



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: March 8, 2012
Subject: ANIMAL SERVICES DELIVERY OPTIONS

RECOMMENDATION

It is recommended that the City Council receives a briefing on animal services and either requests additional information or provides direction as to the preferred option for providing animal services:

Option A – Extend an Interlocal Agreement (2013 ILA) with King County for Regional Animal Services effective January 1, 2013 and ending December 31, 2015

Option B – Provide Animal Services locally, via the City of Kirkland, effective January 1, 2013

BACKGROUND – 2010 REGIONAL ANIMAL SERVICES INTERLOCAL AGREEMENT (ILA)

In September 2009, after having subsidized animal shelter and control services to the cities since the mid 1980's in exchange for keeping all pet licensing revenue, former King County Executive Kurt Triplett expressed his intent to discontinue this service as a County function. King County had identified that the gap between revenue and system costs grew to a level that was not sustainable as the County was contributing in excess of \$2 million annually from its general fund to support animal services. Consequently, in his proposed budget for 2010, Executive Triplett proposed cutting the funding for animal shelter and control, starting in July 2010. The County Council's intent was to establish new, full-cost recovery contracts for animal shelter and control services provided by King County to contracting cities. In January 2010, the County Council and the newly elected King County Executive Dow Constantine committed to working with a Joint Cities-County Work Group to develop a new regional model for the provision of animal services.

A participant of the Joint Cities-County Work Group, Kirkland, along with approximately 26 other cities, worked with the County toward a new business model. In the face of termination of services, Kirkland ultimately chose to contract with King County for animal services which included animal control, animal sheltering and pet licensing. In June of 2010, Kirkland signed the 2010 "Regional Animal Services" ILA with King County, contracting for services effective on July 1, 2010 and expiring on December 31, 2012. (References: March 10, 2010 Reading File memo by Erin Leonhart and follow-up memo to the Interim City Manager for the [April 20, 2010 Council Packet](#)).

Animal Services Provided

Exhibit A of the (2010) ILA describes the animal services provided to the City by the County. The services are "animal control," "sheltering" and "licensing."

Animal Control

Control Services include the operation of a public call center, the dispatch of animal control officers in response to calls, and the handling of calls in the field by animal control officers, including the collection and delivery of animals to the County's Kent Shelter.

Animal Sheltering

Shelter services include the general care, cleaning and nourishment of owner-released, lost or stray dogs, cats and other animals. Such services are provided 7-days per week, 365 days per year at the County's animal shelter in Kent (the "Shelter") or other shelter locations utilized by the County.

Pet Licensing

Licensing services include the operation and maintenance of a unified system to license pets in Contracting Cities and unincorporated King County. Licenses are required for all dogs and cats living within the regional animal services area. License fees range from \$15 to \$60 per pet depending on their age, whether they've been altered and the status of the owner (e.g. senior). On average, the City receives \$29 for each license sold.

In providing these services under the terms of the ILA, King County has sole discretion over staffing assigned to receive & dispatch calls and is the sole judge as to the most expeditious, efficient and effective manner of handling and responding to calls for animal services.

2010 ILA Cost Allocation Model

The geography of the County is divided into four animal service districts. The cost allocation model in the 2010 ILA is designed so that one quarter of animal control services costs are allocated to each control district. Within those districts, costs are further allocated to contracting cities based on a formula consisting of 50% call volume and 50% population (2010). Allocated costs are then offset by actual license revenue generated within the city to result in a net "out-of-pocket cost." The City of Kirkland is within service district 200, which also includes the cities of Shoreline, Lake Forest Park, Kenmore, Woodinville, Carnation, Duvall, Sammamish and Redmond. Portions of unincorporated King County are also in District 200, some of which were annexed by the City of Kirkland in June of 2011, increasing the City's population by 31,000 residents and thereby increasing Kirkland's use of the system.

The effect of the population factor in the current cost allocation model is that cities with low-use of animal services (northern cities generally) subsidize the cities with high-use of the system (southern cities generally). In response to this inequity, King County provided transition funding and a residential credit to some cities. Just prior to the effective date, three cities (Burien, Algona and Pacific¹) decided that they would not participate in the

¹ The following cities do not participate in the King County Regional Animal Services system: Algona, Bothell, Burien, Des Moines, Federal Way, Hunts Point, Medina, Milton, Normandy Park, Pacific, Renton, Seattle, and Skykomish. The cities of Auburn and Shoreline and Kirkland have sent a non-binding statement of intent to King County that they do not plan to extend the ILA in 2013.

regional model. King County then offered an impact mitigation credit, which was intended to limit the impact to those cities who had committed to sign the 2.5 year agreement. Kirkland benefited from receiving impact mitigation credits to offset program costs beyond revenue generated from pet license sales. In 2010 the credit received was \$15,279, in 2011 it was \$37,540, and in 2012 the credit will be \$54,475. Under the terms of the 2010 ILA, these credits will terminate on December 31, 2012.

Each year, contracting cities are provided an estimate of their coming year's costs and a revenue target. The estimate is refined several times throughout the service year and in June of the following year a reconciliation payment calculation is provided. The City's reconciliation payment calculation for 2010 was received in June 2011, in accordance with the terms of the 2010 ILA. The reconciliation payment calculation represents the final costs for actual usage of the three animal services from July 1, 2010 through December 2010.

Overview of 2010 - 2012 ILA Costs, Revenue, Credits to Kirkland

The following table summarizes animal services costs for 2010 (five months of service only), and estimated costs for 2011 and 2012 (as provided by King County). The 2011 estimate does not include an allowance for the annexation area (see footnote). The 2012 estimate includes the annexation area.

| Service Description | 2010 (7/1 – 12/31) Actual Costs | 2011 ² (County Estimated) | 2012 (County Estimated) |
|------------------------------------|------------------------------------|---|----------------------------|
| Control | \$22,793 | \$54,921 | \$86,446 |
| Sheltering | \$49,288 | \$103,569 | \$169,604 |
| Licensing | \$18,935 | \$42,076 | \$58,821 |
| Total Animal Services Costs | - \$91,015 | - \$200,566 | - \$314,871 |
| <i>Target Revenue</i> | <i>\$67,139</i> | <i>\$159,211</i> | <i>\$248,087</i> |
| Net Cost Allocation | - \$23,876 | - \$41,355 | - \$66,784 |
| <i>Mitigation Credit</i> | <i>\$15,279</i> | <i>\$37,540</i> | <i>\$54,475</i> |
| Total Net Costs | - \$8,598 | - \$3,815 | - \$12,309 |

2010 ILA Timeline

Under the terms of the 2010 ILA, unless the City notifies the County otherwise by **May 1, 2012**, the ILA would automatically extend for three years beginning Jan. 1, 2013. All mitigation credits would be eliminated. However, a 2013 ILA extension is currently being renegotiated between the cities and King County. This new ILA is described later in this memo.

