Enforcement Services, in consultation with the Director of Budgeting and Financial Planning, recommends:

1. That the Draft 2011/2012 Operating Budget for Animal Control Services be adjusted to incorporate the recently signed agreement with Bradford West Gwillimbury (BWG) regarding the provision of animal control services by the City of Vaughan; and,
2. That the illustrated net budget savings be redeployed as an animal control contingency item to cover unanticipated costs during the first year of operations and be revisited during next years 2012 -2014 Budget Process.

**Contribution to Sustainability**

Entering into inter-municipal services with King Township and Bradford West Gwillimbury is intended to reduce the overall cost of providing this service and therefore making it more sustainable. This is accomplished by leveraging economies of scale, cost sharing, and incurring additional financial benefits for the residents of the City.

**Communication Plan**

Not applicable.

**Economic Impact**

Overall, entering into an agreement with Bradford West Gwillimbury will result in an overall \$68,000 net benefit to the residents of Vaughan.

However, recognizing this is the first year of implementing in-house animal control services for Vaughan, it is recommend that the net 2011 animal services budget remain unchanged to provide contingency funds for unanticipated items and that the budget be revisited during the 2012-2014 budget process.

**Purpose**

The purpose of this report is to provide the Finance & Administration Committee with adjustments to be made to the 2011/2012 Operating Budget for Enforcement Services due to the recent agreement to provide Animal Services to the Town of Bradford West Gwillimbury.

**Background – Analysis and Options**

On September 7, 2010, the Council adopted Item 54, Report No 40 of the Committee of the Whole. The recommendations contained in that report were:

1. That a by-law be enacted to authorize an agreement to provide Animal Services to the Town of Bradford West Gwillimbury based on a full cost recovery model and a financial benefit to the City which will positively impact the City's cost of providing animal services, and;
2. Should an agreement be reached, the Draft 2011/2012 Operating Budget be adjusted to reflect the associated revenue and service obligations, including the addition of one full-time Animal Control Officer (proposed level E) and one leased vehicle.

An agreement with Bradford West Gwillimbury was reached February 1<sup>st</sup>, 2011.

The agreement with Bradford West Gwillimbury provided a net benefit to the City of \$68,410, based on revenues of \$150,100 and corresponding expenses of \$81,690. The agreement is for a period of 3 years. The below table illustrates the breakdown of the agreement and revised animal control services budget.

<b>Business Unit 080143 Animal Control</b>	<b>Current 2011 Draft Budget (Vaughan+King Twp.)</b>	<b>Bradford West Gwillimbury</b>	<b>Revised 2011 Draft Budget</b>
<b>Revenues</b>			
Misc Revenues	\$ 3,100	\$ -	\$ 3,100
Rev from Recover Expenses	\$ 156,147	\$ 150,100	\$ 306,247
<b>Total Revenue</b>	<b>\$ 159,247</b>	<b>\$ 150,100</b>	<b>\$ 309,347</b>
<b>Staffing Costs</b>			
Animal Control Officer (2 + 1)	\$ 172,315	\$ 57,440	\$ 229,755
Animal Control Officer OT	\$ -	\$ 10,000	\$ 10,000
Animal Control Officer (P/T) (1)	\$ 40,125	\$ -	\$ 40,125
Supervisor (1)	\$ 100,930	\$ -	\$ 100,930
Reception (1)	\$ 53,680	\$ -	\$ 53,680
Shelter F/T (2)	\$ 106,795	\$ -	\$ 106,795
Shelter P/T (4)	\$ 133,790	\$ -	\$ 133,790
<b>Sub total Staffing Costs</b>	<b>\$ 607,635</b>	<b>\$ 67,440</b>	<b>\$ 675,075</b>
<b>Other Costs</b>			
Equipment	\$ 15,000	\$ -	\$ 15,000
Cleaning	\$ 15,000	\$ -	\$ 15,000
Pet Food etc	\$ 17,000	\$ -	\$ 17,000
Uniforms	\$ 1,000	\$ 500	\$ 1,500
Disposal	\$ 5,000	\$ -	\$ 5,000
Vet fees	\$ 25,000	\$ -	\$ 25,000
Cell phone	\$ 3,000	\$ 750	\$ 3,750
Training	\$ 1,000	\$ -	\$ 1,000
Vehicle Lease	\$ 30,000	\$ 13,000	\$ 43,000
Rent and utilities	\$ 92,500	\$ -	\$ 92,500
<b>Sub total Other Costs</b>	<b>\$ 204,500</b>	<b>\$ 14,250</b>	<b>\$ 218,750</b>
<b>Total Costs</b>	<b>\$ 812,135</b>	<b>\$ 81,690</b>	<b>\$ 893,825</b>
<b>Sub-Total BU 2011 Revised Budget</b>	<b>\$ 652,888</b>	<b>(\$ 68,410)</b>	<b>\$ 584,478</b>
Proposed Contingency Expense	\$ -	\$ -	\$ 68,410
<b>Total Revised BU 2011 Budget</b>	<b>\$ 652,888</b>	<b>(\$ 68,410)</b>	<b>\$ 652,888</b>

