

Carter County/Elizabethton

ANIMAL SERVICES STUDY

Prepared by:

Rick Hall, CTAS and Patrick Hardy, MTAS



Date: 2022

Introduction

The City of Elizabethton and Carter County requested that MTAS and CTAS jointly study animal shelter and animal control services in both the City and County. The issue came to the forefront of the agenda when both jurisdictions realized the opportunity to provide animal control and shelter services more efficiently.

Through discussions with leaders, it quickly became apparent they were interested in examining the possibility of jointly providing animal control and animal shelter services. The hope was that together they could provide a higher level of service, and at maybe a lower cost, than could be provided by individual agencies. This study focuses on those goals.

The consultants assigned to the study were CTAS Consultant Rick Hall and MTAS Management Consultant Pat Hardy.

We would like to thank the personnel of the various agencies who helped with this study. Each was open to improving their services and to allowing us easy access to information.

Overview of Animal Services

According to PetPedia, there are about 6 million animals in shelters in the United States, and approximately 70 million stray animals on the streets in the U.S. at any given time.

As reported by the *Shelters Animal Count National Database*, about 57% of shelters are operated or owned by local governments. The cost for shelter services to citizens is more than \$2 billion dollars annually.

Only 10% of the animals entering shelters are neutered. Approximately 57% are adopted out and another 12% are returned to owners.

Controlling (aka "collection" or "enforcement") and sheltering of animals in Carter County is a responsibility of both the County and City.

The scope of control and shelter services can best be highlighted by noting that more than approximately 1,485 dogs and cats come into the Elizabethton/Carter County Shelter each year.

One can only imagine how quickly problems related to animal control would affect the quality of life for residents were it not for the services currently provided. It goes without saying that animal control services, including shelter-related services, are an essential function of government. Without them, significant problems would quickly arise, affecting every aspect of a citizen's quality of life.

The current animal control program collects animals that are strays or that are otherwise allowed to roam, and/or that constitute a nuisance to people in the County and its cities. They then shelter these animals and work to adopt them to good homes.

Number of Animals

We can only estimate the number of animals coming into the shelter because 12 months of data is not available. However, if we extrapolate the 7 months of available data and account for increased numbers of animals in the summer, we can estimate that approximately 1,485 animals enter the shelter every year, or an average of 124 each month. Some years have seen more animals, and some have seen fewer, but this is an average which will hold close to true in any given year. 1,485 is slightly less than the national average.

Of these, 80% are from the County and 20% are from the city.

According to PetPedia, there are 3,500 shelters nationwide. They take in approximately 6 million animals each year, or about 1,714 per shelter (about 142 per month). 625,000 of these are euthanized each year. About 30% of shelter animals are brought in by their owners.

Budget

The current budget for the animal shelter is shown on the next page (note: see Appendix A for the line-item budget):

City of Elizabethton\Carter County Animal Control Services

Summary - Revenues/Expenditures - Per Fiscal Year

	FY Ending 6/30/2020	FY Ending 6/30/2021	Estimated Budget FY 21-22
Beginning Net Position	N/A	N/A	N/A
<u>REVENUES</u>			
Operating Revenue			
Animal Registration	\$ 33,317	\$ 25,639	\$ 24,750
Sale of Animals\Livestock	\$ 2,670	\$ 10,160	\$ 3,300
Contributions/Donations	\$ 15,433	\$ 20,371	\$ 18,350
Other Fines/Forfeitures		\$ 4,082	\$ 1,100
Damages Recovered		\$ 5,495	
NonOperating Revenue			
City of Elizabethton - Appropriation	\$ 140,074	\$ 125,000	\$ 150,000
Carter Co. Gen. Fund Rev. Budgeted to Balance Operating Expenses (Estimated)	\$ 233,975	\$ 284,188	\$ 267,500
TOTAL REVENUES	\$ 425,469	\$ 474,935	\$ 465,000
TOTAL OPERATING EXPENSES	\$ 425,469	\$ 474,935	\$ 465,000
Increase/Decrease in Net Position	N/A	N/A	N/A
Ending Net Position	N/A	N/A	N/A

Notes: Carter County's operating revenue and expenses for FY Ending 6-30-2020 & 2021 are from the audit financial statements from the State of TN Comptroller of Treasury. The contributions/donations amount were provided by Carter County. The Nonoperating revenue amounts for the City of Elizabethton is from their FY Ending 6/30/20, & 21 is from their contracted audit report. The amount listed for the City of Elizabethton's nonoperating revenue appropriation for FY 21-22 is from their amended budget document.