² 2011 estimate excludes annexation and 2012 estimate includes annexation. King County's estimated service costs and estimated revenue target for the City of Kirkland were provided to the City in December of 2010. These estimates did not take into account the City's annexation of Juanita, Finn Hill and Kingsgate. King County acknowledged this in its notification to the City and communicated to expect an estimated increase of \$5,500 in total net costs. In February of 2012, King County notified the City that 2011 actuals, reflecting the annexation, would not be available until the 2011 reconciliation payment calculation is provided in June 2012, in accordance with the 2010 ILA .

Costs Per Unit – Current Regional Animal Services Contract

In analyzing data that had been compiled by the City's former Intergovernmental Relations Manager as well as the real-time data provided in the 2010 reconciliation calculation, staff was able to determine the cost per unit of service over the 2010 service period. The resulting cost per unit for shelter services under the 2010 model is significant. Under the model, the City paid \$1,027 per animal intake at the King County Regional Animal Shelter in Kent (recently renamed the King County Pet Adoption Center).

2010 Service Period Actuals (5 months only)

| Service Description | Actual Use 2010 | Actual Cost 2010 | Cost Per Unit 2010 |
|----------------------------|------------------------|-------------------------|---------------------------|
| Control Calls | 83 | \$22,793 | \$275 |
| Animals Sheltered | 48 | \$49,288 | \$1,027 |
| Licenses Sold | 2,609 | \$18,935 | \$7.26 |

As 2011 service use data came in, staff continued to monitor trends and costs of the system. With this data and with estimated 2012 use projections provided by King County, staff determined costs per unit for animal services for 2011 and 2012. Costs remain high.

2011* Service Year

| Service Description | Actual Use 2011 | Estimated Cost 2011* | Estimated Cost Per Unit 2011 |
|----------------------------|------------------------|-----------------------------|-------------------------------------|
| Control Calls | 145 | \$54,921 | \$379 |
| Animals Sheltered | 83 | \$103,569 | \$1,248 |
| Licenses Sold | 6,203 | \$42,076 | \$6.78 |

* See Service Year 2011 footnote on previous page.

2012 Service Year Estimated³

| Service Description | Estimated Use 2012 | Estimated Cost 2012 | Estimated Cost Per Unit 2012 |
|----------------------------|---------------------------|----------------------------|-------------------------------------|
| Control Calls | 165 | \$86,446 | \$523 |
| Animals Sheltered | 107 | \$169,604 | \$1,585 |
| Licenses to Sell | 8,500 | \$58,821 | \$6.92 |

For each service year, the per unit (animal intake) costs for shelter service alone climbs from \$1,027, to \$1,248 per animal and finally to an estimated \$1,585 per animal over the course of the 2010 ILA contract. Similarly, the per unit cost for control calls under the current ILA are estimated to increase each year. The increase in per unit costs is largely

³ Control Calls and Sheltering estimates were derived by considering 2010 and 2011 actual use data and extrapolating to account for a full year of service to the City of Kirkland with its current population. Data for the number of licenses necessary for Kirkland to sell is based on the number that the City of Kent sold in 2011 in order to generate \$250,000 in revenue.

due to the formula in the ILA that allocates based on population **and** use (not just use) within each district. The annexation resulted in increased costs because of both the population factor and the increased use.

Although these costs are offset by both the impact mitigation credit and the City's pet license sales revenue, the annual cost increases raise serious concerns. Further, under the terms of the 2010 ILA, the impact mitigation credits are terminated at the end of 2012, leaving the City responsible for offsetting the estimated 2013 program costs through its pet license sales or general fund. While pet license sales do offset the costs of the Regional Animal Services system, license sales do not achieve full cost recovery for the City. Under the terms of the 2010 ILA, the 2013 funding gap for Kirkland is estimated at \$66,000. Depending on license sales, the funding gap could increase up to an estimated \$80,000. The City would be required to sell nearly 10,000 licenses to achieve full cost recovery in regional animal services program costs. Based on 2011 actual activity, a reasonable projection for license sales that assumes a full year with the annexation area is closer to 8,100 which generates approximately \$238,000. Staff believes that the assumption that the City can sell sufficient licenses to achieve full cost recovery represents a financial risk to the City. The following table shows the estimated net costs for Kirkland under the 2010 ILA.

Estimate of 2013 Net Costs Under the Current 2010 ILA

| Service Description | KC 2013 (Estimated) | KC RAS Est./Unit Costs |
|------------------------------------|-----------------------|------------------------|
| Control | \$86,446 | \$524 |
| Sheltering | \$169,604 | \$1,585 |
| Licensing | \$58,821 | \$6.92 |
| Total Animal Services Costs | - \$314,871 | |
| <i>Target Revenue</i> | <i>\$248,087</i> | |
| Net Cost Allocation | - \$66,784 | |
| <i>Mitigation Credit</i> | <i>\$0</i> | |
| Total Net Costs | - \$66,784 | |

Kirkland staff continued analyzing system use data and began exploring options that would allow the City to provide animal services locally, at a lower cost than what the City is paying as a participant of the Regional Animal Services model. Animal sheltering is the primary area where cost savings are likely to be achieved. But some modest savings can also be achieved in the local provision of animal control and animal licensing services.

In his proposed 2012 budget transmitted to the Council in September, the King County Executive offered a case study on "How We Deliver Regional Animal Services" in which he outlined a cost per unit of each of the three services. For shelter services, the Executive indicated that shelter service could be provided at \$543 per intake. However the Executive notes that the model creates challenges in trying to show a cost-per-unit number that reflects the cost from a customer's (contract municipality) perspective because of the combined effect of population and use in the formula.

For purposes of comparison, staff examined the shelter services costs with two local non-profit animal shelter service providers, the Seattle Humane Society and PAWS.

