

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: January 16, 2025

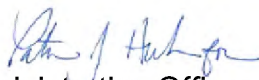
CAO File No. 0220-06236-0001

Council File No. 23-0452

Council District: --

To: The Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Motion (Hernandez – Soto-Martinez) and Neighborhoods and Community Enrichment Committee report adopted by Council on January 10, 2024.

Subject: **REVISED SPAY AND NEUTER VOUCHER VALUE PROGRAM ADJUSTMENTS  
– DEPARTMENT OF ANIMAL SERVICES**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Adopt the three-year increase to the discount voucher and free certificate rates for the Spay and Neuter Program and Citywide Cat Program provided in Alternative 3, as specified in Attachment 3 if this report;
2. Direct the Animal Services Department to limit the number of spay and neuter vouchers issued and redeemed to adhere to the level of funding in the Fiscal Year 2024-25 Adopted Budget and future fiscal year budgets;
3. Direct the Animal Services Department to submit a supplemental budget consistent with Alternative 3, as determined and approved by the Council and Mayor; and,
4. Request that the Mayor include sufficient funding in the Fiscal Year 2025-26 Proposed Budget to support the new spay and neuter voucher rates, as approved by Council and Mayor.

### SUMMARY

On January 10, 2024, Council approved a Neighborhoods and Community Enrichment Committee report requesting this Office to report relative to a Department of Animal Services (Department) report dated November 28, 2023, with recommendations concerning rate adjustments, programming, funding, and appropriations to move forward with the recommended spay and neuter voucher value rate increases. The Department currently operates the Spay and Neuter Program (SNP) and the Citywide Cat Program (CCP), which provides City residents with discount vouchers and free spay and neuter certificates, shelter adoption sterilizations, and mobile van spay and neuter clinics funded through the Animal Sterilization Fund (ASF). The Department requests

approval for increases to cat, dog, and rabbit discount vouchers and free certificates to address rising sterilization costs incurred among the Department's veterinary partners.

## **BACKGROUND**

On June 27, 1977, the ASF was established in the Los Angeles City Charter and the Los Angeles Administrative Code (Article 3, Section 5.199) to support spay and neuter activities that help reduce pet overpopulation and shelter euthanasia. These activities include: animal sterilization services to residents of the City of Los Angeles who meet program eligibility requirements, public education programs to prevent overpopulation of dogs and cats, follow-up programs to ensure animals sold or adopted by the Department are spayed and neutered, and any additional costs the City incurs to comply with the regulation and licensing of dogs and cats under the California Food and Agricultural Code Sections 30503 and 31751. In accordance with Section 5.199 (c), (g), and (i), of the Administrative Code, the ASF is funded by donations, adoption and sterilization fees, a portion of dog license sales, and General Fund appropriations requested by the Department through the annual budget process.

In order to encourage citywide participation in reducing animal overpopulation, since 1991, the City has provided a subsidy to City residents for the sterilization of cats and dogs. At the start of the program, qualified animal welfare programs, City Council offices, and the Department were authorized to distribute coupons valued at \$20 for cats and \$30 for dogs without income verification or limitation. In 2008, Council approved a spay and neuter ordinance requiring all dogs and cats over the age of four months to be spayed or neutered, unless their owners purchase the appropriate breeding licenses and permits under Los Angeles Municipal Code (LAMC) Article 3, Section 53.15.2. Subsequently in 2010, Council approved an ordinance amending the LAMC Sections 53.15 and 53.31, which added language that clearly established income eligibility for all Department-sponsored free spay and neuter programs available to low-income residents. To implement these changes, the Department provided residents with a free certificate application that required verification of residence and verification of Low Income Status. Acceptable proof of income included: a California Resident Income Tax Return Form 540, a W-2 Income Form, or a Department of Water and Power Lifeline utility bill.

In 2016, Council adopted the Department's recommendation to no longer require low-income verification for the issuance of free spay and neuter certificates to allow residents experiencing homelessness, undocumented, or otherwise unaffiliated with federal, state, or local government entities and/or utility programs to qualify. At the time, residents were allowed six certificates (three dog and three cat) per household; however, following an amendment to LAMC Article 3, Section 53.15.2 in 2019, requiring rabbits to be spay or neutered, the Department expanded the number of redeemable certificates from six to nine to include three certificates for rabbits per household.

