

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: July 10, 2025

PREPARED BY: Richard D. Cannone, AICP, Interim Assistant City Manager

SUBJECT: OVERVIEW OF RIVERSIDE COUNTY DEPARTMENT OF ANIMAL
SERVICES – PROPOSED CONTRACT AND COST RECOVERY MODEL

RECOMMENDATION:

Receive an update on the Riverside County Department of Animal Services proposed contract and rates for Fiscal Years 2025/26 through 2027/28.

BACKGROUND/ANALYSIS:

The Riverside County Department of Animal Services (RCDAS) currently provides sheltering and/or field services to 16 contract cities, including the City of Palm Desert. Over the past several years, RCDAS has made incremental adjustments to contract rates, primarily affecting daily kenneling fees and field service charges. These service agreements are generally structured as three-year contracts.

The most recent three-year agreement expired on June 30, 2024, during which time RCDAS was in the process of completing a comprehensive rate study. This study, initiated in 2019 at the direction of the Riverside County Board of Supervisors, was intended to evaluate and revise the County's cost recovery model to ensure a more equitable and sustainable funding approach for shelter and field services. As the study was not finalized by the end of the fiscal year, RCDAS extended existing contracts for one additional year, through June 30, 2025, to allow time for completion and review of the updated cost allocation model.

At the June 12, 2025, City Council meeting, the City Manager informed the City Council that staff would return with an overview of the proposed rates during the July 10, 2025, Study Session, in advance of formal contract consideration on August 28, 2025. During this interim period, RCDAS has agreed to continue providing uninterrupted services.

City staff used this time to thoroughly evaluate the County's proposed "Piece of the Pie" cost allocation methodology, assess the potential financial impacts to Palm Desert, and meet with both County executive leadership and RCDAS. These discussions also ensured that additional reporting requirements, first raised by staff during the March 28, 2024, City Council Study Session, could be addressed and incorporated moving forward.

Current Cost Drivers

As part of evaluating contract rates for the cost recovery model, two driving factors were examined: animal sheltering and field services. These factors help explain the variability in charges across cities and highlight the limitations of the current billing structure.

Sheltering costs are influenced by several key factors, including:

- The average length of stay for animals
- The number of animals impounded
- The population served by each city
- The staffing required to care for animals
- Program administration and support services

Field service costs are driven by:

- Call volume and the time required to complete service requests
- The population served in each city
- The staffing and administrative support necessary to meet demand

Currently, sheltering services are billed using a variable, per-animal, per-day rate based on animal type and length of stay. While this approach attempts to reflect actual usage, it places a significant administrative burden on both city and county staff. Monthly reconciliations are complex, and the unpredictable costs have resulted in budget amendments both mid-year and end of year for the city.

Cost Recovery Model

The “Piece of the Pie” methodology is a cost allocation approach used by RCDAS to distribute sheltering costs among contract cities and the County. The method assigns each participating agency a percentage share or “piece” of the total sheltering cost “pie”, based on their proportionate use of the shelter system.

Each city's share is calculated using a combination of the following factors:

- Number of animals impounded
- Average length of stay (LOS) for impounded animals
- Population served

These variables are weighted and totaled across all participating jurisdictions to determine the full “pie” of sheltering needs and costs. Each city’s slice is then proportionally allocated based on how much of the total impact their city represents. For example, a city with higher impound numbers or longer average stays will receive a larger share of the cost.

RCDAS intent for this method is to:

- Provide a more equitable and data-driven way of distributing costs
- Reflect each city’s actual demand on the sheltering system
- Replace the previous billing model based on variable, per-animal charges

Two versions of this methodology were analyzed and presented to the Riverside County Board of Supervisors:

- **Option A: Full Cost Sharing – “Piece of the Pie” Model**

All cities and the County share 100% of total shelter costs, including fixed baseline costs (e.g., staffing, facilities) and city-specific impacts (e.g., impounds, length of stay).

- **Option B: County Baseline – “Piece of the Pie” Model**

County baseline operational costs are removed from the shared total. The remaining costs are then allocated to cities based on impounds, length of stay, and population. This recognizes that some sheltering operations are required regardless of city contracts.

Additionally, as part of RCDAS efforts to improve outcomes, significantly reduce euthanasia of animals, and modernize care, RCDAS would add 38 new staff positions to support:

- Animal Care Staffing – 13 positions
- Enhanced Foster/Adoption Teams – 14 positions
- Intake-to-Placement Program Support – 9 positions
- Media/Marketing Team Expansion – 2 positions

The additional staffing costs total \$4.56 million and are included in both Option A and Option B projections for sheltering costs. Under both models, the City would see increased sheltering costs. However, Option B substantially reduces the financial impact compared to Option A:

	Option A – Cost	Option B – Cost
Shelter Services	\$330,874	\$256,652

Option B was the version approved by the Board of Supervisors and is the basis for the city’s proposed rates.

City of Palm Desert – New Contract and Rates

	<i>FY 25/26</i>	<i>FY 26/27</i>	<i>FY 27/28</i>
<i>Shelter Services</i>	\$198,014	\$233,196	\$256,652
<i>Field Services</i>	\$293,960	\$316,186	\$331,996
<i>Total</i>	\$491,974	\$549,383	\$588,648

- RCDAS is phasing in the new rates over three years, beginning January 1, 2026, and the new rates are reflected for 6-months only providing a 50% reduction in FY 25/26 increase.
- A 5% annual increase to field labor rates through FY27/28, consistent with labor agreements.
- Select from two options for field services
 - Standard Plan – Monday-Friday, 7:30 AM to 5:00 PM
 - Extended Plan – Monday – Sunday, 7:30 AM to 5:00 PM
- The shelter rate increases are phased over 3 years
- Adoption of county regulations for enforcement, Ordinance No. 630 - Regulating the keeping and control of dogs, cats, and other animals, and providing for the control and suppression of rabies with possible exceptions.
- Quarterly billing and annual reconciliation based on impounds, LOS, and population.
- Cities are required to:
 - Fund vaccination and microchip clinics within the city.

