

ATTACHMENT 2

PROPOSALS



**Petaluma Animal
Services Foundation**

Providing HOPE and homes for animals in need.

RESPONSE TO REQUEST FOR PROPOSALS (RFP) TO PROVIDE ON-CALL ANIMAL CONTROL SERVICES

Petaluma Animal Services Foundation

Jeff Charter, Executive Director

840 Hopper Street

Petaluma, CA 94952

Telephone 707-778-7387 cell 707-293-6940

E-Mail jeff@petalumaanimalshelter.org



Petaluma Animal Services Foundation (PASF) proposes to provide on-call Animal Control services for the City of Calistoga.

Scope of Services

Petaluma Animal Services Foundation will provide limited service animal control for the City of Calistoga, with responsibilities that shall include but not be limited to the following services:

A. Animal Control Services

Field Services

PASF will provide limited, in-field domestic animal control services within the Calistoga city limits that include, at a minimum, responding to and processing:

- Requests for service from the Calistoga Police Department at all times and receiving domestic animals from residents of the City of Calistoga during regular business hours
- Investigations of domestic animal abuse or neglect
- Removal of the remains of domestic animals from city streets

PASF has the ability to recognize animal breeds, diseases and injuries; and is competent to administer basic first aid to domestic animals in the field.

During the enactment of the above duties, the PASF shall provide information to the Calistoga Police Department in support of the issuance of warning notices or citations as necessary for Municipal Code or state law violations.

Impoundment

PASF will provide impoundment services that include, but are not limited to:



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- Convey stray, injured and deceased domestic animals to the designated shelter, when dispatched by Calistoga Police Department
- Identify and contact the owners of impounded animals and make arrangements for their return

Animals suspected to be rabid and/or that have bitten a person or other animal shall be handled by the County Health Officer and PASF will have no responsibility to respond to or investigate such incidents.

Animal Control Service Hours

PASF will provide the above services on an on-call basis.

Upon the request of the Calistoga Police Department, PASF will provide in-field response to domestic animal and domestic animal-related emergencies within 60 minutes. Contractor will respond to non-emergency issues within 24 hours of being notified.

Trained Personnel

In the course of providing animal control and shelter services, PASF shall assign personnel who are trained and qualified to provide a high level of compassionate domestic animal control; administer and enforce all laws, rules and regulations; and operate all necessary equipment.

Personnel, Supplies and Equipment

PASF at our expense shall provide all personnel, supplies, medications and pharmaceuticals, vehicles and equipment necessary for the effective operation of animal control services.

Collection of Fees

The PASF shall charge and collect fees relating to the licensing of animals under this agreement in accordance with the provisions of the City animal regulation code and resolutions relating to fees and charges. These fees shall remain with PASF.

Quarterly Reports

PASF shall submit quarterly reports to the Chief of Police that include information about the animal control services provided. The format and extent of information will be determined by the Chief of Police.

Level of Staff Experience:

Executive Director Jeff Charter has 7+ years' experience in Law Enforcement (State of Utah, Sonoma County Sheriff's Office), 2 years' experience as an Animal Control Officer, 3 years' experience as Senior Animal Control Officer, 3 years' experience as Animal Services Manager of a Government run animal shelter and two years' experience as Executive Director of PASF. Jeff attended and graduated from the animal law enforcement academy at the law enforcement training center in Windsor. Jeff is pc 832 certified.

Animal Control Officer Jason Pietsch has 7.5 years' experience as an Animal Control Officer. Jason attended and graduated from the animal law enforcement academy at the law enforcement training center in Windsor. Jason is pc 832 certified.

Animal Control Officer Mark Scott has 2 years' experience as an Animal Control Officer. Mark is pc 832 certified.

Animal Control Officer Kaysha Turner has 2 months' experience as an Animal Control Officer. Kaysha is pc 832 certified.



Petaluma Animal Services Foundation

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Related Experience and References

City of Petaluma

PASF provides animal services to the City of Petaluma under contract.

