



Legislation Text

File #: 20-082, **Version:** 2

Ordinance No. 20-14 amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$100,000 for additional funding for the Humane Society animal law enforcement and sheltering contract

Presenter:

Charae McDaniel, Chief Financial Officer

Summary:

The City of Colorado Springs contracts with the Humane Society of the Pikes Peak Region to provide animal law enforcement and sheltering services. This ordinance appropriates an additional \$100,000 for the 2020 contract.

Background:

The City is required to provide animal law enforcement and sheltering per City Charter, Chapter 6, Articles 7 through 10. Per the Charter, the City may provide by contract with any public agency, private society or association which is interested in the humane care and treatment of animals, for the establishment, maintenance and operation of an animal shelter and for the enforcement of the provisions of the Charter Articles 7 through 10.

The City contracts with the Humane Society of the Pikes Peak Region (HSPPR) for animal law enforcement and sheltering services. The HSPPR also collects and retains revenue from licensing, impound and other associated fees to offset the cost of providing animal law enforcement and sheltering services within the City. The current contract began in 2017 and contained 4 additional option years. Per the contract, pricing for option years one (2018) and two (2019) will be increased by the current Denver Consumer Price Index or 2.5%, whichever is higher, not to exceed 5%.

Options years three (2020) and four (2021) may be exercised bilaterally by the City and the Contractor. The pricing for option years three and four will be increased by the current Denver Consumer Price Index or 2.5%, whichever is higher, not to exceed 5%.

The contract indicates that if the Contractor contends that its costs have exceeded the increases allowed in the initial year and option years 1 and 2 (2017-2019), it may fund a cost incurred, third party, detailed audit. The City and the Contractor will then negotiate an increase based upon the results of that audit, subject to mutual agreement.

HSPPR exercised this option and in 2018 funded a cost allocation study, using the planned 2019 budget. The cost allocation study used the 2019 budget that the HSPPR had developed and determined the amount of the budget that is allocated to the cost centers identified as benefitting the City of Colorado Springs service area. Based on that allocation, HSPPR indicated that the contract funding was in a deficit of \$280,000, compared to the budgeted expenditures for 2020. The deficit is

mainly due to wage increases and added staffing.

For 2020, the scheduled contractual increase of \$37,827 was calculated based on 2.5% because the consumer price index was below the 2.5% threshold. Based on the amount of increase in the contract for 2020, the HSPPR remaining deficit for 2020 is approximately \$250,000. The City and HSPPR have been negotiating since September, 2019. We have mutually agreed to a proposed increase of \$100,000 for the 2020 contract, and an additional \$100,000 for the 2021 contract. For the 2021 contract, the provision providing an increase by the current Denver Consumer Price Index or 2.5%, whichever is higher, not to exceed 5% will still apply.

HSPPR Contract

	Amount
2017	\$1,423,495
2018	\$1,476,164
2019	\$1,513,069
2020	\$1,550,895

Previous Council Action:

On December 5, 2019, City Council approved the 2020 Budget per Ordinance No. 19-87, which included the appropriation of \$1,550,895 for the Humane Society animal law enforcement and sheltering contracted services.

Financial Implications:

The supplemental appropriation increases the 2020 General Fund expenditure budget by \$100,000. The source of these funds is the available fund balance in the General Fund.

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

This request was discussed with the City Council Budget Committee on February 11, 2020.

Alternatives:

N/A

Proposed Motion:

Move approval of the attached ordinance approving a supplemental appropriation for the Humane Society of the Pikes Peak Region animal law enforcement and sheltering contract.

An Ordinance amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$100,000 for additional funding for the Humane Society animal law enforcement and sheltering contract