



Report to: General Committee

Date Report Authored: June 3, 2013

SUBJECT: Animal Services Delivery Model
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RECOMMENDATIONS:

- 1) That the Animal Care Committee Special Report entitled "The Future of Markham Animal Services: Priorities for Action to 2016" be received for information; and,
- 2) That Option 2 – "Enhanced Status Quo" of the DPRA report entitled "Study of Animal Service Delivery Model" be adopted and implemented; and,
- 3) That Staff be authorized to enter into a contract with the OSPCA for the provision of animal services for a period of three years with an option for two one year extensions (if agreeable to both parties); and,
- 4) That the "Customer Loyalty Card Program" outlined in this report be adopted and implemented in Markham as a licensing incentive; and,
- 5) That Staff report back in the Fall of 2013 regarding the implementation strategy for the Storefront Operation, including 2014 budget requirements; and further,
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

In March 2012, the City retained DPRA to prepare a report on animal service delivery models for the purpose of assessing the City's current animal services and identifying options for future animal service delivery in Markham. The report, entitled Study of Animal Service Delivery Model concluded that "*Markham's animal services program is relatively efficient and extremely cost-effective*" and identified a number of opportunities for enhancements to strengthen the City's current services. These opportunities were contained within "Option 2 - Enhanced Status Quo with strengthened contract language and requirements" ("Option 2"). The DPRA report was presented to General Committee on Monday September 24, 2012, where it was received and referred to Markham's Animal Care Committee (ACC) for input.

On October 22, 2012 Staff reported back to General Committee on the DPRA report and the ACC feedback. At this meeting, Committee received the Staff report and approved a maximum upset limit of \$150,000.00 in the 2013 budget to fund the initial implementation of DPRA Option 2. Committee then directed Staff to: 1) commence negotiations with the OSPCA for a new and enhanced animal services contract; 2) further

consult with the ACC on DPRA Option 2; and, 3) report back to General Committee on the implementation of Option 2, as well as on the proposed Customer Loyalty Card Program.

On December 4, 2012, a meeting was held with the ACC to obtain additional input into DPRA's Option 2 recommendations. This meeting was conducted by an external facilitator and no City staff members were present. During this facilitated session, ACC members identified a number of strengths and weaknesses with respect to Markham's current animal services. ACC members also identified five service delivery improvement strategies.

Staff believes that Option 2 supports both the City's objectives and the ACC's goals of improving animal services in Markham. In addition to Option 2, Staff is also recommending the implementation of a Customer Loyalty Card Program as a tool to increase pet licensing and sales in Markham by providing a value added benefit to owners who license their pets.

PURPOSE:

The DPRA report identified Option 2 as the recommended option moving forward for the provision of improved animal services within the City of Markham. The purpose of this report is to: 1. seek Council approval to adopt and implement Option 2 of the DPRA Report entitled Study of Animal Service Delivery Model; 2. update Council on the feedback obtained from Markham's Animal Care Committee (ACC) on Option 2; 3. identify proposed changes to the City's animal services contract with the OSPCA and outline how these changes will strengthen accountability and enhance Markham's animal services; 4. seek Council approval for Staff to enter into an enhanced contract with the OSPCA; 5. recommend the implementation of a proposed Customer Loyalty Card Program as a pet licensing incentive; and, 6. update Council on the feedback obtained from Markham's Animal Care Committee (ACC) on the Storefront Operation.

BACKGROUND:

In March 2012, the City retained DPRA to prepare a report on animal service delivery models for the purpose of assessing Markham's current animal services and identifying options for future animal service delivery. The report, entitled Study of Animal Service Delivery Model (included as **Attachment "A"**) concluded that *"Markham's animal services program is relatively efficient and extremely cost-effective while offering many comparable services and programs as Calgary (the accepted benchmark)."*¹ The DPRA report also identified a number of opportunities for enhancements to strengthen Markham's current animal services, while at the same time ensuring the cost-effectiveness and longer term sustainability of the program. These opportunities were contained within Option 2. Included in Option 2 are the following recommended enhancements to the City's current animal services:

1. Strengthen the language and requirements contained within Markham's animal services contract with the OSPCA;

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2. Create an Oversight Committee for the OSPCA's municipal clients;
 3. Improve the communications function currently delivered by OSPCA;
 4. Establish a community storefront for Animal Services programs, outreach and education in Markham;
 5. Strengthen Human Resources at the OSPCA;
 6. Increase fines for non-compliance with municipal pet licensing requirements; and,
 7. Request that the OSPCA consider appointing a municipal representative to its provincial Board of Directors.