## **CURRENT PROGRAMS AND RATES**

The ASF supports two major programs: the SNP, which encompasses animal sterilizations performed by on-site contractors for animals adopted from City shelters, discount vouchers and free spay and neuter certificates provided to residents, and contracted mobile spay and neuter clinic services, and the CCP, which focuses on reducing the free-roaming cat population through

“trap, neuter, return” services performed by registered rescue organizations and residents.

### Spay and Neuter Program

As provided under the Los Angeles Administrative Code, the Department is responsible for ensuring healthy animals adopted from City shelters are spayed and neutered prior to being released. In order to fulfill this requirement, the SNP consists of various spay and neuter programs: a pre-release program, post-release program, pre-adoption program, and a rabbit program. The pre-release program coordinates the sterilization of healthy dogs and cats in the City’s care, with on site-contractors before they are adopted. The post-release program ensures animals that, due to medical reasons, could not be sterilized prior to adoption are sterilized once it is medically safe. The pre-adoption program coordinates the sterilization of dogs, cats, and rabbits prior to special adoption events. Lastly, the rabbit program ensures rabbits that are adopted from the Department are sterilized prior to release to their new owner.

Currently, the Department has contracts with five non-profit veterinary practices that operate spay and neuter clinics at five of the six City shelters. These on-site contractors are compensated for specific sterilization services on City-owned or redeemed animals. The compensation rate for these services is equivalent to a free certificate and, as such, the rates consist of \$125 for dogs and rabbits and \$70 for cats. The following table provides a three-year comparison of the number of sterilizations reimbursed to on-site contracted veterinarians for sterilizations conducted on animals adopted from City shelters.

Sterilization Reimbursements: On-site Contractors						
	2021-22		2022-23		2023-24	
Cat	7,019	\$491,330	8,341	\$583,870	9,000	\$630,000
Dog	5,680	\$710,000	6,952	\$869,000	7,732	\$966,500
Rabbit	671	\$83,875	749	\$93,625	563	\$70,375
<b>Total</b>	13,370	\$1,285,205	16,042	\$1,546,495	17,295	\$1,666,875

In addition to shelter adoption sterilizations, the SNP also provides Mobile Spay and Neuter Clinic services. The Department currently holds a contract with Spay4LA that services low-income areas throughout the City. The Department also has a Letters of Agreement (LOA) with five veterinary partners who provide additional mobile spay and neuter services: The Amanda Foundation, Family Veterinary, Inc. Mobile Vet, The Rescue Train, Amazing Small Animal Practice, and the Community Animal Medical Project (CAMP). The operator verifies low-income status based on the U.S. Housing and Urban Development Department’s annual adjusted home income limits for the City. Currently, the fees for Mobile Spay and Neuter Clinics are equivalent to the free certificates; however, the Department recommends an increase for these services.

The SNP also administers discount vouchers and free certificates to City residents. The vouchers are redeemable at participating veterinary providers and must be redeemed within 60 days of issuance. Currently, residents can select from a list of 51 veterinary partners that will accept the discount voucher and 30 veterinary partners that will accept the free certificate. The current approved discount vouchers provide \$30 in cost coverage for cats and \$50 in cost coverage for dogs and rabbits. The current approved free spay and neuter certificates provide and \$70 for cats and \$125 for dogs and rabbits.

The following table provides a three-year comparison of the issuance and redemption of discount vouchers and free certificates:

Discount Vouchers and Free Certificates									
	2021-22			2022-23			2023-24		
Free	Issued	Redeemed	Cost	Issued	Redeemed	Cost	Issued	Redeemed	Cost
Cat	15,872	7,967	\$557,690	25,005	11,592	\$811,440	28,528	14,287	\$1,000,090
Dog	14,311	6,695	\$836,875	21,625	9,357	\$1,169,625	24,512	11,670	\$1,458,750
Rabbit	0	395	\$49,375	928	465	\$58,125	928	606	\$75,750
Discount	Issued	Redeemed	Cost	Issued	Redeemed	Cost	Issued	Redeemed	Cost
Cat	3,635	1,266	\$37,980	5,771	1,580	\$47,400	5,532	1,872	\$56,160
Dog	4,006	1,178	\$58,900	5,278	1,315	\$65,750	4,488	1,203	\$60,150
Rabbit	152	46	\$2,300	115	29	\$1,450	106	24	\$1,200
<b>Total</b>	<b>37,976</b>	<b>17,547</b>	<b>\$1,543,120</b>	<b>58,722</b>	<b>24,338</b>	<b>\$2,153,790</b>	<b>64,094</b>	<b>29,662</b>	<b>\$2,652,100</b>

