CITY OF PALO ALTO OFFICE OF THE CITY AUDITOR

June 8, 2015

The Honorable City Council
Palo Alto, California

Finance Committee Recommendation to Accept the Police Department: Palo Alto Animal Services Audit

The Office of the City Auditor recommends acceptance of the Police Department: Palo Alto Animal Services Audit. At its meeting on April 22, 2015, the Finance Committee approved and unanimously recommended that the City Council accept the report. The Finance Committee minutes are included in this packet.

Respectfully submitted,

Harriet Richardson

Harriet Richardson
City Auditor

ATTACHMENTS:

- Attachment A: Police Department: Palo Alto Animal Services Audit (PDF)
- Attachment B: Weighted Palo Alto Animal Services Survey Results (PDF)
- Attachment C: Finance Committee Meeting Minutes Excerpt (April 22, 2015) (PDF)

Department Head: Harriet Richardson, City Auditor

CITY OF PALO ALTO OFFICE OF THE CITY AUDITOR

April 22, 2015

The Honorable City Council
Attention: Finance Committee
Palo Alto, California

Police Department: Palo Alto Animal Services Audit

In accordance with the Fiscal Year 2015 Annual Audit Work Plan, the Office of the City Auditor has completed the Police Department: Palo Alto Animal Services Audit. The audit report presents one finding with a total of eight recommendations. The Office of the City Auditor recommends that the Finance Committee review and recommend to the City Council acceptance of the Palo Alto Animal Services Audit.

We would like to thank management and staff in the Administrative Services Department; Community Services Department, including the former director; Police Department, including Animal Services; and Public Works Department for their time, cooperation, and assistance during the audit process. We also thank management and staff at the Palo Alto Humane Society, Humane Society Silicon Valley, Peninsula Humane Society & SPCA, Silicon Valley Animal Control Authority, San Francisco SPCA, and the cities of San Jose and Sunnyvale.

Respectfully submitted,

Harriet Richardson

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City Auditor

ATTACHMENTS:

- Attachment A: Police Department: Palo Alto Animal Services Audit (PDF)

Department Head: Harriet Richardson, City Auditor

Attachment A

CITY OF PALO ALTO

Police Department: Palo Alto Animal Services Audit

April 2015

Pictures courtesy of Palo Alto Animal Services

Office of the City Auditor

Harriet Richardson, City Auditor
Houman Boussina, Senior Performance Auditor
Deniz Tunc, Administrative Assistant
Lisa Wehara, Performance Auditor

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Office of the City Auditor

EXECUTIVE SUMMARY

Police Department: Palo Alto Animal Services Audit

PURPOSE OF THE AUDIT:

The objectives of this audit were to determine:

- Appropriate areas of focus for the City Council and management based on Palo Alto resident and animal shelter customer opinions regarding: a) the overall adequacy of Palo Alto Animal Services (PAAS), b) demand for local animal sheltering services, and c) resident willingness to financially support PAAS and improvements, including facilities.
- Whether there are opportunities to increase PAAS revenues and decrease expenditures.
- Whether Palo Alto effectively and efficiently planned and executed upgrades to the PAAS facility in order to meet sheltering goals and objectives.
- The appropriateness of PAAS' organizational structure.

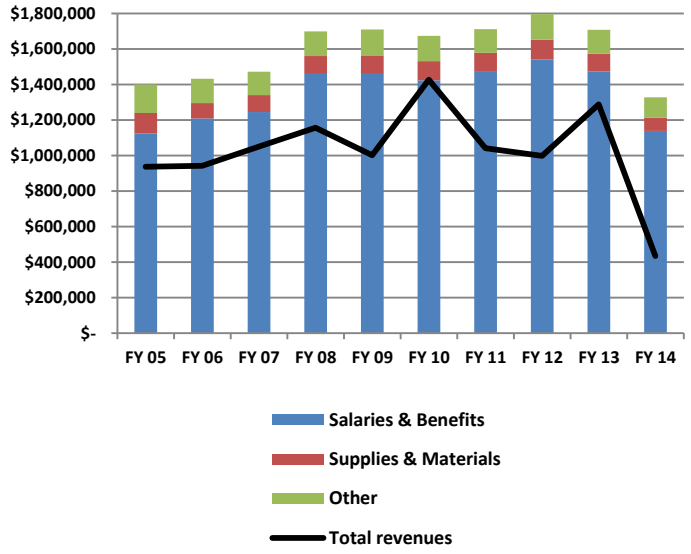
SUMMARY OF RESULTS:

Palo Alto Animal Services (PAAS) faces challenges that are unlikely to be resolved if it continues operating as solely a city-managed function without a significant increase in general fund subsidy, donations, and/or revenue-generating contracts.

Having animal services provided locally is very important to Palo Alto residents and PAAS customers, and they are very satisfied with the quality of PAAS' services. More than 80 percent of residents and PAAS customers who responded to a recent survey of animal services said it was "essential" or "very important" for PAAS to provide key services such as animal control, animal cruelty investigations, pet licensing, vaccinations, spay and neuter, and the ability to look for or reclaim a lost pet and to surrender a pet or stray animal, but they do not want to travel more than 10 miles for the services. Over 97 percent of survey respondents rated spay and neuter services as "excellent" or "good," and 90 percent rated animal control, adoptions, and licensing as "excellent" or "good."

PAAS cannot become revenue neutral under its current financial model. Its primary revenue sources have been from the spay and neuter clinic and agreements with Mountain View, Los Altos, and Los Altos Hills to provide animal control services. Although Palo Alto's general fund has subsidized PAAS during each of the past ten years, the subsidy increased significantly after Palo Alto lost the agreement with Mountain View in November 2012 and the accompanying $400,000 in annual revenues. Additional general fund subsidies were required in Fiscal Year 2014 due to a temporary closure of the spay and neuter clinic that caused revenues to decline from about $190,000 annually to $47,000 after the loss of both veterinary technicians. There is a limited market for entering into agreements with other jurisdictions for animal control services, and most of that market has already been captured by other animal services agencies in the region, including Peninsula Humane Society (PHS), Silicon Valley Animal Control Authority, and San Jose Animal Care and Services. PHS, Humane Society Silicon Valley, and the San Francisco Society for the Prevention of Cruelty to Animals generate a significant amount of revenue through donations and grants, but PAAS cannot solicit donations in city facilities at this time due to city policy. Eighty-two percent of Palo Alto residents and 94 percent of residents who used the shelter in the past 12 months who responded to the animal services survey said that they support using the general fund to subsidize PAAS, and about 75 percent of the survey respondents support a public-private partnership to minimize the general fund subsidy.

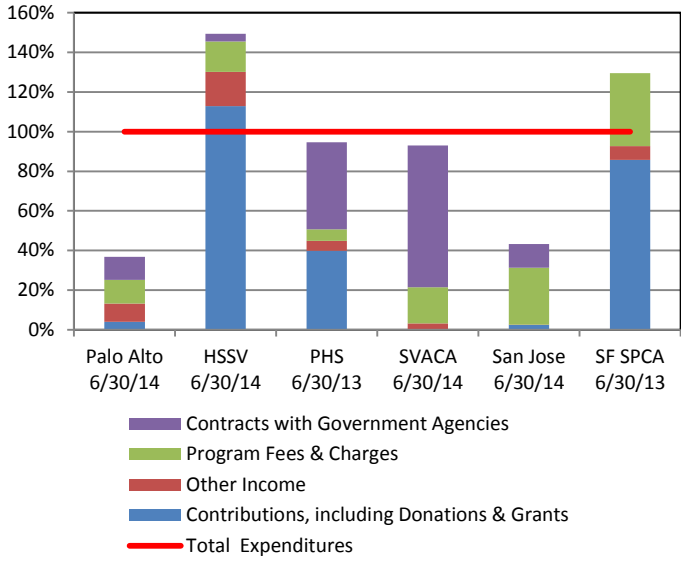
Palo Alto Animal Services Revenues and Expenditures FY 2005 to FY 2014



Notes: 1. "Other" includes indirect charges, direct charges, and contract expenses.
2. FY 2014 revenue decline is due to loss of the Mountain View contract and temporary closure of the spay and neuter clinic.

Source: City of Palo Alto Financial Records (SAP)

Comparison of Animal Services Agency Revenues as a Percent of Total Expenditures



Note: Revenues are shown as a percent of total agency expenditures in the specified fiscal year (the most recent financial information available for PHS and SF SPCA was for FY 2013). Bars exceeding 100 percent (HSSV and SF SPCA) indicate that the agency's revenues exceeded its expenditures.

Source: Financial Records Provided by Each Agency

The animal shelter, built in 1972, is outdated and does not meet modern standards for animal care, which is likely a reason that other jurisdictions have been reluctant to enter into animal services agreements with Palo Alto. The shelter design does not meet animals' physical and behavioral needs: kennels are cramped and some have sharp edges that are unsafe for the animals, there is insufficient space to separate incompatible animals, porous flooring cannot be cleaned to recognized standards, there is not a separate receiving and intake room, and some types of small animals are housed in the staff lunch room.

Since 2003, the City has spent $1.7 million on capital improvement program (CIP) projects designed mostly to refurbish, repair, rebuild, and/or relocate the outdated facility, but for a variety of reasons, have only provided critical repairs. About 83 percent of Palo Alto residents who responded to the survey "strongly" or "somewhat" support refurbishing the existing animal shelter, while 55 percent support building a new animal shelter. However, because the facility is beyond its useful life, refurbishing the shelter is not a viable option. More than 90 percent of survey respondents "strongly support" or "somewhat support" fundraising to pay for shelter improvements.

PAAS' acting superintendent's planned retirement in December 2015 creates another challenge. The position's salaries are not competitive with neighboring animal services organizations, and there is a significant gap between the superintendent's responsibilities and those of other PAAS positions, thereby limiting the ability for another PAAS employee to step into the superintendent position and be effective. External recruiting would likely be challenging due to uncertainty regarding PAAS' future. The report describes the pros and cons of various reporting structures for PAAS that could help overcome both the financial and organizational uncertainties facing PAAS.

RECOMMENDATIONS

The audit report includes eight recommendations designed to ensure the future success and financial viability of PAAS, including assigning someone to work at PAAS to guide it through the transition into the future, conducting a cost-benefit analysis of expanding PAAS hours, identifying a strategy to engage nonprofit organizations and/or other animal service organizations in discussions for operating the shelter, and assessing the feasibility of obtaining funding through fundraising, public/private partnerships, general fund subsidies, or a bond initiative to build a new animal shelter that meets modern-day standards for animal care and safety.

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FINDING:

PALO ALTO ANIMAL SERVICES (PAAS) FACES CHALLENGES THAT ARE UNLIKELY TO BE RESOLVED IF IT CONTINUES OPERATING AS SOLELY A CITY-MANAGED FUNCTION WITHOUT A SIGNIFICANT INCREASE IN GENERAL FUND SUBSIDY, DONATIONS, AND/OR REVENUE-GENERATING CONTRACTS 10

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ABBREVIATIONS

ACO	Animal Control Officer
ADA	Americans with Disabilities Act
CIP	Capital Improvement Program
CSD	Community Services Department
CY	Calendar Year
FoPAAS	Friends of the Palo Alto Animal Shelter
FTE	Full-time Equivalent
FY	Fiscal Year
HSSV	Humane Society Silicon Valley
HSUS	Humane Society of the United States
JMZ	Junior Museum and Zoo
LATP	Los Altos Treatment Plant
NACA	National Animal Care and Control Association
NCS	National Citizen Survey™
NRC	National Research Center
PAAS	Palo Alto Animal Services
PAHS	Palo Alto Humane Society
PD	Police Department
PHS	Peninsula Humane Society
SF	Square Feet
SF SPCA	San Francisco Society for the Prevention of Cruelty to Animals
SPCA	Society for the Prevention of Cruelty to Animals
SVACA	Silicon Valley Animal Control Authority

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INTRODUCTION

Objective

The objectives of this audit were to determine:

- Appropriate areas of focus for the City Council and management based on Palo Alto resident and animal shelter customer opinions regarding: a) the overall adequacy of Palo Alto Animal Services (PAAS), b) demand for local animal sheltering services, and c) resident willingness to financially support PAAS and improvements, including facilities.
- Whether there are opportunities to increase PAAS revenues and decrease expenditures.
- Whether Palo Alto effectively and efficiently planned and executed upgrades to the PAAS facility in order to meet sheltering goals and objectives.
- The appropriateness of PAAS' organizational structure.

Background

History in brief

Palo Alto Humane Society (PAHS), a private nonprofit organization, was founded in 1908 to end cruelty to animals. PAHS operated the shelter until 1972 when the City assumed management of it. The existing 5,263 square foot animal shelter was originally built in 1972, and an isolation building and euthanasia room were added in 1985. Exhibit 1 provides recent pictures of the current animal shelter facility. Appendix 1 provides a timeline of Palo Alto Animal Shelter facilities.

Exhibit 1: Palo Alto Animal Services - 3281 East Bayshore Road

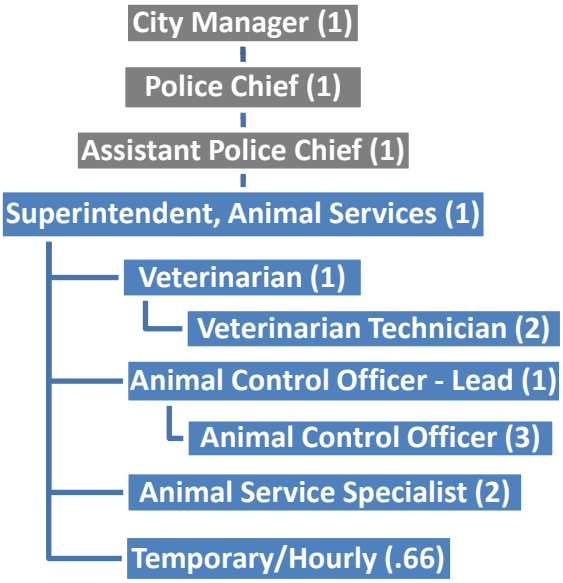
Source: Office of the City Auditor Photos

Roles and responsibilities

PAAS is a division of the Palo Alto Police Department and is led by a superintendent. It provides animal control, pet recovery and adoption services, animal care, animal health and welfare, and

regional animal services. Exhibit 2 shows the Fiscal Year (FY) 2015 organizational chart for PAAS, including the count of budgeted full-time equivalent (FTE) employees.

Exhibit 2: Organizational Chart – Palo Alto Police Department, Animal Services Division



Source: City of Palo Alto FY 2015 Operating Budget

Laws and regulations

California statutes require counties and municipalities to provide animal control services for public health protection and safety and for animal protection. The main laws are California Health and Safety Codes 121575-121710, with a particular emphasis on 121690(e), which includes the duty to maintain a pound system and a rabies control program. These laws also require a dog licensing program to monitor compliance with rabies vaccination requirements. Rabies control programs include operating the animal shelter, animal bite reporting and investigation, stray dog control, animal rabies investigations, quarantining biting dogs and cats and other animals potentially exposed to rabies, and providing rabies shot clinics. State laws also mandate policies and services related to euthanasia, dangerous and vicious dogs, abandoned animals, animal fighting, and impound and seizure.

In addition to the state mandates, Palo Alto has local laws that regulate animal ownership. From 1934 to 1972, Palo Alto's animal control program consisted of animal control officers (ACOs) who enforced Palo Alto’s Municipal Code requirements for animal care and keeping. The City opened the Animal Services Placement Center on East Bayshore Road in 1972 and began providing spay and neuter services one year later.

PAAS goals and objectives

PAAS' goals include ensuring the protection and well-being of animals and people by providing responsive animal services and spay and neuter advocacy. PAAS' objectives include:

- Providing assistance, enforcement, and guidance to the community regarding animals.
- Promoting responsible pet ownership through adoption counseling, education, and support services.

Staffing

PAAS' budgeted staffing has declined in recent years. Exhibit 3 shows the budgeted FTE staff from FY 2005 through FY 2015.

Exhibit 3: Palo Alto Animal Services' Budgeted Staff
(Shaded cells show years when staffing levels changed from earlier years)

Position	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00			
Veterinarian	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Veterinarian Technician	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Lead Animal Control Officer											1.00
Animal Control Officer	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50	4.00	3.00
Animal Services Specialist II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Animal Services Specialist I	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Volunteer Coordinator	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50		
Hourly/Temporary	0.92	0.92	0.92	0.92	0.92	1.42	1.42	1.24	1.24	0.66	0.66
TOTAL FTE	**13.42**	**13.42**	**13.42**	**13.42**	**13.42**	**13.42**	**13.42**	**13.24**	**11.24**	**10.66**	**10.66**

Note: Although budgeted, no veterinarian technicians were on staff for most of FY 2014 and only one was on staff in FY 2015. There was only a 0.5 FTE volunteer coordinator from FY 2005 through FY 2009. Hourly/temporary staff perform various duties.

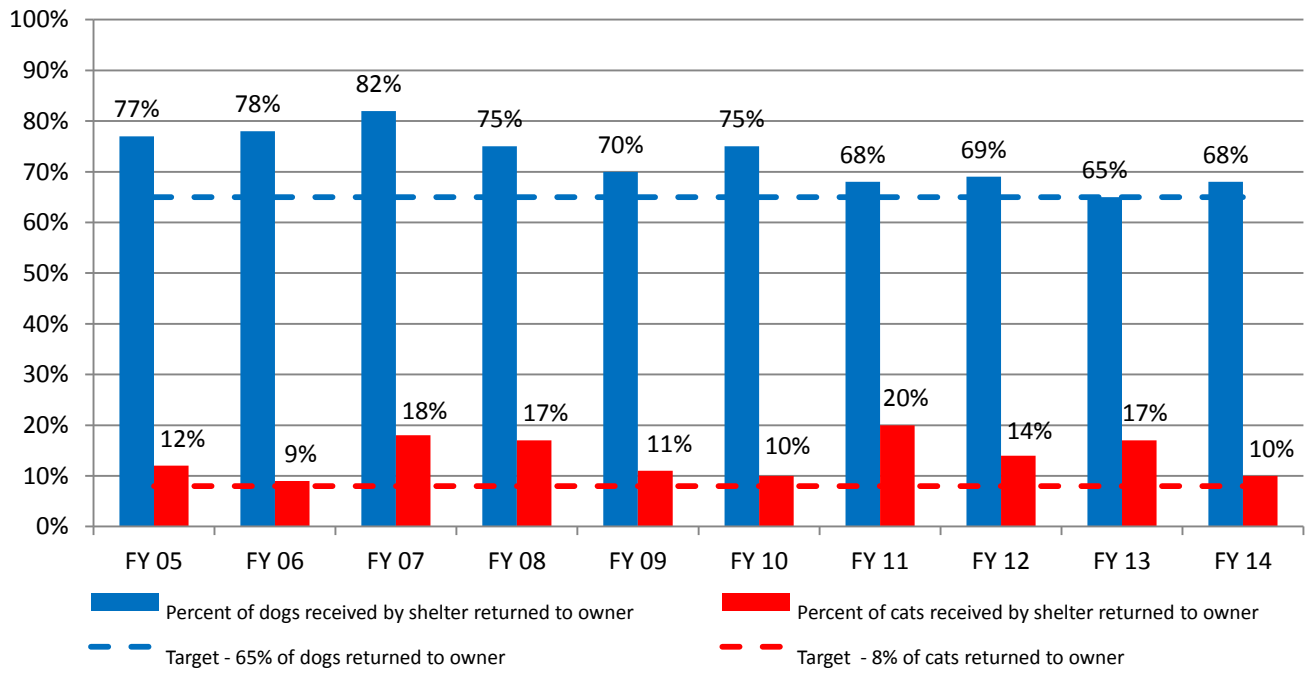
Source: City of Palo Alto FY 2005 through FY 2015 Operating Budgets

Performance measures

Palo Alto Animal Services uses performance metrics to track and report progress on achieving its goals and objectives. Exhibit 4 provides an example of a key performance measure reported by PAAS: the percent of dogs and cats that are received by the shelter and returned to their owners.[1]

[1] See the Police Department chapter of the Office of the City Auditor performance reports for other PAAS performance measures: http://www.cityofpaloalto.org/gov/depts/aud/reports/accomplishments.asp

Exhibit 4: Percent of Dogs and Cats Returned to Owner



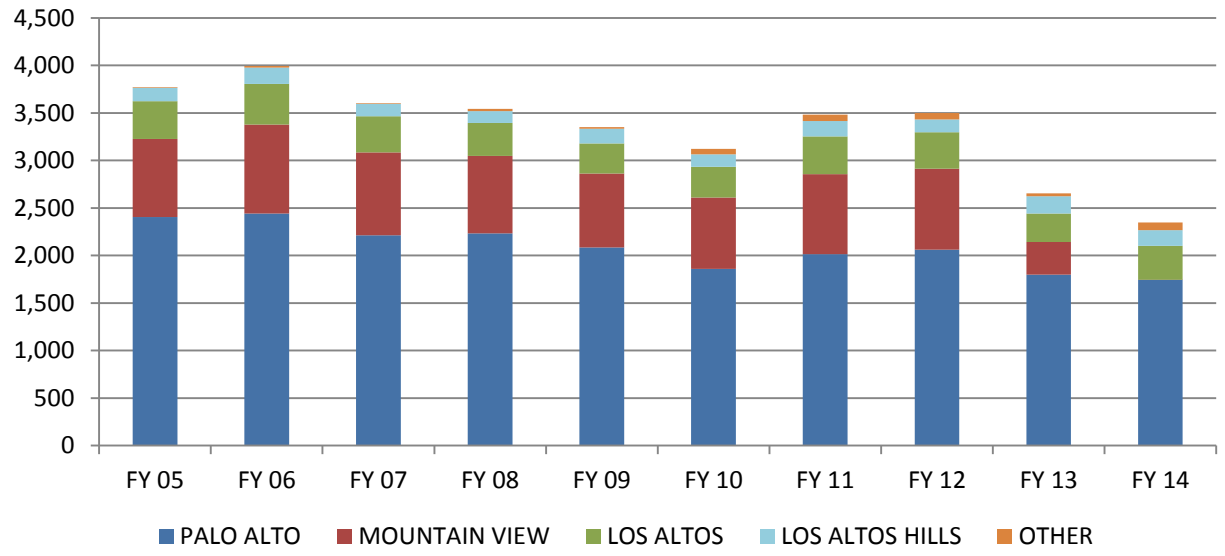
Source: Palo Alto Police Department

Contracts with other agencies

In mid-1993, as a result of Santa Clara County discontinuing animal services to municipalities, Palo Alto entered into agreements with the cities of Mountain View, Los Altos, and Los Altos Hills for regional animal control services. The agreements included emergency animal control services, sheltering, and enforcement of state and local laws, including dog licensing.

Mountain View provided notification in November 2011 of its intent to terminate its agreement with the Palo Alto and contract instead with the Silicon Valley Animal Control Authority (SVACA) beginning in late 2012. Exhibit 5 shows the number of animal service calls by jurisdiction each year, including the significant decline in calls from Mountain View residents starting in 2013.

Exhibit 5: Number of Animal Services Calls by Jurisdiction



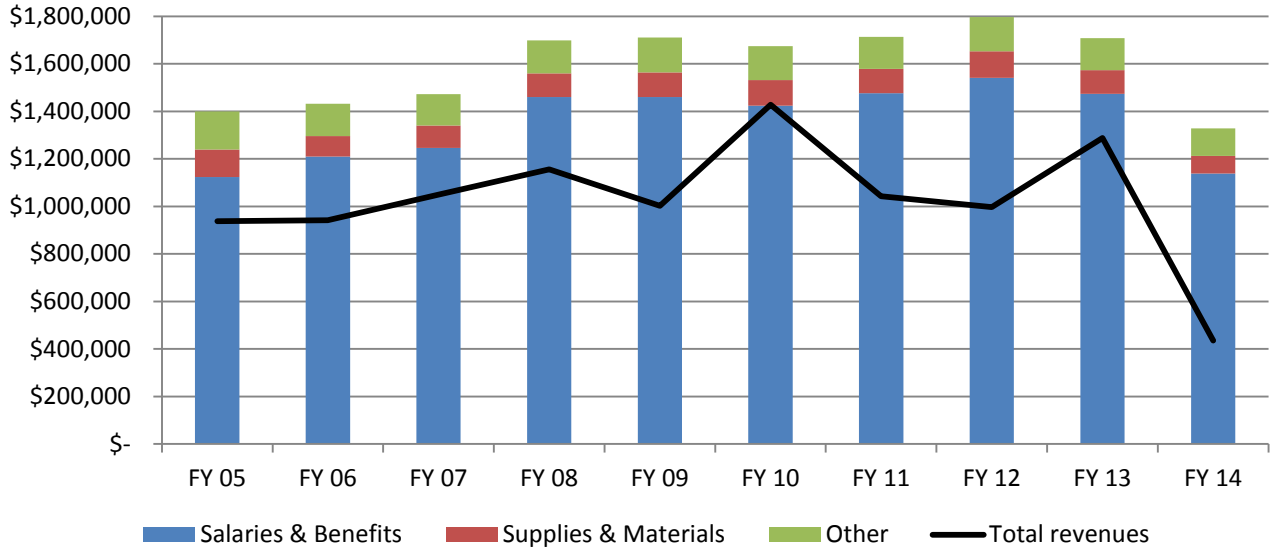
LOCATION	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14
Palo Alto	2,406	2,443	2,212	2,233	2,085	1,858	2,014	2,060	1,797	1,745
Mountain View	820	934	872	814	776	753	841	853	346	1
Los Altos	397	427	380	346	317	323	397	385	298	354
Los Altos Hills	141	171	131	126	157	130	162	132	183	167
Other	8	20	9	22	14	59	68	70	28	79
TOTAL	3,772	3,995	3,604	3,541	3,349	3,123	3,482	3,500	2,652	2,346

Source: Palo Alto Police Department

Finances

The City has taken steps to address budget deficits resulting mostly from the loss of its contract with Mountain View. Because PAAS' expenditures are mostly driven by salaries and benefits, the reductions were achieved primarily through staffing reductions. Exhibit 6 shows a significant decline in total expenditures and revenues starting in FY 2013, as well as the increasing deficit that resulted from the loss of the Mountain View contract and the temporary closure of the spay and neuter clinic due to lack of staffing. The City also reduced the volunteer coordinator position from a full FTE to a 0.5 FTE as a cost-saving measure. The audit finding discusses opportunities for increased revenues and reasons for the decline in revenues.

