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August 19, 2008

Honorable Antonio R. Villaraigosa
Mayor
City of Los Angeles
City Hall Room 300

Dear Mayor Villaraigosa

Controller Laura Chick released her "Performance Audit of the Department of Animal Services' Spay and Neuter Program" on August 19, 2008. As with the May 27, 2008, "Audit of Revenues and Expenditures," this second audit is a welcome tool for honing improvements already underway in the Department. It also highlights the fragility of the Department's ability to tackle massive new initiatives or continue our progress in the face of layoffs, service reductions, and cutbacks.

In her cover letter, the Controller emphasizes that spay and neuter efforts reduce the use of euthanasia for pet overpopulation. This has been at the forefront of the Department's animal control efforts since 1971, when the City of Los Angeles made history by opening our first municipal spay and neuter clinic. The Controller proceeds to highlight three issues connected to the City's landmark spay and neuter ordinance.

First, she is concerned that no marketing of the new ordinance has been accomplished by LA Animal Services. This is a direct consequence of the Department receiving no staff or resources for any level of public outreach at all in the City's budget; nevertheless, the Department has managed to attract compassionate, dedicated marketing professionals as a pro bono work group to accomplish advertising and public education, despite the lack of even a dime of City funding.

Second, she states that the Department does not intend to enforce the ordinance when the grace period expires. The Department absolutely enforces every law in Los Angeles Municipal Code 53.00 et.seq. (LAMC). With only about sixty-four animal control officers available to cover over 490 square miles of City on 24/7 schedule, it is not possible to operate door-to-door inspection programs or patrol streets to find and cite violators of animal-related laws. We leverage our resources by responding to citizen complaints. Additionally, as is the case with all laws that keep our society at peace, from speed limits to shoplifting, citizens indeed are

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encouraged to voluntarily comply. No resources have been added to the Department to deal with the spay/neuter ordinance or other recent expansions of the LAMC.

To be clear, I want to correct any misconception that may result from publication of the Controller's Audit letter, stating that the Department does not intend to enforce the new law. Dog and cat owners must be aware that the Department will be actively enforcing the new spay/neuter ordinance to the fullest extent possible. Owners should not conclude that they can avoid compliance without consequence, and in fact the consequences can be substantial in fines and penalties. I urge all Angelinos to comply.

Finally, the Controller expressed concern about the difficult process of obtaining veterinarians to operate the new spay/neuter clinics. Staff and the Commission have already initiated the discussion of how to improve the attractiveness of these clinic opportunities, and what factors exist in the veterinarian community that are unexpected obstacles. We are examining the fundamental purposes of the clinics in alleviating the costs of sterilizing adopted animals versus the need for more public resources. We anticipated, and welcome, that the Controller shares our concerns in this area.

The City of Los Angeles has lead the way nationally in making spay/neuter available, advisable, and affordable, resulting in clear and consistent downward trends in pet overpopulation problems. Over the last forty years, the City's elected leadership has made various approaches in spay/neuter programs, and the Department has a long tradition of rolling with punches to do the best they can in implementing whatever programs have been handed to them. The Controller's introductory concerns and the details of the Audit both allude repeatedly to a fundamental challenge for LA Animal Services: lack of funding and support at legislative levels. For example, the underpinning of the Audit's findings is the need for a strategic approach to spay/neuter enforcement, education, and subsidy. We lack a fully strategic approach, with dedicated management, improved administration, automated data collection, and processes for data analysis, because no funding for staff, applications, or outreach has ever been considered for the Department for this function. The Controller's suggestion that shortcomings in strategic management of spay/neuter effort may be attributed to lack of resources and years of inconsistent executive management is a crucial observation.

We are closely reviewing each of the Controller's recommendations and preparing our response as required by September 18, 2008. In the short term, the following summary responds to the eleven findings of the Audit.

Finding No. 1: The Department lacks a well-developed strategy for carrying out the spay and neuter program.

The Department concurs that further efforts to plan out what we can best accomplish with existing funding in the spay/neuter programs is necessary and desirable. We already know that the spay/neuter program are effective, and we want to build upon that success. Another advantage of developing a strategic approach that encompasses funding needs and program

goals, will be to produce reliable documentation as needed in grant funding applications.

The “sub-programs” described in the Audit as statistical collection categories actually do provide the background for initial development of strategic recommendations and goals. What has been missing in the Department for many years, and which is most needed, is a framework for analyzing the statistics that do exist and then policies on which to make program decisions or set goals, based on the statistical analysis. An effort in the direction of strategic planning has been underway over the past several months, as the Department has been working on compiling a true five-year strategic plan. Spay/neuter efforts are a major component, although the plan is still in the draft stages. It will provide a starting point for further and more detailed planning efforts in the coming year.

Finding No. 2: The Department had not clearly articulated priorities or goals, which would allow measurement of program results.

