



**DATE:** January 30, 2024

**TO:** Mayor and City Council

**FROM:** Chief of Police

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Accept and Appropriate up to \$200,000 in Donations and Fee Revenue for the Animal Shelter for Fiscal Year 2024

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to accept and appropriate up to \$200,000 in donations and fee revenue for the Animal Shelter for Fiscal Year 2024.

### **SUMMARY**

Community members, businesses, and organizations routinely provide monetary donations to the Hayward Animal Shelter to support various necessary expenditures such as veterinary care, spay and neuter services, feline Trap-Neuter-Return programs, and subsidies for low to no cost adoptions. Each of the donations and fees, regardless of the amount, require Council approval to be appropriated and used to support the Animal Shelter. For smaller donations, the approval process can cost more in staff time than the funds received.

Staff requests Council approve and appropriate up to \$200,000 in donations and fee revenue for the Hayward Animal Shelter in fiscal year 2024. Staff does not anticipate receiving more than \$200,000 in donations and fee revenue this fiscal year but if it does, staff will return to Council to request an increase of the appropriation.

### **BACKGROUND AND DISCUSSION**

The Hayward Animal Shelter (“the Shelter”) routinely receives donations by residents and organizations to support the animals, services, and programs the Shelter provides such as veterinary care, spay and neuter services, the feline Trap-Neuter-Return program, and low to no-cost adoptions. As indicated above, each donation received requires Council approval to be appropriated and used, regardless of the amount of the donation. This means that for smaller donation items, the approval process may cost more in staff time than funds received. Thus, staff utilizes the process of seeking Council’s approval for the appropriation of donations up to a certain amount, avoiding the need to come to Council each time a small donation is received.

The Hayward Animal Shelter currently deposits revenue into three account strings; two are for donations and one is for fee revenue. One of the donation project accounts is used for veterinary care for shelter animals and the subsidizing of spay and neuter services for adopted animals as well as subsidization for occasional free adoptions. Another donation account supports the feline Trap-Neuter-Return program. When community members find a healthy stray cat in their neighborhood, they can bring the cat into the shelter to be spayed or neutered as part of the feline Trap-Neuter-Return program. There is a fee charged to the community member to help cover half of the cost of the spay or neuter service for the cat. The remaining cost to spay or neuter the cat is subsidized by donations.

The reasons for these subsidies are the rising costs of veterinary care and spay and neuter services. Even though costs have increased, the animal shelter has not increased the fees charged to adopt an animal from the Hayward Animal Shelter. The Animal Shelter's fees must remain competitive with surrounding shelters to help the animals in the Hayward shelter find a forever home. Raising the adoption fees could result in community members adopting animals from other shelters where costs are lower. This, in turn, increases costs incurred by the shelter to maintain and provide care for the animals.

The third account is for fee revenue. When the shelter brings in animals who are impounded and unaltered (not spayed or neutered), the owners must pay a state-mandated fee to have their animals released back to them. This program account is also used to collect revenue from spay and neuter vouchers purchased by community members. The community members purchase spay and neuter vouchers from the shelter and take the vouchers to a participating veterinary provider for reduced-cost spay and neuter services. The veterinary provider then invoices the shelter for this service, and the money collected from the community members when they bought the voucher is used to pay the provider's bill from this account. Adoption fees are also deposited into this account and are used to pay for the spay or neuter service for the animal. The total cost of the services provided to the adopted animal is paid for with the adoption fees as well as subsidization from the donations mentioned above.

The expenses incurred by the Animal Shelter have increased each fiscal year and it is anticipated that the revenue received via donations and fees will increase as well. In FY 2022, the Animal Shelter received \$185,036.65 in donation and fee revenue and spent \$182,836.88. The remaining revenue was carried forward into the following fiscal year to help cover the cost of the above-mentioned subsidies. In FY 2023, the Animal Shelter received \$181,441.79 in donation and fee revenue and spent \$183,724.18.

Based on the above, staff recommends that Council authorize the City Manager to accept and appropriate up to \$200,000 in donation and fee revenue to support the services and programs offered by the Hayward Animal Shelter. Staff does not anticipate receiving more than \$200,000 in donation and fee revenue in FY 2024, but if donation funding received exceeds \$200,000, staff will return to Council to increase the appropriation request. As of January 19, 2024, the Hayward Animal Shelter has received \$114,483.60 in donation and fee revenue.

**STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to any of the priorities outlined in the Council’s Strategic Roadmap.

**FISCAL IMPACT**

Donations and fee revenue for the Animal Shelter provide necessary veterinary care for shelter animals, as well as subsidize spay and neuter services for adopted animals, low to no-cost adoptions, and the feline Trap-Neuter-Return program. There is no negative impact on the General Fund by accepting and appropriating these revenues and would, in turn, reduce staff costs related to requesting Council approval for each donation or fee payment received.

**NEXT STEPS**

If the Council authorizes this action, staff will appropriate donation and fee revenue funding into the Animal Shelter’s project accounts PD004 and PD006, and program 21620 as they are received through the end of FY 2024, in an amount not to exceed \$200,000.

*Prepared by:* Laura Gomez, Senior Management Analyst

*Recommended by:* Bryan Matthews, Chief of Police

Approved by:



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Kelly McAdoo, City Manager