Exhibit 6: Palo Alto Animal Services Revenues and Expenditures - FY 2005 to FY 2014



Notes: 1. "Other" includes indirect charges, direct charges, and contract expenses.
2. FY 2014 revenue decline is due to loss of the Mountain View contract and temporary closure of the spay and neuter clinic.

Source: City of Palo Alto Financial Records (SAP)

Scope and Methodology

To accomplish our audit objectives, we:

- Assessed PAAS' revenues, expenditures, workload, and staffing levels from July 1, 2005, through December 31, 2014, including its long-term financial and staffing trends.
- Reviewed state and local laws and regulations for providing animal services.
- Toured facilities and/or interviewed staff at Palo Alto Animal Services (PAAS), the Humane Society Silicon Valley (HSSV), the Peninsula Humane Society & SPCA[2] (PHS), the Palo Alto Humane Society (PAHS), and the Silicon Valley Animal Control Authority (SVACA), and obtained information from the San Francisco SPCA and the cities of San Jose and Sunnyvale.
- Assessed whether PAAS' facilities adequately meet operational goals and objectives, including animal care and customer service and satisfaction.
- Assessed the City's efforts and expenditures to rebuild the existing animal shelter facilities.
- Compared Palo Alto staffing, financial information, and facilities with local animal shelters.

[2] The commonly used acronym "SPCA" stands for "Society for the Prevention of Cruelty to Animals."

- Interviewed management and staff at the Administrative Services, Community Services, Police, and Public Works Departments regarding PAAS' oversight, management, and facilities.

Animal Services survey

To assess resident and customer satisfaction with PAAS' services and opinions on policies relevant to the audit scope and objectives, we contracted with the National Research Center, Inc., (NRC) to conduct statistically reliable surveys of Palo Alto residents and PAAS' customers. The NRC administered the survey using methodology that was generally consistent with The National Citizen Survey™ (NCS).[3] Key differences between the methodology we used and the standard NCS methodology were:

- We developed the survey questions with input from the NRC and other stakeholders. Appendix 2 shows the survey sent to residents and customers.
- We did not weight the data to account for differences between survey respondent characteristics and population norms. As a result, the survey sample may not represent the opinions of the community as a whole.
- We used the raw survey data collected by the NRC to interpret and report on the survey results.

The NRC distributed the survey to two groups: 1) a random sample of 1,500 households in Palo Alto and 2) a random sample of 1,500 PAAS customers in 2014. The second group included 678 households within Palo Alto and 822 households outside of Palo Alto. Exhibit 7 shows the number of surveys distributed in each group, the response rate (based on the number of eligible surveys, after accounting for undeliverable surveys), and the margin of error at a 95 percent confidence level.

[3] The National Citizen Survey report is posted on the Office of the City Auditor's website at: http://www.cityofpaloalto.org/gov/depts/aud/reports/accomplishments.asp

Exhibit 7: Animal Services Survey Response Rate and Margin of Error at a 95 Percent Confidence Level

Group Name	Number Mailed	Undeliverable	Eligible	Returned	Response Rate	Margin of Error
Palo Alto Residents – Randomly selected	1,500	31	1,469	278	19%	+/- 6%
PAAS Customers – Palo Alto Residents	678	6	672	217	32%	+/- 7%
PAAS Customers – Nonresidents	822	6	816	149	18%	+/- 8%
Overall	**3,000**	**43**	**2,957**	**644**	**22%**	**+/- 4%**

Source: National Research Center

Exhibit 7 cites the margin of error for each group, but the actual margin for each question could vary significantly based on the number of actual responses to the specific question and the number of "don't know" responses, which we excluded in our presentation of the survey results. The margin of error for each sample group is based on a 95 percent confidence level, which means that for every 100 samples of the same number of people randomly selected to take the survey, the responses would be within the margin of error 95 percent of the time. Appendix 3 provides the complete survey results, including respondent demographics.

Data reliability

We assessed the reliability of selected data in the Chameleon software, which is the data management system that PAAS uses. Chameleon includes financial, clinical, animal care, and calls-for-service records. We:

- Interviewed staff and reviewed policies and procedures to gain an understanding of key data and system access. Our assessment identified concerns regarding the use of a privileged, generic user account with a shared password. We alerted staff to this concern and best practices regarding the use of appropriately restricted, uniquely identifying user accounts and the principles of "least privilege" and "segregation of duties" required to ensure the security, reliability, and availability of data.
- Verified the completeness of kenneling records by counting and comparing animals held at the shelter with Chameleon records during a walk-through at a selected point in time.
- Verified the accuracy of calls-for-service records for two randomly selected days. We identified calls-for-service records that indicated unusually low or high response or completion times. We removed these records from our analysis because the PAAS acting superintendent told us that some dates were entered in error and that there are no data cleansing steps.

Although our assessment identified some discrepancies between the City's reported financial and performance data, source documents, and Chameleon records, we feel that the data we used, with some manual corrections made for obvious errors, was sufficiently reliable to support our audit findings and conclusions.

Compliance with government auditing standards

We conducted this audit of Palo Alto Animal Services in accordance with our Fiscal Year 2015 Annual Audit Work Plan and generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We would like to thank management and staff in the Administrative Services Department; Community Services Department, including the former director; Police Department, including Animal Services; and Public Works Department for their time, cooperation, and assistance during the audit process. We also thank management and staff at the Palo Alto Humane Society, Humane Society Silicon Valley, Peninsula Humane Society & SPCA, Silicon Valley Animal Control Authority, San Francisco SPCA, and the cities of San Jose and Sunnyvale.

Finding

Palo Alto Animal Services (PAAS) faces challenges that are unlikely to be resolved if it continues operating as solely a city-managed function without a significant increase in general fund subsidy, donations, and/or revenue-generating contracts

PAAS is unlikely to recover its operating costs under its current financial and operating model, and the current staffing model is not ideal for moving PAAS toward being a first-class animal services operation. Many residents who responded to the Animal Services survey are unaware of available services and current shelter hours are not convenient for all customers, resulting in lost opportunities to serve residents and generate revenues. In addition, PAAS facilities are outdated and inadequate to meet modern animal-care standards, and the City has not successfully completed projects to refurbish and renew the shelter over the years. These factors likely contributed to a loss of a key revenue-generating contract with the City of Mountain View in November 2012. There are limited opportunities to increase revenues by entering into agreements to provide animal control services to other jurisdictions, and the City's restrictions on fundraising further limit opportunities to increase revenues. Despite these challenges, residents and PAAS customers who responded to the survey are very satisfied with the quality of PAAS' services, think it is very important to provide animal services locally, and are supportive of providing funding to pay for shelter improvements.

Several options exist for establishing an organizational structure that can move PAAS into the future, but a clear vision, adequate planning, and dedicated resources will be needed to successfully pursue those. We developed a list of both short- and long-term recommendations to help the City Manager plan for the future of PAAS.

PAAS is unlikely to recover operating costs under its current operating model

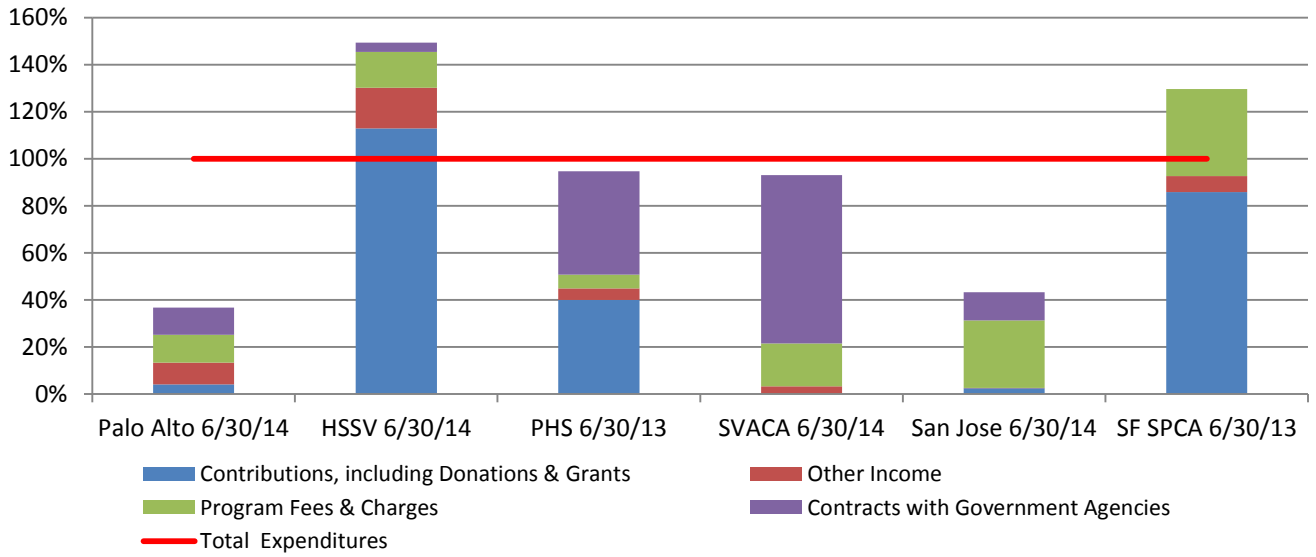
PAAS' revenues, including revenues from other jurisdictions for animal control services, spay and neuter clinic fees, vaccination fees, pet supply sales, and donations, totaled about $500,000 in FY 2014, which was only 37 percent of its total expenditures. Although PAAS' revenues were unusually low in FY 2014, revenues accounted for an average of 64 percent of total expenditures over the past 10 years, which was still not enough to cover costs.

In other animal services operations, program fees and charges alone do not cover costs

Other animal services providers do not typically cover their costs without significant revenues from donations and animal control contracts with other agencies. Exhibit 8 shows that in most animal shelter operations, donations and/or contracts for services comprise the majority of revenues. For example, the City of San Jose covers

more of its animal services costs because of greater revenue from contracts with other government agencies, and HSSV and the San Francisco (SF) SPCA generate most of their revenue from donations and grants.

Exhibit 8: Comparison of Animal Services Agency Revenues as a Percent of Total Expenditures



Note: Revenues are shown as a percent of total agency expenditures in the specified fiscal year (the most recent financial information available for PHS and SF SPCA was for FY 2013). Bars exceeding 100 percent (HSSV and SF SPCA) indicate that the agency's revenues exceeded its expenditures.

Source: Financial Records Provided by Each Agency

Palo Alto Animal Services' fees are competitive with local jurisdictions

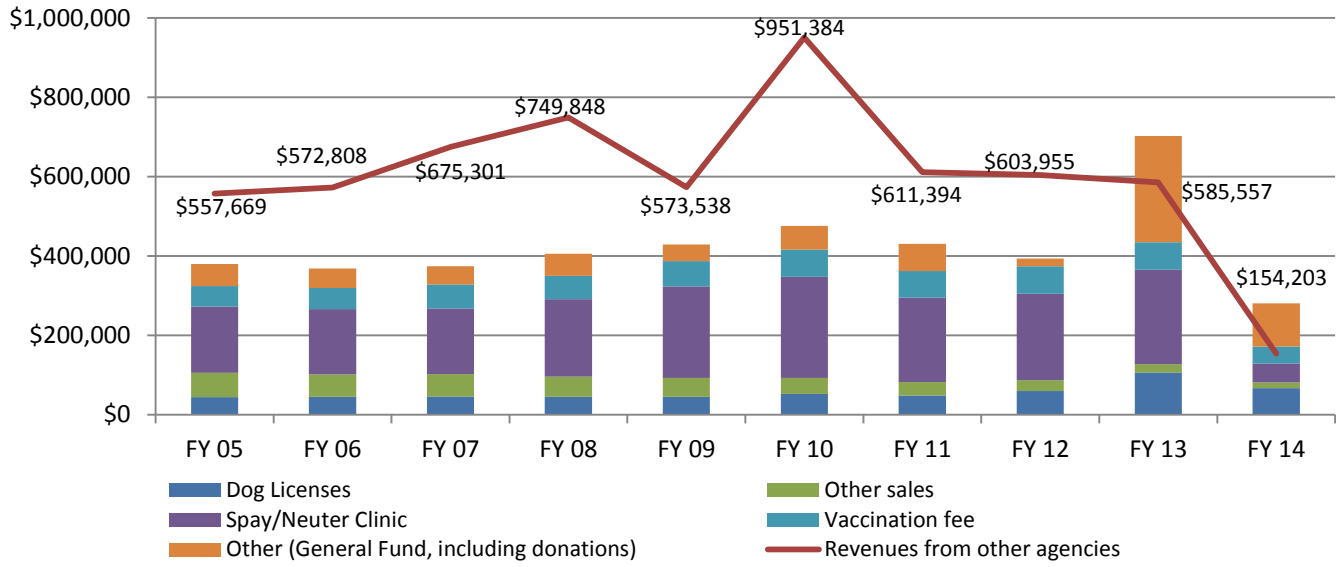
The fees charged by Palo Alto for dog and cat adoptions, spay and neuter services, and dog licenses are generally comparable to other organizations' fees, although the price that the City of San Jose charges nonresidents compared to residents for most of its services is much larger than Palo Alto's price differences. San Jose charges much less for spay and neuter services, while the SF SPCA charges much more for the same services. San Jose also charges much more for an unaltered dog license than what Palo Alto charges and does not allow unaltered dog licenses to be valid for more than 12months. PAAS' acting superintendent said that Palo Alto had raised its fees in the past, but that resulted in a decline in revenue due to a decrease in demand. Appendix 4 compares Palo Alto's fees with those charged by other animal service organizations within the region.

Contracts with other jurisdictions generate most revenues

Exhibit 9 shows that PAAS currently generates most of its revenues from contracts to provide animal control services to Los Altos and Los Altos Hills. Contract revenues averaged 58 percent of total revenues over the past 10 years. In FY 2014, following the City's loss of its contract with Mountain View, PAAS lost more than $400,000 in annual revenues. City staff reported that they made significant, but

unsuccessful, efforts to retain the Mountain View contract, including attending Mountain View's city council meetings. The loss of this contract means that contract revenues will be a much lower percentage of PAAS' total revenues in the future, unless the City is able to enter into agreements with other jurisdictions for animal control services.

Exhibit 9: Palo Alto Animal Services Revenue Details (FY 2005 – FY 2014)



Year	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14
Total	$937,775	$941,909	$1,049,922	$1,156,055	$1,002,551	$1,427,776	$1,042,097	$997,471	$1,288,259	$435,000

Note: Total revenue is calculated by adding "Revenues from other agencies" to the revenue total shown in the stacked bars. In FY 2013, "Other" included about $175,000 in donations transferred from a separate fund. The City does not include donations in PAAS' budget until the money is transferred from the fund.

Source: City of Palo Alto Financial Records (SAP)

Limited market share; limited ability to attract other jurisdictions

There are a limited number of jurisdictions in the region that can contract with PAAS for animal control services, and most of that market has already been captured by other animal services agencies in the region. The City's current share of that market is Los Altos and Los Altos Hills. City staff reported that they have engaged in conversations with at least ten other jurisdictions about providing animal control services. However, none of the jurisdictions entered into agreements with Palo Alto because the City could not save them money and/or due to the uncertainty regarding PAAS' future. Stanford, although nearby, receives free animal services from Santa Clara County and is therefore unlikely to enter into an agreement with Palo Alto. Police Department staff stated that the condition of the shelter facility may also be a deterrent to prospective jurisdictions that may want to contract for services.

In addition, the 20 cities and towns in San Mateo County contract with the County for animal control and shelter services. The County, in turn, contracts with PHS to provide the services. These cities are due to renew their contracts with the county by June 30, which may, at least for the near-term, eliminate opportunities for Palo Alto to contract with those neighboring jurisdictions. The limited ability to contract with these other jurisdictions and the potential for other agencies to spread their costs of service to a larger pool of cities is likely to continue to limit Palo Alto's ability to significantly increase its contract revenues in the near future. This means that Palo Alto will need to find other ways to pay for animal services.

Community adoption events provide an opportunity for additional revenue

Adoption revenue has averaged only about $23,000 annually over the past ten years, or about 2 percent of total revenues. PAAS does not routinely participate in community adoption events, which are a way that other shelters increase their animal adoption rates and raise revenues. Taking adoptable animals from other shelters to community adoption events provides additional opportunities for increasing revenues.

More evening and weekend shelter hours provide an opportunity for additional revenues

According to the Humane Society of the United States' (HSUS) *"Guidelines for Shelter Policies,"* shelters should be open a minimum of five days per week for claiming or adopting animals, including at least one weekend day. Shelters should be open until at least 7 pm at least one evening a week to be accessible to people working typical business hours. Exhibit 10 shows that while PAAS' hours are generally consistent with best practices, the shelter is not open at least one day a week until 7 pm.

Exhibit 10: Palo Alto Animal Services' Shelter Hours Compared to Best Practices

Palo Alto Hours	Best Practice (HSUS)
Monday – Friday, 11 am – 5:30 pm closed every other Friday	Monday – Friday open at least one evening a week until 7 pm
Saturday, 11 am – 5:30 pm	At least one weekend day

Source: City of Palo Alto Records and HSUS' *"Guidelines for Shelter Policies"*

Proven success with extended hours; PAAS would require extra staffing to extend hours

Regional animal service organizations have reported significantly more adoptions as a result of being open on weekends and/or extended weekday hours:

- The SF SPCA reported that they do as many or more adoptions on Saturday and Sunday than the rest of the week combined, and that those are critical days. It also found that staying open until 7 pm means people who work a regular job or have a significant after-work commute are more likely to be able to come in and

complete an adoption on a weekday. SF SPCA reported an increase of approximately 820 adoptions in FY 2013 as compared to 2009, when they used to close at 6 pm, with further increases as more people have become aware of the extended hours since the change was made. The change has resulted in a corresponding increase in revenue.

- The Peninsula Humane Society & SPCA (PHS) also reported that weekends are their busiest days for adoptions, and that their philosophy is to be open seven days per week, regardless of how much the public uses their services on any one day.
- Humane Society Silicon Valley (HSSV) also reported that weekends are their busiest times, with more visitors, more adoptions, and more pet store sales.

Palo Alto residents want the shelter to be open on Fridays and Sundays

The results of the Animal Services survey, summarized in Exhibit 11, show that most Palo Alto residents who responded to the survey consider it essential or very important to have the shelter open on weekday evenings, Fridays, and Sundays. Although other agencies reported success with extended hours, PAAS' current staffing levels do not support being able to extend its hours. We estimate that PAAS would require an additional two 0.5 FTE animal services specialists, at a cost of at least $85,500 per year, to extend its hours to 7 pm at least two weekday evenings and to be open every Friday and on Sundays. We also estimate that each holiday the shelter is open would cost at least $1,000 in additional staffing costs.

Exhibit 11: Animal Services Survey Results – Questions Regarding Shelter Hours

	Percent Rating "Essential" or "Very Important"	
Survey Question	**Palo Alto Residents (randomly selected)**	**Palo Alto Residents Who Used the Shelter in the Past 12 Months***
Shelter open on Fridays	61%	67%
Shelter open on Sundays	56%	56%
Shelter open on holidays	41%	34%
Shelter open on weekday evenings	51%	49%

* Combined responses for all residents (randomly selected and known users) who used Palo Alto Animal Services in the past 12 months.

Source: Animal Services Survey Conducted by the National Research Center

Additional animal care staffing needed

The City has not sufficiently staffed the shelter to ensure that minimum animal-care standards are met for both the facility and the animals. From FY 2005 through FY 2014, PAAS kenneled a high of 986 animals in FY 2006 to a low of 466 animals in FY 2014. The National Animal Care and Control Association's (NACA) guidelines conservatively estimate that animal shelters should allocate

15 minutes per day – 9 for kennel cleaning and 6 for feeding – per kenneled animal, and that one FTE should spend about 3 hours per day performing these tasks. The 3-hour time frame assumes that for safety and convenience reasons, the work should generally be completed prior to opening the shelter to the public. The FTE's remaining time should be spent performing other shelter tasks, such as laundry and dishwashing. Based on NACA's guideline, we estimate that PAAS should have had 1.9 FTE in FY 2014 to perform these direct animal-care tasks.[4] However, PAAS assigned one ACO FTE and hourly/temporary staff, a total of 1.22 FTE, to perform these tasks in FY 2014. Overall, from FY 2005 through FY 2014, PAAS may have been short-staffed by an average of 0.7 FTE for animal care.[5] In addition, the City has not budgeted PAAS for the animal attendant position, which has a job description specifically suited to this type of work, or used recognized staffing standards to determine the appropriate number and type of staff needed. Using an ACO as the primary employee performing these tasks eliminates the ACO's availability to perform animal control work during regular business hours.

The City did not seize the opportunity to provide animal licensing services to San Mateo County

The City had an opportunity in 2012 to submit a proposal to provide animal-licensing services to San Mateo County. PAAS staff estimated that adding 0.5 FTE could generate $300,000 in additional revenue during the first year, with more revenue related to citations possible in subsequent years.

The City did not to go forward with a proposal due to the uncertainty of PAAS remaining a City function at the time. The current contract for animal-licensing services in San Mateo County expires in June 2016. Depending on the policy decisions the City Council makes regarding PAAS' future, submitting a proposal in 2016 to provide animal licensing services to San Mateo County could increase net revenues.

Decline in spay and neuter clinic and vaccination revenues due to turnover

Since FY 2005, PAAS has generated about $190,000 annually in spay and neuter fees, or about 18 percent of its total revenues. In FY 2014, the clinic only generated $47,500 because it had to close due to the loss of both veterinary technicians early in the fiscal year. Staff reported that while two new veterinary technicians were hired at the end of the fiscal year, one was later terminated. The clinic has continued to operate with only one veterinary technician due to recruitment challenges and the 3- to 6-month hiring process.

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[4] We estimated the required FTE based on 4.5 hours instead of NACA's suggested 3 hours because the ACO responsible for animal care has 4.5 hours to perform these tasks prior to PAAS opening to the public.

[5] Significant seasonal variations in the number of animals may require more or less staffing.

Vaccination fee revenues were similarly affected with a 37 percent decline, from about $69,000 in FY 2012 and FY 2013 to about $43,000 in FY 2014. The number of customers has also declined since losing the Mountain View contract, from over 5,000 customers each year from 2005 through 2012, to about 4,600 in 2014.

Donations not a major revenue source for PAAS, but are for other animal shelters

The donations that PAAS receives annually are a much lower percentage of total revenue compared to some other local animal shelters. Since 2005, PAAS has received only about $470,000 in donations, or about 4 percent of its total revenues.[6] Donations are limited because PAAS does not have significant outreach efforts for fundraising due to policy and staffing constraints. City policy prohibits soliciting funds or charitable donations from members of the public or City staff within City facilities, but PAAS' website does provide a PayPal portal for those interested in donating. PAAS' acting superintendent also said that staff is not available for fundraising.

The Friends of the Palo Alto Animal Shelter (FoPAAS) is a volunteer-led nonprofit corporation, established in mid-2012 with the goal of raising money to support PAAS. FoPAAS has donated goods and services, such as artificial turf and cataract surgery for a dog, but has not provided significant monetary donations. Although efforts were made in January2013, the City has not formalized its relationship with FoPAAS with a partnership agreement.

Compared to the relatively few donations that Palo Alto Animal Services receives, other local shelters reported that donations comprise a much greater percentage of their operating revenues, as shown in Exhibit 8. For example:

- HSSV reported that in calendar year 2014, 18,372 individual donors contributed over $8 million and about 1,000 organizations donated $16 million. HSSV has a development department, led by a vice-president, with a team of fundraising professionals who have implemented several significant programs: online giving, a corporate volunteer/engagement program, and over-the-counter and major gift efforts.
- PHS reported that 24,000 donors provided $4.7 million in FY 2013, which does not include more than $24 million in donations for its new shelter. PHS has a vice-president of development and planned giving who oversees three staff. PHS has various ways for donors to contribute to the organization, including ongoing

[6] The City does not include donations in PAAS' budget until the money is transferred from a separate fund.

promotions with businesses to benefit PHS, memberships for donors who make renewable yearly gifts, and a thrift store whose proceeds directly benefit the shelter animals.

Palo Alto residents generally support subsidizing PAAS

More than 80 percent of Palo Alto residents who responded to the Animal Services survey and 94 percent of residents who used the shelter in the past 12 months thought that the City's general fund should subsidize PAAS to the extent necessary to ensure that the City manages and provides oversight of a City animal shelter in accordance with best practices. Most residents who responded to the survey prefer that donations be used for animal services and care. Exhibit 12 shows resident opinions that the City Council and management should consider when making policy decisions regarding the future of Palo Alto Animal Services.

Exhibit 12: Animal Services Survey Results – Questions Regarding Use of Funds

Survey Question	Palo Alto Residents (Randomly Selected)	Palo Alto Residents Who Used the Shelter in the Past 12 Months*
	Percent Who "Strongly" or "Somewhat" Agree	
Animal services should be 100 percent self-supporting through user fees and contracts with other jurisdictions or agencies that use Palo Alto Animal Services	46%	31%
The City should develop public-private partnerships to minimize the general fund subsidy of Animal Services	75%	74%
The City should contract out Animal Services to minimize its general fund subsidy	37%	13%
The City's general fund should subsidize Animal Services to the extent necessary to ensure that the City manages and provides oversight of a City animal shelter in accordance with best practices	82%	94%
	Percent Who Selected One Option	
If you were to make a donation to support PAAS, how would you prefer your donation be used?		
Animal services and care (e.g., vaccinations, spay/neuter, adoption)	67%	57%
Improve facilities (e.g., new kennels, exam room, equipment, etc.)	17%	18%
To support daily operations (e.g., administration, outreach, etc.)	16%	25%

* Combined responses for all residents (randomly selected and known users) who used Palo Alto Animal Services in the past 12 months.