Given this is the first year of animal control services for the City, it is recommended the \$68,410 benefit be retained in the budget by adding a sundry/contingency expense line to account for unanticipated items, including:

1. The implementation of the Animal Control facility is behind its initial January schedule, and therefore the existing outsource agreement with Kennel Inn has been extended to cover animal services in the interim. This has resulted in increased cost to the City as well as loss of revenue from the delay in implementation of the King Township and Bradford West Gwillimbury agreements. A contingency amount would help to defray the costs of the delayed implementation.
2. As this is the first year of operations, there are a number of costs that are unknown until there is a history of usage at the new City of Vaughan Animal Control facility. These costs can include items such as damage to cages in the field, costs of Veterinary services, costs of food and unexpected vehicle repair/maintenance costs. Contingency funds are required to ensure that these unknown items are covered in the 2011 Budget year.
3. There are additional revenue opportunities from BWG related to pet licensing. These additional revenues were not included in the budget as the level was unknown, but the expectation was that these revenues would be used to offset any unforeseen costs in the first year of operations of the facility. Due to the delay in the launch of the service, the window for receipt of these revenues has been lost due to the timing of licensing activities in the first quarter of the year; therefore the contingency funds are needed for any unforeseen costs that will not be recovered through licensing revenues.

The 2012 Draft Budget will be reviewed later in 2011 during the 2012 - 2014 Budget process. It is expected at that time that additional savings may be incorporated into the animal control annual budget based on the actual costs incurred to that point in 2011.

It should also be noted that the 2011 Draft Budget has already been reduced by over \$46,000 from the 2010 Budget to account for the impact of the agreement to provide animal services to King Township.

### **Relationship to Vaughan Vision 2020**

This report is consistent with the priorities set out in Vaughan Vision 2020, particular "Ensure Financial Sustainability.

### **Regional Implications**

There are no Regional implications associated with this report.

### **Conclusion**

An agreement with Bradford West Gwillimbury was reached February 1<sup>st</sup>, 2011, netting a benefit to the City of approximately \$68,410. As a result, the Draft 2011 & 2012 budget requires the illustrated adjustments to reflect this event. However, due to the uncertainty during the first year of operations of a new service it is recommended that this benefit be reallocated back to the budget for the first year of operations, through a sundry or contingency account, to balance against the many unknown and unanticipated variables. Therefore, the net draft 2011-2012 Animal Control Budget will remain unchanged but will be revisited during the 2012-2014 budget process.

### **Attachments**

None

**Report prepared by:**

Howard Balter, CGA  
Manager, Program Costing & Special Projects

Respectfully submitted,

Janice Atwood-Petkovski  
Commissioner of Legal & Administrative Services & City Solicitor

Tony Thompson  
Director of Enforcement Services