Comparison of Cost Per Shelter Intake

| Animal Shelter Use Data | King County RAS Cost Per Intake | Seattle Humane Society Cost Per Intake | PAWS Cost Per Intake |
|-------------------------|---------------------------------|--|----------------------|
| 1 Animal Intake | \$1,027 | \$225 | \$160 |

The table below compares the animal services program costs in 2013 under the terms of the 2010 ILA alongside estimated costs under an animal services program operated by the City of Kirkland. 'Use' estimates for 2012 that are listed above (165 Control calls, 107 Shelter intakes and 8,500 Licenses sold) are applied to project the estimated per unit costs (a more detailed discussion of the local option is included later in this memo).

Comparison of Estimated 2013 Costs under terms of (2010) ILA versus Kirkland Program

| Service Description | KC 2013 (Estimated) | KC RAS Est./Unit Costs | COK 2013 (Estimated) | COK Est./Unit Costs |
|------------------------------------|-----------------------|------------------------|----------------------|---------------------|
| Control | \$86,446 | \$524 | \$103,094 | \$624 |
| Sheltering | \$169,604 | \$1,585 | \$17,120 | \$160 |
| Licensing | \$58,821 | \$6.92 | \$32,725 | \$3.85 |
| | | | \$10,900 | <i>Marketing</i> |
| Total Animal Services Costs | - \$314,871 | | - \$163,839 | |
| <i>Target Revenue</i> | <i>\$248,087</i> | | <i>\$248,087</i> | |
| Net Cost Allocation | - \$66,784 | | \$84,248 | |
| <i>Mitigation Credit</i> | <i>\$0</i> | | <i>\$0</i> | |
| Total Net Costs | - \$66,784 | | \$84,248 | |

If Cost is Driver City Should Terminate Contract

Assuming the City was able to sell 8,500 pet licenses in order to generate \$248,087 in revenue, a funding gap of \$66,784 is anticipated to remain under the King County Regional Animal Services system. Whereas, assuming the City were able to sell 8,500 pet licenses under a program run by the City of Kirkland, a surplus of approximately \$84,248 would be available. The potential net positive to the City could be as much as \$151,000.

Based on program costs as a primary criteria, the staff recommendation is that under the terms of the original (2010) ILA, the City of Kirkland should terminate its participation in King County's Regional Animal Services system unless a more favorable cost allocation formula (and net cost to Kirkland) could be negotiated.

NEGOTIATIONS FOR AN AMENDED AND RESTATED INTERLOCAL AGREEMENT (2013 ILA)

In September of 2011, the City of Auburn notified King County that they intended to terminate their participation in the Regional Animal Services system at the end of the current (2010) ILA term. Auburn's notice triggered ILA renegotiation discussions between the County and the remaining contracting cities participating in the system.

In November 2011, city representatives and King County began meeting weekly to attempt to reach an agreement in principle on an extension of the current (2010) Animal Services ILA. As noted above, the current (2010) ILA will not be extended beyond December 31, 2012. The parties have until July 1, 2012, to sign an amended (2013) ILA that would be effective January 1, 2013 and would terminate December 31, 2015. If the parties do not reach agreement on a modified contract by July 1, 2012, the ILA terminates December 31, 2012.

Early in the negotiation process, Kirkland requested that the cost allocation model be based on use, rather than use **and** population. The County did model this option and Kirkland's costs were more than fully recovered from license fees. Not surprisingly, cities with high use and low license revenue saw their cost allocation rise dramatically. As a compromise, Kirkland requested a model that resulted in no out-of-pocket costs for low use cities even though there would still be a subsidy of high use cities.

City-County Workgroup Weekly ILA Negotiation Meetings

Since November, the County has listened to cities' concerns and where possible, has taken steps to address many of the concerns raised. Discussions have resulted in the following proposed changes:

- 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.

Taken together, these proposed (option #1) changes do bring down the estimated overall costs of the regional system as well as the estimated program costs to the City of Kirkland (Attachment A). City staff has valued the good faith approach by County staff and the hard work that has gone into these negotiations and the proposed changes to the system.

Although the model has been modified and total system costs reduced, King County has not yet offered an ILA that meets Kirkland's preference for zero out-of-pocket costs.

Essentially, the proposed amended ILA was presented at a February 1, 2012 City Manager's meeting managed to keep the Kirkland's estimated costs in 2013 the same as the estimated net costs for 2012 under the current ILA.

Cost Comparison of the Proposed Amended (2013) ILA versus the 2010 ILA

| Service Description | 2012 Estimated Cost Allocation (based on 2010 ILA) | 2013 Estimated Cost Allocation (based on amended ILA) |
|----------------------------------|---|--|
| Control | \$86,446 | \$84,595 |
| Sheltering | \$169,604 | \$99,626 |
| Licensing | \$58,821 | \$59,940 |
| Total RAS Costs | - \$314,871 | - \$244,162 |
| <i>Target Revenue</i> | <i>\$248,087</i> | <i>\$219,135</i> |
| Net Cost Allocation | - \$66,784 | - \$25,027 |
| <i>Licensing Support</i> | <i>\$54,475 Mitigation Credit</i> | <i>\$12,718</i> |
| Total Net Costs / Surplus | - \$12,309 | - \$12,309 |

Note: The City of Kirkland 2013 ILA estimated costs in the table above were presented at the monthly meeting of the region's City Managers on February 1.

While the proposed programmatic changes and the proposed changes to the cost allocation model do in fact bring down the overall Animal Services program costs as well as the specific costs to the City, Kirkland's cost per unit for sheltering animals at the King County Pet Adoption Center in Kent (\$914 per intake) remains high.

Kirkland's Estimated Costs, Revenue and Credits - Proposed Amended (2013) ILA

| Service Description | 2013 ILA (Revised Estimate) | Service Use 2012 Estimated | Per Unit Estimated Costs |
|--|--|---------------------------------------|---|
| Control | \$84,595 | 230 calls | \$368 |
| Sheltering | \$99,626 | 109 intakes | \$914 |
| Licensing | \$59,940 | 7,855 licenses sold | \$7.63 |
| Total RAS Costs | - \$244,162 | | |
| <i>Target Revenue</i> | <i>\$219,135</i> | | |
| Net Cost Allocation | - \$25,027 | | |
| <i>Licensing Support (2013 only)</i> | <i>\$12,718</i> | | |
| Total Net Costs | - \$12,309 | | |

King County's February 1 proposal includes \$12,718 in licensing support for 2013 only and is not a credit (cash) support, but rather a pledge of the County's in-kind investment of licensing staff resources. There is no guarantee of achieving the \$219,135 in offsetting revenue, especially beyond 2013 when licensing support is decreased.

