

SPCA Pound Services – Request for Additional Funding

ISSUE

City Council, at its Regular Business meeting held on April 25, 2022, approved an increase in funding to the Saskatoon SPCA (SPCA) to continue to provide pound services for the City of Saskatoon (City) for 2022, and directed Administration to report back on a detailed plan and level of funding, in advance of the 2023 budget approval.

RECOMMENDATION

1. That the current contract, with the SPCA to provide pound services for the City for 2023, be amended with an increase in funding, as outlined in Appendix 1 of this report:
2. That Administration be directed to undertake the work to establish a new grant program, to provide funding support for adoption and shelter services, with funding for the program to be phased in;
3. That Administration bring forward the costs and funding options, to support the above recommendations, to the 2023 Business Plan and Budget deliberations; and
4. That the City Solicitor be requested to prepare the appropriate amending agreement for the 2023 Pound Services Contract with the SPCA and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

Dating back to 1968 when the City first provided a building for the SPCA to operate out of, the City and the SPCA have had a long history of working together to ensure a number of services including pound services are available to the residents of Saskatoon (see Appendix 2). The SPCA is an organization able to provide pound services and is suited to provide important animal services such as pet adoption, animal shelter and education programs. The City and the SPCA have a Pound Services Contract which has been in place for many years, with the latest five-year contract, negotiated in 2018, covering the years 2019 to 2023.

In April 2022, Administration presented the [April 12, 2022 Report](#) to the Standing Policy Committee on Planning, Development and Community Services, providing a detailed overview and recommending an almost 50% increase in funding for the Pound Services Contract. The recommendation was to increase the contract payment for 2022 from \$466,300 up to \$698,000. This same report also recommended a further 3% inflationary increase in funding for 2023, up to \$718,900. During the review of this report, SPCA indicated the funding increase was still not sufficient to cover identified costs for 2023. The recommended increase in funding for 2022 was approved by City Council, with a request for Administration to continue meeting with the SPCA and to

report back on a detailed plan and level of funding in advance of the 2023 Budget deliberations.

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](#) (Animal Bylaws). The enforcement of the provisions of the Bylaws, as well as the collection and keeping of stray animals (Pound Services) are integral components of the animal control program. The City and the SPCA have a Pound Services Contract, under which the SPCA plays a role in the City's animal control program. The current contract for services covers the years 2019 to 2023.

The City's Animal Control Bylaw requires the SPCA to care for animals delivered to the pound for the first 72 hours (excluding the first day), for which the City compensates the SPCA, as per the Pound Services Contract. After the holding period the animal is turned over to shelter services and the animal is put up for adoption. Other than the provision of the building provided by the City, the SPCA has always been fully responsible for operation and costs associated with the shelter services.

Through a series of meetings with the SPCA, Administration has gained a more fulsome understanding of the overall operations at the SPCA and better understands some of the current realities which have indeed resulted in increased costs to operate and provide pound services. The Administration recognizes there has been growing regulatory oversight and restrictions related to the operations, inflationary costs, and as a direct impact of the pandemic, fundraising opportunities and donations have also been substantially impacted.

Following an extensive review, Administration and the SPCA have reached an agreement on the proposed amount of funding for the provision of pound services for 2023, pending City Council approval, and as summarized in the following chart (detailed in Appendix 1).

2023 Pound Services Proposed Funding	
Overall Pounds Services Expenses (rounded)	\$806,400
Plus the "fee for service" items listed below (*ultimately based on actual invoices)	\$ 34,300*
Less Care and Sustenance Fees collected by SPCA (**based on actuals from prior reporting)	(\$14,900)**
2023 Estimated Total for Pound Services (rounded)	\$825,800

The agreed upon amount is not equivalent to the total amount requested by the SPCA, in their letter to Administration dated July 12, 2022, it is however more than Administration had originally identified in the April 12, 2022 report mentioned above.

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The final amount agreed to, for pound services for 2023, is an increase of \$127,800 (18%) over the amount agreed to for 2022. It is also \$345,500 over and above the amount previously agreed to and identified within the current signed contract, so a 72% increase in funding. The Administration and SPCA have mutually agreed to this amount in order to conclude the existing contract for the continuation of pound services for 2023. This will be a bridge year to the mutually agreed upon next step which will be the release of a Request for Proposal (RFP) for pound keeping services for 2024 and beyond.

In undertaking the research for this report, Administration also reviewed the provision of animal services in the cities of Regina, Edmonton, Calgary and Winnipeg. There are examples of both direct delivery by the municipality and contracted services. While there is a range of differences in hours of operations, pound holding periods, facility ownership, provision of subsidized spay and neuter programs, adoption and shelter services and bylaw enforcement, the newly proposed funding for pound services, being recommended by Administration in this report is comparable to other cities on a per capita basis.

Fee for Service Components of the Agreement

There are several items within the overall list of pound services expenses which are less predictable and not applicable to every animal received under the pound services agreement. Therefore, Administration is recommending these items be identified within the 2023 amending agreement, under a fee for services category. The compensation for these items would be directly related to the actual number of animal intakes requiring a higher level of care and service, as well as the associated costs. The amounts would be reimbursed based on supporting invoices from SPCA.

Based on the upset amounts currently provided within the SPCA's summary expenses (cumulative total \$34,300), this would include the following categories:

Emergency medical care	\$15,000
Emergency medical (euthanasia in house)	\$ 5,200
Emergency medical transportation and processing	\$ 8,300
Quarantine	\$ 5,800
Estimated Total Fee for Service Items	\$34,300

Additional Service Level Consideration: Housing of Dangerous Dogs

The situation of housing dangerous dogs is highly variable and has not been addressed specifically in the current contract. Administration is recommending the following process to address these and to include them in the amending agreement for 2023 as a daily fee for service per animal.

