

August 31, 2005

Jim Gandley
Assistant Director of Health & Human Services
County of Placer
379 Nevada Street
Auburn, CA 95603

MAXIMUS
HELPING GOVERNMENT SERVE THE PEOPLE

Re: **Delivery of Final Report - Cost Determination Report**

Dear Mr. Gandley:

MAXIM US is pleased to deliver the Final Report of the Cost Determination Study for the Placer County Animal Services Group. This Final Report addresses all of the issues raised subsequent to the release of the Draft Report, and incorporates all appropriate corrections. The Report also provides details on discussions held with the Group members, applied methodologies and the final results of the study.

In Placer County, the Health & Human Services Department is the provider of animal control services to five incorporated cities. In early 2005, the County engaged MAXIMUS to perform a comprehensive study to develop a methodology to equitably distribute costs associated with animal control services. The final allocation for each of the member jurisdictions are shown in the table below:

	<u>AUBURN</u>	<u>COLFAX</u>	<u>LINCOLN</u>	<u>LOOMIS</u>	<u>ROCKLIN</u>	<u>PLACER</u>
Patrol: \$	-	\$ 27,155	\$ 124,880	\$ 70,925	\$ -	\$ 1,014,349
Shelter:	\$ 41,392	\$ 8,905	\$ 68,029	\$ 22,467	\$ 139,797	\$ 434,416
Revenue Credit:	<u>\$(16,667)</u>	<u>\$(3,586)</u>	<u>\$(27,393)</u>	<u>\$(9,047)</u>	<u>\$(56,291)</u>	<u>(173,716)</u>
*TOTAL:	<u>\$ 24,725</u>	<u>\$ 32,474</u>	<u>\$ 165,516</u>	<u>\$84,346</u>	<u>\$83,505</u>	<u>\$1,275,049</u>
% of Total Cost:	1.11 %	1.46%	7.46%	3.80%	3.76%	57.46%

** Based on the FY 2005-06 budgeted salaries, benefits and expenditures.*

I am including six bound copies and an unbound original for you to make additional copies to meet any additional needs. I will also deliver an electronic version (PDF) of the Final Report and Cost Model for your records. By reviewing the Model, you will be able to see the details we employed to calculate the final results.

MAXIMUS appreciates the opportunity to serve the County of Placer and each of the five incorporated cities. We believe that our objective approach and rigorous analytical processes resulted in accurate and meaningful results that the County and cities can use to make informed decisions to best meet their needs.

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On behalf of Mark Carpenter and myself, I would like to say that we enjoyed the challenge of this project and the time we spent with your staff. I also wanted to take a moment to express my sincere appreciation for the assistance provided by your department. Primarily, I worked with Larry Anderson and Georgia Emslie, and they proved to be very capable and pleasant partners on this project. Their responsiveness and ability to comprehend the process and tasks were invaluable to the study as a whole.

If you have any questions regarding the project results, please do not hesitate to contact either Mark or myself. Thank you.

Sincerely,

Allan Guy Burdick
Manager

*Placer County Animal Services
Group*

**FINAL REPORT:
COUNTY / CITIES ALLOCATION
METHODOLOGY**

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Cost Determination Study Placer County Animal Services Group

Executive Summary

The *Placer County Animal Services Group* ("Group") consists of the County of Placer, the cities of Auburn, Colfax, Lincoln, Rocklin and the Town of Loomis. The Group was established in 1993 with a primary goal of sharing the cost of animal services provided by the County to each of these five cities. In early 2005, the Group expressed a need for a critical independent review of the existing cost sharing allocations of the County's Animal Services operation and a comprehensive study to identify a methodology to equitably distribute costs to the member jurisdictions. To that end, the County of Placer and the incorporated cities identified above engaged **MAXIMUS** to review the current method and provide various alternatives of cost sharing. The purpose of the study was to ensure that the cost sharing was fair and equitable to all members of the Group.

Participants

Below is a list of those who directly participated in the Placer County Animal Services Group:

Agency	Representative	Title
Placer County	Larry Anderson	Animal Services Program Manager
	Brad Banner	Environmental Health/Animal Control Director
	Jim Gandley	Assistant Director of Health & Human Services
	Richard Burton	Director of Health & Human Services
	Bekki Riggan	Principal Analyst, County Executive Office
City of Auburn	Georgia Emslie	Senior Analyst, County Executive Office
	Bob Richardson	City Manager
	Nick Willick	Chief of Police
	Valerie Harris	Captain, Auburn PD
City of Colfax	Bob Perrault	City Manager
City of Lincoln	Gerald Johnson	City Manager
	Bill Smull	Chief of Police
Town of Loomis	Perry Beck	Town Manager
	Roger Carroll	Finance Director
City of Rocklin	Carlos A. Urrutia	City Manager
	Bob Siemans	Chief of Police

Background & Project Approach

The County of Placer provides animal control services to the cities of Auburn, Colfax, Lincoln, Rocklin, the Tahoe area, the Town of Loomis and the unincorporated area. For purposes of the study, Tahoe was not included in the direct analysis, but only given consideration with regards to identifying its costs to the County. Those costs were identified and then removed from the portion allocated to each of the member jurisdictions.

Funding for the Placer County Animal Control is derived from various sources including animal licensing, humane services, spay/neuter fees, donations and through a contract with the incorporated cities. The County entered into a multi-year contract with the Cities in July of 1993. The original contract was based on population size and identified specific animal control service costs that were then allocated to each of the Cities as their share of the animal control services.