When resources are limited, the implicit priorities of state law and Council-established directives and programs drive the Department. At the same time, as the Audit suggests, the Department has been repeatedly in the mode of reacting to new program ideas brought forward by elected officials or stakeholders. Hampered by changing leadership, the Department has only recently been able to assemble the data and analysis needed to provide decision-makers the facts and alternatives from which to make policy decisions.

The Department has already generally acknowledged the need in every performance area to analyze current conditions and processes, look at best practices, and prepare recommendations to re-engineer current operations. In the last year, we have performed a Study of Fees and Charges that provides a host of recommendations, pending Council approval, to streamline accounting, much of which will help make tracking of spay/neuter expenditures more efficient. Currently, the Department is completing a comprehensive study on licensing which details the impacts of spay/neuter on the pet population, and which will represent a crucial research component of a strategic plan for spay/neuter. We are clearly moving in the direction of being able to recommend clearly supported programs, policies, and goals, based on legal mandates or community expectations, for approval of elected officials and the Commission. Spay/Neuter efforts will be our next major study.

Finding No. 3: The Department does not formally evaluate the Program results or outcomes to adequately assign resources to the various spay and neuter activities.

On an on-going basis, staff who handle the spay/neuter accounting functions monitor the distribution and redemption of the various spay/neuter subsidy coupons and the expenditures of funds for various categories of surgeries. This ensures the availability of funds for all state-mandated surgeries, and allows flexibility to conform to trends of community demand. The Department agrees that a more comprehensive analysis and goal setting process is appropriate, and we welcome the suggestion that a position such as a full-time Program Coordinator should be allocated and assigned to oversee spay/neuter as a Program.

Given no dedicated resources, the Department has and will continue to tighten up our management of the various programs and mandates. For example, the submission of workflow indicators that expressly tie euthanasia and animal intake numbers to spay/neuter surgery numbers, as a function of the budget, is new and unprecedented for the Department. We are heading in the right direction, and concur with the Controller's finding on the work needed ahead.

Finding No. 4: The Department's data management systems is inadequate. It is inefficient and does not accurately report program resources and results.

The Department is most immediately concerned with taking whatever steps are feasible within our current resources to upgrade the processing of spay/neuter invoices and automate the compilation of statistical information. Although we do have basic statistical information that simply has not been used for program trend analysis, we must have accurate information more timely and in a format easier to use for analysis. This is a key step in effective program planning and evaluation.

As the Audit states, the animal database management program used by the Department, Chameleon, does not have automated functions built in to track spay/neuter information on privately-owned animals at all, and does not provide easily extracting data even for shelter animals. Another challenge is that most of the veterinarians with whom we do business for spay/neuter surgeries do not use any automation in their tracking and billing. Many provide invoices and other information to the Department on paper, necessitating re-input of information on coupon redemptions and all other spay/neuter expenditures. Errors can and do occur on the part of the veterinarians, requiring close hand-checking by our staff to identify and request correction.

Please note that the Controller does not suggest that there are material errors or inaccuracies in the accounting functions related to spay/neuter, only that human error exists with hand-calculations, and that we are missing the capability of statistical analysis we need and should be able to achieve.

Finding No. 5: The Department does not maximize the capacity of contracted service providers.

The Audit correctly suggests that the first agreement in years with an outside spay/neuter veterinarian, to provide services for the South Los Angeles Animal Care Center adopted animals and that community's private pet spay/neuter needs, is a pilot for other contracts soon to come at the new animal care centers' clinics.

However, we are seeing larger challenges in the efforts to have seven operating spay/neuter clinics. From 1971 to the present, full-time spay/neuter surgery is not of interest to many veterinarians; making a successful full-time business out of low-cost spay/neuter surgeries calls

for a skillful and dedicated businessperson, even when it is a non-profit approach. For example, the veterinarian at South Los Angeles supplements his income with a separate private practice that keeps him solvent rather than increasing the number of surgeries which, at the City's reimbursement cost, will not keep him solvent. Given the initial responses to the Request for Proposals for the other clinics, even with the physical clinic spaces provided free to an operator, the margin of financial success in our clinics may be so razor thin that few will be interested in trying. There may be many market factors and political factors (i.e. lack of support for very early spay/neuter) that are influencing veterinarian interest also at this time.

As mentioned previously, we are looking at a number of alternatives, from changes to the requirements of the Request for Proposal to considering straight lease models, as we determine how to get our seven clinics in operation.

Finding No. 6: The Department does not actively conduct outreach to local veterinarians in an effort to solicit participation in its spay and neuter program.

The Department concurs with this finding and has been anxiously awaiting the day that there was sufficient medical staffing to start building collaborations between the Department and the City's private veterinarians. A little over one year ago, the Department had only two veterinarians on staff. For many years previous, as few as one veterinarian was on staff, and rarely more than three. Today, we have five veterinarians on staff and a Chief Veterinarian starting in September, and success in this type of outreach will be among the Medical Division's performance goals.