Contact: John Brown, City Manager

Phone: (707) 778-4345

Fax: (707) 778-4419

Email: citymgr@ci.petaluma.ca.us

City of Healdsburg

PASF provides animal services to the City of Healdsburg under a joint contract with Sonoma Humane Society

Contact: Lt. Matt Jenkins

Phone: (707) 431-3163

Email: mjenkins@ci.healdsburg.ca.us

City of Cloverdale

PASF provides limited animal control services to the City of Cloverdale

Contact: Ann Turek, Technical Services Manager

Phone: (707) 894-1730

Fax: (707) 894-5203

Email: aturek@ci.cloverdale.ca.us



Petaluma Animal Services Foundation

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Level of Experience:

Executive Director Jeff Charter has 7+ years' experience in Law Enforcement (State of Utah, Sonoma County Sheriff's Office), 2 years' experience as an Animal Control Officer, 3 years' experience as Senior Animal Control Officer, 3 years' experience as Animal Services Manager of a Government run animal shelter and two years' experience as Executive Director of PASF.

Animal Control Officer Jason Pietsch has 6.5 years' experience as an Animal Control Officer

Animal Control Officer Mark Scott has 1 year experience as an Animal Control Officer

➤ *Service to be provided by PASF employees*

Cost- \$15,400 per year



**Petaluma Animal
Services Foundation**

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RESPONSE TO REQUEST FOR PROPOSALS (RFP) TO PROVIDE SHELTERING SERVICES

Petaluma Animal Services Foundation

Jeff Charter, Executive Director

840 Hopper Street

Petaluma, CA 94952

Telephone 707-778-7387 cell 707-293-6940

E-Mail jeff@petalumaanimalshelter.org

Petaluma Animal Services Foundation (PASF) proposes to provide animal sheltering services for the City of Calistoga.

Scope of Services

Petaluma Animal Services Foundation will provide animal sheltering services for the City of Calistoga, with responsibilities that shall include but not be limited to the following services:

A. Sheltering Services

PASF shall provide sheltering services at the Petaluma Animal Shelter, located at 840 Hopper St. Petaluma, ca. The Petaluma animal shelter hours are: Tuesdays through Fridays 1:00pm to 6:00pm and Saturdays from 12:00 pm to 6:00pm. Shelter staff is on site and available for scheduled animal redemptions between 9:00am and 6:00pm. Redemptions can also be scheduled on Sundays and Mondays with the on-duty animal control officer. Petaluma animal shelter is 37.3 miles from Calistoga City Hall and approximately a 45 minute drive.

PASF shall:

- accept, shelter, feed and otherwise care for abandoned and stray domestic animals received from residents of Calistoga residents, animal control personnel and City personnel for the minimum impoundment periods established in the Calistoga Municipal Code and state law. These services will include, but are not limited to: sheltering abandoned, unwanted or stray animals; adoptions; pre-adoption spay and neutering; animal licensing, and euthanasia. PASF shall be solely responsible for

any costs associated with the care of animals beyond the minimum impoundment periods.

- Provide emergency veterinary services to injured or sick domestic animals. Beyond the minimum impoundment periods all additional medical costs shall be at the discretion and expense of PASF.
- Provide a means of isolating animals with Police holds or quarantines, or animals held in protective custody in a manner that will not expose other sheltered animals or the public to risk.
- Maintain clean and sanitary conditions.
- Facilitate adoptions of abandoned animals, including public visits of sheltered animals.
- Dispose of the remains of domestic small animals.
- Provide exterior drop-off kennels that are accessible to City personnel at all hours.

Trained Personnel

In the course of providing animal control and shelter services, PASF shall assign personnel who are trained and qualified to provide a high level of compassionate domestic animal control; administer and enforce all laws, rules and regulations; and operate all necessary equipment.

Personnel, Supplies and Equipment

PASF at our expense shall provide all personnel, supplies, medications and pharmaceuticals, vehicles and equipment necessary for the effective operation of animal control services.



Collection of Fees

The PASF shall charge and collect fees relating to the licensing of animals under this agreement in accordance with the provisions of the City animal regulation code and resolutions relating to fees and charges. These fees shall remain with PASF.

Quarterly Reports

PASF shall submit quarterly reports to the Chief of Police that include information about the animal control services provided. The format and extent of information will be determined by the Chief of Police.



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Contact: Ann Turek, Technical Services Manager

Phone: (707) 894-1730

Fax: (707) 894-5203

Email: aturek@ci.cloverdale.ca.us

Level of Experience:

Executive Director Jeff Charter has 7+ years' experience in Law Enforcement (State of Utah, Sonoma County Sheriff's Office), 2 years' experience as an Animal Control Officer, 3 years' experience as Senior Animal Control Officer, 3 years' experience as Animal Services Manager of a Government run animal shelter and 3 years' experience as Executive Director of PASF.