Source: Animal Services Survey Conducted by the National Research Center

Many residents unaware of available services

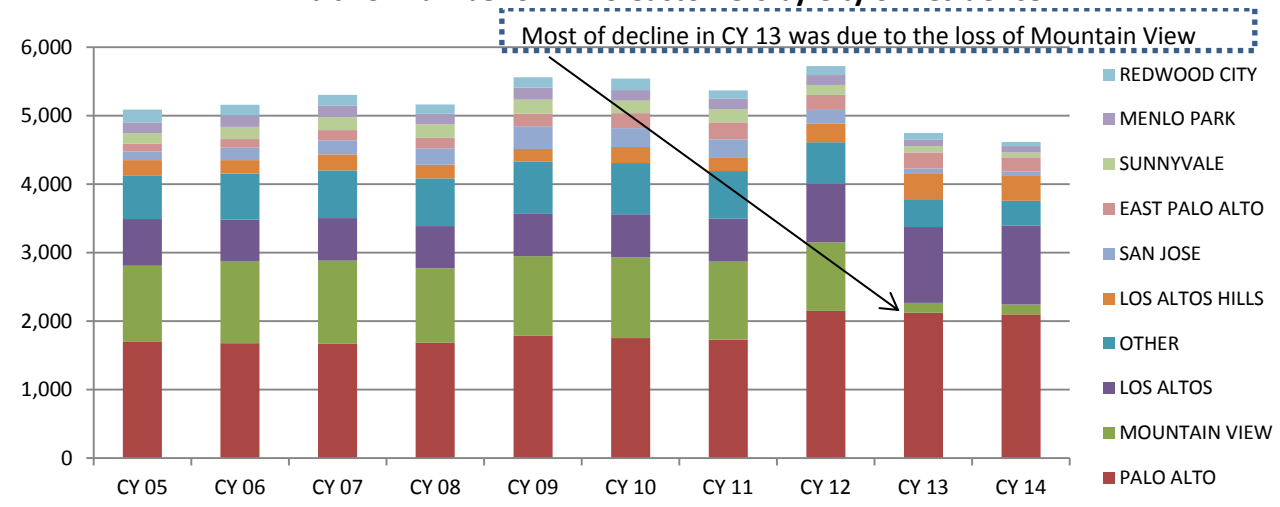
Most (55 percent) PAAS customers in calendar year 2014 were not Palo Alto residents: 37 percent were from Los Altos, Los Altos Hills, and East Palo Alto, and 18 percent were from other cities. The Animal

Services survey shows three primary reasons why Palo Alto households did not use PAAS during the past 12 months:

- 17 percent were not aware of available services
- 12 percent preferred to use a private veterinarian
- 9 percent were not aware of potential significant savings due to lower, subsidized fees

Exhibit 13 shows the origin of PAAS customers and the decline from more than 5,000 in 2005 to about 4,600 in 2014.

Exhibit 13: Number of PAAS Customers by City of Residence



Source: Chameleon Records

Opportunities exist to market services

In addition to the reasons cited above for not using PAAS as a service provider, the PAAS facility on East Bayshore Road is not centrally located and does not have good visibility from the road. The lack of knowledge of PAAS and its services provide opportunities for PAAS to market its services. PAAS' past marketing efforts have included outreach through its Facebook page and the City's website.

Residents highly satisfied with most PAAS services

Despite the general lack of knowledge of the breadth of services that PAAS has to offer, Palo Alto residents who responded in the survey that they has used PAAS in the past 12 months reported a high degree of satisfaction for most services. More than 90 percent of those respondents rated services such as animal control, spay or neuter service, vaccinations, licensing, educational opportunities, and ease of donating money or supplies as "excellent" or "good." The pet store and dead animal pick-up received slightly lower scores.

In addition, the survey responses indicate opportunities for outreach to increase community awareness of services. For example, 1.5 percent of the survey respondents who live in Palo Alto and

owned dogs and 14 percent who owned cats did not have all of their pets vaccinated against rabies, and 11 percent of the dog owners and 23 percent of the cat owners did not microchip all of their pets.

Customers willing to travel limited distances for animal services

The survey results show that residents and nonresidents are generally willing to travel no more than 10 miles to take their pets to an animal shelter or other pet organization that meets their needs. Exhibit 14 shows the distance that Palo Alto residents and PAAS customers who responded to the survey are willing to travel. If PAAS were to close, the next closest animal services facility is SVACA, which is 11 miles from PAAS. HSSV, PHS, and San Jose Animal Care and Services range from 15 to 21 miles away.

Exhibit 14: Animal Services Survey Results – Willingness to Travel for Animal Services

How far are you willing to travel to take your pet to an animal shelter or pet organization that meets your needs?	Palo Alto Residents (Randomly Selected)	Palo Alto Residents Who Used the Shelter in the Past 12 Months*	Nonresidents Who Used the Shelter in the Past 12 Months
Less than 3 miles	16%	16%	2%
3 to 5 miles	35%	37%	26%
6 to 10 miles	32%	30%	34%
11 to 20 miles	9%	8%	21%
More than 20 miles	8%	8%	16%

* Combined responses for all residents (randomly selected and known users) who used Palo Alto Animal Services in the past 12 months.

Source: Animal Services Survey Conducted by the National Research Center

Shelter is outdated and inadequate to meet modern standards of animal care

Palo Alto's shelter does not compete with other local shelter facilities that we toured in terms of being a modern and engaging facility. Exhibit 15 shows differences between PAAS and Humane Society Silicon Valley. Appendix 5 compares other areas of PAAS and HSSV.

Exhibit 15: Pictures Comparing PAAS and HSSV

PAAS Adoptable Cat/Cat Play Room	HSSV Adoptable Cat/Cat Play Room

Source: Office of the City Auditor Photos

PAAS staff identified several specific shelter deficiencies based on standards established by the Association of Shelter Veterinarians:

Animal enclosures are not safe and sanitary

- Dog kennels face each other, which can cause barking and behavioral challenges. We could not enter the enclosed area between kennels due to excessively loud barking that echoes in the area. Staff explained that gutters are hazardous because staff sometimes work with aggressive animals directly through kennel doors, which requires maneuvering around the gutter. Some kennels have sharp edges in areas that are hazardous to animals and staff.

- Flooring in some areas was not properly constructed and sealed; it is now porous, discolored, and burdensome to clean. Flooring in other animal care areas has seams and/or missing grout. One animal care and housing area has carpeting that is not cleaned as frequently or as easily as noncarpeted areas. PAAS staff reported that in 2008, a virus outbreak affected a mother cat and eight kittens, all of whom had to be euthanized. Staff attributed the incident to cleaning challenges and stated that having a receiving and intake room could have prevented the incident.

Enclosures do not meet animals' physical and behavioral needs

- Old-fashioned, cramped dog kennels are sometimes used to house dogs in isolation for long periods. Alternatives to cage-type housing are not available to dogs or other animals sheltered for long periods. Cage type kennels do not support sufficient isolation of unaltered animals that may react to each other's scents, resulting in discomfort and behavioral challenges.

- The shelter courtyard exposes incompatible animals, including predatory dogs and prey animals, to each other. Rabbits, cats, and birds are exposed to the sights and sounds of dogs.

Facility is too small to meet current needs

- Due to a lack of space, an interior, carpeted room serves as an eating area for staff and also as housing for birds, small prey animals such as hamsters and rabbits, and predatory animals such as snakes, which should be housed separately. In addition, the shelter does not have a separate receiving/intake room. These limitations present hygienic challenges for both staff and animals, although staff stated that there are no known incidents of animal to human disease transmission at the shelter.

Studies and discussions regarding PAAS' future have not resulted in solutions

Public Works Department staff stated that the current animal shelter has reached the end of its useful life and estimate that building a new shelter on the current site would cost about $4 million. However, rebuilding the current shelter at the same location would disrupt operations, and the City would need a temporary solution to address its animal control and sheltering needs and its obligations to Los Altos and Los Altos Hills during construction. Since 2003, the City has spent about $1.7 million in budgeted capital improvement program (CIP) projects that were mostly designed to refurbish, repair, expand, and plan for relocating and building a new facility to replace the outdated 1972 animal shelter. These efforts, for a variety of reasons, only resulted in critical repairs being made to address dry rot and structural issues, roof replacement, and replacement of mechanical systems that were far beyond their useful lives, rather than significant facility upgrades. Although the City has kept the shelter operational, the efforts to date have not brought it current with modern animal-care standards, and it does not fully meet the City's goals and objectives or resident expectations for animal care and control.

Exhibit 16 summarizes the CIP projects, budgets, and total expenditures from 2003 through 2014 that were associated with the City's animal shelter. The 2009 Los Altos Treatment Plant (LATP) Master Plan Study proposed that the City build a new animal shelter, at the LATP site at an estimated cost of $10.7 million for building and site work construction. The study envisioned a modern shelter with indoor spaces increased from 5,263 square feet (sf) up to about 8,000 sf, and a new 2,000-sf dog park. Due to the recession and because plans to lease the land on the current animal shelter site to a car dealership did not move forward, further consideration was not given to relocating PAAS.

Exhibit 16: Palo Alto Animal Services Capital Expenditures (2003 – 2014)	
Capital Improvement Project (CIP) Description and Outcome	**Expenditures**
Animal Shelter Expansion & Renovation (PE-04014) **Original project description:** This project will provide a 2,000 square foot expansion to the shelter to increase administrative space, cat rooms, veterinary receiving/treatment area, spay/neuter clinic, storage areas, and add a small animal room. A new separate 2,300-square foot dog kennel building will also be added. In addition, the heating, ventilation, and air conditioning (HVAC) system will be renovated or replaced, electrical service panels will be upgraded, and Americans with Disabilities Act (ADA) requirements will be met. If necessary, the structure will be seismically evaluated. **Outcome:** • Majority of expenditures (about $900,000) were in Calendar Year (CY) 08 and CY 09. • Renovation and expansion work was bid on three separate occasions. Due to the bid amounts exceeding the budget on all three occasions, a contract was not awarded, and the building was not renovated or expanded. • The work under this project addressed immediate needs to keep the facility operational until a new facility could be constructed or major renovation could be done. The project addressed dry rot and structural issues, roof replacement, and replacement of mechanical systems that were far beyond their useful lives.	**Original Budget:** $3,310,925 **Total Expenditures** $1,641,831 **Note:** These expenditures were partially offset by $269,900 in contributions from Los Altos Hills, Los Altos, Mountain View, and Sunnyvale
Los Altos Treatment Plant (LATP) Master Plan Study (PE-09004) **Original project description:** The purpose of this project was to determine which City services should be located at the former Los Altos Treatment Plant (LATP) site (see map in Appendix 6). **Outcome:** • Majority of expenditures in were CY 08 and CY 09. • Group 4 Architecture, Research + Planning, Inc. drafted a summary report in April 2009 that proposed building the new animal shelter, Utility Department storage & contractor lay-down, and permanent transfer station on the LATP site. The report noted that the existing shelter is outdated, needing electrical and mechanical improvements as well as ADA upgrades to meet current code. It also noted needs for improvements to the shelter for animal care, safety, and operational reasons. • Public Works Department staff stated that this project was originally a priority due to consideration of having a car dealership on the current shelter site, with desirable exposure to the freeway; this could have benefited the car dealership and the City in the form of additional tax revenues. Due to the recession and because plans to lease the land to the car dealership did not move forward, further consideration was not given to relocating PAAS.	**Original Budget:** $100,000* **Total Costs:** $91,901*
*Cited costs were associated with the entire study, not just the animal shelter. **Source:** Palo Alto Approved Capital Budget Documents (FY 2005 – FY 2015) and SAP financial records	

The City has not acted on Palo Alto Humane Society assessments and proposals

In October 2013, the Palo Alto Humane Society (PAHS) proposed a joint public-private partnership to provide animal services to Palo Alto and its contracted cities. PAHS proposed building a new, state-of-the-art animal services center for Palo Alto, but presented a

revised proposal in November 2014. The revised proposal no longer included operating the shelter or fundraising for the City to build a new facility. The City has not responded to these proposals.

Based on community outreach and its assessment, PAHS believes that the City's animal shelter needs to be modernized and that additional services are needed to better serve and engage the community. PAHS stated that a modernized facility would provide better and more attractive housing for adoptive animals and more willingness for the public to use it for community activities, such as summer camps and education programs that can draw customers.

Exhibit 17 summarizes terms of the recent PAHS proposal and the superseded proposal. The PAHS executive director stated that there could be additional, potential benefits and efficiencies in a partnership between PAHS and the City:

- PAHS could still provide fundraising assistance to construct a new facility or refurbish the existing facility.
- If a partnership is formed and space is provided for PAHS at the animal shelter, PAHS could provide about $25,000 annually to the City annually.
- PAHS could provide $100,000 to $150,000 to include in the City's annual budget for spay and neuter services. These are funds that PAHS already uses to support people needing spay and neuter services that PAHS mostly refers to PAAS.

Exhibit 17: Key Terms of Palo Alto Humane Society's Proposals

October 2013 Proposal (Superseded)	November 2014 Proposal
• PAHS would manage the new facility. • PAHS would raise an estimated $10-$12 million to build the new facility on existing City land. • PAHS would run the facility, with the City paying a contracted fee with set review and increase points. • The City would continue to fund and manage mandated animal control services.	• The City would continue to operate the shelter. • PAHS would partner with the City to develop and add an education/community center to the existing Palo Alto Animal Services facility and to provide various PAHS services to the community. • PAHS would offer a community program at the shelter. • PAHS would work with the City to develop a financing plan to construct an education/community center.

Source: Palo Alto Humane Society Proposals to the City of Palo Alto

Palo Alto residents support building a new shelter or refurbishing the existing shelter

Palo Alto residents who responded to the Animal Services survey "strongly" or "somewhat" support funding improvements to the animal shelter facility:

- 86 percent support refurbishing the existing animal shelter

- 56 percent support building a new shelter
- 75 percent support increasing the capacity of the current shelter
- 91 percent support fundraising events to fund improvements to the standard of animal care in Palo Alto
- 91 percent support a public/private partnership
- 79 percent support a general fund subsidy.
- 52 percent of Palo Alto residents who responded to the survey support a bond initiative.

Exhibit 18 shows resident opinions for funding improvements.

Exhibit 18: Animal Services Survey Results – Questions Regarding Funding PAAS Improvements

Survey Question	Palo Alto Residents (Randomly Selected)	Palo Alto Residents Who Used the Shelter in the Past 12 Months*
To what extent do you support or oppose each of the following options to improve the standard of animal care in the City of Palo Alto?	**Percent Who "Strongly" or "Somewhat" Agree**	
Refurbish the existing animal shelter	83%	92%
Build a new animal shelter	55%	58%
Increase the capacity of the current animal shelter	72%	82%
To what extent do you support or oppose each of the following options to fund improvements to the standard of animal care in Palo Alto?	Percent Who "Strongly" or "Somewhat" Support	
Bond initiative (paid through special property taxes imposed on City real estate owners)	46%	63%
Fundraising events	90%	97%
General fund subsidy	72%	90%
Public/private partnerships	90%	88%

* Combined responses for all residents (randomly selected and known users) who used Palo Alto Animal Services in the past 12 months.

Source: Animal Services Survey Conducted by the National Research Center

No "ideal" place in government organizational structures for animal services functions

In other municipalities, animal control and services are an intergovernmental entity; a separate department; under code enforcement, police, public health, public works, parks/recreation, finance, or administrative/general services; the city clerk's office, or the city manager's office. Exhibit 19 lists pros and cons for various possible reporting models. There are also variations to those models, and other models not listed may also be appropriate for Palo Alto.

Current staffing model not ideal for taking PAAS into the future

PAAS reports through its acting superintendent to an Assistant Police Chief (see Exhibit 2 in the background section of this report). Police Department staff said that the department considers PAAS as an

ancillary operation, and that PAAS is mostly self-managed with minimal coordination of activities and expertise with the rest of the Police Department. In addition, PAAS' management does not have a long-term vision to carry PAAS into the future. This model does not bode well for advancing PAAS to a first-class animal shelter operation.

Operating structure is important to achieving objectives

The United States Government Accountability Office's internal control standards for government[7] state that management should establish an organizational structure, assign responsibility and delegate authority to achieve the entity's objectives. Management should periodically evaluate the organizational structure so that it meets the entity's objectives and has adapted to any new objectives for the entity, such as a new law or regulation. Any decision to move Palo Alto Animal Services within the City's organizational structure needs to carefully consider the ability for PAAS to become a thriving function that provides animal services in accordance with recognized animal-care standards.

Options exist for the future of PAAS

We did not identify an "ideal" place for PAAS within the City's organizational structure but identified several possible organizational options, which all have their pros and cons. Exhibit 19 describes various options, although others may exist that could be explored. Keeping the animal control function within the Police Department while partnering with another regional organization for shelter operations offers the most potential for maintaining an animal services function within the City. Because the existing animal shelter is past its useful life and no longer able to be renovated, it is important to recognize that a significant capital investment will need to be made, regardless of whether one of the following options or another option is chosen. The feasibility of raising those capital funds will need to be considered when choosing an option.

[7] U.S. Government Accountability Office, "*Standards for Internal Control in the Federal Government*," Washington, D.C., 2014, p. 27-28, available at http://www.gao.gov/products/GAO-14-704G.

Exhibit 19: Pros and Cons of Various Reporting Structures for PAAS

Reporting Structure	Pros	Cons
Police Department (PD) (Status quo)	• Core law enforcement services align well with animal control, a key PAAS component. • Demonstrates that law enforcement is a priority. • Currently has goals and objectives aligned with PAAS.	• Core law enforcement services do not align well with animal care and adoption services; PD considers the shelter an ancillary service. • Continued gap in leadership and management of the shelter after the current superintendent retires. • Hiring staff generally takes 3 to 6 months and requires a background check, which could dissuade or reject potentially qualified candidates.
Community Services Department (CSD)	• Community-centered mission may better align with PAAS animal care and adoption services. • Potential efficiencies in consolidating animal care services with CSD. • Less burdensome hiring process may be more appropriate for most PAAS positions.	• The mission of Palo Alto Junior Museum and Zoo (JMZ) is to engage children's curiosity in science and nature; PAAS focuses on animal control, pet recovery and adoption, and regional animal services. • PAAS animal control services are better aligned with PD's core law enforcement services. • More staff may be required because ACOs currently perform shelter duties in addition to field services. • The City Council approved a motion in November 2014 for the City and the Friends of the Palo Alto JMZ to collaborate to develop agreements to build a new and enhanced JMZ facility, and to operate the new facility for up to 40 years.
Animal Control reports to PD; shelter operation reports to CSD	• May be able to benefit from strengths of each model (above).	• Accountability for meeting animal care and control objectives is split and coordination of efforts becomes complex. • Different missions (see above) do not lend themselves to a consolidated function.
Separate department reporting to City Manager	• Higher status may provide more freedom to achieve mission, goals, and objectives. • Demonstrates greater priority and visibility for PAAS. • Hiring and other key processes could be more easily customized to suit depart-mental mission, goals, and objectives.	• PAAS may not benefit from resources, support, and management experience and expertise of a larger department. • PAAS would require more administrative and management staffing as the superintendent position would become less directly involved in operations in order to effectively report to the City Manager, City Council, and the public.
Intergovernmental entity and/or public/ private partnership	• Potential efficiencies gained in sharing costs and benefitting from available resources; expertise is mutually available.	• Dividing accountability and decision making responsibilities – coordinating the efforts of each entity is more complex.
Animal Control reports to PD; shelter operation partners with a private, nonprofit, or regional animal services organization, either as a separate entity or a satellite facility	• Same as status quo option above. • Other animal services organizations have goals and objectives aligned with PAAS' shelter operations. • Ability to capitalize on known management and leadership expertise in other animal services organizations. • Ability to capitalize on others' fundraising experience. • Increased ability to draw customers through others' established education programs. • Ability to generate revenue for key services, such as spay and neuter.	• Transitioning to this model will take a significant amount of planning and follow-through to ensure success. • Sufficient resources must be allocated to the planning effort to ensure success. • Negotiations with potential partners must provide assurance that adequate funding will be available to either refurbish or construct a new animal shelter facility that can accommodate education and other community programs to draw customers to the shelter.

Sources: 1. Staff From the Police Department, Community Services Department, and Office of the City Manager
2. Aronson, Stephen, *Animal Control Management – A New Look at Public Responsibility,* Purdue University Press, Indiana, 2012, p. 25-50.
3. City of Palo Alto FY 2015 Adopted Operating Budget

Succession planning not done for key employee due to retire

Recent turnover of the animal shelter's superintendent position and the planned retirement of the acting superintendent pose a risk to the shelter in meeting its goals and objectives and maintaining effective and efficient operations. In addition to the financial considerations, it also increases the importance of examining alternate operating models for moving PAAS into the future. The previous superintendent held her position from 1996 through 2012. The supervisor has been in an acting superintendent role since then, and the supervisor position was eliminated from the budget beginning with FY 2013 (see Exhibit 3). The acting superintendent has informed the City that she plans to retire in December 2015.

PAAS does not have staff with the breadth of experience to address its immediate challenges. There is a significant gap between the superintendent's duties and responsibilities, which include providing leadership, direction, and vision to the City's animal community, and the duties and responsibilities of other positions within PAAS. In addition, the Police Department may have serious challenges in recruiting an experienced supervisor because:

- The lead position in an animal shelter may not be easy to fill due to the specialized skills and management experience necessary. A comparable local shelter operation recently used a recruiter but still experienced difficulty in filling its director position**.** That shelter reported that although the recruiter had found two seemingly qualified staff, one backed out and the other was rejected in the hiring process.
- There may be hesitation from qualified individuals to apply and commit to the superintendent position at PAAS given the publicly known challenges and uncertainty regarding PAAS' future.
- The Police Department's hiring process takes 3 to 6 months and includes a background check. This process has resulted in disqualifying candidates in the past and could dissuade potentially qualified candidates.
- The salary is not competitive with other local animal shelter leadership positions.

PAAS' superintendent position has significant responsibilities

PAAS' animal services superintendent is expected to provide services that are essential to the City as it moves forward with policy decisions regarding the future of PAAS:

- Represent the City in animal-related services and provide guidance to our regional jurisdictions

- Enforce City ordinances governing the control and disposal of animals, public health and safety, PAAS operations, and the spay and neuter clinic

The United States Government Accountability Office's internal control standards for government[8] state that management should have succession and contingency plans for key roles to help the entity continue achieving its objectives. Considering recent challenges, including loss of the Mountain View contract, an inability to establish new contracts that could save other jurisdictions money, uncertainty about the future of the shelter, and concerns about the facility, the City should have begun an executive level recruitment process as soon as the acting superintendent provided notice of her intent to retire.

Salaries not competitive

Palo Alto conducts salary surveys by comparing and adjusting salaries with other governmental agencies. The City completed a salary study in 2014, but the comparisons did not include nongovernmental agencies that may also be competition when recruiting for a key position such as the superintendent. Setting salaries based on the local government market only does not necessarily consider the unique challenges that a position might face that would justify a higher salary range. For example, depending on policy decisions made regarding the future of the Palo Alto Animal Services, the superintendent could need to become involved in significant fundraising activities, as well as be part of planning the construction of a new facility, which are both significant undertakings not currently required by the position. For comparison, executive staff at SVACA, HSSV, and PHS have had to raise funds and successfully manage building new shelters, which is something that requires skills beyond what has been required of the PAAS' superintendent position. Exhibit 20 shows the salaries of leadership positions in local nonprofit animal shelter agencies, as well as for the City of San Jose and SVACA, which run operations that are similar to PAAS but serve much larger populations.

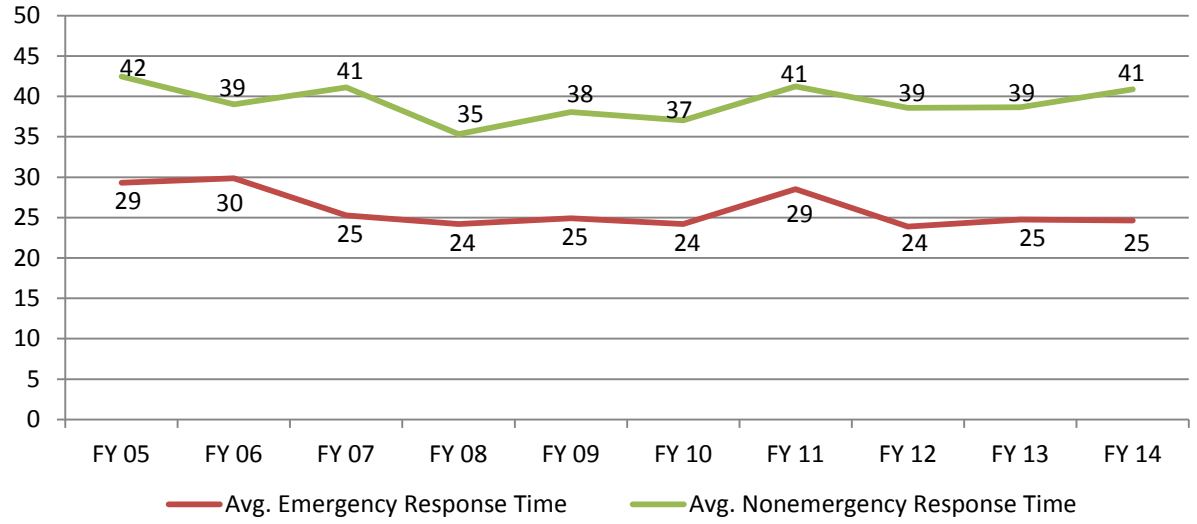
[8] Ibid., p. 31.

Exhibit 20: Comparison of Animal Shelter Leadership Salaries				
Agency	**Title**	**Salary**	**Benefits**	**Total Salaries & Benefits**
Palo Alto	Superintendent	$80,000 - $120,000	$45,000 - $69,000	$125,000 - $188,000
HSSV	President	$203,000	$10,000	$213,000
PHS	President	$330,000	$47,000	$377,000
SVACA	Executive Director	$160,000	$31,000	$191,000
San Jose	Supervisor	$71,000 - $86,000	$47,000 - $57,000	$118,000 - $143,000
Source: City of Palo Alto Records, Information From Each Agency, and www.charitynavigator.org				

Palo Alto Animal Services response times to calls for service are competitive

PAAS' records show that the ACOs handled 2,345 calls for service in FY 2014. Exhibit 21 shows that their average response time in FY 2014 was 25 minutes for emergency calls and 41 minutes for nonemergency calls. *"Municipal Benchmarks – Assessing Local Performance and Establishing Community Standards,"*[9] says that response times and response time targets of several cities suggest that an average emergency response time of 20 minutes or less is achievable by many agencies. Although precise benchmarking is difficult due to factors such as traffic, Palo Alto's response time for emergency calls is close to the suggested benchmark.