In late March 2005, the County and Cities contracted MAXIMUS to review the current method of allocation, and discuss openly, with all parties, various methods to provide a fair and equitable distribution of costs and revenue to each of the five Cities and the County.

MAXIMUS first met with the County to discuss the history of the agreement to gain insight into the project dynamics. From these discussions, MAXIMUS identified the need to establish both an interim and long-term solution. This need was driven by the County's desire to quickly establish a more equitable cost sharing method for the short-term while allowing the County to work towards a more reliable system to track costs for the long-term with input from the Group members.

During these initial discussions, MAXIMUS reviewed the current methodology of distributing cost and sought to identify the available sets of data which potentially could be used for analysis. Once this information was gathered and the data analyzed, MAXIMUS met individually with each of the City Managers (or their designees). The goal of the meeting was threefold, 1) explain our understanding of the current agreement and the goal of this study, 2) gather input from the local agencies on preferred methods of allocation, and 3) offer possible methodologies to distribute animal control costs.

The discussions with the Group members resulted in a general consensus of the most practical and feasible allocation alternative. In addition, the Group collectively agreed to a two phase approach. The first phase was to use the best data available to put into place a short-term solution. The second phase would allow the County to assess its data gathering methods and implement a system to more accurately track animal statistics.

With a methodology identified, MAXIMUS summarized the comments of the meetings, disclosed the agreed upon method of allocation, and submitted the findings to the Group for its review and approval. The following timeline documents the progress of the study.

Project Time Line

The following section provides a project timeline for the Placer County Animal Services Group Cost Distribution study.

Project Schedule by Task/Sub-Task

Task / Subtask	March	April	May	June	July
1 Contract Finalized and Signed	M/C				
2 Kick-Off Meeting	M/C	X			
3 Follow Up Kick-Off Meeting	M/C		X		
4 Data Collection and Analysis	M		X		
5 Met With City Representatives	M/C		X X		
6 Provide Proposed Methodology	M			+	
7 Group "Buy Off" Received	M/C			X	
8 Evaluation of Data - Prepare Model	M			X X	
9 Submit Draft Report	M			+	
10 Submit Final Report	M				+
11 Meet with Group	M/C				+

M = **MAXIMUS** is responsible for completing task.

M/C = **MAXIMUS** & County/Cities will work jointly to complete this task.

+ = Deliverable product to be submitted.

Process & Methodology

It is important to realize that no "perfect" allocation methodology exists. By its very nature, an allocation methodology includes some estimates and assumptions. The key to a good allocation methodology is to select an approach that best reflects actual service levels and service costs, while ensuring that the collection and analysis of data is reasonable and accurate. In addition, factors outside the technical structure of the allocation methodology may come into play, as the most accurate and fair methodology is not always the most acceptable (politically) approach, due to divergent objectives of participants.

It was agreed to by all parties that the most equitable method of determining a fair cost allocation should be weighted most heavily on the number and types of animals generated by each of the jurisdictions (shelter related costs), and by time tracking for field staff working in the various animal control beats throughout the County. However, since the County experienced a number of problems in verifying the accuracy of the animal data, **MAXIMUS** proposed that some costs be allocated by population size of the cities. The following contains the details of the method used and the resulting allocations.

Interim Solution

- I. Administrative Costs: Spread general (non-service specific) administrative costs (excluding A-87 County-wide costs) based on the cumulative budgeted salary dollars for FY 2005-06.
- II. Field Services Costs: Segregate costs for animal control field services (patrol) and allocate them based on the number of hours spent patrolling throughout the County for the most recent twelve month period. This data was provided by Placer County.
- III. Shelter Costs: Remove the direct supply and materials expense to house large animals and then allocate the remaining Animal Shelter costs equally using the Pet Population Methodology and data collected from the County's PetWhere system. Therefore, 50% of the Shelter costs would be allocated on pet population methodology and 50% on the County's PetWhere data.
 - a. *Pet population methodology* - The American Veterinary Medical Association published a Pet Demographics Sourcebook in 2002. Included in that book are formulas for estimating the number of pets owned per household, using national averages of pet ownership and local household sizes. This formula was then applied to the population statistics for each of the jurisdictions.
 - b. *County Animal Control Data (Pet Where)* -MAXIMUS used County animal control data on animals received at the shelter between July 1, 2003 and May 24, 2005.

Long- Term Solution

On July 6th, 2005, MAXIMUS met with the Group at Placer County to review the findings of the interim solution and begin the processing of finalizing a long-term plan. MAXIMUS proposed that the County work towards establishing a reliable database that identifies the originating jurisdiction of where an animal was collected before being deposited into the County's Animal Shelter. Once this database is deemed accurate, then the jurisdictions can revise the Animal Shelter allocations based upon the new data. Otherwise, MAXIMUS recommends that the administrative costs and the field services costs be allocated in the same manner over the long-term as is proposed in the interim solution.

Placer County shared with the Group that it is in the process of reviewing several software packages it hopes to implement to meet the needs of their long-term solution. The County expressed its desire to conclude its search for a new software package by early 2006. However, those results were not yet finalized as of July 2005.

Results - **Interim Solution**

The findings presented in the following sections are the results of the interim phase. The output of the study is cost-dollar figures. We arrayed the findings in a series of summary tables to clearly show the various distributions and compositions of costs.