- Fund spay/neuter clinics within the city.
- Consider contributing \$5.00 per licensed animal in the city to offer low-cost or free spay/neuter programs for city residents.

City-Initiated Supplemental Programs

Included in the Fiscal Year 2025/26 adopted budget, \$620,000 was approved for animal services, which include five Spay/Neuter and/or Vaccination Mobile Clinics, potentially leaving a surplus of approximately \$110,000. To promote responsible pet ownership and reduce the number of animals entering the shelter, staff would like to explore the following supplemental program opportunities over the next fiscal year. It is staff's intent to bring these items back at a future date with projected costs aligned with the potential budget surplus.

1. Spay and Neuter Vouchers

Staff will explore a Request for Proposals (RFP) to local veterinary clinics interested in partnering with the City to offer reduced-rate sterilization services. This program would help control the animal population and provide greater access for residents who may face financial barriers.

2. Licensing Improvements

Staff will explore a streamlined licensing model that allows local veterinarians to issue pet licenses during annual vaccination visits. This would eliminate the need for reimbursement vouchers and reduce administrative processing time, while making licensing more accessible and affordable for families and individuals on fixed incomes.

Additional City-Initiated Efforts

Staff have already begun exploring additional initiatives that are data-driven, community-focused, and cost-effective. These efforts aim to reduce shelter intake, improve live outcomes, and support responsible pet ownership across Palm Desert.

● Microchipping Programs

Staff are working to enhance microchipping efforts by leveraging GIS data to identify neighborhoods with higher volumes of animal-related service and impound calls. By focusing on outreach and microchipping events in these areas, the City can increase pet reunification rates, reduce the number of animals entering the shelter, and shorten the average length of stay for lost pets.

● Community Education and Outreach

Several outreach strategies are being considered to address the root causes of pet relinquishment and promote long-term animal welfare:

- **Senior Planning Workshops:** Partnering with local senior centers and adult communities to provide resources and planning tools for pet care in the event an owner is no longer able to provide care.

- **Responsible Pet Ownership Workshops:** Educational sessions covering topics such as basic pet care, microchipping, importance of spay/neutering, behavioral training, licensing, and legal responsibilities.
- **Targeted Neighborhood Outreach:** Focused efforts in areas with high shelter intake, offering direct support and information to residents most impacted by animal-related issues. at other efforts intended to be data-driven, community-focused, and cost-effective.
- **Data Sharing and Tracking Enhancements with RCDAS**

As part of the recent discussions RCDAS has agreed to implement several operational improvements that will enhance transparency, data tracking, and service coordination with the City. These enhancements directly respond to concerns raised during the March 28, 2024, City Council Study Session.

 - **Electronic Logging of Field Service Pickups.**

RCDAS has agreed to utilize an electronic system to log the pickup locations of animals collected in the field, replacing the current paper-based process used during after-hours or overtime responses. This system will integrate with the City's existing GIS platform, currently used for short-term rental and homelessness tracking, via a mobile application developed by the City. The County will explore both the City's App and potential exports from the County's ESRI-based system and will collaborate with City staff to determine the most effective and efficient approach.
 - **Resident Drop-Off Address Reporting.**

RCDAS will begin providing the City with a monthly list of addresses for all residents who drop off animals at County shelter facilities. This information will support the City's GIS mapping efforts to help verify whether animals are coming from within city limits and improve tracking of service demand and trends.
 - **Improved Invoicing and Reporting Clarity**

RCDAS will provide enhanced invoice documentation on a quarterly basis, with the following improvements:

 - Invoicing Methodology: A clear explanation of how charges are calculated and broken down, including service types and billing categories. The County will be available to respond to City questions for clarification.
 - Service Type Reference Guide: A document listing all impounds and outcome service types to help City staff better understand the nature of billed activities.
 - Overtime Trip Sheet Breakdown: A more detailed explanation of after-hours service trips to improve clarity and interpretation of overtime billing.
 - Animal Identifier List: Improved formatting of animal tracking data, including a full list of animals identified by number. The County will provide this information in Excel format to assist with analysis and recordkeeping.
 - Track-and-Trace Reporting: A comprehensive log of all animals by identifier, including their intake and outcome status. This will include updates about

animals still in care, ensuring full visibility in their shelter stay. Ongoing updates will be included in the quarterly reporting package.

Next Steps

Staff will return to the City Council on August 28, 2025, with an agenda item recommending approval of a three-year contract with the Riverside County Department of Animal Services (RCDAS) for continued animal sheltering and field services based on the updated cost allocation model.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

There is no financial impact associated with this update, as no formal action is being taken at this time. Funding for animal services in the amount of \$620,000 has already been included in the Fiscal Year 2025/26 Budget, which was adopted by the City Council on June 26, 2025.

ATTACHMENTS:

1. County Presentation – Proposed City Contract Rates
2. Palm Desert 3-Year Rate Sheet
3. Draft Contract for Field and Animal Services
4. Presentation