Exhibit 21: Animal Control Call Response Times, in Minutes - FY 2005 Through FY 2014



Source: PAAS Chameleon Software

Nearby jurisdictions have lower expectations for response times

Some nearby jurisdictions have lower expectations regarding their response times for both emergency and nonemergency calls for service:

[9] Ammons, David N., *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*, Routledge, New York, 2012, p. 24.

- The City of San Jose's Animal Care Center, which serves San Jose, Cupertino, Los Gatos, Milpitas, and Saratoga, has a target time to respond to emergency animal calls, such as dangerous situations or critically injured or sick animals, within one hour.
- PHS' contract with San Mateo County says that PHS will always respond to emergency (Priority 1) calls within one hour, to nonemergency (Priority 2) calls within 12 hours, and to other (Priority 3) calls within 24 hours.

Residents and PAAS users continue to rate animal control services highly

The ACOs' level of service is reflected in resident satisfaction rates. In the most recent National Citizen Survey™, 80 percent of Palo Alto residents rated animal control services as "excellent" or "good," which is higher than resident ratings of "excellent" or "good" for other local jurisdictions that participated in the survey:

- San Jose - 49 percent
- Sunnyvale - 78 percent
- Walnut Creek - 77 percent
- Livermore - 71 percent

In the Animal Services survey conducted during this audit, all three surveyed groups rated animal control services very highly and generally considered animal control services as "essential" or "very important," as shown in Exhibit 22.

Exhibit 22: Animal Services Survey Results – Questions Regarding Animal Control

Survey Question	Palo Alto Residents (Randomly Selected)	Palo Alto Residents Who Used the Shelter in the Past 12 Months*	Nonresidents Who Used the Shelter in the Past 12 Months
	Percent Rating Services as "Excellent" or "Good"		
Animal Control (e.g., called about vicious, attacking, or injured dog or cat, animal bite, barking dog)	98%	94%	89%
Dead animal pick-up	95%	95%	88%
	Percent Rating Services "Essential" or "Very important"		
Animal Control	90%	97%	95%
Animal cruelty investigations	90%	91%	96%
Dead animal pick-up	86%	89%	87%

* Combined responses for all residents (randomly selected and known users) who used Palo Alto Animal Services in the past 12 months.

Source: Animal Services Survey Conducted by the National Research Center

Recommendations

We recommend that the City Manager:

1. Recommend to the City Council that it make a policy decision for management to explore options, and based on the results, develop a recommendation for the best approach for retaining Palo Alto Animal Services as a regional animal shelter facility.

2. Identify and assign someone with management skills to immediately begin working at Palo Alto Animal Services to learn the management side of the shelter operations and carry PAAS through its transition into the future after the acting superintendent retires. This can be either a current or new City employee, but should be a person with an understanding of the challenges currently facing PAAS. The person selected should be retained in the position until a clear direction is developed regarding the future of PAAS and the skills and experience needed for a director or superintendent position are known and recruitment can take place, if appropriate. As part of this process, determine whether to temporarily move animal services to a function under the Office of the City Manager until a permanent decision is made regarding the long-term direction for providing animal services.

3. Conduct a staffing analysis to determine an appropriate staffing level to continue performing shelter operations during the transition period without the assistance of the ACOs. Include an analysis of potential expanded hours, including variations of extended weekday, weekend, and holiday hours and the potential increase in revenues as a result of expanded hours. Seek budget funding from the City Council to hire the appropriate staff based on the analysis and recruit for the necessary positions.

After implementing Recommendations 1 to 3:

4. Engage in discussions with nonprofit organizations and/or other animal shelters for strategies to operate Palo Alto Animal Services or provide specific services that would enhance current animal shelter services under a long-term partnership agreement with the City, including potential assistance in raising funds to build a new shelter. Present the results to the City Council for a policy decision on the direction to take for pursuing either the long-term future of PAAS, including the possibility of continued general fund support, or closure of the facility if no strategy is feasible from both a financial and operational perspective.

5. As part of the discussion in Recommendation 4, analyze the feasibility of separating the ACO activities from the shelter activities. If appropriate, transition the ACO function out of PAAS so it becomes solely a Police Department function or part of another regional animal services organization with ACOs dedicated to the Palo Alto service area, including Los Altos and Los Altos Hills, to continue providing the level of response time service that PAAS currently provides. Depending on the outcome, engage in discussions with other jurisdictions to promote the City's competitive response times and consistently high customer satisfaction ratings to potentially enter into agreements with the City of Palo Alto for animal control services as the jurisdictions' current agreements expire.

6. Develop and implement a strategy to market Palo Alto Animal Services to both residents and nonresidents. Marketing efforts should focus on promoting awareness of all available services, as well as the cost savings available to customers for using PAAS' services. Engage nonprofit organizations, volunteers, and other animal shelters to assist in marketing PAAS' services to a larger group of potential customers.

7. Review the work that has already been done related to building a new animal shelter. Assess the feasibility of obtaining sufficient funding through fundraising, public/private partnerships, general fund subsidies, or a bond initiative, to build a new animal shelter that meets modern-day standards for animal care and safety, including animals' physical and behavioral needs, as established by the Association of Shelter Veterinarians or a comparable standard. Explore the potential revenue that can be generated from including new features in a new facility, such as a community and education center. Involve the Public Works Department in this assessment as necessary. Based on the results, present a proposal to the City Council for a decision on whether to move forward with pursuing construction of a new animal shelter and the funding source.

8. Seek future opportunities to provide animal licensing services to the County of San Mateo when its current contract expires in 2016.

APPENDIX 1 – History of Animal Services Facilities in Palo Alto

1972
Animal Services Center at 3281 East Bayshore Road was built. Shelter management shifted from PAHS to the City.

1985
Construction of an isolation building and euthanasia room.

1987
Front office remodel.

1990
Addition of a volunteer center/meeting room.

December 2003
The Council approved new 10-year service agreements with Los Altos, Los Altos Hills and Mountain View and a 20-year service agreement with the City of Sunnyvale.

February 2004
The Council approved a contract with Philip Henry Architecture for design services for the shelter's expansion project, including renovations to the existing building. The four partner cities agreed to share in the cost of the shelter design and construction.

January 2008
The City purchased the City of Los Altos' one-half interest in a 13.26 acre Los Altos Treatment Plant (LATP) site at 1237 North San Antonio Road, and completed the annexation process so that the site would fall within Palo Alto city limits

November 2008
The Council approved a contract with IMR Contractor for maintenance and accessibility renovations. The need to repair the existing buildings and bring them up to current accessibility standards became urgent due to significant deterioration of the buildings.

1908 1926 1972 1985 1987 1990 1993 1996 2003 2004 2006 2007 2008 2009

1926
PAHS built the first (temporary) animal shelter. A new facility was built in 1937. PAHS administered the shelter until 1972.

1908
The Palo Alto Society for the Prevention of Cruelty to Animals, originally formed in 1902, changed its name to the Palo Alto Humane Society (PAHS).

1993
City of Palo Alto started providing regional animal control and sheltering services to Los Altos, Los Altos Hills and Mountain View.

1996
A City consultant, Adamson Associates, recommended renovations for the shelter, but implementation was delayed pending a potential contract with the City of Sunnyvale.

March 2007
Sunnyvale City Council voted to withdraw from the partnership, opting instead to secure animal sheltering through a contract with Hu
Society Silicon Va

May 2006-February 2007
The expansion project was ad
for bids three times, but all th
exceeded the construction bu

April 2009
A City consultant, Group 4 Architecture, Research + Planning, Inc., conducted a feasibility study that proposed a new animal shelter on the LATP site.

APPENDIX 2 – Animal Services Survey

Palo Alto Animal Services Survey

During the period January 1, 2014, through December 31, 2014…

1. How many, if any, of the following house pets or livestock did you own?

	Zero	One	Two	Three	Four	Five or more
Dogs	0	1	2	3	4	5
Cats	0	1	2	3	4	5
Birds (parrots, doves, parakeets, etc.)	0	1	2	3	4	5
Rabbits	0	1	2	3	4	5
Rodents (ferrets, hamsters, mice, rats, etc.)	0	1	2	3	4	5
Reptiles (iguanas, snakes, turtles, etc.)	0	1	2	3	4	5
Fowl (chickens, ducks, geese, turkeys, etc.)	0	1	2	3	4	5
Cows	0	1	2	3	4	5
Goats	0	1	2	3	4	5
Horses	0	1	2	3	4	5
Pigs	0	1	2	3	4	5
Sheep	0	1	2	3	4	5

2. [IF YOU OWN AT LEAST ONE DOG] Of total dogs stated in #1 above, how many are currently…

	Zero	One	Two	Three	Four	Five or more	Don't know
Vaccinated against rabies	0	1	2	3	4	5	6
Vaccinated against distemper and parvovirus	0	1	2	3	4	5	6
Licensed	0	1	2	3	4	5	6
Microchipped	0	1	2	3	4	5	6
Spayed or neutered	0	1	2	3	4	5	6

3. [IF YOU OWN AT LEAST ONE CAT] Of total cats stated in #1 above, how many are currently…

	Zero	One	Two	Three	Four	Five or more	Don't know
Vaccinated against rabies	0	1	2	3	4	5	6
Vaccinated against feline viral rhinotracheitis, calicivirus, and panleukopenia (FVRCP)	0	1	2	3	4	5	6
Licensed	0	1	2	3	4	5	6
Microchipped	0	1	2	3	4	5	6
Spayed or neutered	0	1	2	3	4	5	6

4. In the past 12 months, did you or other household members use Palo Alto Animal Services (PAAS)?

❍ No → Go to Question 5 ❍ Yes → Go to Question 6

5. If no, why not? (Check all that apply.)

❍ I do not have a pet
❍ Not competitively priced
❍ Location not convenient
❍ Too far from home
❍ Too far from work
❍ Lack of trust in animal care providers
❍ Poor customer service
❍ Lack of trust of government agencies
❍ Was not aware of potential significant savings due to lower (subsidized) fees
❍ Other – please specify _____
❍ Quality of services
❍ Quality of facilities
❍ Types of services do not meet my needs
❍ Prefer to use a private veterinarian
❍ Was not aware of available services
❍ Hours of operation are not convenient
❍ Closed too often
❍ Too few or not a good selection of animals to adopt
❍ It is a sad place to go

6. If yes, why did you choose Palo Alto Animal Services over another provider? (Check all that apply.)

❍ Cost savings in comparison to a private veterinarian
❍ Location is convenient
❍ Close to home
❍ Close to work
❍ Greater trust in animal care providers
❍ I want to adopt locally
❍ Other – please specify _____
❍ Hours of operation are more convenient
❍ Quality of services
❍ Quality of facilities
❍ Types of services better meet my needs
❍ Prefer to use a City-managed provider
❍ Quality of customer service

Palo Alto Animal Services Survey

7. In the past 12 months, how often, if ever, have you or other household members used each of the following services provided by Palo Alto Animal Services (PAAS)?

	Never	1-2 times	3-12 times	13-26 times	More than 26 times
Animal Control (e.g., called about vicious, attacking, or injured dog or cat, animal bite, barking dog)	1	2	3	4	5
Dead animal pick-up	1	2	3	4	5
Look for/reclaim lost pet	1	2	3	4	5
Adoption	1	2	3	4	5
Euthanasia (put animal down/to sleep)	1	2	3	4	5
Microchipping	1	2	3	4	5
Spay or neuter service	1	2	3	4	5
Vaccinations	1	2	3	4	5
Licensing	1	2	3	4	5
Foster a pet	1	2	3	4	5
Surrender a pet or stray	1	2	3	4	5
Educational purpose	1	2	3	4	5
Volunteer opportunities	1	2	3	4	5
Store – Pet supplies	1	2	3	4	5
Donate money or supplies	1	2	3	4	5
Viewing	1	2	3	4	5

8. How would you rate each of the following services provided by PAAS?

	Excellent	Good	Fair	Poor	Don't know
Animal Control (e.g., called about vicious, attacking, or injured dog or cat, animal bite, barking dog)	1	2	3	4	5
Dead animal pick-up	1	2	3	4	5
Look for/reclaim lost pet	1	2	3	4	5
Adoption	1	2	3	4	5
Euthanasia (put animal down/to sleep)	1	2	3	4	5
Microchipping	1	2	3	4	5
Spay or neuter service	1	2	3	4	5
Vaccinations	1	2	3	4	5
Licensing	1	2	3	4	5
Foster a pet	1	2	3	4	5
Surrender a pet or stray	1	2	3	4	5
Educational purpose	1	2	3	4	5
Volunteer opportunities	1	2	3	4	5
Store – Pet supplies	1	2	3	4	5
Ease of donating money or supplies to PAAS	1	2	3	4	5
Viewing	1	2	3	4	5

9. How important, if at all, is it to you that the animal shelter provides the following services?

	Essential	Very important	Somewhat important	Not at all important	Don't know
Animal Control	1	2	3	4	5
Animal cruelty investigations	1	2	3	4	5
Dead animal pick-up	1	2	3	4	5
Look for/reclaim lost pet	1	2	3	4	5
Adoption – on-site	1	2	3	4	5
Adoption – off-site	1	2	3	4	5
Animal licensing	1	2	3	4	5
Education (general public)	1	2	3	4	5
Euthanasia (put animal down/to sleep)	1	2	3	4	5
Foster care program	1	2	3	4	5
Microchipping	1	2	3	4	5
Shelter open on Fridays	1	2	3	4	5
Shelter open on Sundays	1	2	3	4	5
Shelter open on holidays	1	2	3	4	5
Shelter open on weekday evenings	1	2	3	4	5
Spay or neuter services	1	2	3	4	5

Palo Alto Animal Services Survey

	Essential	Very important	Somewhat important	Not at all important	Don't know
Store – pet supplies	1	2	3	4	5
Surrender a pet or stray	1	2	3	4	5
Training - agility	1	2	3	4	5
Training – behavioral (e.g., excessive barking, chewing, housebreaking, etc.)	1	2	3	4	5
Training – obedience (e.g., commands such as sit, stay, lie down, etc.)	1	2	3	4	5
Vaccinations	1	2	3	4	5
Viewing	1	2	3	4	5
Volunteer opportunities	1	2	3	4	5

10. Excluding animal control services provided by the City, to what extent do you agree or disagree with each of the following statements regarding the funding of animal services (e.g., adoption, spay and neuter, vaccinations, microchipping)?

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Don't know
Animal services should be 100 percent self-supporting through user fees and contracts with other jurisdictions or agencies that use Palo Alto Animal Services	1	2	3	4	5
The City should develop public-private partnerships to minimize the General Fund subsidy of Animal Services	1	2	3	4	5
The City should contract out Animal Services to minimize its General Fund subsidy	1	2	3	4	5
The City's General Fund should subsidize Animal Services to the extent necessary to ensure that the City manages and provides oversight of a City animal shelter in accordance with best practices	1	2	3	4	5

11. To what extent do you support or oppose each of the following options to improve the standard of animal care in the City of Palo Alto?

	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose
Increase the variety of services provided	1	2	3	4
Increase the capacity of the current animal shelter	1	2	3	4
Build a new animal shelter	1	2	3	4
Refurbish the existing animal shelter	1	2	3	4

12. To what extent do you support or oppose each of the following options to fund improvements to the standard of animal care in Palo Alto?

	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose
Bond initiative (paid through special property taxes imposed on real estate owners in the City)	1	2	3	4
Fundraising events	1	2	3	4
General Fund subsidy	1	2	3	4
Public/private partnerships	1	2	3	4

13. If you were to make a donation to support PAAS, how would you prefer your donation be used?

- ❍ To support daily operations (e.g., administration, outreach, etc.)
- ❍ Improve facilities (e.g., new kennels, exam room, equipment, etc.)
- ❍ Animal services and care (e.g., vaccinations, spay/neuter, adoption)

14. How far are you willing to travel to take your pet to an animal shelter or pet organization that meets your needs? Select one:

❍ Less than 3 miles ❍ 3 to 5 miles ❍ 6 to 10 miles ❍ 11 to 20 miles ❍ More than 20 miles

15. In regard to management and oversight of animal services, excluding animal control, the City of Palo Alto should…

- ❍ Continue to provide and fully manage the provision of animal services
- ❍ Partner with an outside organization, such as a Humane Society or another city, for the provision of animal services
- ❍ Completely outsource animal services, except for animal control

16. Do you have suggestions for ways Palo Alto Animal Services can improve? Any other comments?

_____

Palo Alto Animal Services Survey

Our last questions are about you and your household. Again, all of your responses to this survey are completely confidential and will be reported in group form only.

D1. How many years have you lived in Palo Alto?
- ❍ Less than 2 years
- ❍ 2-5 years
- ❍ 6-10 years
- ❍ 11-20 years
- ❍ More than 20 years

D2. Which best describes the building you live in?
- ❍ One family house detached from any other houses
- ❍ Building with two or more homes (duplex, townhome, apartment or condominium)
- ❍ Mobile home
- ❍ Other

D3. Is this house, apartment or mobile home...
- ❍ Rented
- ❍ Owned

D4. About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?
- ❍ Less than $1,000 per month
- ❍ $1,000 to $1,499 per month
- ❍ $1,500 to $1,999 per month
- ❍ $2,000 to $2,499 per month
- ❍ $2,500 to $2,999 per month
- ❍ $3,000 to $3,499 per month
- ❍ $3,500 to $3,999 per month
- ❍ $4,000 to $4,499 per month
- ❍ $4,500 to $4,999 per month
- ❍ $5,000 or more per month

D5. Do any children 17 or under live in your household?
- ❍ No
- ❍ Yes

D6. Are you or any other members of your household aged 65 or older?
- ❍ No
- ❍ Yes

D7. How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)
- ❍ Less than $25,000
- ❍ $25,000 to $49,999
- ❍ $50,000 to $99,999
- ❍ $100,000 to $149,999
- ❍ $150,000 to $199,999
- ❍ $200,000 to $249,999
- ❍ $250,000 to $299,999
- ❍ $300,000 or more

Please respond to both questions D8 and D9:

D8. Are you Spanish, Hispanic or Latino?
- ❍ No, not Spanish, Hispanic or Latino
- ❍ Yes, I consider myself to be Spanish, Hispanic or Latino

D9. What is your race? (Mark one or more races to indicate what race you consider yourself to be.)
- ❍ American Indian or Alaskan Native
- ❍ Asian, Asian Indian or Pacific Islander
- ❍ Black or African American
- ❍ White
- ❍ Other

D10. In which category is your age?
- ❍ 18-24 years
- ❍ 25-34 years
- ❍ 35-44 years
- ❍ 45-54 years
- ❍ 55-64 years
- ❍ 65-74 years
- ❍ 75 years or older

D11. What is your sex?
- ❍ Female
- ❍ Male

Thank you for completing this survey. Please return the completed survey in the postage-paid envelope to:

National Research Center, Inc.,
2955 Valmont Road, Suite 300,
Boulder, CO 80301

APPENDIX 3 – Animal Services Survey Results

Note: The responses below are actual counts and percentages from the survey responses received; they are not weighted to account for differences between survey respondent characteristics and population norms. As a result, the survey sample may not represent the opinions of the community as a whole. We removed "Don't know" responses in the count and percent calculations, except for Questions 2 and 3.

Survey Results	Palo Alto Residents: (Random Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Question 1: How many, if any, of the following house pets or livestock did you own? (Note: The results have been summarized for animals other than dogs or cats)								
q01a. Dogs								
Zero	177	69.69%	12	5.94%	9	6.77%	198	33.62%
One	57	22.44%	127	62.87%	74	55.64%	258	43.80%
Two	17	6.69%	53	26.24%	33	24.81%	103	17.49%
Three	3	1.18%	7	3.47%	10	7.52%	20	3.40%
Four		0.00%	1	0.50%	5	3.76%	6	1.02%
Five or more		0.00%	2	0.99%	2	1.50%	4	0.68%
Total:	**254**	**100%**	**202**	**100%**	**133**	**100%**	**589**	**100%**
q01b. Cats								
Zero	180	75.00%	61	51.26%	48	50.00%	289	63.52%
One	39	16.25%	25	21.01%	21	21.88%	85	18.68%
Two	20	8.33%	19	15.97%	18	18.75%	57	12.53%
Three	1	0.42%	10	8.40%	4	4.17%	15	3.30%
Four		0.00%	2	1.68%	3	3.13%	5	1.10%
Five or more		0.00%	2	1.68%	2	2.08%	4	0.88%
Total:	**240**	**100%**	**119**	**100%**	**96**	**100%**	**455**	**100%**
q01. Other (combines "q01" responses for birds, rabbits, rodents, reptiles, fowl, cows, goats, horses, pigs, and sheep)								
Zero	205	94.47%	82	86.32%	60	77.92%	347	89.20%
One	4	1.84%	15	15.79%	10	12.99%	29	7.46%
Two	9	4.15%	4	4.21%	13	16.88%	26	6.68%
Three	2	0.92%	3	3.16%		0.00%	5	1.29%
Four	4	1.84%	4	4.21%	3	3.90%	11	2.83%
Five or more	1	0.46%	4	4.21%	5	6.49%	10	2.57%
Total: (exceeds 100% if more than one was selected)	**217**	**104%**	**95**	**118%**	**77**	**118.18%**	**389**	**110%**

Note: This is a summary of Questions 1 and 2 that shows the number of dogs reported by respondents in columns (data from Question 1) and the number of their dogs that respondents reported that had the service specified (data from Question 2) in rows.

Question 2: [If You Own At Least One Dog] Of total dogs stated in #1 above, how many are currently …					
Q02a. Vaccinated against rabies					
	Owned One Dog	Owned Two Dogs	Owned Three Dogs	Owned Four Dogs	Owned Five or more Dogs
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Don't know if vaccinated …					
Zero vaccinated …					
One vaccinated …	53	1			
Two vaccinated …	1*	16			
Three vaccinated …			2		
Total:	**54**	**17**	**2**		
PAAS Customers: Palo Alto Residents					
One vaccinated …	124	2			
Two vaccinated ...	1*	50	1		
Three vaccinated ...			6		
Four vaccinated ...				1	
Five or more vaccinated …	1*				2
Total:	**126**	**52**	**7**	**1**	**2**
PAAS Customers: Nonresidents					
Zero vaccinated ...					
One vaccinated ...	73	3	1		
Two vaccinated ...		30			
Three vaccinated ...			9		
Four vaccinated ...				5	
Five or more vaccinated ...					2
Total:	**73**	**33**	**10**	**5**	**2**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Questions 1 and 2 that shows the number of dogs reported by respondents in columns (data from Question 1) and the number of their dogs that respondents reported that had the service specified (data from Question 2) in rows.

Question 2: [If You Own At Least One Dog] Of total dogs stated in #1 above, how many are currently …					
Q02b. Vaccinated against distemper and parvovirus					
	Owned One Dog	**Owned Two Dogs**	**Owned Three Dogs**	**Owned Four Dogs**	**Owned Five or more Dogs**
	Count	**Count**	**Count**	**Count**	**Count**
General Palo Alto (Random)					
Don't know if vaccinated …	1				
Zero vaccinated …	2	1			
One vaccinated …	50	1			
Two vaccinated …	1*	15			
Three vaccinated …			2		
Total:	**54**	**17**	**2**		
PAAS Customers: Palo Alto Residents					
Don't know if vaccinated …	2				1
Zero vaccinated …	2				
One vaccinated …	116	4			
Two vaccinated …	1*	46	1		
Three vaccinated …			6		
Four vaccinated …				1	
Five or more vaccinated …	1*				1
Total:	**122**	**50**	**7**	**1**	**2**
PAAS Customers: Nonresidents					
Don't know if vaccinated …		1			
Zero vaccinated …					
One vaccinated …	71	3	1		
Two vaccinated …		29	1		
Three vaccinated …			8		
Four vaccinated …				5	
Five or more vaccinated …					2
Total:	**71**	**33**	**10**	**5**	**2**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Question 1 and Question 2 that shows the number of dogs reported by respondents in columns (data from Question 1) and the number of their dogs that respondents reported that had the service specified (data from Question 2) in rows.

Question 2: [If You Own At Least One Dog] Of total dogs stated in #1 above, how many are currently …					
Q02c. Licensed					
	Owned One Dog	**Owned Two Dogs**	**Owned Three Dogs**	**Owned Four Dogs**	**Owned Five or more Dogs**
	Count	**Count**	**Count**	**Count**	**Count**
General Palo Alto (Random)					
Don't know if licensed					
Zero licensed	3				
One licensed	49	1			
Two licensed		16	1		
Three licensed			1		
Total:	**52**	**17**	**2**		
PAAS Customers: Palo Alto Residents					
Zero licensed		1			
One licensed	123	2			
Two licensed		47	1		
Three licensed			6		1
Four licensed				1	
Five or more licensed	1*				1
Total:	**124**	**50**	**7**	**1**	**2**
PAAS Customers: Nonresidents					
Don't know if licensed	1				
Zero licensed	1				
One licensed	69	6			
Two licensed		26			
Three licensed			9		
Four licensed				4	
Five or more licensed					2
Total:	**71**	**32**	**9**	**4**	**2**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Questions 1 and 2 that shows the number of dogs reported by respondents in columns (data from Question 1) and the number of their dogs that respondents reported that had the service specified (data from Question 2) in rows.

Question 2: [If You Own At Least One Dog] Of total dogs stated in #1 above, how many are currently . . .					
Q02d. Microchipped					
	Owned One Dog	Owned Two Dogs	Owned Three Dogs	Owned Four Dogs	Owned Five or more Dogs
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Don't know if microchipped	1				
Zero microchipped	2	1			
One microchipped	47	3			
Two microchipped		13			
Three microchipped			2		
Total:	**50**	**17**	**2**		
PAAS Customers: Palo Alto Residents					
Zero microchipped	10	1			
One microchipped	105	7			
Two microchipped	1	42	2		
Three microchipped			5		
Four microchipped				1	2
Total:	**116**	**50**	**7**	**1**	**2**
PAAS Customers: Nonresidents					
Don't know if microchipped	1				
Zero microchipped	4	2	1		
One microchipped	60	7		1	
Two microchipped		23	1		
Three microchipped			7		
Four microchipped				4	
Five or more microchipped					2
Total:	**65**	**32**	**9**	**5**	**2**

Note: This is a summary of Questions 1 and 2 that shows the number of dogs reported by respondents in columns (data from Question 1) and the number of their dogs that respondents reported that had the service specified (data from Question 2) in rows.

