Agenda – Executive Policy Committee – May 11, 2005

REPORTS

Item No. 1 Winnipeg Humane Society financial/operating proposal concerning Cat Over-population
File EL-4

STANDING COMMITTEE RECOMMENDATION:

On May 2, 2005, the Standing Policy Committee on Protection and Community Services referred the matter of increasing the current service agreement funding between the City of Winnipeg and the Winnipeg Humane Society from $125,000.00 per year to $300,000.00 per year to the Standing Committee on Fiscal Issues.

Agenda – Executive Policy Committee – May 11, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 2, 2005, the Standing Policy Committee on Protection and Community Services referred the matter of increasing the current service agreement funding between the City of Winnipeg and the Winnipeg Humane Society from $125,000.00 per year to $300,000.00 per year to the Standing Committee on Fiscal Issues.

Further on May 2, 2005, the Standing Policy Committee on Protection and Community Services requested the Administration, while working in close partnership with the Winnipeg Humane Society, to explore the possibility of licensing cats in conjunction with a spaying/neutering program including projected costs and revenues, and report back.

On May 3, 2004, the Standing Policy Committee on Protection and Community Services referred the financial/operating proposal from the Winnipeg Humane Society to the Chief Administrative Officer for report back taking into consideration the following, namely:

1. Establishment of a Spaying and Neutering Program for cats within the City of Winnipeg.

2. Addressing the issue of euthanization of cats within the City of Winnipeg.

3. The concept of the City of Winnipeg entering into a partnership with the Winnipeg Humane Society to address the issue of euthanization of cats within the City of Winnipeg.

On April 5, 2004, the Standing Policy Committee on Protection and Community Services referred the financial/operating proposal from the Winnipeg Humane Society to the administration for review, and to explore options on how the matter might be proceeded with, and report back to the Standing Committee at its meeting scheduled for May 3, 2004.

ADMINISTRATIVE REPORT

RE: The Winnipeg Humane Society Financial/Operating Proposal Concerning Cat Over-Population

FOR SUBMISSION TO: **Standing Policy Committee on Protection and Community Services**

ORIGINAL REPORT SIGNED BY: **Tim Dack, Chief Operating Officer**
Animal Services Agency

Ursula Stelman, Director
Community Services Department

REPORT DATE: **April 25, 2005**

RECOMMENDATION(S):

That this report be received as information.

REPORT SUMMARY:

Key Issues:

- The Winnipeg Humane Society has requested Animal Services to provide a more prominent role in the management of the cat over-population problem in Winnipeg and the large number of unwanted cats handled and euthanized by the Winnipeg Humane Society annually.
- The Winnipeg Humane Society proposes that it renegotiate its existing service agreement with the City and increase the service fee paid by the City, through Animal Services, by $175,000 to $300,000 annually.
- The Winnipeg Humane Society further proposes that Animal Services impound all cats trapped in the City, which are currently held at the Humane Society.
- Animal Services has been directed to examine the establishment of a spay and neuter program for cats within the City of Winnipeg.
- Animal Services does not currently have the facility, resources or staffing requirements needed to house trapped cats or provide a spaying and neutering program.
- If the Standing Policy Committee on Protection and Community Services determines that the issue of cat over-population needs to be addressed by the City of Winnipeg then any additional facility requirements, service delivery options or staffing expertise required to do so, would impact the Agency's operating budget and ultimately its bottom line. Any increases in funding would require an increase in the operating grant from the City of Winnipeg to the Animal Services Agency.

- Any increases in funding for renovations, equipment/supplies and additional staff would need to be set out in Animal Services' annual business plan. The Agency would also have to reflect any changes in its operating charter and amend the necessary by-laws.
- Should the City determine that it needs to address the cat over-population issue, Appendix A outlines four potential options and issues, including estimated costs.
- Option 4 has the least impact to Animal Services operations.