Of the 160,792 discount vouchers and free certificates issued in the past three years, 71,547, or 44.5 percent, were redeemed. Discount voucher redemptions have steadily increased by 11.9 percent annually for a total of 8,513 redeemed in the last three years. The free certificate redemptions have significantly increased from pre-pandemic numbers, having more than tripled from the 7,756 redeemed in 2019-20 to 26,563 redeemed in 2023-24. The free certificates account for 63,034, or 88.1 percent, of vouchers redeemed in the last three years and increase at an average of 33 percent annually. The Department reports that in 2023-24, of the 29,662 vouchers redeemed, 26,563 were free certificates totaling \$2,534,590.

The data suggests that the financial impact of the free certificate redemption increases on average by \$545,325 annually at the current voucher rates. Therefore, any additional increases to free certificate rates may require the establishment of restrictions to the number of certificates issued and redeemed in order to stay within budgeted funds. Although the Department does have a restriction of nine vouchers redeemed per household, it does not have a restriction on the overall number of vouchers that can be issued and redeemed annually. Furthermore, reestablishing the income verification requirement to ensure free certificates are provided to qualifying residents could be considered as a means of stabilizing funding needs for this specific voucher program. This report recommends that the Department be directed to limit the issuance of vouchers to align with budgeted funds starting this fiscal year and continuing forward as a means of stabilizing budget expenditures for vouchers.

### City-Wide Cat Program

The CCP was developed following a 2006 initiative to implement a “trap, neuter, return” program to help address the existing population of free-roaming cats within the City. This initiative resulted in the issuance of a Court-directed order to complete an environmental impact report (EIR) prior to program implementation. The report provided a recommendation of 20,000 annual sterilizations to reduce the free-roaming cat population. In 2021, the ordinance regarding the CCP was finalized and approved by the Department of Animal Services and City Council (C.F. 17-0413). By May 2022, the Department implemented the CCP with increasing participation from rescue organizations and residents.



The CCP administers free cat spay and neuter certificates, valued at \$70, to registered rescue groups and residents. Rescue groups are provided an unlimited number of certificates, while individual residents can be issued as low as five certificates for one location and up to 100 certificates for citywide work. The following table provides a three year comparison of the issuance and redemption of free certificates for the CCP:

Citywide Cat Program Vouchers									
	2021-22			2022-23			2023-24		
Free	Issued	Redeemed	Cost	Issued	Redeemed	Cost	Issued	Redeemed	Cost
Cat	0	0	\$0	6,066	3,992	\$279,440	22,672	18,844	\$1,319,080

The Department reports that it has letters of agreement with 19 veterinary practices who accept CCP certificates and anticipates that the program will meet its 20,000 annual spay and neuter goal in 2024-25. The CCP free certificate issuance differs greatly from the SNP program in that residence or income verification is not required, rather rescue groups and interested residents must register in the program in order to obtain trapping cages and free certificates. In addition, the 20,000 recommended free-roaming cat sterilizations provided in the EIR establishes a yearly goal for the program, whereas the SNP is governed by the nine vouchers per household and currently does not have a limit to the number of vouchers issued annually. Due to the 20,000 sterilization goal, the Department can anticipate to expend \$1.4 million annually at the current free certificate rate. Any increase to the free certificate can be mitigated by issuing only the recommended 20,000 certificates to maintain a steady annual budget while remaining in compliance with the EIR recommendation.

### Current Funding

The 2024-25 Adopted Budget provides a total of \$5.285 million in funding for the SNP and CCP. The SNP was provided with a General Fund appropriation of \$2.385 million and an additional \$1.5 million set aside in the Unappropriated Balance. The Department acquires additional funds for the SNP through donations, adoption and sterilization fees, and a portion of dog license fees. The CCP received \$1.4 million for 2024-25. The following table provides a four-year comparison of funding provided to the ASF through the annual budget process.