Cat Care Coordinator Kathy Sousa has over 32 years' experience in animal sheltering. Her experience includes expertise in vaccination, disease prevention, foster home coordination and general animal welfare and enrichment.

Valerie Fausone, CPDT-KA, is a certified dog trainer with 12 years of canine training and behavior experience. Valerie is the Director of Training and Behavior for PASF, she's responsible for obedience training protocols (positive reinforcement training) for our shelter dogs, adoption counseling/support/follow up, behavior interventions for problem dogs, and evaluations of all incoming dogs. Valerie designs and implements custom training plans for shelter dogs who need pre-adoption support, and public dog training. Her certification is issued through the Certification Council for Professional Dog Trainers.

Devan Amundsen, CPDT-KA, CBCC-KA is a certified dog trainer and one of only 9 certified behaviorists in California, through the Certification Council for Professional Dog Trainers. Devan has 3 years' experience in dog training, shelter dog social groups, public training, behavior plans and dog evaluations. Devan is a highly skilled adoption counselor, and is responsible for initial intake (behavior) review and vaccines.



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Our Kennel Technicians are well trained and experienced in the field. They are not allowed to work alone until they have a thorough understanding of disease prevention and the enrichment needs of the animals in our care.

➤ *Service to be provided by PASF employees*

Cost- \$34,000 per year



NAPA COUNTY OFFICE OF SHERIFF-CORONER

1535 AIRPORT BLVD • NAPA, CALIFORNIA 94558-6292
707-253-4501

JOHN R. ROBERTSON
Sheriff - Coroner

March 26, 2015

Mitchell Celaya
Chief of Police
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

Re: Request for Proposal to Provide Animal Control Services for the City of Calistoga.

Dear Chief Celaya,

The Napa County Sheriff's Office provides Animal Control Services for unincorporated areas of Napa County and by contract in the cities of Napa and American Canyon. The Napa Sheriff's Office budgets approximately \$1,024,645.00 annually to operate Animal Control Services.

The Napa County Sheriff Office Animal Service Officers strive to provide professional animal control services, including:

- Educating the public in humane philosophies and the responsibilities of pet ownership, and the importance of coexistence with wildlife.
- Providing professional emergency rescue and transportation of injured/sick owned, stray or wild animals.
- Enforcing County and State animal welfare and animal control laws, including, but not limited to, reports of animal neglect or abuse, animals at large, rabies control or possible dangerous animals.
- Responding to an animal emergency 24 hours a day.

The County would agree to provide a one year service agreement for the City of Calistoga, to provide them with Animal Control Services. At the end of one year we can reevaluate the costs and transition to a multi-year fixed price contract.

The cost of Animal Control Services for fiscal year 2015/2016 would be \$20493.00, which is equal to approximately 2% of the total Animal Control Services budget. See attachment "A" for more details regarding the services to be provided. If you are interested in pursuing Animal Control Services from the Napa County Sheriff's Office, please contact me at your earliest convenience.

Sincerely,

Jean Donaldson, Undersheriff

Attachment "A"

SCOPE OF SERVICES

1. **Services Provided By County.** COUNTY shall enforce the CITY CODE and shall provide to CITY the following services:

a. Animal Control Officers: COUNTY agrees to maintain at least one animal control officer on duty to respond to calls within the CITY area during all regular working hours and at least on call at all other times.

b. Field Services: Field services shall be provided on the following schedule:

Monday through Friday	8:00 A.M. - 1 hr. after sunset
Saturday & Sundays	8:00 A.M. - 5:00 P.M.
Holidays	No regular field services; however on-call/stand-by for emergencies will be available

Field services will be provided as follows:

- (1) Animal bite investigation
- (2) Injured animal pick-up and treatment
- (3) Stray livestock control
- (4) Enforcement of license and vaccination provisions of the Napa Municipal Code
- (5) Dead animal removal (dogs and cats only; public property only)
- (6) Eradication of rabid or suspected rabid animals
- (7) Assistance to CITY Police including but not limited to:
 - a) Animals in traffic.
 - b) Vicious animal investigations.
 - c) Cruelty investigations.

