

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Potential Extension of the Interlocal Agreement with King County for Animal Control Services
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Alex Herzog, Management Analyst
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City's current interlocal agreement with King County for animal services is set to expire on December 31, 2015. An extension to the agreement for 2016 and 2017 has been proposed. The current agreement contains provisions for the contracting parties to agree to a two-year extension under same terms and conditions of the current agreement.

Regional Animal Services of King County (RASKC) currently provides animal services for unincorporated King County and 25 contract cities. Costs are primarily based on services provided and population of contract city. The service and cost allocation model is based on the current levels of services provided and population of each contract city. The model could potentially change if a contract city opted not to extend the agreement, or alternatively, joined the pool of contract cities.

Extending the agreement with King County would not affect the City's agreement with PAWS for shelter services. However, if the extension with King County is executed, the City may desire to extend the PAWS agreement as well align the terms for simultaneous coverage over 2016 and 2017.

If the City chooses not to extend the agreement with King County, alternative services must be explored and procured in preparation for the current agreement's expiration on December 31, 2015.

RESOURCE/FINANCIAL IMPACT:

Allocated costs, licensing revenue and net final costs for 2014-16 are estimated using 2013 service usage and licensing revenue, and 2014 population data. The estimated increase in net final costs for 2015 are primarily due to an annexation of residents out of unincorporated King County and into a non-contract city (Bothell) in February 2014. Also, Shorelines pet licensing revenue went down from \$148,673 in 2012 to \$143,331 in 2013. Final payment estimates will be available on December 15, 2014. Costs and revenues for 2016 are a preliminary estimate. This estimate will be updated when final usage when final usage figures for 2014 and population projections for 2015 become available in early 2015. Estimates are not available for 2017 because the cost allocation methodology will be recalculated in 2016.

	Final Payments			Estimated		
	2011	2012	2013	2014	2015	2016
Allocated Cost	(138,771)	(141,757)	(155,557)	(161,887)	(165,412)	(159,755)
Pet Licensing Revenue	146,494	148,673	143,331	148,673	143,331	143,331
Credit	4,373	4,373	226	-	-	-
Net Final Cost	12,096	11,289	(12,000)	(13,214)	(22,081)	(16,424)
Enhanced Services (Weekend Service)	53,214	54,997	-	-	-	-

Regarding the credits listed in 2011 and 2012, Shoreline received a credit (called the Impact Mitigation Credit) in a previous agreement to help offset the “impact” created when the City of Bothell decided not to only participate in the contract for the initial six months beyond the first six months. After the City of Bothell left the pool of contract cities, the cost shifted to the remaining cities. The credit was a way to mitigate that impact. The Impact Mitigation Credit is not in the current contract and the City received no other credits in the current agreement.

RECOMMENDATION

Staff recommends the City submit a letter of intent (Attachment A) to extend the existing agreement with RASKC for 2016 and 2017. King County has asked that all contract cities submit a letter of interest for extending the current agreement by November 17, 2014. Submitting such a letter does not commit the City to the extension, and only indicates interest in the extension.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

King County has provided regional animal services to Shoreline for a number of years. In June of 2010 the County created a new partnership with 26 cities within the County called Regional Animal Services of King County (RASKC). In 2012, 25 cities, including Shoreline, contracted with the County for animal services for a three year term, covering 2013 through 2015.

Negotiating the current RASKC Interlocal Agreement (ILA) was a complex and lengthy undertaking, taking almost 18 months to complete. Given the interdependent nature of the contracting model, the contracting parties agreed to certain prescribed contracting milestones, so all parties would: a) know the costs of services to their jurisdiction, and b) should parties not agree, provide sufficient time for alternative service provision arrangement to be secured. The current ILA contains the following contracting milestones:

- September 4, 2014 – RASKC/Partner Cities convene for ILA extension discussions/negotiations
- December 15, 2014 – County notify cities of March 1, 2015 deadline for ILA contract extension; County provide Cities Final Estimate of 2015 Payment Calculation
- March 1, 2015 – Deadline for RASKC/City partner notification of ILA extension
- April 5, 2015 – County informs Cities of those seeking extension
- July 1, 2015 – Formal deadline for Contracting parties to extend ILA

The RASKC program and services are supported directly by program revenues (pet licensing, and fees/fines), as well as the General Funds from King County and many of the contracting cities. In 2013 RASKC program generated revenues supported 49% of the RASKC program expenses, with pet licensing accounting for 44% and fees/fines accounting for 5%. The remaining 51% of operating expenses are supported by contributions from the County's General Fund and payments from contract cities.

The RASKC pet licensure rate of approximately 21% is on the high end of animal services programs in the County, but is insufficient to fund the entire program. To raise (re)licensing revenues, RASKC uses mailings, both direct and saturation; creates and implements jurisdictional marketing campaigns, partnering with over 450 pet licensing sales and/or information providers; uses door to door canvassing; and has a presence at dozens of events annually.

PROPOSED AGREEMENT EXTENSION

The two-year ILA extension is for King County to continue providing Shoreline with animal control services (officers in the field responding to calls/events) and pet licensing services. (Other contract cities also receive shelter services from King County.) The term of the ILA extension is two-years, covering 2016 and 2017.

In July and September, a number of contracting cities expressed interest in executing the two-year extension defined in the current ILA. The County has prepared a draft extension agreement for the parties to execute (Attachment B).

If all cities currently contracting with King County for animal services agree to the extension, the County and cities do not need to enter into formal negotiations for a successor. If RASKC does not receive notice of interest in extending for two years from all 25 of the contract cities, RASKC will initiate the negotiations process. Renegotiations would begin in 2015. Currently, nearly all contract cities have expressed tentative interest in the two-year extension to the agreement.

If the City and other contract cities are interested in extending the agreement to cover 2016 and 2017, the Council would consider authorizing the extension in mid-2015. While no official decision must be made at this time, King County asks that all contract cities submit a letter of interest (Attachment A) for extending the current agreement by November 17, 2014. Submitting such a letter of interest neither commits the City to the extension nor expending any additional funds for animal services; the letter only indicates interest in the extension.

The extension to the current agreement to cover 2016 and 2017 includes the same terms and conditions of the current agreement. The current cost allocation model assigns 80% based on use and 20% based on population to provide correlation between costs and use of the system. Allocable costs to each contracting city are offset by revenue raised.

In 2011 and 2012, Shoreline, Lake Forest Park and Kenmore contracted with King County for 'enhanced services' to receive weekend animal services. The enhanced services program was discontinued in 2013 because weekend service was incorporated in the base services provided by King County.

RESOURCE/FINANCIAL IMPACT

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Regarding the credits listed in 2011 and 2012, Shoreline received a credit (called the Impact Mitigation Credit) in a previous agreement to help offset the “impact” created when the City of Bothell decided not to only participate in the contract for the initial six months beyond the first six months. After the City of Bothell left the pool of contract cities, the cost shifted to the remaining cities. The credit was a way to mitigate that impact. The Impact Mitigation Credit is not in the current contract and the City received no other credits in the current agreement.

RECOMMENDATION

Staff recommends the City submit a letter of intent to extend the existing agreement covering 2016 and 2017. King County has asked that all contract cities submit a letter of interest to extend the current agreement by November 17, 2014. Submitting such a letter does not commit the City to the extension, it only indicates interest in such.

ATTACHMENTS

Attachment A – Letter of Intent to Extend Existing Agreement
Attachment B – Draft Extension to Existing Agreement

TO: All cities currently contracting with King County for animal services
 FROM: Norm Alberg, Director, Records and Licensing Services Division
 Diane Carlson, Director of Regional Initiatives, King County Executive's Office
 RE: **Your City's indication of interest in entering into a 2 year renewal of the Regional Animal Services Interlocal Agreement (2016-2017) Response requested by 11/15/14**

Hello—

As you know, the County has been in discussion with cities for several months now regarding the Regional Animal Services Interlocal Agreement, beyond 2015. The current Agreement expires at the end of 2015 and the Joint City County Collaboration (J4C) has discussed the possibility of either a two year extension (as provided for in the current agreement) or entering into negotiations for a successor agreement.