Kirkland, Shoreline, Auburn Notify County of Intent to Withdraw

As a result of this uncertainty, the City Manager notified King County on February 14, in a non-binding statement of intent, that Kirkland is not likely to participate in a contract extension with King County for regional animal services and asked to be removed from the cost allocation model (Attachment B). The cities of Shoreline and Auburn also expressed their intent not to participate.

The current proposed cost allocation model (option #2) shows the cities of Kirkland, Shoreline and Auburn as non-participating cities (Attachment C).

CONSIDERATION OF KIRKLAND PROVISION OF ANIMAL SERVICES

In the spring of 2011, Kirkland staff began reaching out to the animal service program managers at cities that are providing animal services on their own in order to learn from their experiences. Specifically, staff contacted the cities of Bothell, Federal Way, Des Moines, Renton and Burien to understand how these cities were providing animal services and what lessons they could share.

Several key shared experiences were identified:

- 1) All of these cities, except Burien, run the Animal Control Service out of their Police Departments.
- 2) Before proceeding forward, they stressed that we ensure that an animal sheltering option exists for the City.
- 3) They told us to expect use in Animal Control and Animal Shelter usage to increase by approximately 30% or more based on the availability of local services.

Assuming Kirkland operates Animal Control service from the Police Department, CMO staff initiated communication with KPD staff to begin identifying operational needs and costs.

Contracts Available for Shelter and Pet Licensing

Staff reached out to both the Seattle Humane Society and the Progressive Animal Welfare Society (PAWS) to determine if these animal shelter organizations have the capacity to serve the City of Kirkland as well as confirm their interest in contracting shelter service to the City. Both organizations have indicated that they have the capacity and interest to work with Kirkland.

Staff also explored the potential of contracting pet license processing services with PetData, a private company that provides this service by contract to other cities in Washington and in other states across the country. PetData charges \$3.85 per license processed. PetData maintains the data on pet-owners. The company sends out one renewal notice to licensed pet owners annually.

Staff worked internally to estimate the cost of employing an Animal Control Officer. Kirkland's Finance Department and Police Department determined that an Animal Control Officer could be employed by the City at an annual cost of \$102,569 (includes wages, benefits, vehicle rental and replacement, etc.) plus an estimated \$525 in NORCOM dispatch costs. Additionally, there would be an estimated \$10,900 in expenses for marketing and license renewal efforts. Importantly, there may be a one-time City program start-up

expenses of approximately \$98,075 in the first year for the purchase of a vehicle and equipment.

Animal Service Program Use Estimates

Finally, staff worked to estimate an increase in service use of both anticipated animal control calls as well as animal intakes at a shelter. In the ILA negotiation process, King County determined preliminary usage estimates for 2013 based on 2011 usage data (Attachment D). Further, the Seattle Humane Society provided data from 2008 and 2009 showing the number of intakes (owner surrendered and strays) that they received from residents of the City of Kirkland.

Working with the County's estimates and the data provided by the Seattle Humane Society, staff developed an animal intake estimate that also considered Kirkland's increase in population following annexation. A similar process was used to identify the number of control calls. Both numbers were calculated conservatively so as not to understate system costs.

2013 Service Year 'Use' Estimates

| Service Description | King County 2013 Estimated Service Use | Kirkland 2013 Estimated Service Use |
|----------------------------|---|--|
| Control Calls | 230 | 256 |
| Animals Sheltered | 109 | 358 |
| Licenses to Sell | 7,855 | 7,855 |

Assuming the City were to contract with PAWS for sheltering service, after applying the revised service 'use' estimates in the table above to the cities cost model (Attachment E), the estimated available surplus under a program operated by the City is estimated to be \$17,619.

Option A Versus Option B

The table on the following page compares the cost of remaining in the King County Regional system ("Option A") to the cost of providing services locally ("Option B"). The local model assumes one animal control officer. When the officer is not on duty, high priority calls (immediate threat to human or animal) will be answered by a Kirkland Police Officer. High priority calls are infrequent and often require a police response.

Comparison of Estimated 2013 Costs: Proposed ILA versus Kirkland Program

| Service Description | OPTION A | | OPTION B | |
|------------------------------------|-----------------------|------------------------|----------------------|---------------------|
| | KC 2013 (Estimated) | KC RAS Est./Unit Costs | COK 2013 (Estimated) | COK Est./Unit Costs |
| Control | \$84,895 | \$368 | \$103,094 | \$402 |
| Sheltering | \$99,626 | \$914 | \$57,280 | \$160 |
| Licensing | \$59,940 | \$7.63 | \$30,242 | \$3.85 |
| | | | \$10,900 | <i>Marketing</i> |
| Total Animal Services Costs | - \$244,161 | | - \$201,516 | |
| <i>Target Revenue</i> | <i>\$219,135</i> | | <i>\$219,135</i> | |
| Net Cost Allocation | - \$25,026 | | \$17,619 | |
| <i>Licensing Support</i> | <i>\$12,718</i> | | <i>\$0</i> | |
| Total Net Costs / Surplus | - \$12,309 | | \$17,619 | |

The conservative net benefit to Kirkland of electing Option B is \$30,000 annually.

CONSIDERATION OF A SUB-REGIONAL APPROACH TO PROVIDING ANIMAL SERVICES

Since 2010, Kirkland has explored a "sub-regional" model with the cities of Bellevue, Redmond, Mercer Island and recently Newcastle that assumes a use-based model that provided the full range of services (Control, Shelter and Licensing). Up-front capital costs associated with this model are roughly equivalent to the one-time start-up costs the City faces on its own. As of February 14, 2012, none of the other cities in the sub-regional discussions have indicated their intention to pull out of King County's system. Therefore this is not likely an option at this time.

ANALYSIS OF OPTIONS – OPERATIONAL CONSIDERATIONS

Aside from the pure financial considerations, there are both benefits and drawbacks to each option which are presented in the tables on the following pages. It should be noted that all of the cities that provide animal services locally were able to accommodate all of the service needs for their community. If Kirkland were to choose a local option for animal services, staff would continue to work with nearby cities, such as Bothell, to explore partnering opportunities that may be mutually beneficial.