General Fund Spay and Neuter Funding				
	2021-22	2022-23	2023-24	2024-25
Spay and Neuter Program	\$1.65 million \$335,000 (UB)	\$2.713 million	\$2.385 million \$400,000 (savings)*	\$4.088 million \$1.5 million (UB)
Citywide Cat Program	\$550,000	\$1.1 million*	\$1.1 million* \$930,000 (savings)*	\$1.4 Million
<b>Total</b>	<b>\$2.53 million</b>	<b>\$3.813 Million</b>	<b>\$4.815 million</b>	<b>\$6.988 million</b>

\*Note: Citywide Cat Program funding includes reappropriated funds from prior years that were not spent in 2023-24. In addition, the reduced Spay and Neuter Program funding from 2023-24 is a result of savings from delayed mobile spay and neuter contracts. Interim funding from Departmental savings and transfers from the Unappropriated Balance for Mid-Year Adjustments (UB) are also included.

General Fund appropriations to the ASF have increased by 176-percent since 2021-22 due to increasing free certificate redemptions. In addition, the programs have received interim through Departmental budget savings or Unappropriated Balance transfers to address over-expenditures.

Free certificate redemptions by residents increase yearly at an average rate of 33-percent and account for an estimated \$545,325 in yearly cost increases. Furthermore, the creation of, and the increased participation in, the CCP has also required additional funding in the amount of \$1.4 million. Whereas the ASF is funded by donations, adoption and sterilization fees, and a portion of dog license sales, in addition to the General Fund supplement, the CCP doesn't not have a revenue generating fee and relies solely on the General Fund to cover its annual expenditures.

## **CURRENT GENERAL FUND FINANCIAL CONSTRAINTS**

On October 22, 2024, Council approved a report from this Office (C.F. 24-600-S37) identifying significant budgetary concerns for the current fiscal year and detailing recommendations to restore the Reserve Fund to the five-percent City Financial Policy minimum. Specifically, our October report, as approved by Council, recommends deferral of all requests for interim appropriations that require the use of the General Fund and instructs departments to absorb overspending within their budgeted resources, including adjustments to operations, where necessary, to do so. While the ASF generates revenue from donations, adoption and sterilization fees, and a portion of dog license sales, the ASF relies largely on General Fund appropriations to ensure sufficient funding for the fiscal year. The voucher value rate increases pose a much greater financial obligation as it is an on-going expense. In addition, any increase in voucher values requires on-going funding that cannot be absorbed within the Department's current year budget and therefore, would be more appropriately addressed through the annual budget process.

Having considered the current financial constraints and the impact the financial obligations these increases would impose, this Office recommends that all voucher increases begin in 2025-26 and that the Council-approved voucher increase be included in the budget process as a supplemental request to ensure sufficient funding. In addition, since the City's fiscal recovery could take several years, limiting the number of vouchers issued and redeemed in adherence to the adopted budget amount is also recommended. These limits, which effectively establish an annual surgery goal, would be set annually by Mayor and Council based upon the amount of funding provided for vouchers in any given fiscal year. The CCP is an ideal example of the establishment of annual surgery goals that address the need for animal sterilizations within a stable and fully funded budget.

## **ALTERNATIVE FUNDING OPTIONS**

In order to determine the impacts of the voucher value rate increases, the following funding alternatives were created with the Department for Council consideration. These alternatives include two important assumptions: 1. funding for increases will begin in 2025-26; and, 2. an annual goal of 51,000 surgeries for the SNP and 20,000 surgeries for CCP (based on current year funding). These assumptions will allow the program to establish a stable budget that is measurable and properly funded for the upcoming fiscal year. Three alternative funding options were created to illustrate the impacts of these increases and to inform future funding decisions. The attachments to this report provide the specific recommendations that would need to be adopted by Mayor and Council to implement the recommended funding option.

This Office recommends Alternative 3, which establishes a three-year implementation process that increases free certificate rates yearly by type of animal to reduce the immediate financial impacts

of increasing all voucher value rates at once.