Question 2: [If You Own At Least One Dog] Of total dogs stated in #1 above, how many are currently …					
Q02e. Spayed or neutered					
	Owned One Dog	Owned Two Dogs	Owned Three Dogs	Owned Four Dogs	Owned Five or more Dogs
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Zero spayed or neutered	1				
One spayed or neutered	51	1			
Two spayed or neutered	1*	16			
Three spayed or neutered			2		
Total:	**53**	**17**	**2**		
PAAS Customers: Palo Alto Residents					
Zero spayed or neutered	6				
One spayed or neutered	114	6	1		
Two spayed or neutered	1*	46	2		
Three spayed or neutered			4		
Four spayed or neutered				1	1
Five or more spayed or neutered					1
Total:	**121**	**52**	**7**	**1**	**2**
PAAS Customers: Nonresidents					
Zero spayed or neutered	2				
One spayed or neutered	70	3			
Two spayed or neutered		30	2	1	
Three spayed or neutered			8	1	1
Four spayed or neutered				3	
Five or more spayed or neutered					1
Total:	**72**	**33**	**10**	**5**	**2**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Questions 1 and 3 that shows the number of cats reported by respondents in columns (data from Question 1) and the number of their cats that respondents reported that had the service specified (data from Question 3) in rows.

Question 3: [If You Own At Least One Cat] Of total cats stated in #1 above, how many are currently …					
Q03a. Vaccinated against rabies					
	Owned One Cat	Owned Two Cats	Owned Three Cats	Owned Four Cats	Owned Five or more Cats
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Don't know if vaccinated …	1				
Zero vaccinated …	6	1			
One vaccinated …	28	2			
Two vaccinated …		17			
Three vaccinated …			1		
Total:	**35**	**20**	**1**		
PAAS Customers: Palo Alto Residents					
Don't know if vaccinated …	1		1		
Zero vaccinated …	4				
One vaccinated …	19		2		
Two vaccinated …		15			
Three vaccinated …			6		
Four vaccinated …				2	
Five or more vaccinated …					2
Total:	**24**	**15**	**9**	**2**	**2**
PAAS Customers: Nonresidents					
Don't know if vaccinated …		1			
Zero vaccinated …	2	3		1	
One vaccinated …	15	1			
Two vaccinated …	1*	13			
Three vaccinated …			4		
Four vaccinated …				1	
Five or more vaccinated …					1
Total:	**18**	**18**	**4**	**2**	**1**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Questions 1 and 3 that shows the number of cats reported by respondents in columns (data from Question 1) and the number of their cats that respondents reported that had the service specified (data from Question 3) in rows.

Question 3: [If You Own At Least One Cat] Of total cats stated in #1 above, how many are currently ...					
Q03b. Vaccinated against distemper and parvovirus					
	Owned One Cat	Owned Two Cats	Owned Three Cats	Owned Four Cats	Owned Five or more Cats
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Don't know if vaccinated ...	1	2			
Zero vaccinated ...	7				
One vaccinated ...	25	3			
Two vaccinated ...		14			
Three vaccinated ...			1		
Total:	**33**	**19**	**1**		
PAAS Customers: Palo Alto Residents					
Don't know if vaccinated ...	1		1		
Zero vaccinated ...	3				
One vaccinated ...	18		1		
Two vaccinated ...		16			
Three vaccinated ...			7		
Four vaccinated ...				2	
Five or more vaccinated ...					2
Total:	**22**	**16**	**9**	**2**	**2**
PAAS Customers: Nonresidents					
Don't know if vaccinated ...	1	1			
Zero vaccinated ...	3	3			
One vaccinated ...	12				
Two vaccinated ...	1*	14			
Three vaccinated ...			4		
Four vaccinated ...				3	
Five or more vaccinated ...					1
Total:	**17**	**18**	**4**	**3**	**1**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Questions 1 and 3 that shows the number of cats reported by respondents in columns (data from Question 1) and the number of their cats that respondents reported that had the service specified (data from Question 3) in rows.

Question 3: [If You Own At Least One Cat] Of total cats stated in #1 above, how many are currently …					
Q03c. Licensed					
	Owned One Cat	**Owned Two Cats**	**Owned Three Cats**	**Owned Four Cats**	**Owned Five or more Cats**
	Count	**Count**	**Count**	**Count**	**Count**
General Palo Alto (Random)					
Don't know if licensed	3	1			
Zero licensed	15	7			
One licensed	11				
Two licensed		7			
Three licensed			1		
Total:	**29**	**15**	**1**		
PAAS Customers: Palo Alto Residents					
Don't know if licensed	2				
Zero licensed	10	2	2	2	1
One licensed	8				
Two licensed		9			
Three licensed			5		
Total:	**20**	**11**	**7**	**2**	**1**
PAAS Customers: Nonresidents					
Don't know if licensed	1	2			
Zero licensed	8	6	1	2	1
One licensed	7		1		
Two licensed		7			
Three licensed			1		
Total:	**16**	**15**	**3**	**2**	**1**

Note: This is a summary of Questions 1 and 3 that shows the number of cats reported by respondents in columns (data from Question 1) and the number of their cats that respondents reported that had the service specified (data from Question 3) in rows.

Question 3: [If You Own At Least One Cat] Of total cats stated in #1 above, how many are currently …					
Q03d. Microchipped					
	Owned One Cat	Owned Two Cats	Owned Three Cats	Owned Four Cats	Owned Five or more Cats
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Don't know if microchipped	2				
Zero microchipped	11	2			
One microchipped	18	3			
Two microchipped		14			
Three microchipped			1		
Total:	**31**	**19**	**1**		
PAAS Customers: Palo Alto Residents					
Zero microchipped	5		1	1	
One microchipped	16				
Two microchipped		16			
Three microchipped			9		
Four microchipped				1	
Five or more microchipped					2
Total:	**21**	**16**	**10**	**2**	**2**
PAAS Customers: Nonresidents					
Zero microchipped	2	2	1	1	1
One microchipped	13	3			
Two microchipped	1*	12			
Three microchipped			2		
Four microchipped				2	
Total:	**16**	**17**	**3**	**3**	**1**

* Respondent(s) answered the questions inconsistently.

Note: This is a summary of Questions 1 and 3 that shows the number of cats reported by respondents in columns (data from Question 1) and the number of their cats that respondents reported that had the service specified (data from Question 3) in rows.

Question 3: [If You Own At Least One Cat] Of total cats stated in #1 above, how many are currently …					
Q03e. Spayed or neutered					
	Owned One Cat	Owned Two Cats	Owned Three Cats	Owned Four Cats	Owned Five or more Cats
	Count	Count	Count	Count	Count
General Palo Alto (Random)					
Don't know if spayed or neutered	1				
Zero spayed or neutered	2				
One spayed or neutered	32	1			
Two spayed or neutered		19			
Three spayed or neutered			1		
Total:	**35**	**20**	**1**		
PAAS Customers: Palo Alto Residents					
Zero spayed or neutered					
One spayed or neutered	22				
Two spayed or neutered		17			
Three spayed or neutered			10		
Four spayed or neutered				2	
Five or more spayed or neutered					2
Total:	**22**	**17**	**10**	**2**	**2**
PAAS Customers: Nonresidents					
Zero spayed or neutered	1				
One spayed or neutered	16				
Two spayed or neutered	1*	18			
Three spayed or neutered			4		
Four spayed or neutered				3	
Five or more spayed or neutered					2
Total:	**18**	**18**	**4**	**3**	**2**

* Respondent(s) answered the questions inconsistently.

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q04. In the past 12 months, did you or other household members use Palo Alto Animal Services (PAAS)?								
No	232	88.21%	99	49.25%	54	38.30%	385	63.64%
Yes	31	11.79%	102	50.75%	87	61.70%	220	36.36%
Total:	**263**	**100%**	**201**	**100%**	**141**	**100%**	**605**	**100%**
Q05. If no, why not? (Check all that apply.)								
q05a. I do not have a pet	150	65.22%	1	0.94%	3	5.66%	154	39.59%
q05b. Not competitively priced	1	0.43%		0.00%		0.00%	1	0.26%
q05c. Location not convenient	5	2.17%	5	4.72%	11	20.75%	21	5.40%
q05d. Too far from home	4	1.74%	2	1.89%	5	9.43%	11	2.83%
q05e. Too far from work	1	0.43%	1	0.94%	1	1.89%	3	0.77%
q05f. Lack of trust in animal care providers	2	0.87%	1	0.94%	2	3.77%	5	1.29%
q05g. Poor customer service	1	0.43%	2	1.89%	1	1.89%	4	1.03%
q05h. Lack of trust of government agencies		0.00%	1	0.94%	1	1.89%	2	0.51%
q05i. Was not aware of potential significant savings due to lower (subsidized) fees	20	8.70%	18	16.98%	10	18.87%	48	12.34%
q05j. Other	23	10.00%	19	17.92%	13	24.53%	55	14.14%
q05k. Quality of services		0.00%	2	1.89%		0.00%	2	0.51%
q05l. Quality of facilities	1	0.43%	1	0.94%	1	1.89%	3	0.77%
q05m. Types of services do not meet my needs	2	0.87%	2	1.89%	3	5.66%	7	1.80%
q05n. Prefer to use a private veterinarian	27	11.74%	48	45.28%	21	39.62%	96	24.68%
q05o. Was not aware of available services	38	16.52%	38	35.85%	19	35.85%	95	24.42%
q05p. Hours of operation are not convenient	5	2.17%	9	8.49%	4	7.55%	18	4.63%
q05q. Closed too often	4	1.74%	7	6.60%		0.00%	11	2.83%
q05r. Too few or not a good selection of animals to adopt	3	1.30%	1	0.94%	1	1.89%	5	1.29%
q05s. It is a sad place to go	3	1.30%	1	0.94%	1	1.89%	5	1.29%
Total: (exceeds 100% if more than one was selected)	**230**	**126%**	**106**	**150%**	**53**	**183%**	**389**	**140%**
Q06. If yes, why did you choose Palo Alto Animal Services over another provider? (Check all that apply.)								
q06a. Cost savings in comparison to a private veterinarian	16	41.03%	55	50.93%	52	57.14%	123	51.68%
q06b. Location is convenient	23	58.97%	68	62.96%	39	42.86%	130	54.62%
q06c. Close to home	21	53.85%	53	49.07%	31	34.07%	105	44.12%
q06d. Close to work	7	17.95%	15	13.89%	7	7.69%	29	12.18%
q06e. Greater trust in animal care providers	5	12.82%	28	25.93%	22	24.18%	55	23.11%
q06f. I want to adopt locally	7	17.95%	17	15.74%	11	12.09%	35	14.71%
q06g. Other	13	33.33%	28	25.93%	26	28.57%	67	28.15%
q06h. Hours of operation are more convenient	5	12.82%	18	16.67%	17	18.68%	40	16.81%
q06i. Quality of services	13	33.33%	45	41.67%	41	45.05%	99	41.60%
q06j. Quality of facilities	5	12.82%	23	21.30%	20	21.98%	48	20.17%

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q06. If yes, why did you choose Palo Alto Animal Services over another provider? (Check all that apply.)								
q06k. Types of services better meet my needs	9	23.08%	28	25.93%	19	20.88%	56	23.53%
q06l. Prefer to use a City-managed provider	8	20.51%	29	26.85%	13	14.29%	50	21.01%
q06m. Quality of customer service	17	43.59%	40	37.04%	31	34.07%	88	36.97%
Total: (exceeds 100% if more than one option was selected)	**39**	**382%**	**108**	**414%**	**91**	**362%**	**238**	**389%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q07. In the past 12 months, how often, if ever, have you or other household members used each of the following services provided by Palo Alto Animal Services (PAAS)?								
q07a. Animal Control (e.g., called about vicious, attacking, or injured dog or cat, animal bite, barking dog)								
Never	235	94.00%	148	88.62%	94	92.16%	477	91.91%
1-2 times (in the last 12 months)	14	5.60%	17	10.18%	7	6.86%	38	7.32%
3-12 times (in the last 12 months)	1	0.40%	2	1.20%		0.00%	3	0.58%
More than 26 times (in the last 12 months)		0.00%		0.00%	1	0.98%	1	0.19%
Total:	**250**	**100%**	**167**	**100%**	**102**	**100%**	**519**	**100%**
q07b. Dead animal pick-up								
Never	234	96.30%	148	91.36%	91	91.00%	473	93.66%
1-2 times (in the last 12 months)	8	3.29%	13	8.02%	8	8.00%	29	5.74%
3-12 times (in the last 12 months)	1	0.41%	1	0.62%		0.00%	2	0.40%
13-26 times (in the last 12 months)		0.00%		0.00%	1	1.00%	1	0.20%
Total:	**243**	**100%**	**162**	**100%**	**100**	**100%**	**505**	**100%**
q07c. Look for/reclaim lost pet								
Never	238	97.54%	147	91.30%	96	95.05%	481	95.06%
1-2 times (in the last 12 months)	5	2.05%	12	7.45%	4	3.96%	21	4.15%
3-12 times (in the last 12 months)	1	0.41%	2	1.24%	1	0.99%	4	0.79%
Total:	**244**	**100%**	**161**	**100%**	**101**	**100%**	**506**	**6.22%**
q07d. Adoption								
Never	232	95.08%	145	89.51%	86	85.15%	463	91.32%
1-2 times (in the last 12 months)	11	4.51%	15	9.26%	14	13.86%	40	7.89%
3-12 times (in the last 12 months)	1	0.41%	2	1.23%	1	0.99%	4	0.79%
Total:	**244**	**100%**	**162**	**100%**	**101**	**100%**	**507**	**100%**
q07e. Euthanasia (put animal down/to sleep)								
Never	240	99.59%	155	98.73%	91	91.00%	486	97.59%
1-2 times (in the last 12 months)	1	0.41%	2	1.27%	9	9.00%	12	2.41%
Total:	**241**	**100%**	**157**	**100%**	**100**	**100%**	**498**	**100%**
q07f. Microchipping								
Never	237	97.53%	144	91.14%	88	85.44%	469	93.06%
1-2 times (in the last 12 months)	4	1.65%	11	6.96%	14	13.59%	29	5.75%
3-12 times (in the last 12 months)	2	0.82%	3	1.90%	1	0.97%	6	1.19%
Total:	**243**	**100%**	**158**	**100%**	**103**	**100%**	**504**	**100%**

	PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Palo Alto Residents: (Randomly Selected)		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q07. In the past 12 months, how often, if ever, have you or other household members used each of the following services provided by Palo Alto Animal Services (PAAS)?								
q07g. Spay or neuter service								
Never	236	96.72%	135	85.99%	79	74.53%	450	88.76%
1-2 times (in the last 12 months)	6	2.46%	17	10.83%	25	23.58%	48	9.47%
3-12 times (in the last 12 months)	2	0.82%	4	2.55%	1	0.94%	7	1.38%
13-26 times (in the last 12 months)		0.00%	1	0.64%	1	0.94%	2	0.39%
Total:	**244**	**100%**	**157**	**100%**	**106**	**100%**	**507**	**100%**
q07h. Vaccinations								
Never	233	96.28%	128	74.85%	68	65.38%	429	82.98%
1-2 times (in the last 12 months)	8	3.31%	40	23.39%	33	31.73%	81	15.67%
3-12 times (in the last 12 months)	1	0.41%	2	1.17%	3	2.88%	6	1.16%
13-26 times (in the last 12 months)		0.00%	1	0.58%		0.00%	1	0.19%
Total:	**242**	**100%**	**171**	**100%**	**104**	**100%**	**517**	**100%**
q07i. Licensing								
Never	214	85.26%	73	38.62%	64	53.33%	351	62.68%
1-2 times (in the last 12 months)	36	14.34%	107	56.61%	53	44.17%	196	35.00%
3-12 times (in the last 12 months)	1	0.40%	7	3.70%	1	0.83%	9	1.61%
13-26 times (in the last 12 months)		0.00%	1	0.53%	1	0.83%	2	0.36%
More than 26 times (in the last 12 months)		0.00%	1	0.53%	1	0.83%	2	0.36%
Total:	**251**	**100%**	**189**	**100%**	**120**	**100%**	**560**	**100%**
q07j. Foster a pet								
Never	239	99.58%	149	97.39%	97	100.00%	485	98.98%
1-2 times (in the last 12 months)	1	0.42%	3	1.96%		0.00%	4	0.82%
3-12 times (in the last 12 months)		0.00%	1	0.65%		0.00%	1	0.20%
Total:	**240**	**100%**	**153**	**100%**	**97**	**100%**	**490**	**100%**
q07k. Surrender a pet or stray								
Never	237	97.93%	152	95.60%	95	95.96%	484	96.80%
1-2 times (in the last 12 months)	5	2.07%	7	4.40%	4	4.04%	16	3.20%
Total:	**242**	**100%**	**159**	**100%**	**99**	**100%**	**500**	**100%**
q07l. Educational purpose								
Never	238	98.76%	153	98.08%	92	94.85%	483	97.77%
1-2 times (in the last 12 months)	3	1.24%	3	1.92%	5	5.15%	11	2.23%
Total:	**241**	**100%**	**156**	**100%**	**97**	**100%**	**494**	**100%**
q07m. Volunteer opportunities								
Never	238	99.58%	148	95.48%	92	94.85%	478	97.35%
1-2 times (in the last 12 months)	1	0.42%	4	2.58%	3	3.09%	8	1.63%
3-12 times (in the last 12 months)		0.00%	1	0.65%	2	2.06%	3	0.61%
13-26 times (in the last 12 months)		0.00%	1	0.65%		0.00%	1	0.20%
More than 26 times (in the last 12 months)		0.00%	1	0.65%		0.00%	1	0.20%
Total:	**239**	**100%**	**155**	**100%**	**97**	**100%**	**491**	**100%**
q07n. Store – Pet supplies								
Never	230	95.04%	139	83.73%	81	77.88%	450	87.89%
1-2 times (in the last 12 months)	9	3.72%	24	14.46%	17	16.35%	50	9.77%
3-12 times (in the last 12 months)	3	1.24%	2	1.20%	2	1.92%	7	1.37%
13-26 times (in the last 12 months)		0.00%	1	0.60%	2	1.92%	3	0.59%
More than 26 times (in the last 12 months)		0.00%		0.00%	2	1.92%	2	0.39%
Total:	**242**	**100%**	**166**	**100%**	**104**	**100%**	**512**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q07. In the past 12 months, how often, if ever, have you or other household members used each of the following services provided by Palo Alto Animal Services (PAAS)?								
q07o. Donate money or supplies								
Never	228	93.06%	131	77.51%	82	78.10%	441	84.97%
1-2 times (in the last 12 months)	15	6.12%	32	18.93%	19	18.10%	66	12.72%
3-12 times (in the last 12 months)	1	0.41%	6	3.55%	2	1.90%	9	1.73%
13-26 times (in the last 12 months)	1	0.41%		0.00%	1	0.95%	2	0.39%
More than 26 times (in the last 12 months)		0.00%		0.00%	1	0.95%	1	0.19%
Total:	**245**	**100%**	**169**	**100%**	**105**	**100%**	**519**	**100%**
q07p. Viewing								
Never	224	92.18%	131	79.39%	74	71.84%	429	83.95%
1-2 times (in the last 12 months)	14	5.76%	25	15.15%	21	20.39%	60	11.74%
3-12 times (in the last 12 months)	4	1.65%	7	4.24%	6	5.83%	17	3.33%
13-26 times (in the last 12 months)	1	0.41%	1	0.61%	1	0.97%	3	0.59%
More than 26 times (in the last 12 months)		0.00%	1	0.61%	1	0.97%	2	0.39%
Total:	**243**	**100%**	**165**	**100%**	**103**	**100%**	**511**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q08. How would you rate each of the following services provided by PAAS?								
q08a. Animal Control (e.g., called about vicious, attacking, or injured dog or cat, animal bite, barking dog)								
Excellent	34	68.00%	39	60.00%	19	61.29%	92	63.01%
Good	15	30.00%	18	27.69%	9	29.03%	42	28.77%
Fair	1	2.00%	4	6.15%	3	9.68%	8	5.48%
Poor		0.00%	4	6.15%		0.00%	4	2.74%
Total:	**50**	**100%**	**65**	**100%**	**31**	**100%**	**146**	**100%**
q08b. Dead animal pick-up								
Excellent	29	74.36%	32	65.31%	18	72.00%	79	69.91%
Good	8	20.51%	12	24.49%	4	16.00%	24	21.24%
Fair	1	2.56%	5	10.20%	2	8.00%	8	7.08%
Poor	1	2.56%		0.00%	1	4.00%	2	1.77%
Total:	**39**	**100%**	**49**	**100%**	**25**	**100%**	**113**	**100%**
q08c. Look for/reclaim lost pet								
Excellent	18	64.29%	28	66.67%	17	58.62%	63	63.64%
Good	9	32.14%	10	23.81%	9	31.03%	28	28.28%
Fair	1	3.57%	4	9.52%	3	10.34%	8	8.08%
Total:	**28**	**100%**	**42**	**100%**	**29**	**100%**	**99**	**100%**
q08d. Adoption								
Excellent	29	69.05%	37	72.55%	27	65.85%	93	69.40%
Good	8	19.05%	11	21.57%	10	24.39%	29	21.64%
Fair	2	4.76%	3	5.88%	3	7.32%	8	5.97%
Poor	3	7.14%		0.00%	1	2.44%	4	2.99%
Total:	**42**	**100%**	**51**	**100%**	**41**	**100%**	**134**	**100%**
q08e. Euthanasia (put animal down/to sleep)								
Excellent	13	50.00%	14	82.35%	15	78.95%	42	67.74%
Good	10	38.46%	3	17.65%	4	21.05%	17	27.42%
Fair	1	3.85%		0.00%		0.00%	1	1.61%
Poor	2	7.69%		0.00%		0.00%	2	3.23%
Total:	**26**	**100%**	**17**	**100%**	**19**	**100%**	**62**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		Palo Alto Residents: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q08. How would you rate each of the following services provided by PAAS?								
q08f. Microchipping								
Excellent	24	75.00%	41	78.85%	34	77.27%	99	77.34%
Good	8	25.00%	11	21.15%	9	20.45%	28	21.88%
Fair		0.00%		0.00%	1	2.27%	1	0.78%
Total:	**32**	**100%**	**52**	**100%**	**44**	**100%**	**128**	**100%**
q08g. Spay or neuter service								
Excellent	36	76.60%	54	79.41%	55	80.88%	145	79.23%
Good	8	17.02%	14	20.59%	11	16.18%	33	18.03%
Fair	3	6.38%		0.00%	2	2.94%	5	2.73%
Total:	**47**	**100%**	**68**	**100%**	**68**	**100%**	**183**	**100%**
q08h. Vaccinations								
Excellent	25	65.79%	60	80.00%	47	77.05%	132	75.86%
Good	11	28.95%	11	14.67%	13	21.31%	35	20.11%
Fair	2	5.26%	2	2.67%	1	1.64%	5	2.87%
Poor		0.00%	2	2.67%		0.00%	2	1.15%
Total:	**38**	**100%**	**75**	**100%**	**61**	**100%**	**174**	**100%**
q08i. Licensing								
Excellent	49	72.06%	83	64.34%	58	69.05%	190	67.62%
Good	16	23.53%	33	25.58%	21	25.00%	70	24.91%
Fair	1	1.47%	8	6.20%	2	2.38%	11	3.91%
Poor	2	2.94%	5	3.88%	3	3.57%	10	3.56%
Total:	**68**	**100%**	**129**	**100%**	**84**	**100%**	**281**	**100%**
q08j. Foster a pet								
Excellent	14	73.68%	11	68.75%	9	64.29%	34	69.39%
Good	5	26.32%	4	25.00%	4	28.57%	13	26.53%
Fair		0.00%	1	6.25%	1	7.14%	2	4.08%
Total:	**19**	**100%**	**16**	**100%**	**14**	**100%**	**49**	**100%**
q08k. Surrender a pet or stray								
Excellent	17	73.91%	20	74.07%	11	73.33%	48	73.85%
Good	6	26.09%	5	18.52%	3	20.00%	14	21.54%
Fair		0.00%	2	7.41%		0.00%	2	3.08%
Poor		0.00%		0.00%	1	6.67%	1	1.54%
Total:	**23**	**100%**	**27**	**100%**	**15**	**100%**	**65**	**100%**
q08l. Educational purpose								
Excellent	14	66.67%	10	52.63%	14	66.67%	38	62.30%
Good	6	28.57%	6	31.58%	7	33.33%	19	31.15%
Fair	1	4.76%		0.00%		0.00%	1	1.64%
Poor		0.00%	3	15.79%		0.00%	3	4.92%
Total:	**21**	**100%**	**19**	**100%**	**21**	**100%**	**61**	**100%**
q08m. Volunteer opportunities								
Excellent	15	65.22%	15	55.56%	11	55.00%	41	58.57%
Good	7	30.43%	5	18.52%	7	35.00%	19	27.14%
Fair		0.00%	2	7.41%	1	5.00%	3	4.29%
Poor	1	4.35%	5	18.52%	1	5.00%	7	10.00%
Total:	**23**	**100%**	**27**	**100%**	**20**	**100%**	**70**	**0.32%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		Palo Alto Residents: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q08. How would you rate each of the following services provided by PAAS?								
q08n. Store – Pet supplies								
Excellent	13	48.15%	23	48.94%	19	47.50%	55	48.25%
Good	8	29.63%	15	31.91%	14	35.00%	37	32.46%
Fair	6	22.22%	6	12.77%	6	15.00%	18	15.79%
Poor		0.00%	3	6.38%	1	2.50%	4	3.51%
Total:	**27**	**100%**	**47**	**100%**	**40**	**100%**	**114**	**100%**
q08o. Ease of donating money or supplies to PAAS								
Excellent	21	56.76%	32	72.73%	25	65.79%	78	65.55%
Good	13	35.14%	9	20.45%	10	26.32%	32	26.89%
Fair	2	5.41%	3	6.82%	3	7.89%	8	6.72%
Poor	1	2.70%		0.00%		0.00%	1	0.84%
Total:	**37**	**100%**	**44**	**100%**	**38**	**100%**	**119**	**100%**
q08p. Viewing								
Excellent	21	55.26%	30	61.22%	27	71.05%	78	62.40%
Good	13	34.21%	13	26.53%	9	23.68%	35	28.00%
Fair	2	5.26%	5	10.20%	2	5.26%	9	7.20%
Poor	2	5.26%	1	2.04%		0.00%	3	2.40%
Total:	**38**	**100%**	**49**	**100%**	**38**	**100%**	**125**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		Palo Alto Residents: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q09. How important, if at all, is it to you that the animal shelter provides the following services?								
q09a. Animal Control								
Essential	141	64.98%	141	69.80%	94	69.12%	376	67.75%
Very important	55	25.35%	51	25.25%	36	26.47%	142	25.59%
Somewhat important	17	7.83%	8	3.96%	6	4.41%	31	5.59%
Not at all important	4	1.84%	2	0.99%		0.00%	6	1.08%
Total:	**217**	**100%**	**202**	**100%**	**136**	**100%**	**555**	**100%**
q09b. Animal cruelty investigations								
Essential	133	61.86%	138	67.32%	96	71.11%	367	66.13%
Very important	60	27.91%	48	23.41%	33	24.44%	141	25.41%
Somewhat important	16	7.44%	15	7.32%	6	4.44%	37	6.67%
Not at all important	6	2.79%	4	1.95%		0.00%	10	1.80%
Total:	**215**	**100%**	**205**	**100%**	**135**	**100%**	**555**	**100%**
q09c. Dead animal pick-up								
Essential	133	61.29%	137	67.49%	73	57.94%	343	62.82%
Very important	54	24.88%	48	23.65%	38	30.16%	140	25.64%
Somewhat important	25	11.52%	17	8.37%	14	11.11%	56	10.26%
Not at all important	5	2.30%	1	0.49%	1	0.79%	7	1.28%
Total:	**217**	**100%**	**203**	**100%**	**126**	**100%**	**546**	**100%**
q09d. Look for/reclaim lost pet								
Essential	119	55.09%	131	63.29%	96	70.07%	346	61.79%
Very important	51	23.61%	57	27.54%	35	25.55%	143	25.54%
Somewhat important	38	17.59%	15	7.25%	6	4.38%	59	10.54%
Not at all important	8	3.70%	4	1.93%		0.00%	12	2.14%
Total:	**216**	**100%**	**207**	**100%**	**137**	**100%**	**560**	**100%**
q09e. Adoption – on-site								
Essential	96	46.38%	89	46.11%	71	52.21%	256	47.76%
Very important	54	26.09%	61	31.61%	45	33.09%	160	29.85%
Somewhat important	42	20.29%	34	17.62%	19	13.97%	95	17.72%
Not at all important	15	7.25%	9	4.66%	1	0.74%	25	4.66%
Total:	**207**	**100%**	**193**	**100%**	**136**	**100%**	**536**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q09. How important, if at all, is it to you that the animal shelter provides the following services?								
q09f. Adoption – off-site								
Essential	69	37.70%	49	28.82%	49	40.16%	167	35.16%
Very important	53	28.96%	47	27.65%	43	35.25%	143	30.11%
Somewhat important	48	26.23%	54	31.76%	23	18.85%	125	26.32%
Not at all important	13	7.10%	20	11.76%	7	5.74%	40	8.42%
Total:	**183**	**100%**	**170**	**100%**	**122**	**100%**	**475**	**100%**
q09g. Animal licensing								
Essential	112	54.11%	133	66.50%	79	62.20%	324	60.67%
Very important	47	22.71%	40	20.00%	32	25.20%	119	22.28%
Somewhat important	37	17.87%	21	10.50%	14	11.02%	72	13.48%
Not at all important	11	5.31%	6	3.00%	2	1.57%	19	3.56%
Total:	**207**	**100%**	**200**	**100%**	**127**	**100%**	**534**	**100%**
q09h. Education (general public)								
Essential	79	37.98%	61	33.89%	58	45.31%	198	38.37%
Very important	62	29.81%	56	31.11%	37	28.91%	155	30.04%
Somewhat important	54	25.96%	52	28.89%	29	22.66%	135	26.16%
Not at all important	13	6.25%	11	6.11%	4	3.13%	28	5.43%
Total:	**208**	**100%**	**180**	**100%**	**128**	**100%**	**516**	**100%**
q09i. Euthanasia (put animal down/to sleep)								
Essential	79	39.30%	75	42.86%	53	43.09%	207	41.48%
Very important	62	30.85%	57	32.57%	44	35.77%	163	32.67%
Somewhat important	46	22.89%	35	20.00%	23	18.70%	104	20.84%
Not at all important	14	6.97%	8	4.57%	3	2.44%	25	5.01%
Total:	**201**	**100%**	**175**	**100%**	**123**	**100%**	**499**	**100%**
q09j. Foster care program								
Essential	77	39.09%	64	38.10%	50	39.06%	191	38.74%
Very important	56	28.43%	56	33.33%	54	42.19%	166	33.67%
Somewhat important	49	24.87%	42	25.00%	22	17.19%	113	22.92%
Not at all important	15	7.61%	6	3.57%	2	1.56%	23	4.67%
Total:	**197**	**100%**	**168**	**100%**	**128**	**100%**	**493**	**100%**
q09k. Microchipping								
Essential	89	44.06%	95	50.53%	66	49.25%	250	47.71%
Very important	53	26.24%	59	31.38%	48	35.82%	160	30.53%
Somewhat important	41	20.30%	29	15.43%	20	14.93%	90	17.18%
Not at all important	19	9.41%	5	2.66%		0.00%	24	4.58%
Total:	**202**	**100%**	**188**	**100%**	**134**	**100%**	**524**	**100%**
q09l. Shelter open on Fridays								
Essential	61	35.26%	52	31.14%	50	40.32%	163	35.13%
Very important	44	25.43%	52	31.14%	34	27.42%	130	28.02%
Somewhat important	40	23.12%	47	28.14%	33	26.61%	120	25.86%
Not at all important	28	16.18%	16	9.58%	7	5.65%	51	10.99%
Total:	**173**	**100%**	**167**	**100%**	**124**	**100%**	**464**	**100%**
q09m. Shelter open on Sundays								
Essential	59	34.71%	53	30.11%	46	38.98%	158	34.05%
Very important	37	21.76%	43	24.43%	35	29.66%	115	24.78%
Somewhat important	40	23.53%	48	27.27%	30	25.42%	118	25.43%
Not at all important	34	20.00%	32	18.18%	7	5.93%	73	15.73%
Total:	**170**	**100%**	**176**	**100%**	**118**	**100%**	**464**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q09. How important, if at all, is it to you that the animal shelter provides the following services?								
q09n. Shelter open on holidays								
Essential	42	25.45%	41	25.15%	32	27.59%	115	25.90%
Very important	26	15.76%	31	19.02%	30	25.86%	87	19.59%
Somewhat important	45	27.27%	34	20.86%	30	25.86%	109	24.55%
Not at all important	52	31.52%	57	34.97%	24	20.69%	133	29.95%
Total:	**165**	**100%**	**163**	**100%**	**116**	**100%**	**444**	**100%**
q09o. Shelter open on weekday evenings								
Essential	48	27.75%	35	21.88%	35	30.17%	118	26.28%
Very important	40	23.12%	51	31.88%	37	31.90%	128	28.51%
Somewhat important	51	29.48%	55	34.38%	33	28.45%	139	30.96%
Not at all important	34	19.65%	19	11.88%	11	9.48%	64	14.25%
Total:	**173**	**100%**	**160**	**100%**	**116**	**100%**	**449**	**100%**
q09p. Spay or neuter services								
Essential	133	62.15%	134	68.72%	91	65.00%	358	65.21%
Very important	50	23.36%	48	24.62%	40	28.57%	138	25.14%
Somewhat important	22	10.28%	11	5.64%	9	6.43%	42	7.65%
Not at all important	9	4.21%	2	1.03%		0.00%	11	2.00%
Total:	**214**	**100%**	**195**	**100%**	**140**	**100%**	**549**	**100%**
q09q. Store – pet supplies								
Essential	21	11.29%	13	7.22%	18	14.63%	52	10.63%
Very important	18	9.68%	24	13.33%	24	19.51%	66	13.50%
Somewhat important	71	38.17%	75	41.67%	38	30.89%	184	37.63%
Not at all important	76	40.86%	68	37.78%	43	34.96%	187	38.24%
Total:	**186**	**100%**	**180**	**100%**	**123**	**100%**	**489**	**100%**
q09r. Surrender a pet or stray								
Essential	90	44.33%	116	61.70%	61	47.29%	267	51.35%
Very important	69	33.99%	53	28.19%	58	44.96%	180	34.62%
Somewhat important	38	18.72%	15	7.98%	9	6.98%	62	11.92%
Not at all important	6	2.96%	4	2.13%	1	0.78%	11	2.12%
Total:	**203**	**100%**	**188**	**100%**	**129**	**100%**	**520**	**100%**
q09s. Training - agility								
Essential	27	15.25%	17	10.24%	16	13.79%	60	13.07%
Very important	30	16.95%	27	16.27%	31	26.72%	88	19.17%
Somewhat important	70	39.55%	65	39.16%	39	33.62%	174	37.91%
Not at all important	50	28.25%	57	34.34%	30	25.86%	137	29.85%
Total:	**177**	**100%**	**166**	**100%**	**116**	**100%**	**459**	**100%**
q09t. Training – behavioral (e.g., excessive barking, chewing, housebreaking, etc.)								
Essential	39	21.20%	32	18.50%	20	16.95%	91	19.16%
Very important	51	27.72%	43	24.86%	41	34.75%	135	28.42%
Somewhat important	64	34.78%	76	43.93%	46	38.98%	186	39.16%
Not at all important	30	16.30%	22	12.72%	11	9.32%	63	13.26%
Total:	**184**	**100%**	**173**	**100%**	**118**	**100%**	**475**	**100%**
q09u. Training – obedience (e.g., commands such as sit, stay, lie down, etc.)								
Essential	35	19.13%	29	17.16%	19	16.10%	83	17.66%
Very important	51	27.87%	40	23.67%	41	34.75%	132	28.09%
Somewhat important	65	35.52%	75	44.38%	45	38.14%	185	39.36%
Not at all important	32	17.49%	25	14.79%	13	11.02%	70	14.89%
Total:	**183**	**100%**	**169**	**100%**	**118**	**100%**	**470**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q09. How important, if at all, is it to you that the animal shelter provides the following services?								
q09v. Vaccinations								
Essential	116	55.77%	117	61.58%	70	52.63%	303	57.06%
Very important	56	26.92%	53	27.89%	51	38.35%	160	30.13%
Somewhat important	31	14.90%	17	8.95%	10	7.52%	58	10.92%
Not at all important	5	2.40%	3	1.58%	2	1.50%	10	1.88%
Total:	**208**	**100%**	**190**	**100%**	**133**	**100%**	**531**	**100%**
q09w. Viewing								
Essential	60	34.48%	66	42.31%	56	48.28%	182	40.81%
Very important	45	25.86%	41	26.28%	34	29.31%	120	26.91%
Somewhat important	48	27.59%	37	23.72%	20	17.24%	105	23.54%
Not at all important	21	12.07%	12	7.69%	6	5.17%	39	8.74%
Total:	**174**	**100%**	**156**	**100%**	**116**	**100%**	**446**	**100%**
q09x. Volunteer opportunities								
Essential	61	30.96%	57	33.14%	48	40.34%	166	34.02%
Very important	71	36.04%	66	38.37%	45	37.82%	182	37.30%
Somewhat important	53	26.90%	42	24.42%	17	14.29%	112	22.95%
Not at all important	12	6.09%	7	4.07%	9	7.56%	28	5.74%
Total:	**197**	**100%**	**172**	**100%**	**119**	**100%**	**488**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q10. Excluding animal controls services provided by the City, to what extent do you agree or disagree with each of the following statements regarding the funding of animal services (e.g., adoption, spay and neuter, vaccinations, microchipping)?								
q10a. Animal services should be 100 percent self-supporting through user fees and contracts with other jurisdictions or agencies that use Palo Alto Animal Services								
Strongly agree	42	19.09%	22	11.96%	15	12.93%	79	15.19%
Somewhat agree	59	26.82%	47	25.54%	27	23.28%	133	25.58%
Somewhat disagree	73	33.18%	54	29.35%	35	30.17%	162	31.15%
Strongly disagree	46	20.91%	61	33.15%	39	33.62%	146	28.08%
Total:	**220**	**100%**	**184**	**100%**	**116**	**100%**	**520**	**100%**
q10b. The City should develop public-private partnerships to minimize the general fund subsidy of Animal Services								
Strongly agree	47	22.82%	51	28.33%	29	25.66%	127	25.45%
Somewhat agree	108	52.43%	85	47.22%	52	46.02%	245	49.10%
Somewhat disagree	33	16.02%	30	16.67%	19	16.81%	82	16.43%
Strongly disagree	18	8.74%	14	7.78%	13	11.50%	45	9.02%
Total:	**206**	**100%**	**180**	**100%**	**113**	**100%**	**499**	**100%**
q10c. The city should contract out Animal Services to minimize its general fund subsidy								
Strongly agree	25	12.95%	15	8.62%	7	6.48%	47	9.89%
Somewhat agree	46	23.83%	12	6.90%	23	21.30%	81	17.05%
Somewhat disagree	54	27.98%	43	24.71%	25	23.15%	122	25.68%
Strongly disagree	68	35.23%	104	59.77%	53	49.07%	225	47.37%
Total:	**193**	**100%**	**174**	**100%**	**108**	**100%**	**475**	**100%**
q10d. The City's general fund should subsidize Animal Services to the extent necessary to ensure that the City manages and provides oversight of a City animal shelter in accordance with best practices								
Strongly agree	111	50.68%	104	54.17%	70	59.32%	285	53.88%
Somewhat agree	68	31.05%	66	34.38%	38	32.20%	172	32.51%
Somewhat disagree	26	11.87%	11	5.73%	7	5.93%	44	8.32%
Strongly disagree	14	6.39%	11	5.73%	3	2.54%	28	5.29%
Total:	**219**	**100%**	**192**	**100%**	**118**	**100%**	**529**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q11. To what extent do you support or oppose each of the following options to improve the standard of animal care in the City of Palo Alto?								
q11a. Increase the variety of services provided								
Strongly support	36	16.22%	35	18.23%	32	24.43%	103	18.90%
Somewhat support	112	50.45%	89	46.35%	70	53.44%	271	49.72%
Somewhat oppose	51	22.97%	57	29.69%	23	17.56%	131	24.04%
Strongly oppose	23	10.36%	11	5.73%	6	4.58%	40	7.34%
Total:	**222**	**100%**	**192**	**100%**	**131**	**100%**	**545**	**100%**
q11b. Increase the capacity of the current animal shelter								
Strongly support	60	27.15%	67	35.26%	54	40.91%	181	33.33%
Somewhat support	100	45.25%	83	43.68%	60	45.45%	243	44.75%
Somewhat oppose	42	19.00%	35	18.42%	15	11.36%	92	16.94%
Strongly oppose	19	8.60%	5	2.63%	3	2.27%	27	4.97%
Total:	**221**	**100%**	**190**	**100%**	**132**	**100%**	**543**	**100%**
q11c. Build a new animal shelter								
Strongly support	39	18.40%	49	25.79%	34	26.98%	122	23.11%
Somewhat support	78	36.79%	59	31.05%	50	39.68%	187	35.42%
Somewhat oppose	59	27.83%	63	33.16%	33	26.19%	155	29.36%
Strongly oppose	36	16.98%	19	10.00%	9	7.14%	64	12.12%
Total:	**212**	**100%**	**190**	**100%**	**126**	**100%**	**528**	**100%**
q11d. Refurbish the existing animal shelter								
Strongly support	65	30.52%	78	40.84%	48	37.21%	191	35.83%
Somewhat support	111	52.11%	95	49.74%	69	53.49%	275	51.59%
Somewhat oppose	24	11.27%	13	6.81%	9	6.98%	46	8.63%
Strongly oppose	13	6.10%	5	2.62%	3	2.33%	21	3.94%
Total:	**213**	**100%**	**191**	**100%**	**129**	**100%**	**533**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q12. To what extent do you support or oppose each of the following options to fund improvements to the standard of animal care in Palo Alto?								
q12a. Bond initiative (paid through special property taxes imposed on real estate owners in the City)								
Strongly support	41	17.15%	47	24.35%	36	28.35%	124	22.18%
Somewhat support	69	28.87%	67	34.72%	38	29.92%	174	31.13%
Somewhat oppose	62	25.94%	40	20.73%	36	28.35%	138	24.69%
Strongly oppose	67	28.03%	39	20.21%	17	13.39%	123	22.00%
Total:	**239**	**100%**	**193**	**100%**	**127**	**100%**	**559**	**100%**
q12b. Fundraising events								
Strongly support	118	49.37%	99	50.51%	75	59.52%	292	52.05%
Somewhat support	97	40.59%	83	42.35%	47	37.30%	227	40.46%
Somewhat oppose	14	5.86%	8	4.08%	4	3.17%	26	4.63%
Strongly oppose	10	4.18%	6	3.06%		0.00%	16	2.85%
Total:	**239**	**100%**	**196**	**100%**	**126**	**100%**	**561**	**100%**
q12c. General fund subsidy								
Strongly support	82	34.31%	83	42.35%	56	44.44%	221	39.39%
Somewhat support	89	37.24%	90	45.92%	60	47.62%	239	42.60%
Somewhat oppose	34	14.23%	14	7.14%	4	3.17%	52	9.27%
Strongly oppose	34	14.23%	9	4.59%	6	4.76%	49	8.73%
Total:	**239**	**100%**	**196**	**100%**	**126**	**100%**	**561**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q12. To what extent do you support or oppose each of the following options to fund improvements to the standard of animal care in Palo Alto?								
q12d. Public/private partnerships								
Strongly support	104	43.15%	108	54.82%	71	56.35%	283	50.18%
Somewhat support	112	46.47%	76	38.58%	46	36.51%	234	41.49%
Somewhat oppose	14	5.81%	9	4.57%	5	3.97%	28	4.96%
Strongly oppose	11	4.56%	4	2.03%	4	3.17%	19	3.37%
Total:	**241**	**100%**	**197**	**100%**	**126**	**100%**	**564**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q13. If you were to make a donation to support PAAS, how would you prefer your donation be used?								
To support daily operations (e.g., administration, outreach, etc.)	36	15.58%	36	18.27%	26	18.57%	98	17.25%
Improve facilities (e.g., new kennels, exam room, equipment, etc.)	40	17.32%	35	17.77%	31	22.14%	106	18.66%
Animal services and care (e.g., vaccinations, spay/neuter, adoption)	155	67.10%	126	63.96%	83	59.29%	364	64.08%
Total:	**231**	**100%**	**197**	**100%**	**140**	**100%**	**568**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q14. How far are you willing to travel to take your pet to an animal shelter or pet organization that meets your needs?								
Less than 3 miles	34	15.67%	27	12.92%	6	4.17%	67	11.75%
3 to 5 miles	77	35.48%	85	40.67%	41	28.47%	203	35.61%
6 to 10 miles	69	31.80%	65	31.10%	53	36.81%	187	32.81%
11 to 20 miles	19	8.76%	23	11.00%	26	18.06%	68	11.93%
More than 20 miles	18	8.29%	9	4.31%	18	12.50%	45	7.89%
Total:	**217**	**100%**	**209**	**100%**	**144**	**100%**	**570**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Q15. In regard to management and oversight of animal services, excluding animal control, the City of Palo Alto should…								
Continue to provide and fully manage the provision of animal services	113	47.88%	128	63.37%	77	56.62%	318	55.40%
Partner with an outside organization, such as a Human Society or another city, for the provision of animal services	99	41.95%	65	32.18%	58	42.65%	222	38.68%
Completely outsource animal services, except for animal control	24	10.17%	9	4.46%	1	0.74%	34	5.92%
Total:	**236**	**100%**	**202**	**100%**	**136**	**100%**	**574**	**100%**

Demographic Questions	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
d01. How many years have you lived in Palo Alto?								
Less than 2 years	18	6.59%	6	2.78%	19	20.00%	43	7.36%
2 to 5 years	35	12.82%	15	6.94%	6	6.32%	56	9.59%
6 to 10 years	45	16.48%	19	8.80%	9	9.47%	73	12.50%
11 to 20 years	33	12.09%	43	19.91%	19	20.00%	95	16.27%
More than 20 years	142	52.01%	133	61.57%	42	44.21%	317	54.28%
Total:	**273**	**100%**	**216**	**100%**	**95**	**100%**	**584**	**100%**
d02. Which best describes the building you live in?								
One family house detached from any other houses	156	57.56%	199	92.13%	129	87.76%	484	76.34%
Building with two or more homes (duplex, townhome, apartment or condominium)	108	39.85%	17	7.87%	13	8.84%	138	21.77%
Mobile home	1	0.37%		0.00%	5	3.40%	6	0.95%
Other	6	2.21%		0.00%		0.00%	6	0.95%
d02. Which best describes the building you live in? Total	**271**	**100%**	**216**	**100%**	**147**	**100%**	**634**	**100%**
d03. Is this house, apartment or mobile home...								
Rented	90	33.71%	22	10.33%	17	11.72%	129	20.64%
Owned	177	66.29%	191	89.67%	128	88.28%	496	79.36%
Total:	**267**	**100%**	**213**	**100%**	**145**	**100%**	**625**	**100%**
d04. About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?								
Less than $1,000 per month	32	16.00%	27	19.15%	12	14.29%	71	16.71%
$1,000 to $1,499 per month	18	9.00%	10	7.09%	8	9.52%	36	8.47%
$1,500 to $1,999 per month	26	13.00%	12	8.51%	12	14.29%	50	11.76%
$2,000 to $2,499 per month	30	15.00%	17	12.06%	9	10.71%	56	13.18%
$2,500 to $2,999 per month	18	9.00%	14	9.93%	10	11.90%	42	9.88%
$3,000 to $3,499 per month	21	10.50%	22	15.60%	9	10.71%	52	12.24%
$3,500 to $3,999 per month	23	11.50%	12	8.51%	10	11.90%	45	10.59%
$4,000 to $4,499 per month	25	12.50%	18	12.77%	10	11.90%	53	12.47%
$4,500 to $4,999 per month	7	3.50%	9	6.38%	4	4.76%	20	4.71%
Total:	**200**	**100%**	**141**	**100%**	**84**	**100%**	**425**	**100%**
d05. Do any children 17 or under live in your household?								
No	201	75.00%	136	64.15%	94	64.38%	431	68.85%
Yes	67	25.00%	76	35.85%	52	35.62%	195	31.15%
Total:	**268**	**100%**	**212**	**100%**	**146**	**100%**	**626**	**100%**
d06. Are you or any other members of your household aged 65 or older?								
No	147	55.06%	132	61.97%	89	60.96%	368	58.79%
Yes	120	44.94%	81	38.03%	57	39.04%	258	41.21%
Total:	**267**	**100%**	**213**	**100%**	**146**	**100%**	**626**	**100%**

	Palo Alto Residents: (Randomly Selected)		PAAS Customers: Palo Alto Residents		PAAS Customers: Nonresidents		Grand Total (all populations)	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
d07. How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)								
Less than $25,000	15	6.38%	2	1.10%	9	7.44%	26	4.84%
$25,000 to $49,999	21	8.94%	17	9.39%	7	5.79%	45	8.38%
$50,000 to $99,999	51	21.70%	20	11.05%	24	19.83%	95	17.69%
$100,000 to $149,999	42	17.87%	24	13.26%	18	14.88%	84	15.64%
$150,000 to $199,999	28	11.91%	29	16.02%	11	9.09%	68	12.66%
$200,000 to $249,999	24	10.21%	23	12.71%	9	7.44%	56	10.43%
$250,000 to $299,999	16	6.81%	25	13.81%	13	10.74%	54	10.06%
$300,000 or more	38	16.17%	41	22.65%	30	24.79%	109	20.30%
Total:	**235**	**100%**	**181**	**100%**	**121**	**100%**	**537**	**100%**
d08. Are you Spanish, Hispanic or Latino?								
No, not Spanish, Hispanic or Latino	259	97.74%	196	95.15%	134	93.71%	589	95.93%
Yes, I consider myself to be Spanish, Hispanic or Latino	6	2.26%	10	4.85%	9	6.29%	25	4.07%
Total:	**265**	**100%**	**206**	**100%**	**143**	**100%**	**614**	**100%**
d09. What is your race? (Mark one or more races to indicate what race you consider yourself to be.)								
American Indian or Alaskan Native		0.00%	2	0.98%		0.00%	2	0.33%
Asian, Asian Indian or Pacific Islander	60	22.56%	35	17.07%	26	18.44%	121	19.77%
Black or African American	4	1.50%	1	0.49%	2	1.42%	7	1.14%
White	206	77.44%	165	80.49%	120	85.11%	491	80.23%
Other	7	2.63%	9	4.39%	4	2.84%	20	3.27%
Total: (exceeds 100% if more than one was selected)	**277**	**104%**	**212**	**103%**	**152**	**108%**	**641**	**105%**
d10. In which category is your age?								
18 to 24 years	1	0.37%	2	0.96%	1	0.69%	4	0.64%
25 to 34 years	28	10.45%	9	4.31%	6	4.14%	43	6.91%
35 to 44 years	32	11.94%	13	6.22%	13	8.97%	58	9.32%
45 to 54 years	52	19.40%	58	27.75%	43	29.66%	153	24.60%
55 to 64 years	45	16.79%	60	28.71%	46	31.72%	151	24.28%
65 to 74 years	56	20.90%	47	22.49%	25	17.24%	128	20.58%
75 years or older	54	20.15%	20	9.57%	11	7.59%	85	13.67%
Total:	**268**	**100%**	**209**	**100%**	**145**	**100%**	**622**	**100%**
d11. What is your sex?								
Female	164	61.19%	139	66.51%	111	76.55%	414	66.56%
Male	104	38.81%	70	33.49%	34	23.45%	208	33.44%
Total:	**268**	**100%**	**209**	**100%**	**145**	**100%**	**622**	**100%**

APPENDIX 4 –Fee Comparison With Other Agencies

Description	Palo Alto	SVACA	San Jose	HSSV	PHS	SF SPCA
Adoption						
Adoption fee - dogs	$125	$150	$65-$135	$175	$75-$135	$100-$250
Adoption fee - cats	$125	$100-$150	$35-$100	$175	$50-$105	$75-$125
Spay and Neuter						
Dog spay	$105-$270 resident	$120-$140 resident	$30 resident	$110-$170+	$95-$150+	$375
	$110-$345 nonresident	$145-$165 nonresident	$100 nonresident			
Dog neuter	$90-$250 resident	$110-$130 resident	$20 resident	$85-$135+	$80-$140+	$375
	$95-$325 nonresident	$135-$155 nonresident	$75 nonresident			
Cat spay	$85 resident	$70 resident	$20 resident	$95	$60	$215
	$90 nonresident	$85 nonresident	$75 nonresident			
Cat neuter	$60 resident	$60 resident	$15 resident	$60	$50	$215
	$65 nonresident	$75 nonresident	$65 nonresident			
Licensing						
Dog license - 12, 24, 36 months altered	$20, $30, $40	$22, $32, $42	$20, $45, $45	N/A	N/A	N/A
Dog license - 12, 24, 36 months unaltered	$40, $60, $80	$100, N/A, N/A	$60, N/A, N/A	N/A	N/A	N/A

Notes:

Palo Alto charges discounted spay and neuter fees to rescue groups.

