

ARTS, PARKS, LIBRARIES, AND COMMUNITY ENRICHMENT COMMITTEE REPORT relative to the acceptance of a grant from the American Society for the Prevention of Cruelty to Animals (ASPCA) and Best Friends Animal Society (BFAS).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Department of Animal Services (DAS), or designee, to accept funds in the amount of \$14,220,000 and execute a grant agreement (Agreement) with the ASPCA and BFAS to fund salaries and related costs of 23 new positions for a performance period of six years upon date of execution, subject to the approval of the City Attorney as to form.
2. AUTHORIZE the Controller to:
  - a. Establish a new interest-bearing fund entitled Animal Services Grant to be administered by the DAS.
  - b. Establish a receivable from the ASPCA and BFAS in the amount of \$14,220,000.
  - c. Appropriate a total of \$14,220,000 to Animal Services Grant Fund No. TBD/06, Account No. XXXXXX, ASPCA – BFAS Grant.
3. INSTRUCT the DAS to report annually to the City Council on the status of the grant program, including regarding the hiring and attrition of the grant-funded positions, expenditure of grant funds, number of training sessions conducted in accordance with the grant terms, and other relevant grant-related performance metrics.
4. AUTHORIZE the DAS to prepare Controller instructions for any technical adjustments, subject to the approval of the City Administrative Officer (CAO); and, AUTHORIZE the Controller to implement the instructions.
5. INSTRUCT the City Clerk to place on the Council Agenda for the first regular Council meeting on July 1, 2026, or shortly thereafter, the following actions relative to authority and funding for the grant-funded positions:
  - a. That the City Council, subject to the approval of the Mayor, authorize the Controller to transfer \$1,240,660 from Animal Services Grant Fund No. TBD/06, Account No. XXXXXX, to Fund No. 100/06, Account No. 001010 - Salaries, General, for Fiscal Year (FY) 2026-27 salary expenses.
  - b. That the City Council, subject to the approval of the Mayor, authorize the Controller to transfer \$2,026,990 within Animal Services Grant Fund No. TBD/06, from Account No. XXXXXX to Account No. 06E299 - Reimbursement of General Fund Costs, and further transfer to Fund No. 100/06, Revenue Source Code 5361 - Related Cost Reimbursement – Others, for FY 2026-27 to reimburse for the fringe benefits and related costs.
  - c. Authorize by resolution position authority for 23 positions in the DAS consisting of one Director of Field Operations (Class Code 4321-0), three District Supervisors (Class Code 4320-0), and 19 Animal Care Technicians (Class Code 4310-0), for the term of July 1, 2026 through June 30, 2027, subject to allocation by the Civil Service Commission.
  - d. Authorize the DAS to prepare Controller instructions for any technical adjustments, subject to the approval of the CAO; and, authorize the Controller to implement the instructions.

6. INSTRUCT the CAO to report annually to the City Council on the funding allocated, spent, and projected to cover salaries for the 19 Animal Care Technicians. The report should include suggestions for cost savings the DAS could implement to avoid a General Fund impact.

Fiscal Impact Statement: The CAO reports that approval of the recommendations contained in the report will authorize the DAS to execute a grant agreement with ASPCA and BFAS and accept funding in the amount of \$14,220,000 to fund 23 positions to provide additional shelter management, expand the Citywide Cat Program staff, and establish an Adoption and Return Home Program and a Foster Program. Due to the timing of the grant Agreement, the related costs for the first year of the Agreement were not included in the 2026-27 Departmental revenue receipts. Increased General Fund revenue in the amount of \$2,026,990 is anticipated based on the first year hiring plan, but will be offset by increased City expenditures such for the benefits and pensions of the new employees. There are no matching requirements associated with this Agreement. The projected General Fund impact of the Agreement is up to \$2,267,370, which includes salaries and related costs required to fully fund the 19 Animal Care Technician positions for three years. This amount may be reduced to \$1,551,534 with savings from other position classifications should an amendment to the Agreement be granted. An additional General Fund impact is for the purchase of computers and cellphones (\$46,016), which must be absorbed within existing budgeted funds. Finally, the Agreement does not provide funding for administrative support staffing, and this workload therefore must be absorbed by the DAS. Should the Council wish to authorize additional administrative support staffing at a later time, the estimated General Fund impact is \$319,955 annually. Additional funding to continue the grant-funded positions beyond term of the Agreement, in accordance with the Agreement's best-efforts provision, will be subject to Council review and approval through the annual budget process.

Financial Policies Statement: The CAO reports that contained in the June 18, 2026 CAO report, attached to the Council file, are in compliance with the City's Financial Policies in that all grant funds will be utilized to fund grant activities.

Community Impact Statement: None submitted

### SUMMARY

At its meeting held on June 23, 2026, the APLCE Committee considered the DAS report dated June 2, 2026, CAO report dated June 18, 2026, and the Amendment dated June 9, 2026, relative to the acceptance of a \$14,220,000 grant from the ASPCA and BFAS. Representatives of the DAS and CAO's Office presented an overview of the matter, and answered questions from the Committee. The CAO's Office representative reported on the potential General Fund impacts, personnel authority requirements, and other operational needs associated with the approval and execution of the proposed grant agreement, as instructed by the Amendment approved on June 9, 2026. Councilmember Jurado introduced a Motion, which was seconded by Councilmember Hernandez, to instruct the CAO to report annually on the funding allocated, spent, and projected to cover salaries for 19 Animal Care Technicians with cost-saving suggestions to avoid a General Fund impact. After discussion and having provided an opportunity for public comment, the Committee moved to approve the recommendations contained in the CAO report as amended to include the additional instruction, as detailed above.

Respectfully Submitted,

ARTS, PARKS, LIBRARIES, AND COMMUNITY ENRICHMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
JURADO:	YES
HERNANDEZ:	YES
NAZARIAN:	ABSENT

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**