**Benefits & Drawbacks of Option A
Participation in King County Regional Animal Services:**

| <p align="center">Option A Benefits of King County Regional Animal Services</p> | <p align="center">Option A Drawbacks of King County Regional Animal Services</p> |
|--|---|
| <ul style="list-style-type: none"> • 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). • Provides a low-cost spay and neuter program. • Reduces the demand on individual jurisdictions to respond to public disclosure requests. • Use of volunteers and partnerships with private animal welfare groups increases humane animal treatment with minimal public cost. • Takes advantage of current technology - officers 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 reports on level and types of activity in their jurisdiction. • King County Board of Appeals hears appeals to civil offenses, centralizing the adjudication. • Provides a single access point for residents searching for a lost pet or seeking animal control help and citizen complaints. • Pet Adoption Center is open 7 days a week. • A regional, uniform pet licensing program that is simple for the public to access and understand, with a broad range of accompanying services to encourage licensing; marketing, and license sales. • Online licensing sales increases compliance. • Provides the ability to identify and track rabies and other public health issues related to animals on a regional basis. • Provides capacity to handle unusual and multi-jurisdictional events involving animals that 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. • Animals find new homes and are not euthanized for capacity. • Provides regional preparedness planning and coordination for emergency and disaster response. | <ul style="list-style-type: none"> • King County has sole discretion and judgment of service prioritization and dispatch decisions. • County's model provides for city input on control response protocols but any recommendations are non-binding and may be dismissed. • Shelter costs are nine times more expensive than alternative shelter options. • There is no flexibility to allow a City an "a la carte" option where they could purchase only licensing or control services. • Pet license sales revenue is modest and may never fully recover program costs. • Cost allocation model assumes City's ability to sell an untested amount of pet licenses to offset program costs. • A city's service reports on levels and types of activities can only be generated by County staff, making timely access to accurate report information inconvenient and challenging. • All report formats are controlled by the County and formats change frequently. Information is not consistent. • Local residents reach out to the City with animal services questions, regardless of King County Animal services representing a single point of contact. • There is no ability for a City to set a service level with King County that is most appropriate to its needs. • County's model requires an increased commitment from cities toward efforts to generate revenue. • At this point in time, the County's model is temporary and still financially unsustainable. |

**Benefits & Drawbacks of Option B
Providing Animal Services Locally through the City of Kirkland:**

| <p style="text-align: center;">Option B Benefits of Kirkland Providing Animal Services</p> | <p style="text-align: center;">Option B Drawbacks of Kirkland Providing Animal Services</p> |
|--|--|
| <ul style="list-style-type: none"> • With historically low service use, net costs of a local animal services program are less expensive and more manageable over time. • If trends in low service use hold, modest pet license sales could fully recover costs. • Allows City to determine appropriate local level of service and regulatory approach • Provides for humane animal care. • City staff would have discretion and judgment of service prioritization and dispatch decisions. • City staff would have immediate access to service report information. • City Animal Control Officer could provide consistent local service and resident familiarity • Subcontracting shelter services to a private non-profit keeps the City out of the shelter business. • Subcontracting shelter services to a non-profit shelter organization decreases the per animal cost by up to \$800. • Non-profit shelter organizations provide a low-cost spay and neuter program for qualifying low income customers. • City use of volunteers and partnerships with private animal welfare groups increases humane animal treatment with minimal public cost. • Provides a local single access point for residents searching for a lost pet or seeking animal control help and citizen complaints. • Subcontracting pet license process enables City Finance Department to continue focusing on current work load. • Subcontracting pet license sales through PetData is simple for the public to access and understand. • Online licensing sales via PetData increases compliance. | <ul style="list-style-type: none"> • City would be starting a new line a business. • City would have to create a new Full Time Employee position in the Police Department for its Animal Control Officer. • In 2012 & into 2013, there are one-time start-up costs to the City of \$98,075. • Technology - City would need to develop reporting systems & formats for the three services in order to monitor the program and find areas for improvement. • Local residents may be confused during the transition about which agency provides animal services. • City would have to identify a temporary animal holding pen for animals brought in during hours when the non-profit shelter is closed. • City would be fully responsible for developing marketing efforts to encourage licensing and to promote license sales. • City would have to develop relationships with various animal rescue groups, veterinary hospitals and other businesses to manage unusual events involving animals that 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. |

AMENDED KING COUNTY ILA TIMING AND NEXT STEPS

The following amended timeline outlines the current schedule for decision making for the King County ILA.

| | |
|------------|---|
| Mar 7 | Workgroup finalizes ILA draft for attorney review; modifications to cost model if needed and resulting ILA changes |
| March 8-14 | Cities review with attorneys |
| March 21 | ILA Work group consensus on Final draft ILA First Draft - Outreach package, Contract, FAQ, Section by section summary, sample/standard PowerPoint presentation for city councils, etc. |
| March 28 | *Last ILA Work Group meeting = Final draft ILA, final draft Cost model, and briefing packet circulated |
| April 18 | ILA discussion and *First quarterly meeting of Joint City/County Collaboration Committee |
| May 1 | Cities provide County second non-binding statement of intent |
| May 10 | Circulate final cost model and briefing materials (including revised ILA if necessary) based on second non-binding statement of interest. |
| May - June | City Council actions |
| July 1 | ILA signed (formal adoption and execution of Agreement) |

Negotiations are continuing with King County and staff will continue to work with the County to determine if there is a financially feasible way for Kirkland to remain in the regional system. The next key date will be May 1 when cities must provide their second non-binding statement of intent. From a practical standpoint, however, if the City is going to provide animal services locally there is planning and preparation that needs to take place so that implementation is seamless and effective.

SUMMARY AND RECOMMENDATION

Staff has been working over the past year to better understand options and costs for providing animal services in Kirkland. The Public Safety Committee received briefings from staff on the status of Animal Services in 2011 on September 15, October 20, and December 15. The last briefing to the Public Safety Committee was January 27, 2012. The committee was briefed on three service delivery models – Regional, Sub-Regional and Local. However the sub-regional model does not appear to be viable at this point.