### Alternative 1

#### *Implement Department Voucher Rate Increases Starting 2025-26 - \$9,239,991*

Alternative 1 provides the Department's current recommended rate increases to begin 2025-26 at the current year voucher projections of 51,000 surgeries for the SNP program and 20,000 surgeries for the CCP. The Department is currently recommending the following increases to the voucher value rates based on surveyed veterinary partners:

Voucher Type	Previous	Recommended	Change
<b>Free Certificate</b>			
Cat	\$70	\$120	71%
Dog	\$125	\$195	56%
Rabbit	\$125	\$250	100%
<b>Discount</b>			
Cat	\$30	\$70	133%
Dog & Rabbit	\$50	\$130	160%
<b>Mobile</b>			
Cat	\$70	\$150	114%
Dog	\$125	\$240	92%
Rabbit	\$0	\$250	250%

The recommended rates would provide increased voucher value rates for all free certificate and discount vouchers and establish distinct voucher values at a higher rate for Mobile contractors. A breakdown of the number of surgeries per voucher type for the SNP and CCP is illustrated in Attachment 1 with a corresponding recommendation for implementation. The 2025-26 cost for the SNP is \$6,839,991 and the CCP program is \$2,400,000 for a total of \$9,239,991, which is a \$2,251,373, or a 32.2-percent, increase from current year funding.

### Alternative 2

#### *Implement Reduced Voucher Rate Increases Starting 2025-26 - \$7,598,691*

Alternative 2 provides an alternative reduced recommended rate with increases to begin 2025-26 at the current year voucher projections of 51,000 surgeries for the SNP program and 20,000 surgeries for the CCP. Following discussions with the Department, a reduced rate was determined to be acceptable for veterinary partners in consideration of the City's current financial constraints. These rates take into consideration the number of surgeries performed per animal type and implements the rates throughout all spay and neuter programs equally.

Voucher Type	Previous	Recommended	Change
<b>Free Certificate</b>			
Cat	\$70	\$100	71%
Dog	\$125	\$175	56%
Rabbit	\$125	\$180	100%
<b>Discount</b>			
Cat	\$30	\$40	133%
Dog & Rabbit	\$50	\$80	160%

The recommended rates would provide increased voucher value rates for all free certificate and discount vouchers. A breakdown of the number of surgeries per voucher type for the SNP and CCP is illustrated in Attachment 2 with a corresponding recommendation for implementation. The 2025-26 cost for the SNP is \$5,598,691 and the CCP program is \$2,000,000 for a total of \$7,598,691, which is a \$610,073, or an 8.7-percent, increase from current year funding.

### **Alternative 3 (Recommended)**

*Three-Year Increase – Year One: \$6,149,541; Year Two: \$7,508,930; Year Three: \$7,598,691*

Alternative 3, which is recommended for approval by this Office, provides a three-year implementation that prioritizes free certificates at the new reduced rate. The free certificates were considered a higher priority as they provide full services and are issued and redeemed at higher rates by residents. In addition, as the SNP also supports shelter animals, all sterilizations performed by on-site veterinary contractors are invoiced at the rate of a free certificate. These increases will be phased-in yearly by type of animal to reduce the immediate impacts of increasing all vouchers in one year. The first year will increase voucher value rates for free certificates for dogs, with no changes to cat and rabbit vouchers. The second year will increase voucher value rates for free certificates for cats, with no changes to rabbit vouchers. The third year will increase voucher value rates for free certificates for rabbits. This alternative assumes a surgery goal of 51,000 for the SNP and 20,000 for the CCP for all three years.

Voucher Type	Previous	Recommended	Change
<b>Free Certificate</b>			
<b>2025-26</b>			
Dog	\$125	\$175	40%
<b>2026-27</b>			
Cat	\$70	\$100	42.8%
<b>2027-28</b>			
Rabbit	\$125	\$180	44%
<b>Discount</b>			
Cat	\$30	\$30	--
Dog & Rabbit	\$50	\$50	--

This alternative will require a three-year funding commitment to ensure increases are implemented; however, as these recommendations will be subject to the annual budget process, Council can make changes as deemed necessary. A breakdown of the number of surgeries per voucher type for the SNP and CCP is illustrated in Attachment 3 with a corresponding recommendation for implementation. The 2025-26 cost for the SNP is \$4,749,541, with no change to the CCP program of \$1,400,000, for a total of \$6,149,541, which is a reduction of \$839,077, or a 12-percent decrease from current year funding. The 2026-27 cost for the SNP is \$5,508,931, with a change to the CCP program of \$2,000,000, for a total of \$7,508,930, which is \$2,223,930, or a 22-percent increase from 2025-26 year funding. Lastly, the 2027-28 cost for the SNP is \$5,598,691, with no change to the CCP program of \$2,000,000, for a total of \$7,598,691, which is \$89,761, or a 1.2-percent increase from 2026-27 year funding.