The DPRA report was presented to General Committee on Monday September 24, 2012, where it was received and referred to Markham's ACC for input. On October 22, 2012 Staff reported back to General Committee on the DPRA report and the ACC feedback. At this meeting, Committee received the Staff report and approved a maximum upset limit of \$150,000.00 in the 2013 budget to fund the initial implementation of DPRA Option 2. Committee then directed Staff to: 1) commence negotiations with the OSPCA for a new and enhanced animal services contract; 2) further consult with the ACC on DPRA Option 2; and, 3) report back to General Committee on the implementation of Option 2, as well as on the proposed Customer Loyalty Card Program (see Council Extract included as **Attachment "B"**).

OPTIONS/ DISCUSSION:

Option 2

The DPRA report presented three possible future animal service delivery models for Markham and ultimately identified Option 2 as the preferred model, as it balances the City's current financial situation with the desire for enhanced animal service levels. Under Option 2, the City would continue to utilize the services of the OSPCA, under revised contract terms to ensure clarity, accountability and transparency in Markham's animal service delivery. Additional enhancements include: 1) the establishment of an oversight committee (to be comprised of the OSPCA's municipal clients) that would meet on a quarterly basis to discuss animal service issues, solutions and opportunities; 2) appointment of a municipal representative on the OSPCA Board of Directors; 3) updating both Markham's and the OSPCA's websites to better feature lost/found pets, adoption days and other events run by the OSPCA; 4) increasing the fines for non-compliance with the City's licensing requirements in order to encourage Markham residents to license their petsⁱⁱ; and 5) establishment of a storefront facility in Markham. Implementation of Option 2 recommendations will result in an animal service delivery approach similar to that adopted by the City of Calgary (which is frequently referenced as the leader in animal services) as it will place an emphasis on responsible pet ownership through increased community outreach and public education and will help Markham move away from the animal control focus historically adopted by Canadian municipalities.

Animal Care Committee Feedback on DPRA Report and Markham's Domestic and Wildlife Services

In accordance with the direction given to staff by General Committee on October 22, 2012, Staff retained an external facilitator (Kathy Wiele of Lifetime Consulting Services) to meet with the ACC on December 4, 2013 to solicit their input on the DPRA report and on Markham's domestic and wildlife services. A member of the Animal Alliance of Canada (an animal advocacy volunteer organization) was also present at the meeting and provided input (no City staff members were in attendance). The facilitator's report from the meeting (entitled "The Future of Markham Animal Services: Priorities for Action to 2016") was approved by the ACC and is included as **Attachment "C"**. During this facilitated feedback session, attendees identified a number of strengths and weaknesses with respect to Markham's current animal services. Attendees also identified the following five improvement strategies:

1. A performance based contract with the Toronto Wildlife Centre as Markham's wildlife rehabilitation service provider.
2. A short-term contract with the OSPCA, including performance standards and implementation of consequences if standards are not met.
3. A strengthened adoption program with performance standards.
4. Creation of a contract oversight committee knowledgeable in shelter services.
5. Establishment of one permanent Markham storefront adoption centre with the involvement of many partners working to make the initiative successful.