The options for the provision of animal services are:

Option A – Extend an Interlocal Agreement (2013 ILA) with King County for Regional Animal Services effective January 1, 2013 and ending December 31, 2015

Option B – Provide Animal Services locally, via the City of Kirkland, effective January 1, 2013

Based on the 2013 ILA model currently proposed by King County, staff recommends Option B whereby Kirkland would provide animal services locally. Local provision of animal service will allow the City to establish certainty, control the service costs and minimize risks while offering the necessary care to the city's animals.

(Note: Negotiations continue and if an alternate model is presented that meets the City's needs staff may recommend remaining with King County.)

Council Direction Requested

Staff requests that the City Council provides direction as to the preferred option for providing animal services or request additional information needed to make a decision.

If Option B is selected, Council is further requested to authorize the City Manager to formally notify King County of the City's intent to withdraw and take appropriate additional action to develop a Kirkland Animal Services program for inclusion in the 2013-2014 budget.

- Attachments
- A. King County's Feb. 1 – 2013 Cost Allocation Model – Option #1
 - B. City of Kirkland's Feb. 14 Non-Binding Statement of Intent Re: Amended (2013) ILA
 - C. King County's Feb. 27 – 2013 Cost Allocation Model – Option #2
 - D. King County's 2011 Estimated Usage Data for Consideration in 2013 Model
 - E. City of Kirkland Animal Services Cost Model

**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 | |
| | Duwall | \$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) | \$338,776 | \$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 | |
| | Belleveue | \$142,322 | \$161,486 | \$75,249 | \$379,056 | \$273,931 | -\$105,125 | \$0 | \$0 | -\$105,125 | \$34,449 | -\$70,676 | |
| | Clyde Hill | \$1,866 | \$3,168 | \$1,952 | \$6,985 | \$7,170 | \$185 | \$0 | \$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 | \$49,982 | \$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.



February 14, 2012

Lorraine Patterson, Director
King County Records and Licensing Services Division
Via email: Lorraine.patterson@kingcounty.gov

Re: Initial non-binding statement of intent, extension of the regional animal services ILA

Dear Lorraine,

King County Regional Animal Services has requested an initial non-binding statement of intent with regard to the extension of the regional animal services ILA.

Like King County, Kirkland is focused on getting the most value for each tax-payer dollar. Therefore, the City of Kirkland has determined that it is not likely to participate in a contract extension with King County for regional animal services. Please remove Kirkland from the cost allocation model for purposes of developing the final draft contract language and cost estimates.

The City of Kirkland has been a committed partner in the regional model for animal services since January of 2010, when the original ILA was negotiated through the City-County Workgroup. Following the July 1, 2010 effective date of the current contract, Kirkland staff continued to actively participate on the City-County Workgroup, meeting monthly to monitor implementation of the contract, recommend improvements to operational processes and improve reporting of program services. The City has appreciated that the City-County Workgroup exists as a mechanism to provide input to King County's Regional Animal Services Division on recommended improvements to the system from the perspective of the cities. The Workgroup process and contract implementation have been demanding on all parties.

As an involved participant in the weekly City-County Workgroup contract renegotiation meetings over the past three months, Kirkland has valued the good faith approach by County staff and the hard work that has gone into these meeting. The County has listened to cities' concerns and where possible, have taken great steps to address many of the concerns raised. Shifting the cost allocation model to focus more on use and less on city population as well as identifying efficiencies in the system are among the steps that appear to lower the estimated overall costs of the regional system and we appreciate those changes.

There are several key factors that have led the City to withdraw, but primary among them is the City's need to minimize risk, establish certainty and control costs. Kirkland anticipates cuts to state shared revenues nearing \$1 million, which do not even include the additional possibility of losing up to \$3.4 million should the state eliminate the annexation sales tax credit.

While these possible cuts are outside of the City's control, we are committed to managing those things that we can control. We believe that by providing animal services at the local level, the City can establish certainty, minimize risk and offer the necessary care to our city's animals while effectively controlling the service costs.

If you have any comments or questions, please don't hesitate to contact me or Lorrie McKay.

Sincerely,
Kurt Triplett, City Manager

Cc: Diane Carlson, King County Director of Regional Initiatives
Lorrie McKay, Intergovernmental Relations Manager

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

Allocation Method: Population = 20%, Usage = 80% Control Districts 200 and 220 combined into one (420), with 240 and 260 consolidated to District 500, costs to districts 50% and 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 #2 Kirkland, Shoreline and Auburn out

5 ACO's - 2 Districts

| | Control | Shelter | Licensing | Total Allocated Costs (1) | 2011 Licensing Revenue (est) | Estimated Net Cost |
|---------------------------------------|-------------|-------------|-----------|---------------------------|------------------------------|--------------------|
| Budgeted Total Allocable Costs | \$1,665,248 | \$2,811,885 | \$662,371 | \$5,139,504 | | |
| Budgeted Non-Licensing Revenue | \$80,040 | \$112,507 | \$13,265 | \$205,812 | | |
| Budgeted Net Allocable Costs | \$1,585,208 | \$2,699,378 | \$649,106 | \$4,933,691 | \$2,127,000 | -\$2,806,691 |