COUNTY's Animal Control Officer shall have authority to provide the following field services, but primary responsibility for enforcement shall lie with CITY:

- (1) Enforcement of animal regulations in CITY Parks
- (2) Enforcement of the municipal code leash law provisions.

c. Emergency Field Services:

- (1) Emergency field services will be provided at all times that regular animal shelter and field services are not provided. Emergency field services will be provided by having an animal control officer on on-call or stand-by status.

- (2) Emergency Field Services will be provided as follows:
 - a) Injured animals
 - b) Dog bite investigations
 - c) Rabid animals
 - d) Traffic hazard
 - e) Assistance to CITY Police

2. **Parameters of Animal Services to be Provided.**

a. COUNTY's obligation to keep an animal control officer on stand-by is limited to emergency field services.

b. **Reports to be provided to the CITY by the COUNTY.** County shall report to CITY quarterly the level of animal services activity with the CITY. Such reports will describe activities undertaken by COUNTY Animal Control officers assigned to work within CITY limits. Reports shall contain:

- Number of CITY cases
- Number of citations
- Number of Hearings (Potentially Dangerous or Vicious Animals)
- Number of bite reports
- Number of warning letters sent
- Number of Correction notices

3. **Potentially Dangerous and Vicious Animal Violations Under County Code and Policies.**

The City has enacted Napa Municipal Code Section 6.05, entitled "Potentially Dangerous and Vicious Animals," which authorizes investigation, enforcement and adjudication of potentially dangerous or vicious animal violations and contains substantively equivalent provisions to the Napa County Code Chapter 6.16. So long as CITY retains Section 6.05 substantially equivalent to Section 6.16, COUNTY shall provide all services relating to investigation, enforcement and adjudication of such matters relating to violations of section 6.05, including provision of a Dangerous Animal Hearing Panel and staffing thereof.

4. **Services Not Provided By COUNTY.** COUNTY shall not enforce nor provide services to CITY that exceed or extend beyond the current provisions of the Napa County Code, including but not limited to the following:

a. COUNTY will not enforce any zoning regulations, including those relating to agricultural operations or animal husbandry, or regulations concerning barking or howling dogs or other similar nuisances caused by animals.

b. COUNTY will not undertake to represent CITY in any judicial or administrative proceedings in relation to CITY's ordinance unless at the time of such representation the provisions of CITY's ordinance are substantively equivalent to the animal control and dangerous animal enforcement and adjudication provisions of Napa County Code Chapter 6.16 as determined by the Napa County Counsel. Notwithstanding the foregoing, COUNTY employees, compelled by a lawful subpoena, will testify as witnesses in judicial or administrative proceedings in which CITY's ordinance may be implicated if not in strict compliance with the COUNTY CODE.



A Tradition of Stewardship
A Commitment to Service

Department of Public Works

1195 Third Street, Suite 201
Napa, CA 94559-3092
www.countyofnapa.org/publicworks

Main: (707) 253-4351
Fax: (707) 253-4627

Steven E. Lederer
Director

April 10, 2015

Mr. Richard Spitler
City Manager
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

Dear Mr. Spitler,

On behalf of the Napa County Animal Shelter we are providing the accompanied documents in response to the City of Calistoga's request for proposals for animal shelter services. Napa County is providing this information in support of the existing open invitation for the City Calistoga to join the animal shelter cost sharing arrangement that exists between the Cities of Napa and American Canyon, the Town of Yountville and Napa County. Per your request we are providing information regarding animal shelter staffing, facilities and operations. In addition, I have included a copy of our standard insurance coverage, and the standard agreement that is in place between the County and three existing contract agencies.

The Napa County Animal Shelter provides a professional, safe and cost effective animal service solution to the residents within Napa County. I hope you find the information provided useful in your selection process. Should you have any questions regarding this correspondence or further discussion regarding the selection or the creation of a service agreement, please contact me at (707) 253-4351. I will be the lead for the creation and approval of agreement by the Board of Supervisors.

Respectfully,

Jason D. Campbell
Deputy Director of Public Works - General Services

Introduction

The Napa County Animal Shelter is responsible for receiving, housing and caring for stray and unwanted domestic animals. Through business, non-profit, and professional partnerships the shelter conducts adoptions, spay and neuter programs, and issues dog licenses and kennel permits. We maintain quarantine facilities for animals involved in rabies, aggressive attacks, and other legal situations.