The amounts listed for Carter County's General Fund to balance operating expenses is estimated to show the revenue necessary to equal the total expenditures - less operating revenue & City of Elizabethton's appropriation.

This works out to approximately \$8.25 per capita, which is thus the

expenditure cost per citizen for animal control and shelter services in Carter County.

For this budget, the City is contributing 32% of the revenues, the County is contributing 58% of the revenues, and the shelter is generating 10% of the revenues.

However, because City residents are also County residents, they are paying a portion of the County share as well. This portion is approximately \$69,093 (County share of \$267,500 divided by the County population of 56,356 = \$4.75 per capita X the City population of 14,546). Thus, the total share for city residents is currently \$219,093 (\$150,000 + \$69,093) or 47% of total revenues. The summary of these figures is:

County (not including Elizabethton residents) share	\$198,597 (43%)
City of Elizabethton residents share	\$219,093 (47%)
Shelter generated revenue share	\$ 47,500 (10%)
<hr/> TOTAL Revenues (difference is due to rounding)	<hr/> \$465,190 (100%)

Funding Options

A number of options exist for distributing the cost of shelter operations between jurisdictions.

1. Continue with current funding levels. The current distribution (\$150,000 City and \$267,500 County) is not a bad distribution, given the willingness of the City to contribute a larger share (see the calculations below). This being the case such a distribution should be more than satisfactory to the County.

2. A 50/50 formula has been suggested by some leaders: This would place a disparate burden on City taxpayers, but would look like this:

County share of \$417,500 (amount needed from governments) = \$208,750
City share of \$417,500 = \$208,750

3. A formula based on population:

County non-city population = 41,810, thus 74% of \$417,500 = \$308,950
City population = 14,546, thus 26% of \$417,500 = \$108,550

4. A combination formula: In order to more fairly distribute the costs of the shelter operation between the City and County we have developed a funding formula based on two components, the number of animals from each jurisdiction and the population share of each jurisdiction. Calculations are as follows:

This formula generates one-half of the amount needed from governments (\$417,500 divided by 2 = \$208,750) from the population-based part of the

formula, and one-half from the number of animals part of the formula. This is as follows:

Population-based part of the formula

County non-city population = 41,810, thus 74% of \$208,750 = \$154,475
City population = 14,546, thus 26% of \$208,750 = \$54,275

Number of animals-based part of the formula

Percent of animals from the County = 80% X \$208,750 = \$167,000
Percent of animals from the City = 20% X \$208,750 = \$41,750

Combined parts of the formulas

County total (\$154,475 + \$167,000) = \$321,475 or 77% of needed revenues.
City total (\$54,275 + \$41,750) = \$96,025 or 23% of needed revenues.

Please note, this percentage distribution is very close to the percent share each jurisdiction has of the County-wide population:

County formula percent = 77%
County non-City population percent = 74%

City formula percent = 23%
City population percent = 26%

We like a formula-based approach because it distributes costs equitably, but it also rewards efforts to improve animal control through programs such as spay/neuter requirements, leash laws, etc.

Finally, it is our understanding the County owns the animal shelter, and the City owns the property it sits on. These both have a monetary value, and with both jurisdictions willing to "loan" their asset to the other, a real opportunity for cooperation exists.

Structure Options

A number of options exist for structural arrangements to operate the shelter:

1. Have either the City or County operate the facility and animal control services. The problem with this arrangement is that neither jurisdiction may want the responsibility for the facility, or the jurisdiction not operating the facility may feel as though they don't have any input or control over operations. These complications make this arrangement difficult. To remedy this, an "advisory board" should

be established with proportionate representation from both jurisdictions, whose purpose is to advise on operations and communicate back to the two governing bodies on issues related to the facility.

2. Establish a joint entity such as a 501C3 to operate the facility and animal control services. This would need to be operated by a board of directors with adequate representation from the County, City, and outside stakeholders. The County and City, as huge majority funding entities, should together have a controlling interest on the board. This is a model which is similar to the way the Johnson City/Washington County and Kingsport ("Petworks") facilities are operated. A 501C3 may also provide additional benefits such as the occasional opportunity to obtain grants.
3. Utilize an existing, established, third-party organization to operate the facility and animal control services. If such an organization is found and an agreement can be reached, the same parameters for establishment of a board of directors should apply as discussed above.

Conclusion

Because the Carter County/Elizabethton shelter and animal control services are at a crossroads, numerous opportunities exist for improving accountability and for taking services to the next level. These services have an economy of scale, and thus working together to jointly solve problems and provide services will be a win-win for both jurisdictions.