DRAFT

| 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 Shelter Credit (Annual) (6) | Estimated Net Costs with Transition Funding and Credits | Estimated Revenue from Proposed Licensing Support (7) | Estimated Net Final Cost (8) | |
|--|--|--|--|---|---|------------------------------------|-------------------------------|---|----------------------------------|---|---|------------------------------|----|
| 420 | Carnation | \$5,453 | \$3,710 | \$1,431 | \$10,594 | \$4,752 | -\$5,842 | \$552 | \$0 | -\$5,290 | \$2,706 | -\$2,584 | |
| | Duval | \$14,894 | \$16,114 | \$6,181 | \$37,188 | \$21,343 | -\$15,845 | \$0 | \$0 | -\$15,845 | \$12,970 | -\$2,875 | |
| | Kenmore | \$50,161 | \$13,407 | \$17,811 | \$81,379 | \$58,602 | -\$22,777 | \$0 | \$0 | -\$22,777 | \$16,453 | -\$6,324 | |
| | Kirkland | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Lake Forest Park | \$30,291 | \$8,136 | \$13,981 | \$52,408 | \$48,504 | -\$3,904 | \$0 | \$0 | -\$3,904 | \$10,381 | \$6,477 | |
| | Redmond | \$49,766 | \$59,657 | \$37,283 | \$146,706 | \$116,407 | -\$30,299 | \$0 | \$0 | -\$30,299 | \$8,613 | -\$21,686 | |
| | Sammamish | \$46,491 | \$48,726 | \$35,937 | \$131,153 | \$117,649 | -\$13,504 | \$0 | \$0 | -\$13,504 | \$0 | -\$13,504 | |
| | Shoreline | \$0 | NA | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Woodinville | \$16,191 | \$7,059 | \$8,901 | \$32,150 | \$29,220 | -\$2,930 | \$0 | \$0 | -\$2,930 | \$6,071 | \$3,141 | |
| | Beaux Arts | \$92 | \$194 | \$285 | \$570 | \$930 | \$360 | \$0 | \$0 | \$360 | \$0 | \$360 | |
| | Bellevue | \$157,525 | \$174,378 | \$86,847 | \$418,751 | \$273,931 | -\$144,820 | \$0 | \$0 | -\$144,820 | \$74,144 | -\$70,676 | |
| | Clyde Hill | \$2,049 | \$3,463 | \$2,253 | \$7,764 | \$7,170 | -\$594 | \$0 | \$0 | -\$594 | \$0 | -\$594 | |
| | Estimated Unincorporated King County | \$295,381 | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | NA | NA | NA | NA | NA |
| | Issaquah | \$59,242 | \$49,510 | \$18,778 | \$127,530 | \$55,947 | -\$71,583 | \$0 | \$0 | -\$71,583 | \$11,554 | -\$60,029 | |
| | Mercer Island | \$14,897 | \$20,287 | \$15,988 | \$51,173 | \$49,962 | -\$1,211 | \$0 | \$0 | -\$1,211 | \$0 | -\$1,211 | |
| | Newcastle | \$18,293 | \$13,375 | \$5,368 | \$37,036 | \$15,271 | -\$21,765 | \$0 | \$0 | -\$21,765 | \$6,176 | -\$15,589 | |
| | North Bend | \$17,642 | \$17,079 | \$4,766 | \$39,487 | \$15,694 | -\$23,793 | \$1,376 | \$586 | -\$21,831 | \$9,697 | -\$12,134 | |
| | Snoqualmie | \$13,552 | \$12,187 | \$7,776 | \$33,515 | \$25,065 | -\$8,450 | \$0 | \$0 | -\$8,450 | \$0 | -\$8,450 | |
| Yarrow Point | \$686 | \$648 | \$878 | \$2,212 | \$2,700 | \$488 | \$0 | \$0 | \$488 | \$0 | \$488 | | |
| SUBTOTAL FOR CITIES IN 420 (excludes unincorporated area) | \$497,223 | \$447,929 | \$264,464 | \$1,209,616 | \$843,147 | -\$366,469 | \$1,928 | \$586 | -\$363,955 | \$158,765 | -\$205,190 | | |
| 500 | Kent | \$246,845 | \$821,025 | \$80,086 | \$1,147,956 | \$253,944 | -\$894,012 | \$110,495 | \$495,870 | -\$287,647 | \$0 | -\$287,647 | |
| | SeaTac | \$74,768 | \$191,133 | \$15,350 | \$281,251 | \$47,232 | -\$234,019 | \$7,442 | \$116,611 | -\$109,966 | \$0 | -\$109,966 | |
| | Tukwila | \$46,545 | \$114,734 | \$10,642 | \$171,922 | \$32,705 | -\$139,217 | \$5,255 | \$61,987 | -\$71,975 | \$0 | -\$71,975 | |
| | Auburn | \$0 | NA | NA | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Black Diamond | \$7,580 | \$14,977 | \$3,099 | \$25,657 | \$10,185 | -\$15,472 | \$1,209 | \$3,263 | -\$11,000 | \$2,550 | -\$8,450 | |
| | Covington | \$49,222 | \$85,653 | \$14,588 | \$149,463 | \$48,982 | -\$100,481 | \$5,070 | \$36,409 | -\$59,002 | \$0 | -\$59,002 | |
| | Enumclaw | \$39,148 | \$58,779 | \$7,988 | \$105,915 | \$25,307 | -\$80,608 | \$11,188 | \$28,407 | -\$41,013 | \$6,549 | -\$34,464 | |
| | Estimated Unincorporated King County | \$289,846 | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | <i>(see total below)</i> | NA | NA | NA | NA | NA | |
| | Maple Valley | \$38,649 | \$71,650 | \$17,408 | \$127,708 | \$56,628 | -\$71,080 | \$6,027 | \$6,867 | -\$58,186 | \$9,988 | -\$48,198 | |
| | SUBTOTAL FOR CITIES IN 500 (excludes unincorporated area) | \$502,758 | \$1,357,952 | \$149,163 | \$2,009,872 | \$474,983 | -\$1,534,889 | \$146,686 | \$749,414 | -\$638,789 | \$19,087 | -\$619,702 | |
| | TOTAL FOR CITIES | \$999,980 | \$1,805,881 | \$413,627 | \$3,219,488 | \$1,318,130 | -\$1,901,358 | \$148,614 | \$750,000 | -\$1,002,744 | \$177,852 | -\$824,892 | |
| Total King County Unincorporated Area Allocation | \$585,227 | \$893,497 | \$235,479 | \$1,714,203 | \$808,870 | -\$905,333 | | | | | -\$905,333 | | |
| | \$1,585,208 | \$2,699,378 | \$649,106 | \$4,933,691 | \$2,127,000 | -\$2,806,691 | | | | | | | |

Source: Regional Animal Services of King County

Date: March 5, 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, Shoreline and Kirkland out, reducing from six (6) AC officers in the field to five (5) officers, and shifting two positions out of the model (county sponsored), the 2013 Estimated Budgeted Total Allocable Cost has been reduced to \$5,139,504.
2. One half (50%) of Control services costs are allocated to Control District 420, and one half of Control costs are allocated to Control 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 License Support Funding has been included for certain jurisdictions to help limit the Estimated Net Final Cost to the 2012 estimated level (or for PAWS cities, to the 2013 Option 1 Net Final Cost). If Licensing Support is needed in years 2014 and 2015, receipt of License Support will be contingent on the 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 for northern cities where the Net Final Cost shall be net of the cities PAWS sheltering costs for the year before determining if there is an amount greater than \$0.