## **FISCAL IMPACT STATEMENT**

Approval of the recommendations in this report will authorize the Department of Animal Services to increase current spay and neuter vouchers for the Spay and Neuter Program and Citywide Cat Program, as approved by Council for Fiscal Year 2025-26. The recommended approval of Alternative 3 will provide a reduction of \$864,541 in 2025-26 from current year funding, and an additional General Fund impact of \$2,223,930 in 2026-27, and \$89,761 in 2027-28. Should Council adopt Alternative 1, the increase to the vouchers will have an additional General Fund impact of \$2,251,373 in 2025-26. Should Council adopt Alternative 2, the recommended increase to the vouchers will have an additional General Fund impact of \$610,073 in 2025-26. The Department will be required to request additional funding to cover the voucher value increases through the annual budget process in subsequent fiscal years.

## **FINANCIAL POLICIES STATEMENT**

The recommendations included in this report comply with the City's Financial Policies in that budgeted funds are used for the intended purposes. Approval of Alternative 3 as recommended in this report would require the Mayor and Council to provide sufficient funding in future year budgets to implement the approved action.

*MWS:JNR:04250080*

Attachments



**ALTERNATIVE 1*****Implement Department Voucher Rate Increases Starting 2025-26 - \$9,239,991***

Recommendation:

That the Council, subject to the approval of the Mayor:

1. Approve the following increases to the discount voucher and free certificate rates for the Spay and Neuter Program and Citywide Cat Program for Fiscal Year 2025-26 :
  - a. On-site Contractors and Free Certificate: \$120 for a cat, \$195 for a dog, and \$250 for a rabbit,
  - b. Discount Voucher: \$70 for a cat, \$130 for a dog or rabbit,
  - c. Mobile Spay and Neuter: \$150 for a cat, \$240 for a dog, and \$250 for a rabbit,
  - d. Citywide Cat Program Voucher: \$120;
2. Authorize the Department to submit a supplemental budget request for the Spay and Neuter Program in the amount of \$6,839,991 and the Citywide Cat Program in the amount of \$2,400,000;
3. Authorize the Department to amend all existing agreements with veterinary partners and contractors to accommodate the new rates upon Council approval to commence 2025-26.

Table 1. Spay and Neuter Program Surgeries

<b>Spay and Neuter Program</b>		
<b>Voucher Type</b>	<b>Number of Surgeries</b>	<b>2025-26 Estimated Cost</b>
<b>On-site Contractors</b>		
Cat	9,598	\$1,151,760
Dog	8,375	\$1,633,125
Rabbit	965	\$241,250
<b>Total</b>	<b>18,938</b>	<b>\$3,026,135</b>
<b>Discount</b>		
Cat	2,102	\$147,140
Dog	1,380	\$179,400
Rabbit	26	\$3,380
<b>Total</b>	<b>3,508</b>	<b>\$329,920</b>
<b>Free Certificates</b>		
Cat	15,715	\$1,885,800
Dog	12,837	\$2,503,215
Rabbit	667	\$166,750
<b>Total</b>	<b>28,552</b>	<b>\$4,555,765</b>
<b>Mobiles*</b>		
Cat	0	0
Dog	0	0
Rabbit	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>50,998</b>	<b>\$6,839,991*</b>

\*Note: Total includes estimated revenue for the Animal Sterilization Fund for 2025-26 of \$1,071,829. Mobiles are zeroed as the Department does not have current mobile contracts fulfilling this work.

