

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

April 16, 2012
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci¹,
Chelminiak, Davidson, and Stokes

ABSENT: Councilmember Wallace

1. Executive Session

Deputy Mayor Robertson called the meeting to order at 6:01 p.m., and declared recess to Executive Session for approximately 30 minutes to discuss one item of property acquisition and one item of pending litigation.

The meeting resumed at 6:47 p.m., with Mayor Lee presiding.

Mayor Lee welcomed Carol Simpson, Newcastle City Councilmember, in the audience.

2. Study Session

(a) Animal Control Services Update

City Manager Steve Sarkozy opened discussion regarding the animal control services contract.

Sheida Sahandy, Assistant to the City Manager, said that King County is requesting a non-binding indication about whether the City intends to remain in the Regional Model and renew the contract with King County for animal control services. Staff recommends that the City stay at the table and continue to explore options. If the Council chooses this course of action, staff will return in May for additional consideration of the Regional Model.

Ms. Sahandy said that staff has met with the Seattle Humane Society to refine cost estimates for shelter services under the Subregional Model. Field services would be provided by animal control officers employed by the City of Bellevue. The cities of Kirkland, Mercer Island, Newcastle, and Redmond are interested in the Subregional Model.

¹ Councilmember Balducci arrived at 6:16 p.m.

Ms. Sahandy presented cost estimates to compare the Regional Model and the Subregional Model, with the Subregional Model's startup costs reflected in 2012. She presented a second comparison reflecting startup costs spread over a ten-year period, which was previously requested by Councilmember Wallace.

Councilmember Balducci said she would like to understand what is included in the cost estimates in terms of the level of service for shelters, licensing, and field enforcement.

Ms. Sahandy explained that the Regional Model estimates are based on the City's past experience with King County.

Ms. Balducci said it would be helpful to know specific details, for example, the number of animal control officers and what they do.

Ms. Sahandy explained that the Subregional Model, if five cities participate, will have three animal control officers, which would be a slightly higher level of service than King County current provides. Licensing would be subcontracted with a company that does licensing for other cities throughout the country. For shelter services, it is estimated that the Seattle Humane Society would take approximately 1,000 animals for the five cities.

Ms. Sahandy noted that King County currently provides services five days per week, but will be adding one weekend day under the next contract. Also, field agents will be based throughout the contract cities instead of all based in Kent.

Responding to Councilmember Chelminiak, Ms. Sahandy confirmed that the primary focus of field services is responses to calls regarding complaints, reports of lost and found animals, or other matters. In further response, Ms. Sahandy said that, typically, shelter usage increases when there is a local shelter. Also, the Seattle Humane Society currently houses a number of animals from Bellevue that are not charged to the City under the King County contract. Cost estimates for shelter services under the Subregional Model are based on historical usage as well as these assumptions about increased usage. Licensing estimates are based on historical data as well.

Mr. Chelminiak suggested that calls for field services could increase significantly if animal control officers become more visible locally. Ms. Sahandy said the estimates include some increased usage. However, she acknowledged that the Subregional Model includes the risks typically associated with a new business function.

Responding to Councilmember Stokes, Ms. Sahandy said the biggest difference between the Regional Model and Subregional Model costs relates to shelter costs. The Seattle Humane Society is a nonprofit organization with significantly lower usage costs due to the offset of private contributions. Subcontracting licensing services is approximately half of the current cost for this service. In further response, Ms. Sahandy said it is difficult to project costs under the Subregional Model beyond 2015 because the number of member cities and other factors could change.

Mayor Lee observed that the cost estimates involve a number of assumptions, and it is difficult to make an apples-to-apples comparison of the two models. He suggested identifying an arbitrary service level for comparison purposes.

Mr. Stokes noted that there is some risk involved with using the Seattle Humane Society, because its private donations are likely to fluctuate. He said it would be helpful to have more certainty on the issues and costs. Ms. Sahandy acknowledged that this is a risk associated with relying on a third party.

Joyce Nichols, Interim Director of Intergovernmental Relations, said that staff has, to the extent possible, built in actual cost data from other jurisdictions that provide animal control services. She noted that there is a great deal of variation between programs. Staff has created a model that it believes is feasible and as low risk as possible, while providing a high level of service to Bellevue citizens. Ms. Nichols noted that the City is relying on a third party in both the Regional Model and the Subregional Model. She acknowledged that there are risks associated with both approaches.

Councilmember Davidson said he is hesitant for the City to take on more responsibility for services given the down economy. He is not comfortable with his understanding of animal control services. He suggested notifying King County that Bellevue is continuing to consider the Regional Model, while conducting additional research and analysis. He observed that there is not sufficient information at this point to make a clear decision.

Ms. Nichols suggested moving forward to the slides listing the pros and cons of the Regional and Subregional Models.

Ms. Sahandy explained that the Regional Model is an established system with King County. Their shelter accepts a broader range of animal species. The County's new focus on revenue generation is likely to reduce system costs, and no startup investment is needed. By the end of the next contract period, additional service delivery options might be available to the City. However, ongoing costs are expected to become higher under the Regional Model, and the long-term viability of the system is in doubt.