A Table summarizing the ACC recommendations and Staff's corresponding comments is included as **Attachment "D"**. Staff believes Option 2 supports both the City's objectives and the Animal Care Committee's goals of improving animal services in Markham. By adopting Option 2, the City will support the majority of the ACC's key recommendations by providing a pet adoption and public education storefront facility within the City of Markham. Option 2 will also strengthen the City's adoption program by allowing municipal staff to coordinate and host adoption days more frequently as the need to coordinate with external facilities to host these events will be eliminated. Option 2 provides for enhanced performance standards in the animal services contract, as well as the establishment of an oversight committee comprised of the OSPCA's municipal clients, consistent with the ACC report.

Storefront Facility

A key component of DPRA Option 2 is the establishment of a storefront facility in Markham to serve as a space where public education, outreach and awareness can be conducted. These programs would be delivered by a combination of Markham Staff and community volunteers. A variety of activities would take place in the proposed storefront including: pet adoptions, lectures/seminars, grooming, pet training and veterinary services. The space could also be utilized by school groups to learn about responsible pet ownership and how to safely interact with animals. Such a program has worked well in Calgary, where there is a strong focus on education and they work with the local school boards to develop curriculum, specifically for pet education.

On May 15, 2013, the Deputy Clerk and the Supervisor of Business Licensing and Animal Services attended the ACC meeting to obtain additional feedback on the storefront concept recommended by DPRA. ACC Members discussed the numerous opportunities that a storefront location would offer including: education, adoption, licensing and micro-chipping. Members also discussed the following: potential hours of operation with a preference for evenings and weekends to capture the most traffic; the need to have a variety of small animals available for viewing and adoption; how long animals should be kept at the location; the need to have a City Staff person or a third party contractor overseeing a roster of volunteers; qualifications and criteria for volunteers; investigating funding sources including corporate sponsorship opportunities; and potential locations for the storefront facility. As was indicated at the October 22, 2012 General Committee meeting, Staff will report back in the Fall, 2013 with additional details regarding the storefront facility, including 2014 budget requirements.

Enhanced Animal Services Contract with the OSPCA

The OSPCA has been in the business of sheltering and protecting animals for over 100 years. Unlike other animal welfare organizations in Ontario, the OSPCA is mandated by the Province (via the Ontario Society for the Prevention of Cruelty to Animals Act) to enforce animal cruelty laws and OPSCA inspectors have police powers to do so. In the time since the ringworm outbreak in 2010, the OSPCA has taken a number of positive steps to ensure that such an event does not happen again by implementing a strict infection control protocol for the shelter and hiring an Infectious Disease Control Officer to oversee it and provide training to all of the shelter staff. The shelter itself has received a “make-over” that has included enhancements to the Adoption Centre and the establishment of a new low-cost Spay-Neuter Clinic to service residents of Markham and the Region alike. In mid-March, the CAO, Commissioner of Corporate Services, Deputy Clerk and Supervisor of Licensing & Animal Services (along with Councillor Valerie Burke), attended the OSPCA’s Newmarket facility for an in-depth tour. This tour highlighted the protocol enhancements and efficiencies implemented by the OSPCA since 2010 for handling of newly received animals and those with infectious conditions. In the short duration of the tour, two of the animals on display were adopted by visitors to the centre.

On May 16, 2013, the Commissioner of Corporate Services, City Clerk and Deputy City Clerk also met with the Chief Financial Officer and the Director of Animal Welfare and Operations for the OSPCA. During this meeting, Staff discussed Markham’s animal services goals and objectives, the City’s desired changes in terms of an enhanced contract, and the City’s need to provide transparent and accountable service. The OSPCA representatives indicated that they fully understood Markham’s animal service objectives and committed to providing accountable, quality services.

As directed by Council, the City has entered into negotiations with the OSPCA for a new animal services contract. The contract is being enhanced in several areas including sheltering services, education and outreach, animal care, wildlife services, and contract administration. These enhancements are designed to provide expanded services,

increased accountability and transparency in Markham's animal service delivery and to provide objective performance measures in terms of specified service standards.

Markham's enhanced animal services contract with the OSPCA supports a number of the Animal Care Committee's key strategies. The new contract will set performance standards as well as enhance the current language relative to wildlife services. It will also stipulate the number of adoption days the OSPCA will annually conduct and provide a collaborative approach to solving animal services issues through a Municipal Working Group (oversight committee).

