

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: August 28, 2025

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

SUBJECT: APPROVE A THREE-YEAR AGREEMENT WITH THE COUNTY OF RIVERSIDE FOR ANIMAL FIELD, SHELTER, AND LICENSING SERVICES

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## **RECOMMENDATION:**

1. Approve the Agreement with the County of Riverside for animal field, shelter, and licensing services for a three-year term ending June 30, 2028.
2. Authorize the City Attorney to make any necessary non-monetary changes to the agreement.
3. Authorize the City Manager to execute the agreement, amendments, and all actions necessary to effectuate this action.

## **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:

- Evaluate the County's proposed "Piece of the Pie" cost allocation methodology.
- Assess potential financial impacts to Palm Desert.
- Address additional reporting needs with RCDAS staff first identified during the March 28, 2024, Study Session.

At the July 10, 2025, Study Session, staff provided a detailed presentation of the proposed cost recovery model, outlined the major components of the new contract, and responded to initial City Council questions.

### Cost Recovery Model

The “Piece of the Pie” methodology allocates sheltering costs among contract cities and the County based on each agency’s proportional use of the shelter system. Each city’s share is calculated using:

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

### City of Palm Desert – New Contract and Rates (Attachment 2)

| <b>Fiscal Year</b> | <b>Shelter Services</b> | <b>Field Services</b> | <b>Total</b> |
|--------------------|-------------------------|-----------------------|--------------|
| <b>2025-26</b>     | \$ 198,014              | \$ 293,960            | \$ 491,974   |
| <b>2026-27</b>     | \$ 233,196              | \$ 316,186            | \$ 549,383   |
| <b>2027-28</b>     | \$ 256,652              | \$ 331,996            | \$ 588,648   |

### Key Rate Provisions

- New rates phased in over three years beginning January 1, 2026; Fiscal Year (FY) 2025-26 rates reflect only a six-month increase, reducing the first-year impact by 50%.
- Sheltering rates reviewed/revised annually
  - Sheltering charges are projected to increase 37.77% over the three-year term.
- 5% annual increase to field labor rates through FY 2027-28, consistent with labor agreements.
- Choice of two field service plans:
  - Standard – Monday–Friday, 7:30 AM to 5:00 PM
  - Extended – Monday–Sunday, 7:30 AM to 5:00 PM
- Shelter rate increases are phased over three years.
- Adoption of County Ordinance No. 630 regulating animal control and rabies prevention, with possible exceptions.
- Quarterly billing with annual reconciliation based on impounds, LOS, and population.
- City obligations:
  - Fund vaccination and microchip clinics
  - Fund spay/neuter clinics

## **New Contract Terms – Meetings and Reports**

(Section III of the Agreement)

- **Quarterly In-Person Meeting:** The County will make a good-faith effort to attend one in-person meeting each quarter (up to 3 hours) at no cost. Any additional time will be billed at the hourly rate. The City will provide the meeting location or a virtual meeting link.
- **Monthly Virtual Meeting:** The County will make a good-faith effort to host one virtual meeting per month at no cost. Additional hours beyond the agreed time will be billed at the hourly rate.
- **Attendance at City Council Meetings:** The County will make a good-faith effort to attend City Council meetings when needed for ordinances, contract amendments, or significant animal services matters. Attendance is subject to staff availability and resources.
- **Reports:** Standard reports (listed below) will be provided at no charge. The County will provide up to 12 hours per year for producing special reports at no cost; additional hours will be billed at the hourly rate.
  - Standard reports include:
    - Dogs and/or Cats Impounded
    - Animals Returned to Owners
    - Dogs and/or Cats Abandoned
    - Special Admission Dog & Cat
    - Other Animals Impounded
    - Quarantined Dogs and/or Cats
    - Special Admission of Other Animals
    - Private Veterinarian (Outside Medical Expense)
    - Dead Animal Pick Up Requests
    - Types of Calls for Service
    - Location of Admission

## **City Council Subcommittee Review**

At the July 10, 2025, Study Session, the City Council established an Animal Services Subcommittee consisting of Mayor Pro Tem Trubee and Councilmember Quintanilla. The Subcommittee met on August 1, 2025, to review:

- County staff responses to City Council questions (Attachment 3)
- Contract terms and rate structures
- Field services cost differentials
- Data and reporting provisions
- Animal Samaritans partnership
- Spay/neuter services program
- Future program items

In September, City staff will present proposed amendments to Title 6 (Animals) of the Palm Desert Municipal Code to the Subcommittee, prior to City Council consideration.

## **Subcommittee Recommendations**

1. Maintain the Standard Plan (Mon–Fri) based on low weekend service utilization (5.5% of available hours) and high added cost (\$287,000 annually for an additional officer).

2. Do not contribute \$5.00 per licensed animal toward spay/neuter programs at this time, as RCDAS Subfunds 11102 and 11109 have sufficient balances which are intended fund similar programs.

**Legal Review:**

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

**FINANCIAL IMPACT:**

Funding for animal services in the amount of \$620,000 has already been included in the approved FY 2025-26 Financial Plan, which was adopted by the City Council on June 26, 2025.

**ATTACHMENTS:**

1. Agreement for Animal Services with the County of Riverside
2. Palm Desert 3-year Phase in Rates
3. County staff responses to 7/10/25 Study Session Questions