In Fiscal Year 13-14, The Animal Shelter provided 913 animals permanent new homes, and in FY14-15 that number grew to over 1000. The efforts of Animal Shelter staff and their partners not only increased this already highly successful program, but have also attracted the praise (and significant financial donations) from numerous members of the community. The shelter coordinated with 15 rescue organizations to transfer a total of 90 animals for a total placement of 1,003 animals. In addition, a total of 568 animals that arrived at the shelter were successfully reunited with their owners (30 more animals than the previous year).

As a municipal shelter, all of our activities are visible to the public. This transparency by definition keeps us on our toes, knowing that we need to perform to keep our constituency happy. Financially, we receive oversight from each of our City partners, and well as the County's Auditor, who ensure that every penny is accounted for a properly spent. In the event that an incident did occur, the full faith and credit of the County's insurance and legal resources provide financial insulation from the City.

The Shelter runs an aggressive spay/neuter program, providing free vouchers in hardship cases where spay/neuter services are in the best interest of the owner and the community. WE have standing arrangements with several veterinarians, and thus are able to provide timely and quality medical care to animals as needed. We have procedures, protocols, and inspections to ensure we maintain a healthful and sanitary facility.

The Shelter is in possession of all permits and licenses required to operate, we own our building, we have been in business a long time, and we will be there for you tomorrow and into the future.

Personnel

- The Animal Shelter is a Division of the Public Works Department. The Animal Shelter Manager oversees all aspects of the day to day operations with administrative support from the Deputy Director of Public Works and other administrative staff.
- The Shelter has 7.6 dedicated positions.
 - Animal Shelter Manager (1)
 - Animal Shelter Supervisor (1)
 - Animal Attendant (4)
 - Office Assistant (1)
 - Part Time Animal Attendant Trainee (0.6)
- In addition, the County receives assistance from a large pool of volunteers. A recent accounting indicates the shelter volunteers have donated over 3,000 hours of their time to the Napa County Animal Shelter.
- A complete set of job descriptions has been included separately.

Shelter Description

The Napa County Animal Shelter is located at 942 Hartle Court in the City of Napa. Close proximity to Highway 29 makes the shelter easily accessible to the public. The shelter provides adoption space for dogs, cats, rabbits and small farm animals to County residents in unincorporated areas and also to the residents of our City partners.

Public access areas for viewing of adoptable animals are provided along with a public reception area for business and adoptions transactions.

Shelter Facilities also include outdoor play areas where the staff and volunteers interact with the animals and allow the animals to play together.

Kennels for dogs provide indoor and outdoor spaces for each animal.

Napa County Animal Control officers have 24-hour access to holding areas.

Availability

The Shelter hours are as follows.

Office Hours-Phone only: Monday - Saturday 8:00 am-5:00pm

Hours Open to the Public: Monday - Saturday 11:00am – 4:45pm

*The shelter is staffed 7 days per week 365 days per year.

Projected Fiscal Year 15-16 Budget

**Napa County
Animal Shelter Per Capita Budget Formula
Fiscal Year 2015-2016**

Estimated Budget Formula Calculation

Napa	Participating Population*	Percentage of Population	Projected Net Cost by Entity	3.0% Capital Charge	Projected Participant Cost
American Canyon	19,809	15.0%	\$ 135,142	\$ 4,054	\$ 139,197
Calistoga	5,200	3.9%	\$ 35,476	\$ 1,064	\$ 36,540
Napa	77,805	58.8%	\$ 530,807	\$ 15,924	\$ 546,731
Yountville	2,999	2.3%	\$ 20,460	\$ 614	\$ 21,074
Unincorporated	26,567	20.1%	\$ 181,247	\$ 5,437	\$ 186,685
County Total	132,380	100.0%	\$ 903,132	\$ 27,094	\$ 930,226

Revenue	\$ 322,250
Expenses	\$ 1,225,382
Net Cost	\$ 903,132

* Source: 2012 City/County Population Data - State of California Department of Finance

Related Experience

Services are currently provided to:

City of Napa

City of American Canyon

Town of Yountville

EXHIBIT A
SCOPE OF SERVICES, COMPENSATION,
METHOD OF PAYMENT

1. Services Provided By County and Compensation for Services. COUNTY shall provide Animal Shelter services including but not limited to, receiving and impounding animals (such as, but not limited to, dogs, cats, rabbits, all forms of domesticated animals, exotic pets, reptiles and Dead On Arrival wildlife), pet redemption, animal boarding, pet adoption and placement services, quarantine, micro chipping, spay and neuter, cat trapping program, and dead animal disposal for CITY animals for which services are required.

