



STAFF REPORT

CITY of YORBA LINDA

ADMINISTRATION DEPARTMENT

DATE: MAY 20, 2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MARK PULONE, CITY MANAGER
PREPARED BY: ALLISON ESTES, ASSISTANT TO THE CITY MANAGER

SUBJECT: APPROVAL OF FY 2025/26 ANIMAL CARE NOTICE OF INTENT

RECOMMENDATION

It is recommended that the City Council approve and authorize the Mayor to sign the Notice of Intent with Orange County Animal Care for animal control and shelter services for the period of July 1, 2025 through June 30, 2026.

BACKGROUND

Since 1989, the City of Yorba Linda has contracted with Orange County Animal Care (OCAC) to provide animal care services. Pursuant to the terms of the current agreement, OCAC provides all animal care services on behalf of the City, including:

- Field Services: Impounding of stray animals and of owner-released animals, rabies control, enforcement of leash and nuisance laws, the barking dog ordinance, animal cruelty investigations, citation issuance, impound fee collection for impounded animals, and other related services;
- Special Services: Renewal of existing licenses, door-to-door canvassing or other targeted services to promote license compliance, and mail processing of first-time dog licenses;
- Shelter Services: Board and care of animals impounded at the new shelter; and
- Barking Dog Complaint Services: A service for residents to report barking dog complaints in their neighborhood.

Fourteen (14) Orange County cities (plus unincorporated areas) currently contract with OCAC for animal care services, including animal control and shelter services. As a result, the participating cities, including Yorba Linda, continue to benefit from economies of scale in collectively receiving the services. Consequently, on August 19, 2016, the City Council approved a Participation Agreement with the County of Orange, affirming the City's commitment to fund the City's proportionate share of construction costs (\$512,000) for the new regional animal shelter located in Tustin over the next 10 years and approved an agreement with the County of Orange for animal control and field services for a term of ten (10) years (to expire May 30, 2026).

APPROVAL OF FY 2025/26 ANIMAL CARE NOTICE OF INTENT

Page | 2

The City's proportionate share of construction costs for the new shelter is billed separately and not included in the proposed Notice of Intent for FY 2025/26. For reference, the outstanding principal balance of the City's share is \$76,485.10 (as of April 1, 2025), scheduled to be paid off in June 2026.

DISCUSSION

Projected Costs FY 2025/26

For FY 2025/26, the estimated Net Cost total for all Contract Cities and the County of Orange will increase by 6.43% to \$20,882,150. This increase is due primarily to salary increases approved by the County in labor negotiations with all unions and the continual need for OC Animal Care to fill critical positions in order to provide high-quality services. While a total of 131 filled positions and 13 vacancies is projected for the fiscal year 2025-26, please note that the number may be adjusted mid-year to meet the current demands for service. The increase is also due to the rising cost and volume of essential items, which include pharmaceuticals, feed, and general animal supplies.

For FY 2025/26, the City of Yorba Linda's estimated net cost is approximately \$353,552, a 4.66% decrease from the FY 2024/25 NOI of \$370,849. While the overall budget for Orange County Animal Care will increase by 6.43%, each contract city's NOI will vary based on services utilized and revenue collected by each city. The cost methodology and clarification on the actual costs are included below.

Cost Methodology

The methodology used for this estimate is based on the number of Animal Control and Animal Shelter services provided to Yorba Linda, along with the amount of fee revenue collected, during the most recent 12 months (March 1, 2024 through February 28, 2025). The net cost estimate for the previous NOI was calculated based on services and collections over the last full fiscal year (July 1, 2023, through June 30, 2024). The update in methodology reflects an effort to provide an estimate of our City's net cost for the upcoming fiscal year based on the most current utilization reports. As stated in the Agreement for Provision of OC Animal Care Services between the City and County (Agreement), the most recent animal care services fees approved by the County Board of Supervisors on July 17, 2018 shall be used to determine City's net cost of animal care services.

Actual Costs

The net cost of animal care services for all contract cities is based on the actual or "gross" cost of providing those services, less fee revenue collected from residents. Yorba Linda's portion of the gross cost is allocated based on the number of services performed for the City. For example, the number of field activities performed for Yorba Linda is converted to a percentage of all field services provided to all contract cities and then multiplied by the total gross cost of providing field related services. The same method is used to allocate the gross cost of all services performed for Yorba Linda. Since the City's actual net cost of animal care services for FY 2025/26 is based on actual costs reduced by fee revenue, the City's actual

APPROVAL OF FY 2025/26 ANIMAL CARE NOTICE OF INTENT

Page | 3

net cost for this year may be higher or lower than the estimated amount. As a reference, for fiscal years (FY) 2020/21, 2021/22, 2022/23, 2023/24 Yorba Linda's actual net cost was below the NOI, as indicated in the table below.

FY 2020/21			FY 2021/22		
Actual Net Cost	NOI	Over/(Under)	Actual Net Cost	NOI	Over/(Under)
\$281,778	\$333,411	\$(51,633)	\$220,965	\$439,122	\$(218,157)
FY 2022/23			FY 2023/24		
Actual Net Cost	NOI	Over/(Under)	Actual Net Cost	NOI	Over/(Under)
\$301,296	\$341,442	\$(40,145)	\$273,773	\$349,183	\$(75,410)

As of March 31, 2025, the City's projected net cost for FY 2024/25 is \$338,591, which is \$32,258 (8.7%) under the FY 2024/25 NOI of \$370,849.

FISCAL IMPACT

The estimated total cost for the animal care and shelter services for FY 2025/26 is \$353,552. Funding for animal care and shelter service fees will be appropriated in the FY 2025/26 budget (1010170-430100).

ALTERNATIVES

None

ATTACHMENTS

1. Current Agreement for Animal Care Services
 2. Notice of Intent for FY 2025/26
-