

Saskatoon SPCA Request to Re-evaluate the Current Funding Structure for Pound Services

ISSUE

The City of Saskatoon received a letter from the Saskatoon SPCA, dated October 18, 2021, formally requesting the City of Saskatoon to re-evaluate the current funding structure which has been allocated to the Saskatoon SPCA for the provision of both pound services and animal protection services.

BACKGROUND

The City of Saskatoon (City) and the Saskatoon SPCA (SPCA) have had a long-standing relationship to ensure pound services are available to the residents of Saskatoon. The SPCA is an organization able to provide pound services and is suited to provide important animal services such as pet adoption, animal shelter, education programs and protection services for cases of neglect.

The SPCA provides a safe shelter and has been finding homes for companion animals in Saskatoon since 1968. The SPCA's mission is to promote quality of life for companion animals through responsible stewardship, successful adoptions, education and enforcement of *The Animal Protection Act*.

Over the years, the City has been supporting the SPCA in various ways. Of note, in 2005, when the SPCA was experiencing financial difficulties and needed help to address the situation, they approached the City about purchasing their land and building to provide some much-needed funding for operations and ensure the ongoing provision of pound services for Saskatoon. The City agreed to the purchase and since acquiring the building and land, the City has formalized a lease agreement with the SPCA. The agreement is tied to the provision of pound services, performance of animal protection services and permits the SPCA to conduct its own programs. The current five-year lease expires on December 31, 2023. The SPCA pays rent of \$1,000 for each year of the term and is responsible for operations, custodial services, utilities and taxes.

DISCUSSION/ANALYSIS

The City is responsible for the control of animals in Saskatoon and has established an animal control program including Bylaw No. 7860, Animal Control Bylaw, 1999 and Bylaw No. 8176, Dangerous Animals Bylaw, 2003 (Bylaws). Both the enforcement of the provisions of the Bylaws and the collection and keeping of stray animals (pound services) are integral components of the animal control program.

Saskatoon Animal Control Agency Agreement

Separate from the agreements with the SPCA, the City has an agreement with Saskatoon Animal Control Agency (SACA) for the enforcement services of Animal Control and Dangerous Animals bylaws.

Saskatoon SPCA Request to Re-evaluate the Current Funding Structure for Pound Services

Under the provision of their current contract, SACA provides all facilities, equipment, and training required to provide bylaw enforcement services relating to the Bylaws. SACA has been operating since 2003 in providing enforcement services for the City.

Saskatoon SPCA Pound Services Agreement

In addition to the lease agreement with SPCA, the City and the SPCA have a separate agreement (Pound Services Agreement) under which the SPCA plays a role in the City's animal control program. The City owns the land and the building in Rural Municipality of Corman Park and the SPCA leases the land and building for the purposes of providing animal control program services for the City, namely pound services. This arrangement has been in place since 2005. The latest agreement was negotiated in 2018 and is a five-year agreement for the years 2019 to 2023.

In addition to the grant for pound services, the City, although not a civic responsibility, provides a grant to the SPCA to perform animal protection and cruelty investigations within Saskatoon, pursuant to *The Animal Protection Act, 1999*. This is provided with the condition that the SPCA continues to make reasonable efforts to seek alternate government funding for these investigations.

Statistics for pound services have been maintained throughout history and the numbers have been relatively consistent over the years showing an average intake of 4,172 animals annually. The table below shows a breakdown of the Animal Statistics on Total Intake since 2005.

Animal Statistics on Total Intake							
Year	Intake	Year	Intake	Year	Intake	Year	Intake
2005	4,768	2010	4,508	2015	3,471	2020	3,316
2006	5,302	2011	4,018	2016	4,018	2021	4,241
2007	5,105	2012	4,231	2017	3,983		
2008	4,247	2013	3,897	2018	3,751	Average	4,172
2009	4,210	2014	3,820	2019	4,036		
Note 1:	3,096	Animal statistics on total intake until November 16, 2021					
Note 2:	4,241	Is the projected total number for 2021					

Recent Changes Affecting the Saskatoon SPCA

In follow up to the October 18, 2021 letter, Administration from the Recreation and Community Development Department met with staff from the SPCA and the co-chairs of the SPCA Board. During discussions, the SPCA indicated a number of things have changed since the Pound Services Agreement negotiations were completed in 2018, namely:

1. Adoptions rates – have declined while the number of intakes has remained consistent impacting capacity at the SPCA.

Saskatoon SPCA Request to Re-evaluate the Current Funding Structure for Pound Services

2. Population growth – the population of Saskatoon continues to grow and there are more people owning more pets.
3. Inflation and material costs – costs of key operating materials and supplies have increased and for many of these expenses, the SPCA cannot avoid or mitigate.
4. Growing regulatory oversight and restrictions – increasing regulatory oversight and changes to base-line standards of care continue to be a burden on the SPCA. The Saskatchewan Veterinary Medical Association (SVMA) is evaluating the way in which shelters are regulated. Currently, many animal health-related work tasks are completed by the SPCA's Animal Care Attendants. The SVMA will soon be requiring the SPCA to hire Registered Veterinarian Technicians to complete these tasks.
5. Donations and bequests – on average, the SPCA receives approximately \$80,000 in bequests annually. The SPCA cannot plan for and has no control over how much is bequeathed to the SPCA each year. In addition, the SPCA relies heavily on fundraising and donations. In 2019, fundraising including donations, grants, lotteries and events and campaigns covered approximately 57% of the SPCA's total revenue. In 2020, their fundraising dropped to approximately 45% of their total revenue thereby impacting their bottom line.

FINANCIAL IMPLICATIONS

In 2018, Administration from Recreation and Community and the SPCA completed negotiations and a review of the Pound Services Agreement and came to an agreement on costs of the pound services and the grant amount for the current contract term from January 1, 2019 to December 31, 2023. The table below provides a summary of the Pound Services Contract Payment and the Animal Protection Agency Services Grant.

Year	2019	2020	2021	2022	2023
Pound Services Contract Payment (plus GST)	\$430,908	\$439,524	\$452,709	\$466,290	\$480,282
Animal Protection Agency Services Grant	\$159,540	\$162,729	\$167,610	\$172,638	\$177,816

The increase of 2% for 2019 and 2020 and 3% for the final three years of the contract was negotiated to allow the SPCA to maintain the current level of service delivery and was projected to cover the inflationary costs, volume increase experienced at the pound and the hiring of additional full-time equivalent Animal Protection Officers to carry out the work of the animal protection and cruelty investigations.

The indicative budget includes the above-noted budgeted increases for 2022 and 2023; within the existing budget there is currently no other available source of funding to provide any additional funding to SPCA.

Saskatoon SPCA Request to Re-evaluate the Current Funding Structure for Pound Services

Saskatoon SPCA 2020 Annual Financial Statement

One of the terms and conditions of the Pound Services Agreement is for the SPCA to provide the City annually with an audited financial statement for pound services and animal protection and cruelty investigations (see Appendix 1). In 2020, total revenue for the SPCA was \$2,077,830 and the expenditures was \$1,905,915 leaving an excess of revenue over expenditures of \$171,915.

In summary, the 2020 total revenue for the SPCA of \$2,077,830 includes:

- 1) \$945,474 for fundraising, decreased of \$388,542 from 2019;
- 2) \$208,514 for programs and services, decreased of \$104,683 from 2019;
- 3) \$44,993 for investment income, decreased \$27,864 from 2019;
- 4) \$261,027 – a one-time Canada Wage Subsidy grant; and
- 5) \$617,822 from the City (Pound Services Grant, Animal Protection Grant and reimbursement for microchips), an increase of \$15,672 from 2019.

SPCA expenditures in 2020 were \$1,905,915 which is a decrease of \$277,858 compared to 2019.

OTHER IMPLICATIONS

The Animal Protection Agency Services Grant is provided to the SPCA so long as the SPCA continues to make reasonable efforts to seek alternate government funding for the provision to perform animal protection and cruelty investigations within the confines of Saskatoon. Currently, the grant covers approximately 50% of the SPCA's Animal Care and Protection services program. In 2021, the SPCA made a funding request to the Ministry of Agriculture to fully fund the Animal Care and Protection services provided by the SPCA. The SPCA was recently informed by the Province that their funding request has been denied; this now adds to the pressures on their overall operating budget.

NEXT STEPS

Unless directed otherwise, Administration will continue to implement the existing terms of the Agreements and work with the SPCA in reviewing overall operations to see if there are opportunities to assist them in addressing operating expenditures in relation to their current funding shortfall.

APPENDICES

1. Saskatoon Society for the Prevention of Cruelty to Animals Inc. Financial Statements December 31, 2020

REPORT APPROVAL

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