Implications of the Recommendation(s):

General implications:

X None
For the organization overall &/or for other departments
For the community and/or organizations external to the City
Involves a multi-year contract
Comment(s):

Policy implications:

X No
Yes:

Environmental implications:

X No
Yes Comment(s):

Human Resources implications:

X No
Yes Comment(s):

Financial implications:

X Within approved current and/or capital budget
Current and/or capital budget adjustment required
Comment(s): There are four different options discussed in this report. The financial implications of the options range from $100,000 to $300,000 [see Appendix A] and thus vary depending on the option chosen. Financial implication details can be provided only after the course of action has been decided.

REASON FOR THE REPORT:

On April 5, 2004, the Winnipeg Humane Society made a presentation to the Standing Policy Committee on Protection and Community Services tabling their proposal entitled *Animal Services - A shared Responsibility*. The Winnipeg Humane Society stated that the current compensation it receives from the City to provide its services is inadequate and further, it wants the City to take a more active role in the management of the cat over-population problem in the City of Winnipeg. The three main recommendations of their proposal were:

1. To increase the current services agreement funding from $125,000/yr to $300,000/yr.
2. To have the Animal Services Agency impound all trapped cats in the City of Winnipeg (576 in 2003).
3. To put in place a cat licensing program.

On April 5, 2004 the Standing Policy Committee on Protection and Community Services referred the financial/operating proposal from the Winnipeg Humane Society to the administration for review and to report back on May 3, 2004.

At the May 3, 2004 meeting, the Standing Policy Committee on Protection and Community Services referred the matter to the Chief Administrative Officer for a report back taking into consideration the following:

- Establishment of a spaying and neutering program for cats within the City of Winnipeg.
- Addressing the issue of euthanization of cats within the City of Winnipeg.
- The concept of the City of Winnipeg entering into a partnership with the Winnipeg Humane Society to address the issue of euthanization of cats within the City of Winnipeg.

DISCUSSION:

In their proposal entitled *Animal Services - A Shared Responsibility*, the Winnipeg Humane Society outlined two main issues of concern. One, that the current compensation it receives from the City to provide its services is inadequate and second, it wants the City to take a more active role in the management of the cat over-population problem in the City of Winnipeg.

Service Agreement

The City of Winnipeg has a service agreement with the Winnipeg Humane Society, administered through Animal Services, to impound and dispose of cats trapped pursuant to the Pound By-law and to provide other animal related services that fall outside the mandate of Animal Services or the scope of the Pound By-law. Some of these services include dealing with owner relinquished pets, injured pets, cruelty investigations, and animal rescues.

Under the terms of the service agreement, the City of Winnipeg pays the Winnipeg Humane Society $125,000/yr for the service. The Winnipeg Humane Society is asking that the compensation it receives be increased to $300,000 annually. The current contract expired on December 31, 2003, however Animal Services has continued to pay $125,000/year in 2004/05 pending the outcome of current discussions.

Increasing the funding will offset some of the Winnipeg Humane Society's rising costs but unless the funding is targeted directly at a sterilization program for cats, the increase will have limited impact on the unwanted cat population. Animal Services accounts for the service agreement cost in its annual business plan. The proposed increase in funding is not included in the Agency's current business plan.

Issues:

- The additional amount of $175,000 per year ($300,000 in total/yr) represents a significant funding request
- The Agency's current budget cannot support this increase
- There is limited opportunity for cost recovery
- The Winnipeg Humane Society's current facility is overloaded
- The option will not address the unwanted cat population concerns

Cat Over-Population

In responding to the direction from the Standing Policy Committee, Animal Services has held discussions with the Winnipeg Humane Society and representatives of the local veterinarian community to examine different options for addressing the cat population. The general consensus among the parties involved in the discussions is that what ever option is taken it must address the core issue of the large number of unwanted cats handled annually by the Winnipeg Humane Society, most of which are feral.

The cat population in Winnipeg is estimated to be over 100,000. With its current facility and resources the Winnipeg Humane Society is having difficulties dealing with the large number of impounded and unclaimed cats. Table 1 below lists the total number of cats handled by the Winnipeg Humane Society in 2003 and 2004.

