

Clarify that the Previously Approved Animal Shelter Operator Agreement with Friends of the Alameda Animal Shelter Includes an Annual Increase Based on the Percentage Change in the Consumer Price Index for a Total 10-Year Compensation Estimate of \$11,574,639

November 7, 2023



# Background

- In 2017, City Council **approved a renegotiated contract** for animal shelter services with the Friends of the Alameda Animal Shelter (FAAS)
- In 2021, City Council **approved a new 2-year contract with up to four 2-year extensions** with FAAS
- In May 2023, the City Council's **approved 2023-2025 budget** included funding for FAAS
- In June 2023, the City Manager **approved a 2-year extension** of the FAAS contract for 2023-2025

# Background

- The 2017 and 2021 agreements included the **contract amount and an annual upwards adjustment based on the CPI**, which has varied from 3.5% - 5.2%.
- The 2021 staff report and agreement **did not include an estimated amount for the entire 10-year period**, should all four 2-year extensions be authorized.
- For purposes of clarification, the table in the staff report establishes an estimated 10-year amount **based on a 5% estimate** of the percentage change in the CPI. Future increases will be based on the actual CPI.
- Any future annual compensation is **subject to City Council approval**. If the City Council does not appropriate sufficient funds during future budget processes, staff will either bring a new contract to Council with at least 90 days' notice or recommend terminating the agreement.

FAAS Budget	
FY 21-22	\$997,818
FY 22-23	\$1,049,705
FY 23-24	\$1,102,190
FY 24-25	\$1,157,300
FY 25-26	\$1,215,165
FY 26-27	\$1,275,923
FY 27-28	\$1,339,719
FY 28-29	\$1,406,705
FY 29-30	\$1,477,040
FY 30-31	\$1,550,892
TOTAL	\$11,574,639

# Recommendation

- Staff recommends the City Council accept staff's clarification to the previously approved animal shelter operator agreement with FAAS that the 10-year compensation is \$11,574,639, including the estimated annual CPI increase.