



Town of Fort Myers Beach

MEMORANDUM

To: Mayor and Town Council

From: Terry Stewart, Town Manager 

Date: July 27, 2012

Re: **Domestic Animal Services Cost Allocation**

As you are aware, the Town contracts Animal Control services from Lee County Domestic Animal Services. Other municipalities in Lee County do the same. The Town pays an annually determined amount for Animal Services to handle domestic animal issues.

The annual charge is based upon what the County describes as a "Full Cost Allocation" philosophy. That is to say that the County considers every element of cost related to the program and then divides the cost between each area based upon the percentage of usage incurred by each area. This is designed to insure that each service area fully pays for the share of services it actually uses and that the County is not unfairly paying for the cost of servicing any area outside of the County's required service area.

On the surface, this may seem fair and rational and as far as it extends to expenditures and/or costs, it is. If that is so, one may then ask, "What is the Problem?"

As with any enterprise, there are not only associated costs, but also associated revenues. It is in the area of revenues that we find the problem. While the County insists that each and every element of cost is proportionately allocated to the various service areas, it does not do likewise with revenues. Revenues for operation of Domestic Animal Services do not come only from County tax revenues, but comes from a variety of areas including grants and donations. When receiving funds from sources other than taxes, the County has chosen to apply those revenues only to the County side of the equation. For example, the cost of the Spaying and Neutering program may benefit from a grant that covers the full cost of that program for all service areas County wide. The County does not proportionately allocate the revenue amongst the various

service areas to fairly offset the cost in those areas. Instead, the County uses those revenues to offset the cost of overall service in unincorporated areas. Even though, non-County tax revenues are there to cover the cost of that program within Domestic Animal Services, the County still charges the expenditure for that program to the municipalities. This is no different than a private company charging one customer for costs incurred in providing services to another one of its customers.

I respectfully request Fort Myers Beach Town Council to authorize me and the Town Attorney to do two things: First and foremost is that with your full and official backing, we be given the authority begin negotiations with Lee County Administration to resolve this situation. Secondly, that we be authorized to work together with other municipal users of Lee County Domestic Animal Services to rectify the situation.

In addition, I request that the Town Council send a letter to the Lee Board of County Commissioners to advise the Board of this situation and ask for the Board's support in the review and negotiation process.

Finally, you are asked to send a letter to each of the City Councils of other municipalities contracting Domestic Animal Services from Lee County to inform them of this situation, asking them to join us in the effort to resolve the matter.