Table 1: Total Cats Handled

Total Cats Handled	
2003	6,004
2004**	5,425

** 2004 figures are approximates – some cats are still in foster care or remain in shelter

Animal Services does not impound cats nor does it control cat ownership issues other than what is set out in the Pound By-law. Below is a list of the main regulatory provisions governing ownership of cats found in the Pound By-law:

- Cat owners are not allowed to let their cats to run at large off their property.
- Cats must be identifiable either by nametag, tattoo or microchip.
- Cats in Winnipeg over the age of six months must be sterilized or the owner must purchase an annual permit allowing them to own an un-sterilized cat ($50.00/yr).
- Homeowners can trap unwanted stray cats or cats at large from their properties with a trap acquired from Animal Services ($50.00 refundable deposit).
- Cats trapped pursuant to the By-law are impounded at the Winnipeg Humane Society (130 cats in 2003).
- The Winnipeg Humane Society will hold impounded cats for 4 days to allow owners the opportunity to claim them.
- If suitable, unclaimed cats can be placed in the Winnipeg Humane Society's adoption program. If unsuitable, they are euthanized.

- Unsterilized trapped cats are not to be released to their owners until they are sterilized or the owner purchases the proper permit.

The Winnipeg Humane Society is recommending that Animal Services assume the housing of all cats that are trapped pursuant to the by-law (approximately 135 per year), plus all other trapped cats from other sources presently handled by the Humane Society (approximately 350-400 per year). They are also recommending that the City put in place a licensing program for cats. The Standing Policy Committee on Protection and Community Services asked that consideration also be given to the establishment of a spaying and neutering program for cats within the City of Winnipeg.

Animal Services' facility is not equipped to house cats, nor does it have the funding or resources to provide any other services outside of its core mandate and the financial direction in its annual business plan.

The four options that were reviewed for dealing with the issue of excessive population of unwanted cats and the burden this issue is placing on the Humane Society are:

1. House all trapped cats with Animal Services
2. Implement cat licensing program
3. Establish a spay and neuter program
4. Provide additional funding to the Winnipeg Humane Society

A review of these options is identified below. A summary of the options and estimated costs is shown in Appendix 'A'.

Option #1 House all trapped cats with Animal Services

The Winnipeg Humane Society proposes that Animal Services impound all trapped cats handled by them including the cats trapped pursuant to the Pound By-law, at the Animal Services facility. The housing of trapped cats by Animal Services can either be provided at the Animal Services facility or by providing for the housing at an alternate agency for a fee for service. Table 2 below lists the disposition of trapped cats handled by the Winnipeg Humane Society.

Table 2: Disposition of Trapped Cats

Year	Trapped Cats (By-law)	Disposition of Cats Trapped (By-law)			Trapped Cats (Other)	Total Trapped Cats
		Return to Owner	Adoption	Euthanasia		
2003	130	34	11	85	446	576
2004	133	21	28	84	422	555

** 2004 figures are approximates – some cats are still in foster care or remain in shelter

In 2003, approximately 65% of the cats trapped and housed by the Winnipeg Humane Society, pursuant to the By-law, were euthanized (63% in 2004). Through discussions with the Winnipeg Humane Society, it was determined that the majority of trapped cats are considered feral and unsuitable for placement in adoption programs. This large percentage of feral cats would significantly increase the costs associated with euthanasia with no possibility of cost recovery. To house trapped cats with Animal Services at its facility would require renovation to existing space to enable the adequate and healthy impoundment of cats. Additional staff resources would be required to provide ongoing care for all impounded cats plus an adoption program for suitable unclaimed cats. There would be a significant increase in euthanasia costs based on the historically high ratio of feral cats versus non-feral cats being trapped as experienced at the Humane Society. Operating and capital costs are estimated to be approximately $150,000-$200,000 per year. Cost recovery from cats being returned to their owners and/or adoption is anticipated to be low due to the feral/non-feral ratio of cats trapped.