County will maintain and operate Animal Shelter in a secure and sanitary manner adequate for the confinement, treatment and disposal of all domestic animals which may be delivered to it from the CITY, as hereinafter provided, and will furnish all supervision, labor, animal food, tools, supplies, and other things necessary for satisfactory performance of the services herein agreed to be provided. The COUNTY shall maintain sufficient staff and/or volunteers necessary to provide the level of service guaranteed in the Agreement. Kennel staff shall be certified in performing euthanasia and shall maintain other qualifications as needed. Volunteers shall be trained in accordance with written procedures and their duties limited to their level of training and experience.

The COUNTY will provide services as required by Penal Code 597.1 and state laws governing shelters for animal care, treatment, holding periods and placements and dispositions, including but not limited to compliance with state requirements regarding information and records keeping and spaying and neutering, as those standards are set forth in the California Food and Agriculture Code 32000 *et seq*, and sections 30503 and 31751.3.

Animal Shelter Hours of Operation: COUNTY'S Animal Shelter office will normally be open to the public during the following hours:

Monday through Friday	10:00 A.M. – 5:00 P.M.
Saturdays	11:00 A.M. – 5:00 P.M.
Sundays and County Designated Holidays	Closed


In consideration for services provided by the COUNTY, the CITY agrees to pay to the COUNTY a proportionate share of the net operating costs based on a per capita basis as stated below in Section 2 of Exhibit A, below. (Note: This contract is for the Animal Shelter only and does not include provision of Animal Field Services, which are provided by law enforcement under the Licensing Services Agreement).

An Annual Budget for provision of services under this agreement for each fiscal year will be submitted by COUNTY to CITY by April 1st of each year, commencing April 1st, 2010. Before April 1st of each year the COUNTY shall prepare and provide to the CITY a proposed Annual Budget for the upcoming fiscal year, which budget shall be, in substance and format, similar to the budget attached as Exhibit B. The Annual Budget shall set forth the COUNTY'S good faith estimate of the expected Animal Shelter operating revenues and expenses for the shelter, including the CITY'S obligation to pay pursuant to Section 2, below. The COUNTY

shall consult with the CITY in preparing the Annual Budget and the CITY shall cooperate with the COUNTY in preparation of the Annual Budget. The Annual Budget shall include projected Administrative and Overhead Costs. CITY shall provide COUNTY with any comments or concerns regarding the proposed Annual Budget by April 15 of each year. The Annual Budget shall be approved by all parties administratively by May 1 each year, which approval shall not be unreasonably withheld. Each party shall provide such administrative approval by signing the Annual Budget. CITY and COUNTY shall identify authorized representatives who may provide such approval. If any party fails to comment on or approve the Annual Budget within the timelines set forth above, the Annual Budget shall be deemed approved by that party. If there is an unresolved dispute as to the proposed Annual Budget as of May 1, COUNTY shall adopt its proposed Annual Budget and adjustments, if any, will be made following resolution of the dispute. In the event of any delay in the adoption of an annual budget pursuant to this section, COUNTY is authorized to continue providing services as described above. CITY shall continue to pay COUNTY all costs for services rendered. The estimated budget set forth above shall include all costs estimated to be incurred by COUNTY for provision of services.

During the period of this Agreement, CITY shall be invoiced quarterly and agrees to reimburse COUNTY for all actual costs incurred by COUNTY under this Agreement using the formula contained herein.

CITY will be notified, in writing, if at any time COUNTY projects that the estimated budget set forth above and incorporated by reference as Exhibit B following the comment period terminating on April 15 will be significantly under-expended (by an amount equal to 10% or more of the estimated costs) or over-expended (by any amount) during the period covered by the estimate. In the event of an unplanned expense (such as needing to incur overtime due to a flood or similar event) the COUNTY will notify the CITY as soon as practical following the event of expenses incurred. COUNTY will furnish a detailed breakdown of costs incurred through the date of such notification, as well as an estimate of costs anticipated to be incurred during the balance of the period. An explanation for the projected under-expenditure or over-expenditure will accompany the notification and costs report. If any over-expenditure is projected, and CITY chooses not to appropriate additional funding, the parties agree to reduce the level of services in order to match the funding available for the balance of the period covered by the estimate. COUNTY is not required or authorized to incur expenditures which exceed the estimated budget amount set forth above during the period covered by the budget estimate, without prior written authorization from CITY.