Preliminary 2011 Usage Data Used for Scenarios 5G, 6B & 6C

| Jurisdiction | Control District | 2011 Population | Estimated 2011 Total Calls | Estimated 2011 Intakes | Estimated Number of Licenses Issued 2011 | Estimated Net 2011 Licensing Revenues Total |
|-------------------|------------------|-----------------|----------------------------|------------------------|--|---|
| Auburn | 260 | - | 0 | 0 | - | 0 |
| Beaux Arts | 220 | 300 | 0 | 0 | 33 | 930 |
| Bellevue | 220 | 123,400 | 317 | 185 | 9,380 | 273,931 |
| Black Diamond | 260 | 4,160 | 18 | 24 | 340 | 10,185 |
| Carnation | 200 | 1,780 | 13 | 5 | 160 | 4,752 |
| Clyde Hill | 220 | 2,985 | 3 | 3 | 248 | 7,170 |
| Covington | 260 | 17,640 | 132 | 145 | 1,642 | 48,982 |
| Duvall | 200 | 6,715 | 34 | 23 | 712 | 21,343 |
| Enumclaw | 260 | 10,920 | 110 | 101 | 872 | 25,307 |
| Issaquah | 220 | 30,690 | 132 | 58 | 1,942 | 55,947 |
| Kenmore | 200 | 20,780 | 116 | 0 | 2,021 | 58,602 |
| Kent | 240 | 118,200 | 614 | 1454 | 8,555 | 253,944 |
| Kirkland* | 200 | 80,738 | 230 | 109 | 7,855 | 219,135 |
| Lake Forest Park | 200 | 12,610 | 70 | 0 | 1,666 | 48,504 |
| Maple Valley | 260 | 22,930 | 89 | 111 | 1,919 | 56,628 |
| Mercer Island | 220 | 22,710 | 21 | 11 | 1,727 | 49,962 |
| Newcastle | 220 | 10,410 | 40 | 13 | 520 | 15,271 |
| North Bend | 220 | 5,830 | 42 | 26 | 535 | 15,694 |
| Redmond | 200 | 55,150 | 87 | 47 | 3,980 | 116,407 |
| Sammamish | 200 | 46,940 | 85 | 36 | 3,970 | 117,649 |
| SeaTac | 240 | 27,110 | 200 | 339 | 1,544 | 47,232 |
| Shoreline | 200 | 53,200 | 281 | 0 | 4,967 | 145,689 |
| Snoqualmie | 220 | 10,950 | 27 | 10 | 842 | 25,065 |
| Tukwila | 240 | 19,050 | 121 | 200 | 1,065 | 32,705 |
| Woodinville | 200 | 10,940 | 34 | 0 | 998 | 29,220 |
| Yarrow Point | 220 | 1,005 | 1 | 0 | 100 | 2,700 |
| King Cnty Unncrp* | All | 253,547 | 1441 | 1425 | 27,175 | 808,870 |
| Total | | 970,690 | 4258 | 4325 | 84,768 | 2,491,824 |

*Includes adjustments for 2011 annexation (for purposes of estimating 2013). License Counts exclude \$0 (Sr Lifetime) Tags.

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

Preliminary Estimate

1-23-2012

DRAFT

| | <u>2013 Ongoing</u> | <u>2013 One-Time</u> | <u>2014 Ongoing</u> |
|--------------------------------------|---------------------|----------------------|---------------------|
| Salaries | 43,291 | | 43,291 |
| Benefits | 28,103 | | 28,103 |
| Overtime | 5,550 | | 5,550 |
| Uniforms | 400 | 2,900 | 400 |
| Ammunition | 1,200 | | 1,200 |
| Background | - | 4,125 | - |
| Equipment | 45 | 17,350 | 45 |
| Temporary Holding Pen | - | 5,000 | |
| EPSCA Radio Fees | 958 | - | 958 |
| Operating Supplies | 118 | - | 118 |
| LLTU/Start Up Supplies | 65 | 3,000 | 65 |
| Laptop for Vehicle | - | 7,500 | - |
| New World Software/Pet Data Software | - | 8,200 | - |
| Office Supplies | 150 | - | 150 |
| Dues and Memberships | 34 | | 34 |
| Training Supplies | 25 | | 25 |
| Training Range/Registrations | 1,150 | | 1,150 |
| Travel | 400 | | 400 |
| Fleet Vehicle Purchase | | 50,000 | |
| Fleet Operations and Maintenance | 5,040 | | 5,040 |
| Fleet Replacement | 5,856 | | 5,856 |
| IT Replacement | 2,785 | | 2,785 |
| IT Operating | 7,171 | | 7,171 |
| IT Telecom | 228 | | 228 |
| Marketing | 5,000 | | 5,000 |
| License Renewal Efforts | 5,000 | | 5,000 |
| Communication | 900 | | 900 |
| Total | 113,469.00 | 98,075.00 | 113,469.00 |

Use' Assumptions Based on 3 Year Average**2013****2014**

| | | | |
|-----------------------------|-------|-------|---|
| Estimated Control Calls | 256 | 256 | Based on 4 Year Average |
| Estimated Shelter | 358 | 358 | 132 KC Est. + 226 SHS Est. for strays & |
| Estimated Licenses | 7,855 | 7,855 | 655 x 12 months |
| Dispatch Priority One Calls | 15 | 15 | 15 x 35 per call |

Estimated Costs

| | | | |
|--|----------------|----------------|---|
| Dispatch - NORCOM | 525 | 525 | Estimate Priority 1 calls 15 x \$35 /call |
| Estimated Control Calls | 102,569 | 102,569 | All costs minus marketing, renewal effr |
| Estimated Shelter | 57,280 | 57,280 | 358 x 160 per shelter |
| Estimated Licenses | 30,242 | 30,242 | 7,855 X 3.85 |
| Estimated Administration/Marketing Costs | 10,900 | 10,900 | 5000 marketing, 5000 renewal efforts, |
| Estimated Program Total Costs | 201,516 | 201,516 | |

Estimated Per Unit Costs

| | | | |
|-------------------------|-----------|-----------|---|
| Cost Per Control Call | \$ 402.71 | \$ 402.71 | Control calls + dispatch / estimated call |
| Cost per Shelter Intake | \$ 160.00 | \$ 160.00 | Estimate shelter / number of shelter (4 |
| Cost Per License Sold | \$ 3.85 | \$ 3.85 | Estimated licenses/ number of licenses |