The Animal Services facility is not equipped to house cats and the Agency does not have the resources or funding to provide this service and associated programs, such as adoption, euthanasia along with the increase in associated administrative functions. The existing facility would require significant renovations and additional staffing resources to provide care for the housed cats. Establishing housing capabilities at Animal Services would create another holding warehouse for cats. It would have limited impact on the unwanted cat population and may have a reverse effect by creating more space for unwanted cats.

Finding an alternative agency to house all trapped cats presently handled by the Humane Society may be difficult. Most other independent shelters are also suffering from overcrowding. This option would require negotiation of a separate service agreement complete with a fee for service. Animal Services does not have the funding in place for this option.

Issues:

- The Animal Services facility is not equipped to house cats
- Significant renovation costs would have to be incurred
- No resources or funds are in place for this program
- There would be a significant increase in the Agency's euthanasia cost
- There is limited opportunity for cost recovery
- The option does not directly address problem of too many unwanted cats
- It is not part of Agency's mandate or business plan

Option #2 Implement cat licensing program

For Animal Services to establish a licensing program for cats, it would require the development of a duplicate system and process similar to the current dog-licensing program. This would require additional enforcement and administrative staff plus resources. The estimated funding needed would be approximately $230,000 - $300,000 per year. However, enforcement of a cat-licensing program would be more difficult than a dog-licensing program due to the nature of the animal. Cat licensing is seen by dog owners as a fair and overdue extension of the licensing requirements faced by dog owners while cat owners have expressed strong opposition to cat licensing.

In 2004, Animal Services conducted a survey of 299 municipalities and Humane Societies across Canada. Of the 299 surveys sent, 129 responses were received. Of the surveys received, 35 stated that there was a cat-licensing program in their municipality. One common similarity among municipalities that licensed cats was that there was little growth in license sales.

The City of Edmonton brought in cat licensing complete with a fine structure similar to dog licensing ($250.00 for no license). Of all the municipalities that responded, the City of Edmonton had the highest number of cats licensed. In the first year of licensing, 33,000 cat licenses were sold. In the second year, the number of cat licenses sold remained the same. The significant point in the City of Edmonton model is that although there were a high number of cats licensed, approximately 94% of the cats licensed were already sterilized and that there was no growth in the following year. The observation is that cat-licensing programs by themselves do not impact on the unwanted cat population.

Issues:

- There are no resources or funding for the program
- There are significant program development costs and delivery issues
- There would be limited cost recovery through fees as the licensing program would be very unpopular with cat owners
- It would add another layer of regulation
- It would be difficult to enforce
- It does not address the problem of too many unwanted cats
- It is not part of Agency's mandate or annual business plan

- Other than a source of revenue, it is not clear what purpose would be served by a cat licensing program

Option #3 Establish a spay and neuter program

The core contributing factors in the unwanted cat population is the large number of unsterilized cats and a common attitude that cats are somewhat of a disposable pet, a pet of convenience. Cats by nature are solitary animals, appearing at times aloof. Cats survive quite well with little social interaction and generally require little maintenance. Cats can be left alone for extended periods of time and suffer little ill-effect. For people who are looking for a quiet, low maintenance and generally trouble free pet, a cat can fit that need. It is common practice for some cat owners to let their cats out for extended periods during the day and/or night and expect them to return when they are ready. It is this independent nature that gives cat owners the false perception that everything is fine with their cats. This independence leads to unwanted litters, shortened life spans, and complaints from neighbors, etc. If their cat does not return, a replacement is easily found. Cats are prolific breeders and a pair of unsterilized cats can produce hundreds of kittens in their lifetime.

Animal Services held discussions with the Winnipeg Humane Society and local veterinarians to examine the issues and come up with options. It was generally agreed in principle that a spay and neuter program would have an impact on the unwanted, tame cat population with some indirect impact on the feral cat population. That being said, without a specifically targeted program the feral cat population is unlikely to be significantly affected by a spay and neuter program and will remain at the maximum level that can be sustained by the environment (i.e. sources of food, warm places to stay in winter).