The County Executive supports the two year extension under the same terms and conditions as the current Agreement. Such an extension would take the Agreement through the end of 2017. At the September (J4C) meeting, we asked cities if they would provide notice of interest in the 2 year extension in November. If all cities currently contracting with King County for animal services agree to the extension, the County and cities do not need to enter into formal negotiations for a successor. ***We are asking cities for a non-binding indication of interest in extending the Agreement for 2 years, under the same terms and conditions as the current ILA, through return of the response below from the Mayor, City Manager or Administrator.***

If we receive the indication of interest to extend the Agreement from all of the 25 contract cities, we will ask cities for the Agreement to Extend to be approved and sent to RASKC by the end of January. If RASKC does not receive notice of interest in extending for 2 years from all 25 of the contract cities, RASKC will initiate the negotiations process.

Please confirm your response by completing the information below and sending to Norm Alberg by November 15th, 2014 at the email address listed below:

City of _____ IS interested in extending the Regional Animal Services Interlocal Agreement for 2 years, under the same terms and conditions as the current ILA, through 2017 and would proceed to seek formal approval of the Agreement to Extend Animal Services Interlocal Agreement, by the end of January 2015 if all 25 cities provide similar notice of interest.

Name: _____ Date: _____

Title: _____

If you have any questions about the attached materials please contact us at the phone numbers or email addresses below.

Norm Alberg: (206-296-1559) Norm.Alberg@kingcounty.gov

Diane Carlson: (206 263-9631) Diane.Carlson@kingcounty.gov

Sean Bouffiou: (206-296-4148) Sean.Bouffiou@kingcounty.gov

DRAFT
AGREEMENT TO EXTEND
ANIMAL SERVICES INTERLOCAL AGREEMENT
THROUGH DECEMBER 31, 2017

This AGREEMENT is made and entered into by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the undersigned Cities ("Contracting Cities").

WHEREAS, the County and each Contracting City entered into an Interlocal Agreement regarding the provision of animal control, sheltering and licensing services for the period of 2013 through 2015 ("Interlocal Agreement"); and

WHEREAS, the Interlocal Agreement took effect on July 1, 2012 and remains in effect through December 31, 2015, unless otherwise extended through December 31, 2017; and

WHEREAS, the County and Contracting Cities ("the Parties") wish to extend the Interlocal Agreement through December 31, 2017, as contemplated within Section 4 of the Interlocal Agreement;

NOW THEREFORE, in consideration of the promises, covenants and agreements contained in the Interlocal Agreement, as extended, the Parties agree as follows:

1. The Interlocal Agreement shall remain in effect through December 31, 2017 under the same terms and conditions and may not be terminated for convenience.
2. The County may sign an agreement with additional cities for provision of animal services prior to the expiration of the Interlocal Agreement, but only if the later agreement will not cause an increase in the Contracting Cities' costs payable to the County under this Agreement.
3. The Parties agree that, in light of their decision to now extend the Interlocal Agreement for an additional two year term as provided herein, procedures set forth in Section 4 of the Interlocal Agreement for meeting to discuss the prospect of an extension, for proposing amendments to the Interlocal Agreement during the extended term and for providing notice of intent to extend the Interlocal Agreement are superfluous. The Parties accordingly waive their rights to such procedures.
4. This Agreement to extend the Interlocal Agreement may be executed in counterparts by each Contracting City and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective this ____ day of _____, 2014.

King County

City of _____

Dow Constantine
King County Executive

Name
Title (Mayor/City Manager)

Date

Date

Approved as to form:

Approved as to form:

King County
Deputy Prosecuting Attorney

City Attorney

Date

Date