The category of Dangerous Dogs is unique and has the potential for a high degree of variability in quantities and services required. Administration has had discussions with the SPCA on this issue and is recommending this be addressed for 2023 as a daily fee for service basis, and to be reflective of actual expenses related to the care and services over the term of holding the dangerous animal. This amount is not noted in the

chart above as the daily rates would be negotiated with the SPCA and included in the amended agreement. Administration has estimated the magnitude of this expense in the range of \$5,000 to \$7,500 and is proposing this cost be managed inside the existing animal services operating budget for 2023.

Newly Proposed Shelter Services Grant

The SPCA has requested funding support, in the form of what they refer to as Dispensation Fees, to subsidize the costs associated with animals after they transfer from the pound to the shelter. On average, 1,800 animals are transferred to the shelter each year. The SPCA has always been fully responsible for costs associated with the shelter services. The City is currently providing some indirect support of the shelter services by charging only a nominal rent and the City's annual contribution to the Civic Buildings and Comprehensive Maintenance Reserve (CBCM) for the building within which the SPCA operates as a pound keeper, on behalf of the City, and as a shelter. What is being requested now would be considered a new direct level of funding support to shelter services.

Administration has been in contact with several other cities in western Canada and although none have identified with the concept of a dispensation fee, some examples of municipal support for shelter services exist. The following is a summary of the information gathered from other cities:

- Regina does not provide any direct funding to support shelter and adoption services. These services are supported entirely by the Regina Humane Society that has a contract with the City of Regina to provide pound services and bylaw enforcement. The Regina Humane Society relies on donations and revenue generating activities to support adoption and shelter services.
- Winnipeg is the direct service provider of pound services and for the adoption and shelter of dogs. Cats are transferred to the Winnipeg Humane Society (WHS) which has a service agreement with the City to provide pound and shelter services for cats, veterinary care for cats and dogs, pet licensing services and the City's low income spay/neuter program. As such, the City of Winnipeg is the direct service provider for shelter and adoption services for dogs and provides some funding support to the WHS for a range of services including the shelter and adoption of cats.
- Edmonton is the direct service provider of pound services and does not provide any direct shelter or adoption services. Animals not redeemed from the pound are transferred to other agencies, including the Edmonton Humane Society (EHS). The City of Edmonton does provide a nominal fee per animal transferred to the EHS. As such, the City of Edmonton is providing some municipal funding to support adoptions and shelter services with EHS.
- Calgary is the direct service provider of pound services and normally does not provide any direct shelter or adoption services. Animals not redeemed from the pound are transferred to other agencies. However, due to the impact of COVID on the capacity of external agencies, the City of Calgary is currently providing direct shelter and adoption services.

From the review of other cities, there exists a variety of models for the delivery of pound services and there are examples of some municipalities providing support for shelter services.

Administration is recommending the establishment of a new grant to help with supporting the costs of shelter services related to animals transferring directly from the pound to the shelter. This would be similar to the grant the City previously provided the SPCA for animal protection services (animal cruelty investigations). In recommending support for this new grant, it once again focuses on the fact that shelter and adoption services are not a civic responsibility, but the City does want to encourage these much needed services in Saskatoon.

Administration has reviewed the SPCA's recent financial statements and determined that the proposed grant for shelter services, when fully implemented at \$285,000, is based on the significant volume of animals transferring from pound to shelter (1,800 annually), and would represent approximately 20% of the costs incurred by the SPCA to operate the shelter. This recognizes the continued ability for the shelter to also generate revenues through adoption fees for the animals transferred to the shelter and to secure donations which have always been key to supporting ongoing shelter operations. Should Council direct Administration to establish this new grant program, Administration will report back on the eligibility criteria and key components of this newly proposed grant. In keeping with the typical approach to establishing new grant funding, Administration is recommending a 2-to-3-year phase in of the funding for this grant. If the establishment of a new grant is approved, options for a 2-year or a 3-year phase in will be presented for consideration during the 2023 Business Plan and Budget deliberations.

FINANCIAL IMPLICATIONS

The financial implications of this report will require an additional level of funding for 2023 and will formally be considered during the 2023 Business Plan and Budget deliberations. Within the Community Support Business Line, the current amount approved within the 2023 Operating Budget, for Animal Services, that is available is \$658,100, which includes \$480,300 for the pound services and \$177,800 in grant funding previously allocated to support animal cruelty investigations.

The newly agreed upon level of funding for 2023, requires incremental funding of \$167,700 for the Pound Services Agreement. This amount has been included within the 2023 Business Plan and Budget Pressures Opportunities report presented to Governance and Priorities Committee on October 24, 2022.

Should Council direct Administration to establish a new shelter services support grant, Administration will prepare a Business Plan Option for Council to consider during the 2023 Business Plan and Budget deliberations. The option will include an amount for the first-year phase in for the newly proposed grant, in the amount of \$95,000 if Council decides on a 3-year phase in approach or \$142,500 if Council decides on a 2-year phase in approach.

OTHER IMPLICATIONS

There are no other legal, social, environmental or privacy implications of this report.

NEXT STEPS

Administration will follow up with the SPCA, pending the direction given. Administration and the SPCA have mutually agreed with the future direction that the City will be advertising a RFP for pound services for 2024, and beyond. The RFP is under development and Administration has targeted December 2022 to release the RFP.

APPENDICES

1. 2023 Proposed Funding
2. History of the SPCA and Highlights of the City of Saskatoon’s Work with SPCA

REPORT APPROVAL

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