Table 2. Citywide Cat Program Surgeries

<b>Citywide Cat Program</b>			
<b>Voucher Type</b>	<b>Rate</b>	<b>Surgeries</b>	<b>Cost</b>
Free	\$120	20,000	\$2,400,000

**ALTERNATIVE 2*****Implement Reduced Rate Increases Starting 2025-26 -\$7,598,691***

Recommendation:

That the Council, subject to the approval of the Mayor:

1. Approve the following increases to the discount voucher and free certificate rates for the Spay and Neuter Program and Citywide Cat program for Fiscal Year 2025-26:
  - a. On-site Contractors, Mobile Spay and Neuter, and Free Certificate: \$100 for a cat, \$175 for a dog, and \$180 for a rabbit,
  - b. Discount Voucher: \$40 for a cat, \$80 for a dog or rabbit,
  - c. Citywide Cat Program Voucher: \$100;
2. Authorize the Department to submit a supplemental budget request for the Spay and Neuter Program in the amount of \$5,598,691 and Citywide Cat Program in the amount of \$2,000,000;
3. Authorize the Department to amend all existing agreements with veterinary partners and contractors to accommodate the new rates upon Council approval to commence in 2025-26.

Table 1. Spay and Neuter Program Surgeries

<b>Spay and Neuter Program</b>		
<b>Voucher Type</b>	<b>Number of Surgeries</b>	<b>2025-26 Estimated Cost</b>
<b>On-site Contractors</b>		
Cat	9,598	\$959,800
Dog	8,375	\$1,465,625
Rabbit	965	\$173,700
<b>Total</b>	<b>18,938</b>	<b>\$2,599,125</b>
<b>Discount</b>		
Cat	2,102	\$63,060
Dog	1,380	\$69,000
Rabbit	26	\$1,300
<b>Total</b>	<b>3,508</b>	<b>\$133,360</b>
<b>Free Certificates</b>		
Cat	15,715	\$1,571,500
Dog	12,837	\$2,246,475
Rabbit	667	\$120,060
<b>Total</b>	<b>28,552</b>	<b>\$3,938,035</b>
<b>Mobiles*</b>		
Cat	0	0
Dog	0	0
Rabbit	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>50,998</b>	<b>\$5,598,691*</b>

\*Note: Total includes estimated revenue for the Animal Sterilization Fund for 2025-26 of \$1,071,829. Mobiles are zeroed as the Department does not have current mobile contracts fulfilling this work.

Table 2. Citywide Cat Program Surgeries

<b>Citywide Cat Program</b>			
<b>Voucher Type</b>	<b>Rate</b>	<b>Surgeries</b>	<b>Cost</b>
Free	\$100	20,000	<b>\$2,000,000</b>

### **ALTERNATIVE 3**

*Three-Year Increase – Year One: \$6,149,541; Year Two: \$7,508,930; Year Three: \$7,598,691*

Recommendation:

That the Council, subject to the approval of the Mayor:

1. Approve the following increases to the discount voucher and free certificate rates for the Spay and Neuter Program and Citywide Cat Program for Fiscal Year 2025-26:
  - a. On-site Contractors, Mobile Spay and Neuter, and Free Certificate: \$175 for a Dog;
2. Approve the following increases to the discount voucher and free certificate rates for the Spay and Neuter Program and Citywide Cat Program for Fiscal Year 2026-27:
  - a. On-site Contractors, Mobile Spay and Neuter, Free Certificate, and Citywide Cat Program: \$100 for a Cat;
3. Approve the following increases to the discount voucher and free certificate rates for the Spay and Neuter Program and Citywide Cat Program for Fiscal Year 2027-28:
  - a. On-site Contractors, Mobile Spay and Neuter, and Free Certificate: \$180 for a rabbit;
4. Authorize the Department to submit a supplemental budget request for the Spay and Neuter Program for \$4,749,541 for Fiscal Year 2025-26;
5. Authorize the Department to submit corresponding budget requests for funding in 2026-27 and 2027-28, as outlined in the second and third year of this funding option; and,
6. Authorize the Department to amend all existing agreements with veterinary partners and contractors to accommodate the new rates for dogs upon Council approval to begin 2025-26, and for cats in 2026-27, and rabbits in 2027-28.