The positive aspects of the Subregional Model are lower ongoing costs, the potential for financial self-sufficiency in the long term, greater control over field services, and reduced shelter costs. However, startup costs are not included in the 2012 budget, and significant staff time will be required to establish operations. The Subregional Model would require the construction of a temporary after-hours holding facility for animals, and the establishment of new partnerships to address shelter needs for animals not accepted by the new shelter. In addition, the City would need to provide ancillary services including responding to public disclosure requests, prosecutions, and abuse investigations.

Ms. Sahandy reviewed what other jurisdictions are doing. The City of Renton has been providing animal control services for approximately 30 years. Their program processes its own licensing, has two animal control officers, and uses the Seattle Humane Society for shelter services. Renton

budgets \$125,000 per year for shelter services. The City of Seattle has been providing its own services since 1972. Seattle has 12 animal control officers and two supervisors as well as six shelter staff. The overall budget is \$3.1 million, which is supported by license fees, the General Fund, and significant donations. Bothell, Burien and Federal Way have recently started new programs, and the City of Kirkland is considering its own program. Kirkland's proposal includes one animal control officer and estimates a net program surplus of approximately \$17,000 per year.

Deputy Mayor Robertson observed that over the first seven years, the Subregional Model would save more than \$300,000; and over 10 years, it would save taxpayers more than \$500,000. She believes this is not insignificant, especially when coupled with the increased service level.

Ms. Robertson said that King County has reduced its euthanasia rate for animals to 14 percent, and she questioned the Seattle Humane Society's rate. Ms. Sahandy said SHS's save rate is 96 percent. However, she noted that the rates are calculated differently by the two agencies.

Ms. Robertson likes that the Subregional Model could provide a higher level of service, including local officers who can be more responsive. She would like to be able to accurately compare the save rates of the two shelters.

Ms. Robertson questioned whether the County would be willing to provide an enhanced level of service for responding to off-leash animals, especially in parks and public places, under the Regional Model. Ms. Sahandy said she can check on that. Ms. Robertson believes it is important to provide good service to both humans and animals.

Ms. Robertson questioned the City of Kirkland's assumptions that support the projected revenue surplus. Ms. Sahandy said she will find out if that takes startup costs into consideration. Ms. Robertson said it would be helpful to have more information from Bothell, Burien and Federal Way in terms of their program budgets.

Deputy Mayor Robertson believes that the City should continue to negotiate with King County and with the Seattle Humane Society.

Councilmember Stokes expressed concern about the need to hire animal control officers under the Subregional Model, especially given the reduction in public safety officer positions.

Councilmember Balducci said that Bellevue's participation in the Regional Model has significant implications regarding costs for the County and other cities. She believes Bellevue is obligated to determine fairly soon what it intends to do. Ms. Balducci said she previously worked for regional animal control services as a labor negotiator for King County, and she adopted two cats from the County's shelter. She believes that the personnel associated with the County's shelter and the Seattle Humane Society are essentially equally committed to providing good animal care.

Ms. Balducci commented on the difficulty of determining how to provide the best services at the best value for Bellevue citizens. She noted that the Regional Model is a known entity, and she is

leaning toward this benefit of stability. Councilmember Balducci suggested that the Council make a final decision within the next two to three weeks.

Councilmember Chelminiak observed that the system no longer works optimally; however, he is not sure what the solution should be. He is leaning toward the Subregional Model service approach, but would like the County to be involved in some way.

Mr. Chelminiak suggested that the City stay at the negotiating table with King County. He shares Councilmember Davidson's hesitancy about starting a new line of business in this economy. However, he also would prefer to not have to address the overall issue again in three years. He suggested that perhaps the best approach is to stay with the Regional Model for three more years, and then be prepared to do something different in the future. He questioned whether the City wants to become involved in enforcement, dealing with exotic animals, and other issues that will arise.

Mayor Lee suggested that the City needs to decide what level of service it would like to provide, and the best way to do so. He asked staff to prepare responses to the Council's questions, and to return for further discussion about the best way to implement the desired level of service.

(b) Update on State Legislative Session and State Budget

Ms. Nichols provided an update on the closure of the state legislative session and adoption of the State budget. She recalled that Bellevue's General Fund had the potential for a revenue loss ranging from \$11 million to \$15 million annually, depending on the adopted budget. The Governor's proposed legislation that the State take over the administration of the local share of the B&O Tax, which could have resulted in a loss of revenue to Bellevue of \$1.6 million to \$6 million annually, did not pass. However, this issue is expected to come back during the next legislative session. Ms. Nichols highlighted additional proposals that would have resulted in a loss of revenue for the City, but that did not pass.

Mayor Lee complimented the extensive effort of staff and the City's lobbyists in working in Olympia.

Ms. Nichols reported that, unfortunately, the legislature is diverting a full fiscal year of liquor excise tax distributions from local governments to the State General Fund. However, cities will continue to receive a certain level of liquor revolving fund profits.

At 7:59 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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