When considering options, it is important for arrangements to include a predictable and acceptable (for both jurisdictions) structural model as well as a predictable, acceptable, and equitable funding plan. Given some of the alternatives presented in this report, achieving these goals should be possible.

Appendix 1

Line Item Budget

FY 2021-22 Carter County Budget - Including City of Elizabethton Appropriation

Operational Revenues

Animal Registration	24,750
Sale of Animals\Livestock	3,300
Contributions/Donations	18,350
Other Fines/Forfeitures	1,100
Damages Recovered	
Total Operational Revenues	47,500

Non-Operational Revenues

City of Elizabethton Appropriation to County	150,000
Carter Co. Gen. Fund Revenue to to Balance Operating Expenses (Estimate)	267,500
Total Non-Operational Revenues (Estimate)	417,500

Total Revenues (Estimate)	465,000
----------------------------------	----------------

Operational Expenditures/Appropriations

Salaries & Benefits:

Supervisor/Director	51,032
Deputy (Animal Control Officer)	24,960
Attendants	90,240
Maintenance Personnel	-
Temporary Personnel	-
Part-time Personnel	59,825
Part-time Personnel (Animal Control Officer)	-
Overtime Pay	2,000
Overtime Pay (Animal Control Officer)	1,500
Bonus Payments	-
Social Security	12,592
Social Security (Animal Control Officer)	1,641
Pensions	13,579
Pensions (Animal Control Officer)	2,117
Life Insurance	111
Life Insurance (Animal Control Officer)	-
Medical Insurance	42,994
Medical Insurance (Animal Control Officer)	-
Dental Insurance	1,683
Dental Insurance (Animal Control Officer)	-
Unemployment Compensation	812
Unemployment Comp (Animal Control Officer)	106
Employer Medicare	2,945
Employer Medicare (Animal Control Officer)	384
Other Fringe Benefits (HSA Contributions)	2,367
Other Fringe Benefits (HSA Cont. - A.C. Officer)	-
Total Salaries & Benefits	310,886

Non-Payroll Expenditures

Communication	2,400
---------------	-------

Communication (A.C. Officer)	450
DP Services (Copier Overages)	320
Licenses	350
Maintenance & Repair Serv. - Bldgs	4,000
Maintenance & Repair Serv. - Equip.	-
Maintenance & Repair Serv. - Vehicles	2,000
Maintenance & Repair Serv. - Veh. (A.C. Officer)	700
Pest Control	300
Postal Charges	125
Printing, Stationery, & Forms	500
Printing, Stationery, & Forms - (A.C. Officer)	-
Rentals	3,600
Rentals (Copier Overages)	-
Travel	300
Travel - A.C. Officer)	-
Veterinary Services	51,000
Veterinary Services (Abuse Cases)	2,650
Disposal Fees	1,500
Other Contracted Services	3,000
Animal Food & Supplies	12,500
Custodial Supplies	10,950
Drugs & Medical Supplies	200
Drugs & Medical Supplies (A.C. Officer)	10,800
Electricity	-
Gasoline	9,000
Gasoline (A.C. Officer)	2,250
Natural Gas	2,000
Office Supplies	-
Propane Gas	800
Tires & Tubes	6,000
Tires & Tubes (A.C. Officer)	2,000
Uniforms	700
Uniforms (A.C. Officer)	550
Water & Sewer	175
Software	4,800
Other Supplies & Materials	400
Other Supplies & Materials (A.C. Officer)	4,000
Liability Insurance	-
Liability Insurance (A.C. Officer)	3,750
Veh. & Equip. Insurance	1,050
Veh. & Equip. Insurance (A.C. Officer)	1,400
Workers Comp. Insurance	400
Workers Comp. Insurance (A.C. Officer)	3,650
In-Service Staff Dev.	544
In-Service Staff Dev. (A.C. Officer)	-
Other Charges	-
Other Charges (A.C. Officer)	2,000
Building Improvements	-
Communication Equip. (A.C. Officer)	-
Data Processing Equip. (Governor's Support Grant)	-
Data Processing Equip. (A.C. Officer)	-
Heating & Air Cond. Equip.	-
Motor Vehicles	-
Other Equip. (Governor's Support Grant)	1,000

Other Equip. (A.C. Officer)	-
Other Capital Outlay	-
Total Non Payroll	154,114
Total Animal Control Expenditures	465,000

Notes: This information was compiled from Carter Co's budget spreadsheets, & the City of Elizabethton's budget amendment appropriation. The amounts listed for Carter County's General Fund to balance operating expenses is estimated to show the revenue necessary to equal the total expenditures - less operating revenue & City of Elizabethton's appropriation.