



ANIMAL SHELTER
& ADOPTIONS

BARC PARTNERSHIP UPDATE: JOINT MEETING BUDGET & FISCAL AFFAIRS COMMITTEE AND SERVICE DELIVERY COMMITTEE

March 17, 2025

BARC'S MISSION – WHAT OUTCOMES ARE WE TRYING TO ACHIEVE?

▶ **Public Safety (Primary):**

- Respond to a greater percentage of calls for service
- Fewer animal attacks on people

▶ **Live Release (Secondary):**

- More adoptions/outreach
- More fosters/rescues/transport



- ▶ Holding space for adoptable animals increases live release but limits ability to remove dangerous animals in the community.
- ▶ Euthanizing dangerous, sick, or behaviorally challenged animals improves public safety and alleviates shelter capacity but decreases live release.

▶ **Human Casualties vs. Animal Casualties**

HOW DO WE BETTER ACHIEVE OUR DESIRED OUTCOMES?

► Public Safety Outcomes:

- Hire more animal enforcement officers – \$
- Proactively patrol - current enforcement capacity is **reactive** because of insufficient resources. – \$
- Increase service call response – current capacity to respond is 58% of all calls, **but 99% of Priority 1 and 2 calls**; insufficient resources to respond to Priority 3 and 4 calls. – \$
- Hiring more animal enforcement officers means hiring additional kennel staff, veterinarians, and support staff and higher expenditures for additional vehicles, uniforms, supplies, etc. – no resources for these costs. – \$



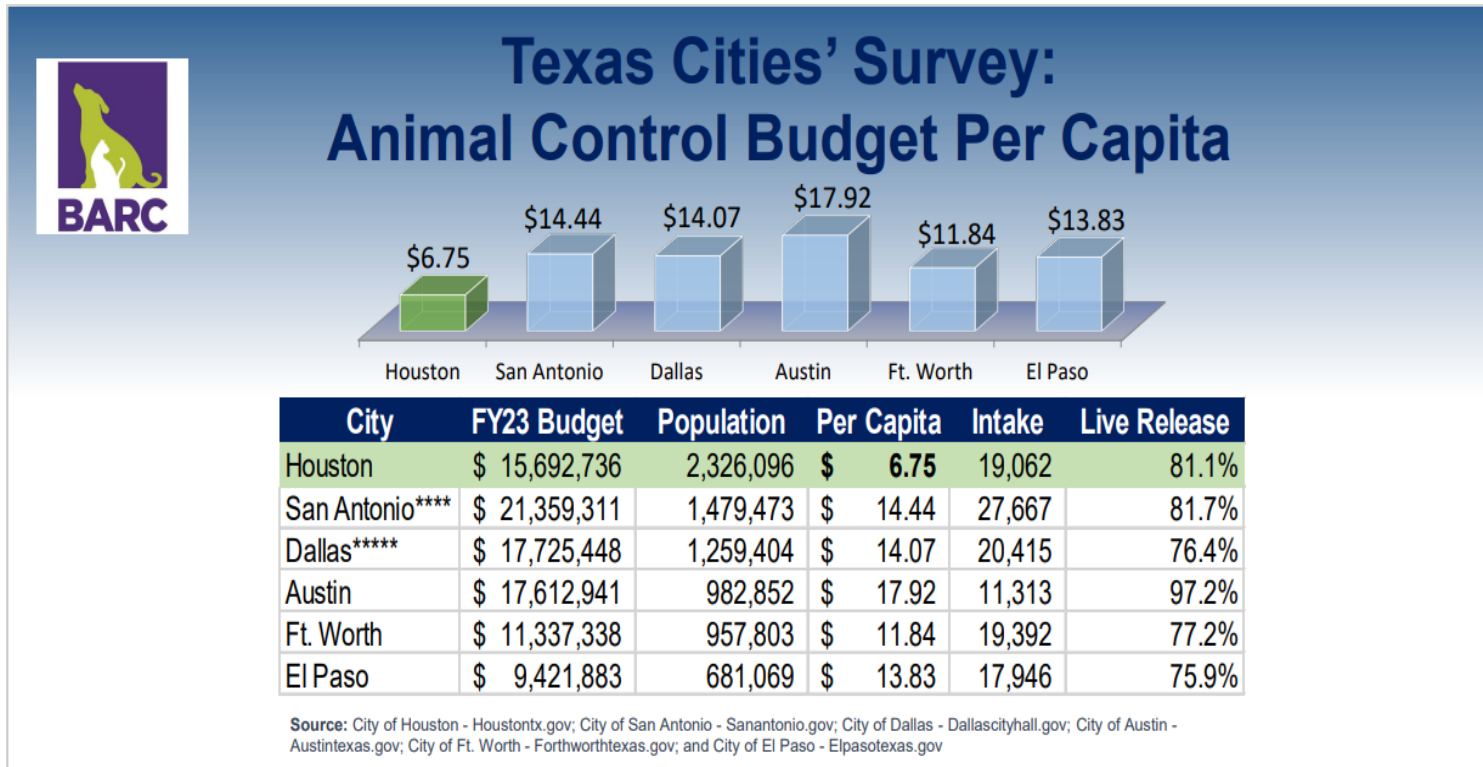
HOW DO WE BETTER ACHIEVE OUR DESIRED OUTCOMES?