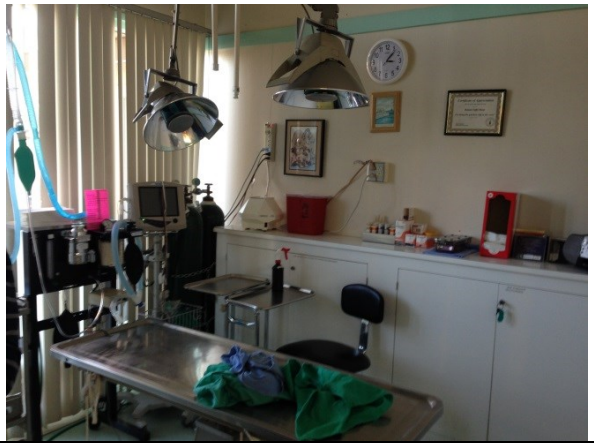
SVACA does not perform spay and neuter services on dogs over 80 pounds.

San Jose charges discounted fees to senior citizens over 65 years of age adopting dogs and cats over 3 years old.

Source: City of Palo Alto Municipal Fee Schedule and Information From Each Agency

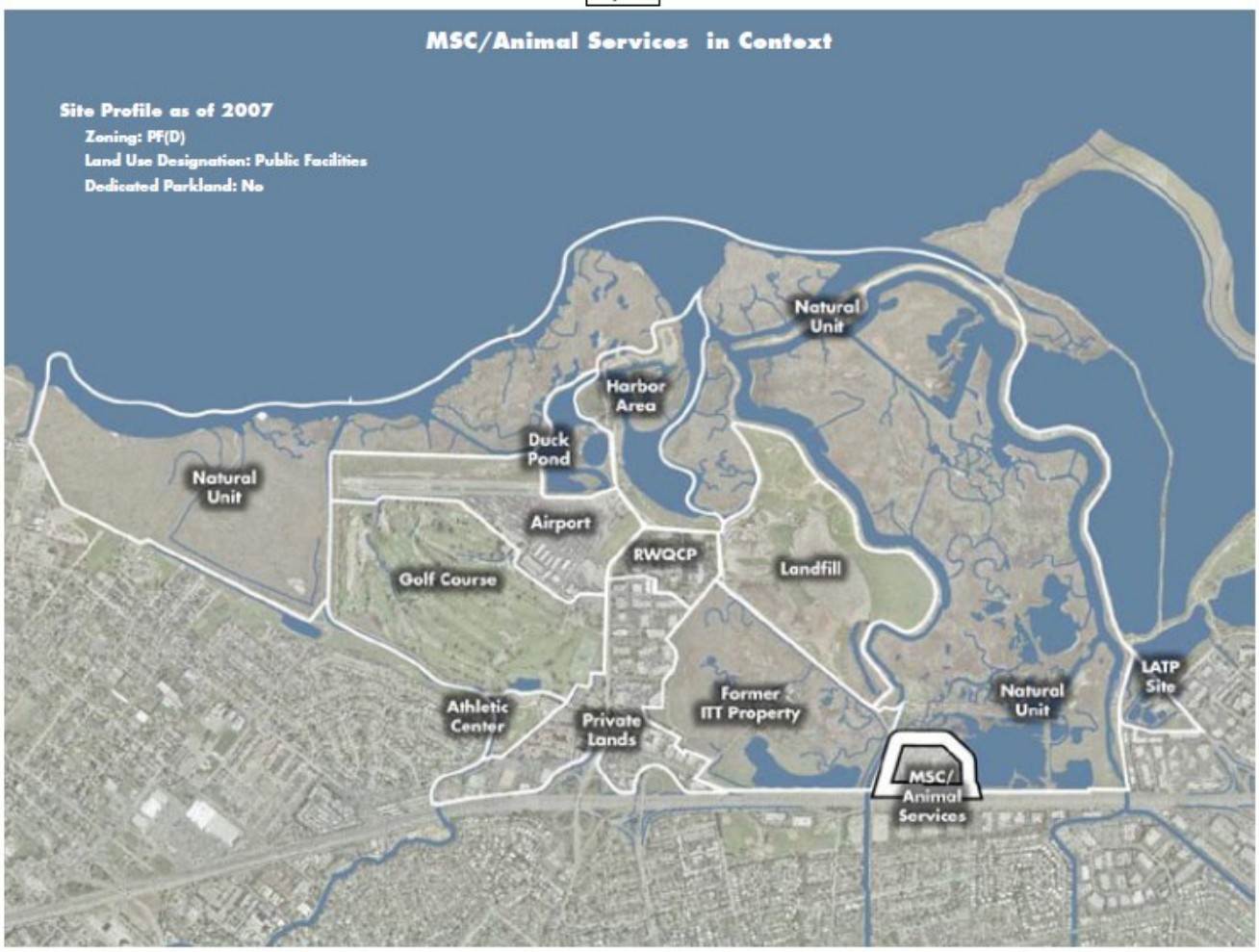
APPENDIX 5 – Photos Comparing Palo Alto Animal Services Facility and Humane Society Silicon Valley Facility

PALO ALTO ANIMAL SERVICES	HUMANE SOCIETY SILICON VALLEY
PAAS Street View	HSSV Street View
PAAS Front Entry	HSSV Front Entry
PAAS Adoptable Dog Kennels	HSSV Adoptable Dog Rooms

PALO ALTO ANIMAL SERVICES	HUMANE SOCIETY SILICON VALLEY
PAAS Pet Store	HSSV Pet Store
PAAS Clinic facilities (surgical)	HSSV Clinic facilities (surgical)
	
PAAS Drug Area	HSSV Drug Dispensing Unit

APPENDIX 6 – Municipal Services Center/Animal Services Sites

Map 11.4



APPENDIX 7 – City Manager's Response

OFFICE OF THE CITY MANAGER

CITY OF PALO ALTO

250 Hamilton Avenue, 7th Floor
Palo Alto, CA 94301
650.329.2392

Date: April 9, 2015

To: Harriet Richardson, City Auditor

From: James Keene, City Manager

The staff greatly appreciates the assistance from the City Auditor in assessing Animal Services and agrees with the findings and recommendations of the audit.

The survey conducted by the audit indicates a high level of support from respondents for retaining a shelter in Palo Alto as well as support for shelter operations. We agree that our current service delivery model cannot achieve revenue neutrality, as Council discussions in part years urged. In fact, general fund subsidy has dramatically increased. Additionally the facility is outdated and needs investment to meet current and future needs. In our opinion it does not meet the facility or operational standards we expect in our City. It is clear that there are current staffing and management challenges which need to be addressed within the first quarter of the new fiscal year. Real change is necessary.

At the same time, as the audit acknowledges there are more immediate and near term actions that staff will need to initiate. I have identified those as intervention or triage actions in our responses to the audit recommendations in Appendix 7. But the audit also recognizes that a sustainable long term service model needs to be developed if we are going to maintain a shelter operation in our City. I think the audit and my own conclusions point to a separation of the Animal Control and shelter operations, with the shelter spun off to an entity with more capacity to improve the facility and operations and maintain them over time, due to cost management and revenue raising potentials beyond the reach of a municipal operation.

In addition to upcoming discussion with the Finance Committee on April 22 with presentation of your audit findings and subsequently during the FY 2016 Budget discussions in May and June, staff expects we will continue working with the local community, non-profit organizations, and regional partners to identify the best long term solution.

In addition to the audit, we recommend the Council and interested community members also review the information report presented to City Council on March 2, 2015. This report provides a variety of background materials. Additionally, since the information report, staff has conducted two public meetings to discuss the different perspectives about the services models. A meeting with interested community members is scheduled for tonight, April 9, 2015, which will discuss the audit findings and recommendations prior to the April 22, 2015 Finance Committee meeting.

Printed with soy-based inks on 100% recycled paper processed without chlorine.

The City Manager has agreed to take the following actions in response to the audit recommendations in this report. The City Manager will report progress on implementation six months after the Council accepts the audit report, and every six months thereafter until all recommendations have been implemented.

Recommendation	Responsible Department(s)	Agree, Partially Agree, or Do Not Agree and Target Date and Corrective Action Plan	Status
Finding: Palo Alto Animal Services (PAAS) faces challenges that are unlikely to be resolved if it continues operating as solely a city-managed function without a significant increase in general fund subsidy, donations, and/or revenue-generating contracts			
1. Recommend to the City Council that it make a policy decision for management to explore options, and based on the results, develop a recommendation for the best approach for retaining Palo Alto Animal Services as a regional animal shelter facility.	City Manager's Office	**Concurrence: Agree** **Target Date: April, May, and June 2015** **Action Plan:** The City Manager concurs with the recommendation. The financial condition of the animal services program along with the audit finding and community feedback make it clear that staff must explore a range of options. Council direction to do so is not required—the state of animal services is so dire-- but near term and ongoing engagement with Council and the Finance Committee will be essential.	
2. Identify and assign someone with management skills to immediately begin working at Palo Alto Animal Services to learn the management side of the shelter operations and carry PAAS through its transition into the future after the acting superintendent retires. This can be either a current or new City employee, but should be a person with an understanding of the challenges currently facing PAAS. The person selected should be retained in the position until a clear direction is developed regarding the future of PAAS and the skills and experience needed for a director or superintendent position are known and recruitment can take place, if appropriate. As part of this process, determine whether to temporarily move animal services to a function under the Office of the City Manager	City Manager's Office	**Concurrence: Agree** **Target Date: July 2015** **Action Plan:** Due to the range of issues-departing staff, a losing business proposition in the current form, facility conditions, and the need for more capacity and agility in improving services and raising funding, intervention and a "triage" based near term approach is required. The City Manager will share with Council how this near term intervention leadership will be provided. Initial discussion of directions can take place during this Audit discussion, with more refinement during the budget process with Finance in May. This recommendation in conjunction with several other recommendations in the audit will increase city costs over the next year.	

Recommendation	Responsible Department(s)	Agree, Partially Agree, or Do Not Agree and Target Date and Corrective Action Plan	Status
until a permanent decision is made regarding the long-term direction for providing animal services.			
3. Conduct a staffing analysis to determine an appropriate staffing level to continue performing shelter operations during the transition period without the assistance of the ACOs. Include an analysis of potential expanded hours, including variations of extended weekday, weekend, and holiday hours and the potential increase in revenues as a result of expanded hours. Seek budget funding from the City Council to hire the appropriate staff based on the analysis and recruit for the necessary positions.	City Manager's Office	**Concurrence: Agree** **Target Date: May 2015** **Action Plan:** This staffing analysis will be conducted and appropriate recommendations brought to Council as funding is needed.	
After implementing Recommendations 1-3:			
4. Engage in discussions with nonprofit organizations and/or other animal shelters for strategies to operate Palo Alto Animal Services or provide specific services that would enhance current animal shelter services under a long-term partnership agreement with the City, including potential assistance in raising funds to build a new shelter. Present the results to the City Council for a policy decision on the direction to take for pursuing either the long-term future of PAAS, including the possibility of continued general fund support, or closure of the facility if no strategy is feasible from both a financial and operational perspective.	City Manager's Office	**Concurrence: Agree** **Target Date: June 2016** **Action Plan:** Conversations with various entities have occurred in some form over the past two years. Conversations with representative stakeholders are currently under way. The City Manager believes that a new model is essential for continuation and improvement of the animal shelter in Palo Alto. This effort will occur concurrent with the triage staffing recommendations in 2-3. Staff will have a better schedule for timeline for Council discussion before the Council summer break.	
5. As part of the discussion in Recommendation 4, analyze the feasibility of separating the ACO activities from the shelter activities. If appropriate, transition the ACO function out	City Manager's Office	**Concurrence: Agree** **Target Date: June 2016** **Action Plan:** This will be done. At this time, the City Manager presumes that bifurcation of the	

Recommendation	Responsible Department(s)	Agree, Partially Agree, or Do Not Agree and Target Date and Corrective Action Plan	Status
of PAAS so it becomes solely a Police Department function or part of another regional animal services organization with ACOs dedicated to the Palo Alto service area, including Los Altos and Los Altos Hills, to continue providing the level of response time service that PAAS currently provides. Depending on the outcome, engage in discussions with other jurisdictions to promote the City's competitive response times and consistently high customer satisfaction ratings to potentially enter into agreements with the City of Palo Alto for animal control services as the jurisdictions' current agreements expire.		duties will be our future approach, maintaining ACO operations within the City and spinning the shelter off to a non-profit entity in the longer term. This assumes shelter will remain in Palo Alto.	
6. Develop and implement a strategy to market Palo Alto Animal Services to both residents and nonresidents. Marketing efforts should focus on promoting awareness of all available services, as well as the cost savings available to customers for using PAAS' services. Engage nonprofit organizations, volunteers, and other animal shelters to assist in marketing PAAS' services to a larger group of potential customers.	City Manager's Office	**Concurrence: Agree** **Target Date: June 2016** **Action Plan:** Staff will develop a plan to increase and improve the website database and other marketing materials to promote awareness about services during the triage period. The new long term model will need to ensure successful marketing to be successful.	
7. Review the work that has already been done related to building a new animal shelter. Assess the feasibility of obtaining sufficient funding through fundraising, public/private partnerships, general fund subsidies, or a bond initiative, to build a new animal shelter that meets modern-day standards for animal care and safety, including animals' physical and behavioral needs, as established by the Association of Shelter Veterinarians or a comparable standard. Explore the potential	City Manager's Office	**Concurrence: Agree** **Target Date: June 2016** **Action Plan:** The improvement of the Animal Shelter is key to the long term viability of our program. This work will be done as an integral part of the assessment of alternative models and a presumed eventual decision to transfer shelter operation to a new entity.	

Recommendation	Responsible Department(s)	Agree, Partially Agree, or Do Not Agree and Target Date and Corrective Action Plan	Status
revenue that can be generated from including new features in a new facility, such as a community and education center. Involve the Public Works Department in this assessment as necessary. Based on the results, present a proposal to the City Council for a decision on whether to move forward with pursuing construction of a new animal shelter and the funding source.			
8. Seek future opportunities to provide animal licensing services to the County of San Mateo when its current contract expires in 2016.	City Manager's Office	**Concurrence: Partially Agree** **Target Date: June 2016** **Action Plan:** Initial staff review suggests that the County's licensing services would not provide profit to the operation. However, staff will reassess the opportunity and provide those results to as part of the audit update. Other opportunities to increase revenue in the near term appear quite limited. Staff presumes that the long term plan will need to expand services to be successful.	

Attachment B

FINANCE MEETING
04-22-15
☑ Received Before Meeting
4

CITY OF PALO ALTO
MEMORANDUM

TO: **FINANCE COMMITTEE**

FROM: **CITY AUDITOR'S OFFICE**

AGENDA DATE: **April 22, 2015** **ID# 5729**

SUBJECT: Weighted Palo Alto Animal Services Survey Results

This report presents the weighted results and the margin of error for selected questions in the 2015 Palo Alto Animal Services survey that were included in our April 2015 report, "Police Department: Palo Alto Animal Services Audit." [1] Weighting the responses does not change a survey respondent's answers. Rather, it adjusts the weight given to each individual response so that it appropriately represents the demographics of the population that the respondent represents – in this case, Palo Alto residents. We only weighted the survey data for the randomly selected sample of Palo Alto residents, not the resident and nonresident customer groups discussed in the report. The weighted results and the margin of error provide a clearer perspective on Palo Alto residents' opinions that may impact policy decisions regarding the future of Palo Alto Animal Services. The differences between the weighted and unweighted survey data were not enough to warrant changes to our audit conclusions or recommendations.

Respectfully submitted,

Harriet Richardson

HARRIET RICHARDSON
City Auditor

[1] The audit report is posted on the Office of the City Auditor's website at: http://www.cityofpaloalto.org/civicax/filebank/documents/46817

Office of the City Auditor

April 22, 2015

Weighted Palo Alto Animal Services Survey Results

The Honorable City Council
Palo Alto, California

This report presents the weighted results and the margin of error for selected questions in the 2015 Palo Alto Animal Services survey that were included in our April 2015 report, "Police Department: Palo Alto Animal Services Audit." [1] Weighting the responses does not change a survey respondent's answers. Rather, it adjusts the weight given to each individual response so that it appropriately represents the demographics of the population that the respondent represents – in this case, Palo Alto residents. We only weighted the survey data for the randomly selected sample of Palo Alto residents, not the resident and nonresident customer groups discussed in the report. The weighted results and the margin of error provide a clearer perspective on Palo Alto residents' opinions that may impact policy decisions regarding the future of Palo Alto Animal Services. The differences between the weighted and unweighted survey data were not enough to warrant changes to our audit conclusions or recommendations.

BACKGROUND

Our audit report includes the results of the 2015 Palo Alto Animal Services survey, which we designed to assess resident and customer satisfaction with Palo Alto Animal Services and opinions that would likely impact policy decisions regarding the future of Palo Alto Animal Services. We stated in the Scope and Methodology section of the audit report that the survey sample may not represent the opinions of the community as a whole because we did not weight the data to account for differences between survey respondent demographics and population norms prior to issuing the report. However, we identified potential imbalances in the demographics of the randomly selected Palo Alto resident sample that suggested the need to weight the data:

- Some demographic characteristics of the survey respondents varied significantly from known and/or expected population norms based on the 2010 U.S. Census. For example, many more females than males responded to the survey. While such variances could be explained for the Palo Alto Animal Services customer sample, they are not easily explained for the randomly selected sample of Palo Alto residents.
- Results in the 2014 Palo Alto National Citizen Survey[2] for a question regarding resident satisfaction with the City's animal control services were significantly different from the results for a similar question in the Palo Alto Animal Services survey – 80 percent of respondents to the National Citizen Survey and 98 percent of respondents to the animal services survey rated animal control services as "excellent" or "good."

[1] The audit report is posted on the Office of the City Auditor's website at: http://www.cityofpaloalto.org/civicax/filebank/documents/46817

[2] The National Citizen Survey report is posted at: http://www.cityofpaloalto.org/gov/depts/aud/reports/accomplishments.asp

We contracted with the National Research Center to conduct the animal services survey and to weight the survey responses for the randomly selected sample of Palo Alto residents. The following table shows the population norms for Palo Alto and the demographic characteristics of the unweighted responses included in the audit report and the weighted responses provided in this memorandum.

Characteristic	Population Norm*	Unweighted Data	Weighted Data
Housing			
Rent home	44%	34%	43%
Own home	56%	66%	57%
Detached unit**	58%	58%	57%
Attached unit**	42%	42%	43%
Race and Ethnicity			
White	68%	74%	70%
Not white	32%	26%	30%
Not Hispanic	95%	98%	97%
Hispanic	5%	2%	3%
White alone, not Hispanic	64%	72%	68%
Hispanic and/or other race	36%	28%	32%
Gender and Age			
Female	52%	61%	51%
Male	48%	39%	49%
18-34 years of age	22%	11%	21%
35-54 years of age	41%	31%	40%
55+ years of age	37%	58%	38%
Females 18-34	10%	6%	10%
Females 35-54	21%	21%	21%
Females 55+	20%	34%	21%
Males 18-34	12%	4%	12%
Males 35-54	20%	10%	20%
Males 55+	17%	24%	17%

* 2010 U.S. Census

** American Community Survey 2011 5-year estimates

Comparative Results

The differences between the unweighted and weighted survey responses were small for most questions shown in the audit report exhibits. However, the difference between resident ratings for animal control services in the 2014 National Citizen Survey and the weighted responses for the 2015 Palo Alto Animal Services survey remained significant, with 80 percent versus 96 percent ratings of “excellent” or “good” for animal control services in the respective surveys. The National Research Center explained the differences:

- The Palo Alto Animal Services Survey is a topic specific survey, rather than a broad citizen survey. When people evaluate more than 40 services in the National Citizen Survey, they are likely comparing one service to another when developing individual assessments.
- The question was slightly different in the surveys – the animal services survey provided examples of what is considered an animal control service and the the National Citizen Survey did not.

The tables below provide the unweighted survey results from the audit report, weighted results, difference between the unweighted and weighted results, and margin of error for each question. The margin of error is based on a 95 percent confidence level, which means that for every 100 samples of the same number of people randomly selected to take the survey, the responses would be within the margin of error 95 percent of the time. We highlighted the questions in the tables below where the difference between the unweighted and unweighted responses was 5 percent or more, based on unrounded numbers. However, it is important to understand that although the weighted responses may be statistically different than the unweighted responses, the difference itself may not be meaningful (e.g, they did not change our audit conclusions).

Questions Regarding Shelter Hours

Survey Question	Unweighted	Weighted	Difference	Margin of Error
	Percent Rating "Essential" or "Very Important"			
Shelter open on Fridays	61%	56%	-5%	+/- 7%
Shelter open on Sundays	56%	55%	-2%	+/- 8%
Shelter open on holidays	41%	36%	-5%	+/- 8%
Shelter open on weekday evenings	51%	49%	-2%	+/- 7%
See Exhibit 11, page 14, and Appendix 3, page 57 in the audit report				

Questions Regarding Use of Funds

Survey Question	Unweighted	Weighted	Difference	Margin of Error
In regard to management and oversight of animal services, excluding animal control, the City of Palo Alto should…	Percent Who "Strongly" or "Somewhat" Agree			
Continue to provide and fully manage the provision of animal services	48%	45%	-2%	+/- 6%
Partner with an outside organization, such as a Humane Society or another city, for the provision of animal services	42%	43%	+1%	+/- 6%
Completely outsource animal services, except for animal control	10%	11%	+1%	+/- 6%
Animal services should be 100 percent self-supporting through user fees and contracts with other jurisdictions or agencies that use Palo Alto Animal Services	46%	48%	+2%	+/- 7%
The City should develop public-private partnerships to minimize the general fund subsidy of Animal Services	75%	77%	+2%	+/- 7%
The City should contract out Animal Services to minimize its general fund subsidy	37%	42%	+5%	+/- 7%
The City's general fund should subsidize Animal Services to the extent necessary to ensure that the City manages and provides oversight of a City animal shelter in accordance with best practices	82%	77%	-4%	+/- 7%
If you were to make a donation to support PAAS, how would you prefer your donation be used?	Percent Who Selected One Option			
Animal services and care (e.g., vaccinations, spay/neuter, adoption)	67%	70%	+3%	+/- 6%
Improve facilities (e.g., new kennels, exam room, equipment, etc.)	17%	16%	-1%	+/- 6%
To support daily operations (e.g., administration, outreach, etc.)	16%	14%	-1%	+/- 6%
See Exhibit 12, page 17, and Appendix 3, pages 59-61, in the audit report				

Questions Regarding Willingness to Travel for Animal Services				
How far are you willing to travel to take your pet to an animal shelter or pet organization that meets your needs?	Unweighted	Weighted	Difference	Margin of Error
Less than 3 miles	16%	15%	0%	+/- 7%
3 to 5 miles	35%	33%	-2%	+/- 7%
6 to 10 miles	32%	34%	+2%	+/- 7%
11 to 20 miles	9%	8%	-1%	+/- 7%
More than 20 miles	8%	10%	+1%	+/- 7%
See Exhibit 14 on page 19 in the audit report				

Questions Regarding Funding PAAS Improvements				
Survey Question	Unweighted	Weighted	Difference	Margin of Error
To what extent do you support or oppose each of the following options to improve the standard of animal care in the City of Palo Alto?	Percent Who "Strongly" or "Somewhat" Agree			
Refurbish the existing animal shelter	83%	80%	-2%	+/- 7%
Build a new animal shelter	55%	55%	-1%	+/- 7%
Increase the capacity of the current animal shelter	72%	71%	-2%	+/- 7%
To what extent do you support or oppose each of the following options to fund improvements to the standard of animal care in Palo Alto?	Percent Who "Strongly" or "Somewhat" Support			
Bond initiative (paid through special property taxes imposed on City real estate owners)	46%	47%	+1%	+/- 6%
Fundraising events	90%	89%	-1%	+/- 6%
General fund subsidy	72%	70%	-1%	+/- 6%
Public/private partnerships	90%	88%	-1%	+/- 6%
See Exhibit 18 on page 24 in the audit report				

Questions Regarding Animal Control				
Survey Question	Unweighted	Weighted	Difference	Margin of Error
	Percent Rating Services as "Excellent" or "Good"			
Animal Control (e.g., called about vicious, attacking, or injured dog or cat, animal bite, barking dog)	98%	96%	-2%	+/- 14%
Dead animal pick-up	95%	92%	-3%	+/- 16%
	Percent Rating Services "Essential" or "Very important"			
Animal Control	90%	90%	-1%	+/- 7%
Animal cruelty investigations	90%	88%	-1%	+/- 7%
Dead animal pick-up	86%	84%	-2%	+/- 7%
See Exhibit 22 on page 30 in the audit report				

FINANCE COMMITTEE MINUTES EXCERPT

Special Meeting
Tuesday, April 22, 2015

Chairperson Schmid called the meeting to order at 5:32 P.M. in the Council Chambers, 250 Hamilton Avenue, Palo Alto, California.