Two options were discussed:

a) Offer the spaying and neutering service through Animal Services at its facility

Issues:

- The Agency's facility not equipped or designed for this service
- Significant renovation and ongoing operating costs would be incurred
- There are no staffing resources or funding in place for this program
- May be difficult to maintain level of procedures performed annually
- It is not part of Animal Services mandate or annual business plan
- In order to significantly reduce the number of unwanted cats (including feral cats) the program would have to be massive and comprehensive

Table 3 shows a draft breakdown of costs for Animal Service providing a no cost spaying and neutering program over a ten–year period. Operating cost include salaries, building costs and consumable costs associated with providing the procedures. Capital costs for renovations and equipment are estimated to be approximately $250,000 amortized over 25 years. Total annual estimated costs are dependent on maintaining 4,800 procedures per year. Any reduction in this number will cause an increase to annual costs.

Table 3: Draft Cost Breakdown of Spay and Neuter Program

Year	# of Spay or Neuters	Operating Cost*	Capital Cost**	Total Cost
1	4,800	$199,725	$21,600	($221,325.00)
2	4,800	$205,717	$21,600	($227,317.00)
3	4,800	$211,888	$21,600	($233,488.00)
4	4,800	$218,245	$21,600	($239,845.00)
5	4,800	$224,792	$21,600	($246,392.00)
6	4,800	$231,536	$21,600	($253,136.00)
7	4,800	$238,482	$21,600	($260,082.00)
8	4,800	$245,637	$21,600	($267,237.00)
9	4,800	$253,006	$21,600	($274,606.00)
10	4,800	$260,596	$21,600	($282,196.00)

* 3% cost of living increases added each year
** $250,000 amortized over 25 years

b) Offer the spaying and neutering at veterinarian clinics for a fee charged to Animal Services

Issues:

- Not all clinics are willing to provide the service
- The clinic locations could be inconvenient for users
- There would be a service cost to City
- The Agency would have to provide administrative support for the program
- There are no staffing resources or funding in place for this program
- It is not part of Animal Services mandate or annual business plan
- In order to significantly reduce the number of unwanted cats (including feral cats) the program would have to be massive and comprehensive

If the spay and neuter program is offered through the local veterinarian clinics, any fee for service agreement should contain a funding cap. Although this would limit the number of procedures done per year, it would establish a set funding amount. In initial conversation with the veterinarians a fee of approximately $55.00 per procedure was suggested. At this rate costs for providing this program through the veterinarians would be approximately $100,000 for every 1800 procedures. There would be additional cost to Animal Services for administration of this program.

The Winnipeg Humane Society presently provides spaying and neutering services for all cats and dogs, which are adopted from them, and all dogs that are adopted from Animal Services, for a fee. The Winnipeg Humane Society also provides a subsidized program for pet owners in financial need. Their current facility and resources have limited capability of expanding this service.

For this program to work, it must be available to all cat owners regardless of their financial situations. By making the program available to everyone, it will have the greatest impact on the cat issues facing the Winnipeg Humane Society and the City of Winnipeg.

Animal Services, however, does not currently have the facility, resources or staffing needed to provide a spaying and neutering program in either format. If either format of this option were to be considered, the full cost of this program would be detailed in the Agency's annual business plan. There could be an option for limited cost recovery through establishing a low cost fee for the sterilization procedure.

Option #4 Provide Additional Funding to the Winnipeg Humane Society for a Cat Spay and Neuter Program

The annual funding could be increased over the base service agreement funding for the Humane Society to apply directly to a spay and neuter program for cats. The Humane Society is requesting that their base service agreement funding be increased to $300,000 from $125,000 to offset rising costs associated with providing the existing level of services. Consideration could be given to include a flat rate funding for spay and neuter over and above any base service funding. This would allow the Humane Society to administer the program through a service provider of their choice.