Table 1. Spay and Neuter Program Surgeries for Year One – 2025-26

Spay and Neuter Program		
Voucher Type	Number of Surgeries	2025-26 Estimated Cost
<b>On-site Contractors</b>		
Cat	9,598	\$671,860
<b>Dog</b>	<b>8,375</b>	<b>\$1,465,625</b>
Rabbit	965	\$120,625
<b>Total</b>	<b>18,938</b>	<b>\$2,258,110</b>
<b>Discount</b>		
Cat	2,102	\$63,060
Dog	1,380	\$69,000
Rabbit	26	\$1,300
<b>Total</b>	<b>3,508</b>	<b>\$133,360</b>
<b>Free Certificates</b>		
Cat	15,715	\$1,100,050
<b>Dog</b>	<b>12,837</b>	<b>\$2,246,475</b>
Rabbit	667	\$83,375
<b>Total</b>	<b>28,552</b>	<b>\$3,429,900</b>
<b>Mobiles*</b>		
Cat	0	0
Dog	0	0
Rabbit	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>50,998</b>	<b>\$4,749,541*</b>

\*Note: Total includes estimated revenue for the Animal Sterilization Fund for 2025-26 of \$1,071,829. Mobiles are zeroed as the Department does not have current mobile contracts fulfilling this work.

Table 2. Spay and Neuter Program Surgeries for Year Two – 2026-27

Spay and Neuter Program		
Voucher Type	Number of Surgeries	2026-27 Estimated Cost
<b>On-site Contractors</b>		
<b>Cat</b>	<b>9,598</b>	<b>\$959,800</b>
Dog	8,375	\$1,465,625
Rabbit	965	\$120,325
<b>Total</b>	<b>18,938</b>	<b>\$2,546,050</b>
<b>Discount</b>		
Cat	2,102	\$63,060
Dog	1,380	\$69,000
Rabbit	26	\$1,300
<b>Total</b>	<b>3,508</b>	<b>\$133,360</b>
<b>Free Certificates</b>		
<b>Cat</b>	<b>15,715</b>	<b>\$1,571,500</b>
Dog	12,837	\$2,246,475
Rabbit	667	\$83,375
<b>Total</b>	<b>28,552</b>	<b>\$3,938,035</b>
<b>Mobiles*</b>		
Cat	0	0
Dog	0	0
Rabbit	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>50,998</b>	<b>\$5,508,931*</b>

\*Note: Total includes estimated revenue for the Animal Sterilization Fund for 2025-26 of \$1,071,829. Mobiles are zeroed as the Department does not have current mobile contracts fulfilling this work.

Table 3. Spay and Neuter Program Surgeries for Year Three – 2027-28

<b>Spay and Neuter Program</b>		
<b>Voucher Type</b>	<b>Number of Surgeries</b>	<b>2027-28 Estimated Cost</b>
<b>On-site Contractors</b>		
Cat	9,598	\$959,800
Dog	8,375	\$1,465,625
<b>Rabbit</b>	<b>965</b>	<b>\$173,700</b>
<b>Total</b>	<b>18,938</b>	<b>\$2,599,125</b>
<b>Discount</b>		
Cat	2,102	\$63,060
Dog	1,380	\$69,000
Rabbit	26	\$1,300
<b>Total</b>	<b>3,508</b>	<b>\$133,360</b>
<b>Free Certificates</b>		
Cat	15,715	\$1,571,500
Dog	12,837	\$2,246,475
<b>Rabbit</b>	<b>667</b>	<b>\$120,060</b>
<b>Total</b>	<b>28,552</b>	<b>\$3,938,035</b>
<b>Mobiles*</b>		
Cat	0	0
Dog	0	0
Rabbit	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>50,998</b>	<b>\$5,598,691*</b>

\*Note: Total includes estimated revenue for the Animal Sterilization Fund for 2025-26 of \$1,071,829. Mobiles are zeroed as the Department does not have current mobile contracts fulfilling this work.

Table 4. Citywide Cat Program Surgeries

<b>Citywide Cat Program</b>			
<b>Voucher Type</b>	<b>Rate</b>	<b>Surgeries</b>	<b>Cost</b>
<b>Year One</b>			
Free	\$70	20,000	<b>\$1,400,000</b>
<b>Year Two and Three</b>			
Free	\$100	20,000	<b>\$2,000,000</b>