Present: Filseth, Scharff, Schmid (Chair)

Absent: Kniss

Agenda Items

4. Police Department: Palo Alto Animal Services Audit.

Harriet Richardson, City Auditor remarked that there were four audit objectives. This audit was included in the Fiscal Year (FY) 2015 Audit Work Plan because of the Animal Shelter's ongoing financial deficit since the City lost its agreement with the City of Mountain View in November 2012 to provide animal control services. The audit was prioritized at the request of the City Manager, Jim Keene, to issue a report in time for the Finance Committee's (Committee) discussion of the FY 2016 Budget. The audit objectives were to: 1) determine appropriate areas of focus for the City Council and management based on Palo Alto resident and animal shelter customer opinions regarding the overall adequacy of Palo Alto Animal Services, the demand to keep Animal Services local, and residents' willingness to financially support operational and facility improvements for Animal Services; 2) opportunities to increase Animal Services' revenues and decrease its expenditures to make it more financially sustainable; 3) whether Palo Alto effectively and efficiently planned and executed upgrades to the Animal Shelter to meet Animal Services' goals and objectives; and 4) the appropriateness of Animal Services' organizational structure. In addition to the standard review of relevant financial and operational information, and speaking with appropriate Staff regarding operations, it was important to get a broader perspective of what residents wanted regarding Animal Services. Staff contracted with the National Research Center to conduct a survey that focused only on Palo Alto Animal Services. The survey included three different groups: 1) 1,500 randomly selected Palo Alto households, 2) 678

MINUTES EXCERPT

households in Palo Alto with a record of having used Palo Alto Animal Services, and 3) 822 households outside of Palo Alto with a record of having used Palo Alto Animal Services. Due to time constraints, Staff did not weight the survey responses prior to publishing the audit report, but Staff subsequently weighted the responses from the randomly selected Palo Alto households to more accurately represent the demographics of the population. There was an At Places Memo given to the Committee at this meeting that provided updates for selected survey results. Staff also wanted to understand what other well-functioning Animal Services organizations do to be operationally and financially successful. Staff toured other Animal Services organizations in the area and spoke with leadership at those organizations. The organizations visited were: 1) the Humane Society of Silicon Valley; 2) Peninsula Humane Society and Society for the Prevention of Cruelty to Animals (SPCA); 3) the Palo Alto Humane Society; and 4) the Silicon Valley Animal Control Authority (SVACA). Staff benchmarked various aspects of Palo Alto Animal Services against these organizations, as well as with the San Francisco SPCA, the City of San Jose and the City of Sunnyvale. Staff also compiled and reviewed prior reports that the City conducted over time regarding efforts to improve or rebuild the Animal Shelter.

Houman Boussina, Senior Performance Auditor noted that the audit report had one finding that discussed the challenges and opportunities facing Animal Services, as well as the need to make immediate changes and to develop a service model that was going to be financially sustainable over the long term. He discussed Animal Services' dire financial situation and said there was a significant decline in revenues for FY 2014, with an unequal decline in total expenditures. Although Palo Alto's General Fund subsidized Animal Services for the past 10 years, the subsidy from the General Fund increased significantly after Palo Alto lost the agreement with the city of Mountain View and the accompanying $400,000 in revenues. Further revenue decline was due to the loss of the Spay and Neuter Clinic in FY 2014 after the loss of Veterinary Technicians, which caused revenues to decline from about $190,000 annually to about $47,000. Police Department Staff told Audit Staff that they made significant efforts to retain the Mountain View contract, including attending Mountain View Council meetings, but were not successful. He noted that non-salary expenses remained stable during the 10-year period, while the data showed that the City implemented staffing reductions to address the budget deficit in FY 2014. Donations and contracts for services comprised the majority of revenue for other Animal Services organizations, but Palo Alto Animal Services had limited revenue in each of these areas in FY 2014. Palo Alto's options for increasing revenue from these revenue sources were limited for two reasons. One reason was there was a limited market share for contracts with other jurisdictions; most

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of that market was captured by other Animal Services organizations. Although other jurisdictions discussed contracts with Palo Alto for Animal Control Services, they were not interested because Palo Alto could not save them money or because of the uncertainty of the future of Palo Alto Animal Services. The second reason was a City policy that restricted Animal Services' ability to solicit donations. Even if the policy was changed, resources would need to be dedicated to fund raising efforts. Although Animal Services received donations from the Friends of the Palo Alto Animal Shelter (Friends), the City had not formalized its relationship with the Friends group. Other monetary donations, which were done through an online portal, were not significant. Other opportunities to increase revenue existed, but were not likely to be significant factors in cost recovery. These included: 1) increasing resident awareness of services provided; 2) adding evening and weekend shelter hours; 3) participating in community adoption events; and 4) providing animal licensing services to other jurisdictions. Having Animal Services provided locally was very important to Palo Alto residents and Animal Services' customers. More than 80 percent of residents and customers who responded to the survey thought it was essential or very important for Palo Alto to provide key animal services. He noted that 83 percent of Palo Alto residents did not want to travel more than 10 miles to obtain animal services, and more than 90 percent of survey respondents rated services as excellent or good for animal control, dead animal pick-up, spay or neuter services, vaccinations, and licensing. The Animal Services survey showed that Palo Alto residents supported subsidizing Animal Services, particularly if they used the services during FY 2014. He said 77 percent of randomly selected Palo Alto residents who responded to the survey, and 94 percent of residents who used the shelter in the past 12 months thought the City's General Fund should subsidize Animal Services to the extent necessary to ensure that the City manages and provides oversight of a City Animal Shelter in accordance with the best practices. These residents also favored developing public/private partnerships as an option. Neither the randomly selected residents nor the residents who used Animal Services favored making Animal Services 100 percent self-supporting or supported contracting out Animal Services. The Animal Shelter was built in 1972, has outlived its useful life, and did not meet modern standards of animal care, which was likely a reason that other jurisdictions did not want to enter into Animal Services agreements with Palo Alto. The Animal Shelter did not have sufficient space to meet the animals' physical and behavioral needs, including separating incompatible animals. The kennels were cramped and some had sharp edges, the flooring could not be cleaned to recognized sanitation standards, there was not a separate receiving and intake room, and some types of small animals were housed in the Staff lunch room, which presented a health hazard to both the animals and the staff. The City has spent $1.7 million on Capital Improvement

MINUTES EXCERPT

Projects (CIP) since 2003, but the improvements provided only critical repairs and did not upgrade the Shelter to meet modern standards of care. The City conducted a Master Plan Study of the Los Altos Treatment Plant site, which included a proposal to build a new shelter. There was no subsequent action to move forward with one of the proposed plans from that Study. Palo Alto residents supported facility improvement to improve the standard of animal care, as well as funding those improvements. Although residents who responded to the survey preferred refurbishing the facility, this was not a viable option because the Animal Shelter was beyond its useful life. There was positive support for building a new Animal Shelter, but it was much less favored than the refurbishment option. Residents who responded to the survey strongly favored fundraising and public/private partnerships as a way to pay for improvements; although they also supported General Fund subsidies, this was much less of a preferred option for residents who had not used the Animal Shelter. Issuing bonds to pay for the Animal Shelter improvements was not a well supported option. The audit report discussed proposals from the Palo Alto Humane Society, including financial and other support for a new or refurbished facility. The City has not acted on those proposals, but through discussions with the Palo Alto Humane Society, Staff learned that they were still committed to providing support to move Palo Alto Animal Services into the future. Animal Services faced other significant challenges, such as the Acting Superintendent's plan to retire in December 2015. This was a position that would be essential to the City as it moves forward to act on the Council's decisions regarding policies for Animal Services. Staff anticipated that hiring a qualified person was going to be challenging because the position required specialized skills and management experience, the salary for the position was not competitive with neighboring animal services facilities, and there was a significant gap between the Superintendent's duties and responsibilities, and those of other positions in Animal Services, which limited the ability for other Animal Services employees to step into the position and be effective. There was uncertainty regarding the future of Animal Services, which may cause qualified individuals to hesitate to apply and to commit to the position. The Police Department's hiring process took three to six months, and included a more detailed background check than was required for other City employees. This process resulted in disqualifying candidates in the past and could otherwise dissuade qualified candidates from applying for the position. Second, the Police Department considered Animal Services an ancillary operation that was mostly self-managed, with minimal coordination of activities and expertise, in comparison with the rest of the Police Department. While there was no ideal placement for the Animal Services function, the audit report described the pros and cons of various reporting structures for Animal Services that could help it overcome both its financial and organizational uncertainties.

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Ms. Richardson explained that Staff made eight recommendations in the audit report, which Staff expected would be implemented over a period of time, as well as prioritized; some recommendations needed to be implemented before others. The recommendations identified ways for the future success and financial viability of Animal Services; they included assigning someone with management skills to work at Animal Services to guide it through the transition in the future. This was a critical first step that needed to be implemented quickly if Council wanted to keep an Animal Services function in Palo Alto. Staff recommended conducting a cost-benefit analysis of expanding Animal Servicess hours as a way to increase its revenues; increasing revenues through expanded hours was very unlikely to raise much more than a fraction of the revenues lost when Palo Alto lost the Mountain View contract. Staff recommended identifying a strategy to engage nonprofit or other Animal Services organizations in discussions for operating the Shelter. The City Manager started this process before the audit began and continued it while the audit was being conducted. Staff believed that using the results of the meetings, in conjunction with the information in the audit report was going to provide valuable information to the Council as they made their decision about the future of Palo Alto Animal Services. As part of that recommendation, Staff recommended assessing the feasibility of separating the Animal Control activities from the Animal Shelter activities, leaving the Animal Control portion with the Police Department, and separating the remaining functions of Animal Services. In addition, Staff recommended assessing the feasibility of increasing revenues through fundraising, public/private partnerships, General Fund subsidies, or a bond initiative to build a new animal shelter that met modern day standards for animal care and safety. These strategies were proven for other animal services organizations and were the most likely way to allow Animal Services to remain an active function in Palo Alto. The primary reason Staff prioritized completion of this audit was because implementation of the recommendations required financial resources that were not currently in the Animal Services Budget and presenting the audit now allowed the City Manager to propose the resources needed for FY 2016 during the upcoming budget hearings. The City Manager agreed with seven of the eight recommendations; he partially agreed with the recommendation to seek the opportunity to provide animal licensing services to San Mateo County when the current contract expired. The City Manager's action plan to assess that opportunity was appropriate and Audit Staff did not recommend any changes to his response.

Jim Keene, City Manager said the work of the Auditor's Office, the timing, and the alignment with the City's own data was a good example of an internal consultant that was able to look deeper into matters and give their

own independent analysis of a situation. The responses that were written in the audit were less passive than responses sometimes were; they were statements of agreement, an attempt to state Staff's intentions, and they displayed the urgency of Staff to respond to the recommendations. There was a lot of agreement about the situation of Animal Services, the proposals that were made for going forward, and a need to revisit the challenges of the Animal Shelter operation over the past years to reflect on its financial condition. There was a recollection of the losses in Animal Control and the significant financial challenges that were seen as a City, which led Staff to suggest that they needed to look at abandoning the Animal Shelter operation and pursue something similar to Mountain View. In the years 2010 or 2011 there was a lot of reaction in the community to do fundraising, as a reflection of the desire to keep the Animal Shelter. In FY 2015 there was a drop in net costs to $420,000. Staff's intent was to stay on the course and to try to see a zero deficit. In looking at the data from subsequent years, Staff was going in the wrong direction; there was a loss of almost $900,000 in FY 2014 and there was an increase in FY 2015. These numbers were a reflection of an operation that clearly did not work. This was not just about the numbers, it had to do with the condition of the Animal Shelter and the ability to restructure the Shelter so it was more self-supporting; the conditions, the quality of care, and the appeal needed to be enhanced. The audit showed that municipal operations were not looking good and there was a need for the City to look at alternatives. Staff's response to the audit was they agreed and they thought they should retain the Animal Control Officers. This was a service that was important to the two remaining partners of Los Altos and Los Altos Hills. He agreed that retaining the Animal Shelter in Palo Alto was good but a new model was needed. The challenge was the transition period between now and the ability to move toward a new model. This was complicated by the fact that during the transition, the director of the Shelter would be retiring. He wanted to keep the Shelter in operation and to focus on developing a transition plan. He showed a chart that were rough estimates of the Staffing support and he suggested consultants might be needed. The main point was that a year was needed before Staff was in a situation to pursue passing the Shelter to a new entity, so Staff had to backfill staffing at the Shelter to keep it in operation. He noted that the transitional costs were not included in the Operating Budget, which were going to be presented to the Council.

Chair Schmid understood the recommendation was to accept the audit report a whole and consider Item 1.

Mr. Keene agreed that the audit as whole should be considered but he thought the City Manager's response to the audit was important. The

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Committee needed to direct Staff regarding the Budget Hearings. He thought it would be helpful to know if the Committee favored the City Manager's recommendation in the audit or if the Committee wanted to go in another direction.

Council Member Filseth felt the audit was a very clear and comprehensive assessment of Animal Services. He understood the Animal Control function was going to stay with the City. The City Manager's suggestion was for the Animal Shelter to continue to be run for a limited period of time, while Staff looked toward transitioning the Shelter to some other partnership completely.

Mr. Keene agreed about the Animal Shelter.

Council Member Filseth inquired when the Animal Shelter was transitioned out completely, was the entire shelter going to be transitioned out. He explained that there were some short-term elements, for example, if a person turned in a stray dog, versus the protocol of some private shelters. He wanted to know whether people might actively support adoption and a pet fairs program. If the Shelter activities were transitioned out, was there going to be a Shelter retained for lost animals, or would that be contracted out too.

Mr. Keene noted that Staff's thinking during the transition was to stick to how the Shelter was at this time, and not distract Staff from the task of moving to the new model. He explained that expanded hours and coming into contracts were good, but he did not want to dilute Staff's attention. The Request for Proposals (RFP) were going to have specific options on how the Shelter was going to be configured. There might be an open-ended piece that allowed people to propose alternatives that they thought would work the best. These suggestions had the opportunity to be built into the response in the model.

Council Member Scharff requested more background because the initial recommendation from the City Manager's Office was to close the Animal Shelter; he did not recall if it was both the Shelter and the Animal Control Unit and whether Staff wanted to contract these out with a brand new Animal Shelter.

Mr. Keene said that was correct. He did not recall being really focused on the Animal Control piece in the recommendation. The response to the proposal was significant.

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Council Member Scharff wanted to understand that when Staff said they were going to contract out the Shelter, how was that different from when the community had a lot of concerns with the Manager's previous recommendation.

Mr. Keene noted a main difference was Staff was talking about closing the Palo Alto Animal Shelter and moving it toward another external provider. This proposal involved keeping the Shelter within Palo Alto. He thought that was why there was significant support in this recommendation because there was an opportunity to improve the Shelter. This was the kind of process that happened in the Palo Alto community where everyone's perspective advanced in the discussions. People realized there was a financial challenge. More than anything, people saw this as improving and enhancing a service in the City.

Council Member Scharff confirmed that the City had both Animal Control and the Animal Shelter but wanted to know what was different.

Mr. Keene clarified that there was an Animal Shelter that received animals and provided many services. Additionally, Palo Alto had their own Animal Control operation that responded to requests in the Community, as well as in partner communities. Staff did not feel they had problems with the Animal Control function because it was a high-quality service and the customers thought it was a high-quality service; there was a strong partnership with existing Staff and he did not feel the need to change that model out. The Animal Shelter had problems. He likened the Animal Shelter to the Junior Museum and Zoo because there was difficulty finding a funding investment to expand and change the management to some extent. He said the Animal Shelter could go further than the Zoo and the City would contract out everything.

Council Member Scharff confirmed the City was losing about $900,000 with the Animal Shelter.

Mr. Keene confirmed yes and said the FY 2015 half-year cost was going to keep the City on a poorer performance.

Council Member Scharff repeated that the City was losing about $1 million and Staff was requesting to put another $2,300,000 back into the Animal Shelter for transitional costs.

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Mr. Keene relayed that this was not something that he wanted to say to the Council, but the Shelter was continuing to lose more and more money. In order to fix the problem, there needed to be a loss of more money for a time.

Council Member Scharff wanted to know what the transition costs were for.

Mr. Keene said Staff needed in-house expertise that was able to help structure and manage the transition, including a more detailed analysis on the scope of work, how to issue RFP's, and to employ a person that had a level of expertise that Staff did not have at this time.

Council Member Scharff questioned whether Staff was going to hire a consultant or was it going to be in-house personnel only.

Mr. Keene remarked that there were two capacities that were needed during the transition: 1) some degree of expertise, as it related to the operation, which was best done by a consultant or a Staff person who had a lot of expertise; and 2) management capacity because the Animal Shelter Director was going to retire in six months. Staff agreed that those skills weighed more on a management skill side than they did on the technical operational skills side. There was a possibility that there could be a combination of recommendations about assigning Staff to do this job, rather than outsource for the job. Working through the Committee and having Staff present a number of options to the Committee was his suggestion. He questioned whether there was real concern to minimize the additional cost increases during the transition period.

Council Member Scharff clarified that Staff was looking for a plan and estimated that would take $2,300,000. He wanted to know how long the transition period was going to be because if the City was going to lose money, he wanted to know how long the money was going to be lost.

Mr. Keene did not feel like Staff had a good answer and recognized that there was no way to complete all this work in less than one year. He understood that Council expected Staff to report on their progress because as the market place was surveyed, the options were understood, and the timing was considered, things could change; Staff would know the time frame by the middle of next year. He did not like the situation and did not like losing this amount of money, but at the same time, it was not just about money. The facility and the standards were not being met with the current

operation; he was not applying this approach in other service areas and he knew this problem needed to be fixed.

Council Member Scharff commented that when he joined the Council, the City Manager had been employed for one to two years and there was a beginning of an investment into infrastructure. This problem of the Animal Shelter was partly self-inflicted because if the effort and the money were spent, and if the Animal Shelter was upgraded, then Palo Alto would not have lost Mountain View's contract; it was the dismal shape of the Animal Shelter that caused Palo Alto to lose the Mountain View contract. He said Palo Alto could lose Los Altos and Los Altos Hills if this was not taken care of correctly. Palo Alto was now investing in roads and utilities and that there was an Infrastructure Plan, but every now and then things like this come before the Council. He remarked on the walkway at the Baylands and how it was not maintained, and since he was on the Council, he recalled a piece of artwork that had to be de-assessed because it was not maintained; the artwork had to be thrown away. He appreciated there being some kind of sense of what else was not being maintained so this kind of situation did not come up again.

Mr. Keene shared the Committee's concerns and said this kind of thing was happening all over the Country.

Council Member Scharff interjected that it was possible to solve Palo Alto's infrastructure problems; Palo Alto had the money available.

Mr. Keene remarked that the infrastructure examples given did not happen overnight, they happened over a generation.

Council Member Filseth wanted to know if there was a third option, one that was faster and more aggressive, one that worked toward an externalization model. The bottom line was: what was going to serve the residents of Palo Alto best. If Staff was going to end up at the same place in the next two years and were going to be spending another $2 million, he wanted to know if there was a shorter transition possibility.

Mr. Keene remarked that Staff knew what the problem was and wanted to move as fast as possible. The problem was not a 100 percent management and Council decision because there were people in the community who were invested in the decisions made as well. These were not matters that were in Staff's direct control, as was the state of the market place; there might be

existing nonprofits that might have the capacity to take Palo Alto up on their offer. Staff's intent was to make the transition as quickly as possible.

Barry Hayes was disturbed by the characterization of losing money because the Animal Shelter was a Municipal Service, like fixing potholes. The Animal Shelter was a highly valued service. A second point was there was no magic way of making the Animal Shelter a non-City service, something that Palo Alto could not run; the quality of the service needed to be maintained, and increased. This was not a service that the government was unable to run.

Beth Ward, Humane Society Silicon Valley, thanked the City Auditor for compiling this audit and thanked the people who helped make the recommendations. The audit allowed for a forum that enabled people to discuss the problem. The Humane Society supported the recommendations of the audit report and looked forward to the next steps of a quick and effective solution that would help the animals and the people that were served by Animal Services.

Carole Hyde, Palo Alto Humane Society, said modern shelters were community centers; they had information outreach and various programs. Their vision allowed for self-sustaining community programs and services. Enhanced space allowed Palo Alto Humane Society to offer these types of programs; they agreed with the Auditor's report. The Humane Society submitted two proposals to Staff but was not able to fund an entire facility. They wanted to participate in creating a new facility that housed their programs and expanded the income generated to be able to spay and neuter.

Scottie Zimmerman mentioned that the Friends of the Palo Alto Animal Shelter held meetings on how to approach the problems. They toured other shelters and discovered some other ways to earn money. There was a need to be more realistic to describe what the new Shelter was going to look like and to find money. The city of Berkeley replaced their shelter built in 1946. She wanted a better place in the community, money earning propositions, and for the animals to be happy.

Chair Schmid commented that it was striking to see the loss of substantial money over a number of years and said the audit report identified a few factors that led to revenues being so low. He envisioned the transition period as getting Staff in the Shelter, but also making changes that ensured the Clinic was running well and that services were delivered with a sense of urgency. The Interim Manager needed to lower the deficit, which he wanted

addressed when this item came back before the Council. The new Staff person needed to be someone that picked up ideas, saw how they worked, put them into practice, and given the Shelter's condition, was able to see whether it could be run more effectively. He questioned when this item was coming back to the Committee.

Lalo Perez, Chief Financial Officer and Director of Administrative Services answered that the item was coming back May 7, 2015, the evening that the Police Budget was going to be discussed.

Chair Schmid remarked that this meeting was going to be a busy one.

Mr. Perez mentioned that the Council discussed knowing that the City was going to be at a $500,000 deficit. Discussing the Animal Services Audit was in Staff's plans; maybe there were situations or components that could be taken care of sooner.

Chair Schmid remarked that part of the deficit was the Animal Control portion.

Mr. Perez thought it was good to be clear and separate the two items because it was part of a function that the City needed to have. A lot of the functions were State mandated.

Chair Schmid agreed; knowing if Staff was subsidizing, and by how much was important. He noted that there was no mention of reaching out to services and partnerships and there was no mention of the local interest. He was surprised that only 55 percent of the users of the Shelter were Palo Alto residents. Neighbors mentioned they had their own veterinarian, they went to stores for supplies and advice, and got their pets from other places. He suggested getting the whole animal community together: veterinarians; veterinarian hospitals; breeders; stores. These were all people who had an interest in healthy animal services in Palo Alto. He suggested forming partnerships, and having the animal community contribute to healthy Animal Services Center: what was their role and how did Staff get them involved. Another idea was, since Palo Alto was on the border of San Mateo County, and San Mateo County was providing services for their county; he wanted to know if there was a way Palo Alto could become a provider to San Mateo County. Maybe Menlo Park or East Palo Alto were able to get some of their services from Palo Alto. A striking point of the survey was that people did not want to go that far for animal services; he noted that Menlo Park and East Palo Alto were a few miles away and wondered why they were not Palo

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Alto's partners. Critical questions were: what kind of interim arrangement was going to be made; could it be dynamic enough to where Staff could experiment and try new a revenue generation, new partnerships; and who in the community might be an investor. If there were notions of design, he wanted to know: what would it look like, how big would it be, and who would be participants. These were necessary things to know in order to sell partnerships.

Council Member Filseth felt that the City Auditor identified the major difficulties and said that finances were a big difficulty; the audit findings underscored the difficulties of running an Animal Shelter. There was a known working model for running an animal shelter and it was characterized by an executive team that spent a huge amount of time fundraising, had a relatively low cost-structure for everyone else, had huge numbers of volunteers, there was a lot of outreach done, there were aggressive adoption programs, pet fairs were organized, and organizations were barely able to make their revenue. This was not a model that was commonly found in government. Having the right kind of management was going to be critical in making the program successful. He mentioned some personal association with a wildlife organization that was destroyed by management and said this was not something to be taken lightly.

Ms. Richardson noted that the Motion was to "recommend" to the Council to accept the report.

MOTION: Council Member Filseth moved, seconded by Council Member Scharff to recommend to the Council to accept the City Auditor's report.

Chair Schmid looked forward to May 7, 2015, where Staff would bring concrete budget proposals to discuss making the transition work. He wanted to know if Staff needed any other input from the Committee.

Mr. Keene replied no but said it was too early to say, as Staff was looking at the decisions being made in the budget process and at the transition. He was a little worried about overstating Staff's ability to lower the deficit. This was not because he did not have the intention, but the Auditor's Office and the City Manager's Office did some preliminary searches for different services and the cost-benefit analysis yielded benefits on a small scale in this time frame. Staff was not able to ignore the limitations that the existing operation placed on the Shelter. The condition of the Shelter and the amount of space were factors in Staff's ability to make the Animal Shelter work. The real solution was embedded with a new Shelter coming into

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existence. The points about location were important, about them being an advantage and a disadvantage, and about having an improved facility. Some of the draw of the facility was convenience, but for others, it was a strong emotional attachment to having the Shelter in Palo Alto; people were able to work through the deficiencies that Palo Alto had. He suggested upgrading the facility and the ability to make it work. He did not want to leave any feeling that this was a profit motivation. There was no intent to run the Shelter as a profit center. Palo Alto provided many critical services that the City did not directly provide, or was not generally subsidized, such as: wastewater; refuse; and senior services. All of these were operated with the sense that there was a way to price things to make them work and to improve the service. Lastly, it was very clear that the ability to fundraise for capital and operations worked in the other model, and this was really difficult in a municipal model. To ignore the potential and suggest subsidizing this service by taking from other City services, when there was a model that worked better, was an idea that he wanted to bring out. He thought Staff was striking the right balance on how they could go forward in the future.

Chair Schmid appreciated the audit report and hoped that Palo Alto could achieve some of its goals and targets.

MOTION PASSED: 3-0 Kniss absent

ADJOURNMENT: Meeting adjourned at 7:51 P.M.