The cost for providing a spay and neuter program through the Humane Society is estimated to be the same as Animal Services administering the program through the veterinarian clinics ($100,000 per 1,800 procedures). Animal Services does not have the funding in their current budget for this program.

Issues:

- Limited cost recovery
- No operational impact on Animal Services

Conclusion

In the matter of the general service agreement with the Winnipeg Humane Society, consideration should be given to increasing the funding paid to the Winnipeg Humane Society to $300,000 from $125,000. The number of animals handled annually by the Humane Society is increasing and the majority of the services they provide are outside the mandate of Animal Services. If the base funding is increased it should be with the stipulation that the Humane Society continue to impound all trapped cats.

On the issue of cat overpopulation and the burden it is placing on the Winnipeg Humane Society, a review of the proposed options 2 and 3 show that these could significantly impact Animal Services as it does not have sufficient resources or funding to assume an active role in this matter. Option 4 would have the least impact on Animal Services.

Any additional facility requirements, service delivery options or staffing expertise would impact the Agency's operating budget and ultimately its bottom line. Any increases in funding would require an increase in the operating grant from the City of Winnipeg to the Animal Services Agency.

Financial Impact Statement

Date: April 25, 2005

Project Name:

First Year of Program 2005

The Winnipeg Humane Society Financial/Operating Proposal Concerning Cat Over-Population

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There are four different options discussed in this report. The financial implications of the options range from $100,000 to $300,000 and thus vary depending on the option chosen. Financial implication details can be provided only after the course of action has been decided.

"Original signed by"
Cindy Fernandes, B. Comm (Hon), CMA
Acting Manager of Finance & Administrative Services

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCY BY:

- Winnipeg Humane Society
- Representatives of the veterinarian community
- Legal Services Department
- Alternative Service Delivery Development Officer

THIS REPORT SUBMITTED BY:

Prepared by: Tim Dack, Chief Operating Officer, Animal Services Agency
File No.

Appendix A: Summary of Options and Issues Including Estimated Costs

Option 1: House Trapped Cats with Animal Services - $150,000-$200,000 per year
Issues:
- Animal Services facility is not equipped to house cats
- Significant renovation costs would have to be incurred
- No resources or funds are in place for this program
- There would be a significant increase in the Agency's euthanasia cost
- There is limited opportunity for cost recovery
- The option does not directly address problem of too many unwanted cats
- It is not part of Agency's mandate or business plan

Option 2: Implement Cat Licensing Program - $230,000 - $300,000 per year
Issues:
- There are no resources or funding for the program
- There are significant program development costs and delivery issues
- There could be limited cost recovery through fees as the licensing program would be very unpopular with cat owners
- It would add another layer of regulation
- It would be difficult to enforce
- It does not address the problem of too many unwanted cats
- It is not part of Agency's mandate or annual business plan

Option 3: Establish Spay and Neuter Program

a) Offer the spaying and neutering service through Animal Services at its facility - **$220,000 - $290,000 per year**
   Issues:
   - The Agency's facility not equipped or designed for this service
   - Significant renovation and ongoing operating costs would be incurred
   - There are no staffing resources or funding in place for this program
   - May be difficult to maintain level of procedures performed annually
   - It is not part of Animal Services mandate or annual business plan
   - In order to significantly reduce the number of unwanted cats (including feral cats) the program would have to be massive and comprehensive

b) Offer the spaying and neutering at veterinarian clinics for a fee charged to Animal Services - **$100,000 per 1,800 procedures per year plus administration costs**
   Issues:
   - Not all clinics are willing to provide the service
   - The clinic locations could be inconvenient for users
   - There would be a service cost to Animal Services
   - The Agency would have to provide administrative support for the program
   - There are no staffing resources or funding in place for this program

- It is not part of Animal Services mandate or annual business plan
- In order to significantly reduce the number of unwanted cats (including feral cats) the program would have to be massive and comprehensive

Option 4: Provide Additional Funding to the Humane Society - $100,000 per 1,800 procedures per year

Issues:

- Limited cost recovery
- No operational impact on Animal Services