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2. **Method of Payment.** CITY shall be responsible for paying the CITY'S share of the net county cost for Animal Shelter services. Such costs shall be determined as follows:
 - a. Net COUNTY cost shall be determined by subtracting Shelter revenues, (defined as the income derived from any animal licenses or other fees or charges related to the administration of the animal shelter program, including any interest earned) from Shelter expenses (defined as any charges or costs incurred in the administration of the Animal Shelter services program). The COUNTY shall account for all Shelter revenues and shelter expenses in a separate enterprise fund to which all earned interest shall be accrued as a Shelter revenue. The CITY's share of net COUNTY cost shall be determined based on the CITY's per capita population of NAPA

COUNTY (minus population of any non-participating cities). For example, if the CITY's population equals 57% of the total NAPA COUNTY population (minus the population of any non-participating cities), the CITY shall reimburse the COUNTY 57% percent of the net COUNTY costs. The source for the CITY and COUNTY's population will be based on the last published population figures provided by State of California Department of Finance (DOF) in their latest Price & Population Data in the preceding calendar year, except that the initial budget shall be created based on the May, 2009 published DOF data (Exhibit C).

- b. At the end of each fiscal quarter the COUNTY shall invoice the CITY the CITY'S share of the net COUNTY costs for services rendered within 30 days of the end of the quarter according to the formula described in 2(a) above. City shall pay to County the amount due within 30 days after receipt of such invoices. The COUNTY will reconcile net COUNTY costs at the end of the fiscal year and issue invoices and/or reimbursement to CITY within 45 days thereafter. If such payment is not delivered to County within thirty days after the date invoice is delivered to City, County is entitled to recover interest thereon. Said interest shall be calculated at the rate of interest paid by the Napa County Treasurer/Tax Collector for departments or entities participating in the pooled funds account for the period of time in which the payment is past due. Interest shall be applied from the last day of the month in which services were performed (which is considered to be the date the amount was originally owed). If any payment due pursuant to this Agreement is not received by County within thirty (30) days from receipt of invoice by City, County may take any appropriate action to collect such delinquency as is authorized by law.
- c. Upon reasonable notice, either party shall have the right to inspect and audit any records maintained by the other party relevant to this agreement, to the extent allowed by law.
- d. CITY will be charged a surcharge on all invoices to create a capital reserve for future capital expenses, e.g. Animal Shelter repairs. The CITY shall pay a 2% surcharge in the first year of this agreement, 2.5% surcharge in the second year, and 3% surcharge during the third and all subsequent years of this agreement, though the second, third, and subsequent year's percentages may be modified through agreement of the parties in conjunction with the annual meeting as discussed below. Animal Shelter repairs shall consist of repairs or replacements that maintain, enhance, or extend the useful life of the Animal Shelter. The County Auditor-Controller shall establish and maintain a separate account for the capital reserves and any interest earnings will be allocated to the capital reserves account balance using the County Treasurer-Tax Collector's interest allocation methodology, which methodology may be adjusted as deemed necessary. Annually, the parties shall meet to consider changes in the amount of the capital reserves in light of repairs, replacements, and other capital expenditures necessary to maintain the Animal Shelter in good condition. This meeting shall be held in conjunction with the annual budget meeting required by paragraph 6 of this agreement.
- e. The CITY's obligation to pay the COUNTY under this agreement (i.e. the CITY contribution to net COUNTY cost) shall be phased in over a three year period. The CITY shall pay 33.3% of the CITY'S share of the net COUNTY costs according to the formula set forth in 2(a) above the first year of the agreement, 66.6% of the net COUNTY costs according to the formula set forth in 2(a) above the second year, and the full amount of the net COUNTY costs according to the formula set forth in 2(a)

above during the third and all subsequent years of the Agreement. The contribution to the capital reserve per paragraph 2.d above shall not be subject to this phase in period.

- f. CITY may, at its election, develop and implement a program to facilitate the issuance of new licenses for dogs and other pets on behalf of COUNTY. In the event that CITY develops such a program, COUNTY shall credit CITY 70% of the amount of any additional revenue attributable to CITY's facilitation of issuance of new COUNTY licenses towards CITY's share of net COUNTY cost.