Finding No. 7: Departmental staff does not consistently verify residents' income before distributing the Free Certificates.

As the Controller concludes in her Audit, Department staff at the animal care centers seem to have so assimilated the importance of spay/neuter that they have informally decided to soften the rules for distribution of the subsidized coupon to avoid embarrassment or confrontation with members of the public. We will work on materials, training, and monitoring to reverse that trend.

Finding No. 8: The Department does not adequately monitor the operations of its partnering veterinarians.

As with Finding No. 6, the Department agrees that better relationships and more monitoring is appropriate for the veterinarians we pay to spay/neuter shelter animals and the public's animals through coupons. Again, with the better staffed medical program we have now been able to achieve, that monitoring will increase.

A dynamic in this area can be the unreasonable demands for inspection, removal, or prosecution made by a member of the public or an animal rescue organization because of a conflict outside the relationship of the Department and the veterinarian. These issues can be

heated, and of long duration, with repeated attempts to leverage the Department's service payments or future work against a veterinarian. Reasonable investigation of allegations will be more readily accomplished with more staff in place.

Finding No. 9: The Department does not have an efficient process to make payments to the contracted vet at its South Los Angeles Spay and Neuter clinic.

The Audit reiterates, and the Department concurs, that the South Los Angeles Spay/Neuter clinic is a model for a new generation of contracts. In regard to the billing issue, the Department deployed one alternative billing and payment alternative at South Los Angeles, and tried another when we had a temporary operator at North Central (which vacated last month). Besides the factor of the contractor providing one check or more checks, we are also considering the cost of efforts to separate one amount into the various accounts necessary. The Department will consider the Audit input along with analysis of payment processes at both spay/neuter clinics, to determine the best method for future contracts.

Finding No. 10: The Department does not have a formal plan or mechanism in place to make residents aware of the new mandatory Spay and Neuter ordinance.

Without a budget, the Department has invested considerable time and effort extrapolating new procedures from provisions of the spay/neuter ordinance. This included creation of such legally proscribed new items as specialized permits for exemptions, and a list of registries for show dogs and cats. Staff worked internally and with the help of outside entities such as City Attorney and Office of Finance, to trace the enforcement of this ordinance, defining administrative elements, and producing staff training materials, warning letters, and citations. This work must be finished, flawless, and out to the public, all in under six months.

As mentioned previously, in connection with public outreach, a group of marketing professionals has come together on a pro-bono basis to provide assistance to the Department in development of a public information and advertising campaign to inform the public about the upcoming spay/neuter law.

Finding No. 11: The Department has not prioritized the allocation of its resources to ensure compliance with the ordinance. Further, it is unclear how the ordinance should be enforced by the Department.

The Department has no latitude to prioritize allocation of any existing resources. In regard to staffing, civil service positions and allocations are fixed. Demand for enforcement assistance far exceeds available staff. No budget for advertising or marketed exists. A surprising rebuff comes when considering use of the various Trust funds that the Department manages. In accordance with the City's Administrative Code, the Animal Welfare Trust Fund can be used for virtually any cost related to animal welfare except, anything connected to a spay/neuter program. The three funds established for spay/neuter, including the newest fund, the Spay and Neuter Trust fund which receives a surcharge on licenses and also donations, can only be used

for surgeries. This has left the Department without even modest start-up or gap funding for programs that we are developing with our pro bono advertising group. Again, no shifting of resources to respond to changing needs is possible, absent legislative change which we may ultimately request.

The Controller tells the Department to communicate to Council about the staffing or other resource gaps that exist in the Department's ability to fully enforce the ordinance or to be effective in using it to achieve lower animal population. Indeed, the Department's true failing is the soldier quality by which staff carries on when a new responsibility is loaded without attendant resources. In the past, strong and fact-based arguments for more resources were not successfully rendered when the Department was given new and greater tasks. Today, management has been able to make coherent arguments for such positions as District Supervisor and restoration of a public relations position, even if not yet filled because of Managed Hiring priorities. That effort of communicating facts and expectations to the elected officials will continue. However, the Department also has responsibility to accept the budget decisions of the Mayor and Council, particularly in the face of a Citywide budget crisis.

The Department of Animal Services today is ready to handle the challenge of mapping out strategy, setting goals based on data, and planning for evaluation. Fully embarking on a course of automated data handling, improved program administration, periodic evaluation and program course changes, and marketing of the new spay/neuter law, however, is certain to require resources that may be hard to come by in the current or next fiscal years. In the meantime, we will work diligently on these recommendations to the extent resources allow, as well as continue our many internal improvement efforts. Please do not hesitate to contact me for any additional information or supporting material.

Very truly yours,



EDWARD A. BOKS
General Manager

cc: Honorable Laura Chick
Honorable Rockard J. Delgadillo
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Raymond P. Ciranna
Gerry F. Miller
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