
BRIEFING NOTE

Toronto Public Health, Animal Service Revenue

Issue/Background:

On January 20, 2005, at Budget Advisory Committee (BAC), a briefing note was requested on potential revenue to offset the Animal Services' addition of \$336.6 thousand to the 2005 Operating Budget.

The 2005 recommended Revenue Budget for Animal Services is \$1.114 million. Approximately twenty percent of Toronto Animal Services (TAS) revenue budget is derived from user fees for services provided to pet owners including spay/neuter clinics, owner surrender fees and claim fees for impounded animals. Of the remaining eighty percent revenue budget, fifty-eight percent is from animal licence/registration fees and twenty-two percent from animal adoption fees.

Key Point(s):

The main sources of revenue and potential for revenue growth are animal licencing and animal adoptions. In each instance resources are required in order to increase revenue. The greater return on the investment of resources is in animal licencing, due to the greater potential for new revenues because of the estimated high number of unlicensed dogs and cats in Toronto. Potential improvement in animal adoptions should still be considered even though the monetary return on the invested hard expenses is small or none, it does still result in a return. Improving adoption rates overall still means higher revenues and arguably more importantly the placement of animals in lifelong homes.

Long-term successful licencing programs require at least three components:

1. The commitment by municipal council to support effective and firm by-law enforcement with sufficient resources.
2. An effective public awareness and education campaign that may include partnerships with community stakeholders.
3. An effective enforcement strategy that includes zero tolerance in licencing that is supported by sufficient resources for follow through.

Suggested 2005 Short-term strategies for revenue improvements in licensing and animal adoptions are as follows:

1. Increased staffing as requested in the proposed 2005 Operating Budget for the last six months will likely result in some revenue increase. It is estimated that in 2005 licensing revenues may increase by \$35,000. Also, the four largest Animal Centres will be open on Sundays resulting in increased adoptions and an estimated \$25,000 in revenues.
2. Increase in Dog Licence fees by \$5 per dog licence to be implemented mid-year may result in approximately a \$40,000 increase. This will help further offset administrative, enforcement and sheltering expenses. A larger licence increase should not be considered until further study, including surveying surrounding municipalities and assessing potential impact on renewals and the level of resources to enforce compliance have been reviewed.

Additional initiatives where impact on revenue increase cannot be predicted:

3. Develop and implement an effective public awareness campaign that promotes the benefits of licensing to the individual and how it supports the delivery of the service. As part of the promotion, include the free ride home for up-to-date registered cats and dogs. Do a joint promotion of vaccinating against rabies and registering your dog or cat. Promote the availability of animals for adoption at TAS will increase the adoption rates. A public awareness campaign will require funding for proper promotion.
4. External stakeholder partnerships for promotion such as pet food supply outlets and veterinary hospitals will be explored. The goal would be to set up an incentive system relating to the purchase of the licence that benefits the pet owner and the external partner. This will require buy in from the stakeholders and may include some cost to the City.
5. Improved access by making sure the purchase of licences is available through all civic centres. Access can also be improved by promoting the phone in licencing/registration using credit cards (VISA and Master Card). The feasibility of third party sales of animal licences and registrations through external stakeholders, such as the veterinary hospitals and pet food suppliers, will be explored with finance to determine if this can be implemented in a manner that is not labour intensive and is low risk for fraud.

The implementation of the first two initiatives may result in an increase of \$100,000 in 2005 revenues. This will help to offset the impact of the 2005 Operating Budget increase, reducing the net cost to \$236.6 thousand. Implementation of the any of the three remaining initiatives may require some additional resources and the impact on revenue is unpredictable.

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