A few highlights of the new contract include:

1. Increased coverage by the OSPCA for Markham animal care services in Markham (increase from the current 6 days to 7 days a week);
2. Increased number of OSPCA/Markham animal adoption events (increase from 4 scheduled events to 6 events for each year of the contract);
3. Introduction of a targeted Trap Neuter and Return (TNR) in conjunction with the OSPCA and the Toronto Feral Cat Project;
4. Introduction of 3 educational/outreach programs for Markham residents in each year of the contract; and,
5. Creation of a Municipal Working Group made up of the OSPCA and its municipal clients (Richmond Hill and Aurora) to discuss issues, solutions and opportunities.

Outside of the contract, Staff have set a target of reducing Markham's cat euthanasia rates as it relates to the lack of shelter space by 5% each year for the next three years to be accomplished through: 1) an increased public awareness and outreach campaign; 2) increased service hours in the OPSCA contract; 3) expanded TNR program; and, 4) creation of a storefront facility within Markham. Cat euthanasia rates were targeted for reduction as the euthanasia rates for dogs is already historically quite low. While Staff is cautiously optimistic that the target can be achieved, it should be noted that external factors such as a mass surrender of animals due to animal hoarding, can impact the ability to meet the target.

Enhanced Wildlife Services

The DPRA report concluded that the *"...current level of wildlife services available through the OSPCA is appropriate, in particular when coupled with the \$5,000 of donations and in-kind services provided by Markham for wildlife rehabilitation since many municipalities do not provide similar levels of wildlife services."*

Markham's ACC has recommended that the City enter into a separate wildlife services contract with a service provider. Based on quotes obtained by the City of Vaughan for such an arrangement, Staff estimates the costs for retaining a separate wildlife services provider to be approximately \$160,000 annually. Markham's current and proposed contract with the OSPCA includes care for both domestic animals and wildlife and

simply removing the wildlife component from the OSPCA contract would not result in sufficient savings to fund a separate wildlife services provider. However, based on the DPRA report and on the feedback received by Markham's ACC, Staff is looking for ways to improve Markham's current wildlife services and have identified the enhancement of the transport and delivery of wildlife to provincially licensed rehabilitators as one area of improvement. Other proposed improvements are: 1) review of the OSPCA's current procedures to determine if wildlife euthanasia rates can be reduced; 2) provision of additional wildlife related training for staff to build their knowledge base; and, 3) securing an additional service provider to supplement OSPCA wildlife education services (i.e., assisting Markham residents on how to identify wildlife in need of human intervention).

In addition to the above, Staff is investigating formal arrangements with provincially licensed wildlife rehabilitation centres to ensure that the OSPCA has as many options as possible to assist injured Markham wildlife. The City currently has an informal arrangement with Procyon Wildlife Rehabilitation Centre. Staff from the OSPCA use the Centre, but once it is full (which can happen as early as June of each year) the City's options to rehabilitate an animal are limited. Lastly, staff is working with the City of Toronto, the Toronto Wildlife Centre, as well as industry stakeholders to investigate the proposed licensing of privately-owned wildlife removal companies within Markham. If implemented, this will be the first initiative of its kind in the Province of Ontario.

Customer Loyalty Card Program

In addition to the implementation of DPRA Option 2 and the enhancement of Markham's current wildlife services, Staff is also recommending the implementation of a Customer Loyalty Card Program as a tool to increase pet licensing and sales in Markham by providing a value-added benefit to owners who license their pets. By way of background the DPRA report noted that one of the characteristics of the Calgary animal services model is a consistently high licensing rates in dog and cat populations.ⁱⁱⁱ Calgary offers several incentives to encourage residents to license their pets, including a Customer Loyalty Card Program. Staff is proposing the implementation of a similar Program in Markham. Under the Program, pet owners who register their pets with the City will receive a "Rewards Card" that will provide them with savings and special offers from a variety of local retail outlets. The participating retailers would not be limited to animal-related businesses (i.e., any business can participate in the Program).

Staff have completed a Request for Proposal for a Loyalty Card Program vendor and a vendor has been selected. Once the Customer Loyalty Card Program is endorsed by Council, the selected vendor will administer the Program in its entirety. This is consistent with the approach taken in the City of Calgary, and elsewhere. There would be no upfront costs to Markham for launching the proposed Customer Loyalty Card Program. However, based on similar programs implemented in other jurisdictions, a portion of all licensing sales achieved post Program implementation would be paid to the third party as compensation for administering the Program. It is anticipated, again based on experiences in other jurisdictions, that the revenue achieved through the increased licensing sales will offset any revenue paid to the third party. As licensing sales increase

each year, it is anticipated that additional revenue will be generated. This increased revenue will be used by Markham to offset the costs of implementing and maintaining DPRA Option 2 recommendations (including the new storefront operation and the expanded wildlife service program).

The proposed Customer Loyalty Card Program supports the ACC's goal of proper pet identification as the City would continue to require annual pet licensing as part of the Program.

As noted, there are no upfront costs to the City for the implementation of the program. Instead, the vendor will be compensated with a portion of the initial licence fee for each new licence sold.

The contract award results in \$7 to the vendor per new licence. Based on the average annual licensing fee of \$17, the net licence revenue will be \$10 per licence. The vendor anticipates an increase of 14% in new licences based on Calgary's experience which should result in additional revenue of \$8,000 in the first year. Staff will monitor the program and will report back to Council within 8 months of implementation.

CONCLUSION:

At the October 22, 2012, General Committee Meeting, Council approved the funding for the implementation of Option 2 of the DPRA Report and directed staff to enter into negotiations for an enhanced animal services contract with the OSPCA. Staff is confident that implementation of DPRA Option 2, a strengthened, new contract with the OPSCA, enhancements to Markham's wildlife services, creation of a Storefront Operation and the proposed Customer Loyalty Card Program, will position Markham as a leader in animal service delivery for years to come.

FINANCIAL CONSIDERATIONS:

Option 2: Store Front

At the October 22, 2012 General Committee meeting, \$150,000.00 was approved to fund the initial implementation of Option 2 in addition to the existing animal services budget. For 2013, Staff have allocated \$50,000 for the initial set up of the storefront facility, including selection of a location and related leasehold improvements. Staff will provide a business plan for the proposed storefront facility for consideration of Council in fall 2013.

Enhanced Animal Services Contract

Markham's contract for animal services with the OSPCA is currently being re-negotiated to include several service enhancements contemplated by the DPRA Report and discussed in this report. As additional contract costs are anticipated, a budget allocation of \$100,000 has been assigned as an upset limit to address contract requirements.

Enhanced Wildlife Services

Staff has allocated \$10,500 from the existing Animal Services operating budget for the proposed enhancements to the City's wildlife services, including transporting sick/injured wildlife to a wildlife rehabilitator and providing additional training and equipment to rehabilitators.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The recommendations in this report further the City's service excellence efforts by ensuring its animal services are delivered in a transparent, cost-effective and community-responsive manner.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance

RECOMMENDED BY:

14/06/2013

14/06/2013


X

Kimberley Kitteringham
City Clerk


X

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

[Attachment "A" – DPRA Report "Study of Animal Service Delivery Models"](#)

[Attachment "B" – Council Extract – October 30, 2012](#)

[Attachment "C" – Animal Care Committee Report "The Future of Markham Animal Services: Priorities for Action to 2016"](#)

[Attachment "D" - Table of ACC recommendations and corresponding staff comments](#)

ⁱ [Study of Animal Service Delivery Model](#) report page ii.

ⁱⁱ Such an approach was successfully used in both Toronto and Calgary; the additional revenue from this fine would be used to offset costs incurred by adopting Option 2.

ⁱⁱⁱ In Calgary, the compliance rate for dog licensing is 92%; the compliance rate for cats is 54%.