- ▶ Live Release Outcomes:
 - Increase shelter capacity overall (more kennels)
 - Increase capacity for care (more kennel staff)
 - Build the new shelter (~150 new kennels)
 - Staff the new shelter – funding issue; no funding for employees in the bond. – \$
 - Increase adoptions, fosters, and rescues
 - Increase fundraising (Form an LGC? Re-activate the BARC Foundation? Other animal welfare partners?)
- ▶ **Bottom Line: Achieving desired public safety and live release outcomes requires more funding. If we can successfully fundraise for live release initiatives (foster/rescue/transport), it frees up existing funding for public safety initiatives.**



FUNDING SURVEY

- ▶ BARC does not have adequate funding or space to achieve desired outcomes.



Current Capacity for Care

400 kennels per day

Increasing space with a new shelter and more kennels will require funding for additional employees, equipment, and supplies.

HOW DOES BARC GET MORE FUNDING?

- ▶ Cut costs - difficult to do with growing intake and rising costs for medicine and food
- ▶ Increase revenues:
 - ▶ Offer retail services (i.e. grooming)
 - ▶ Offer wellness services
 - ▶ Fundraising: raising money for non-enforcement services, such as adoption/rescue/foster/transport, frees up resources for public safety enforcement efforts.



Methodology

- ▶ ARA conducted a feasibility study to evaluate ways to reduce costs or increase fundraising for the shelter:
 - ▶ Consulted with Purvez Captain, retired strategy consultant and Ernst & Young Partner; Ph.D. from Rice University (Economics); 15+ years of experience in animal welfare
 - ▶ Reviewed other municipal animal shelters and local non-profit organizations for successful costs savings/revenue models
 - ▶ Considered past efforts to raise funding
 - ▶ Analyzed animal shelter expenses, outcomes, and revenue streams
 - ▶ One model emerged as the most consistently successful: public/non-profit partnership
 - ▶ Non-profit partnership spectrum: commitment to transfer a percentage of animals to full management of all non-enforcement shelter activities



Funding Option 1: Local Government Corporation (LGC) Model

- ▶ Requires a dedicated revenue stream
- ▶ 7 to 12 board members
- ▶ Executive director
- ▶ Staff for animal handling, outreach, customer service, etc.
- ▶ Staff for daily business functions (accounting, legal, etc.)
- ▶ Total estimated cost to run the LGC: ~\$7M to run LGC out of new building
- ▶ Number of animal shelter LGCs in the United States: 0 – none were identified by staff research or consultant
- ▶ Municipal employees moved to LGC to staff animal care and customer service functions



Funding Option 2: Public/Non-Profit Partnership

- ▶ Examples: Maricopa County (Phoenix); Los Angeles; Galveston; San Antonio; Austin; Denver
- ▶ Scalable: services range from “relief valve” function to full management of non-enforcement shelter responsibilities
- ▶ Experienced fundraiser becomes partner (Animal Defense League, Best Friends, Humane Society, SPCA, Austin Pets Alive!, Houston Pets Alive!)
- ▶ Takes on only non-enforcement aspects of animal shelter, in phases
- ▶ Contracted through competitive RFP process



LGC NOT THE MODEL FOR TODAY?

- ▶ An LGC should have:
 - ▶ Seed money – initial funding transfer to begin operations
 - ▶ Dedicated revenue stream to maintain viability (e.g. Houston First, Houston Zoo, ETHAN)
 - ▶ Fundraising capacity (e.g. Houston Zoo)
- ▶ BARC LGC:
 - ▶ Seed money would be transferred out of BARC's already insufficient budget.
 - ▶ No dedicated revenue stream.
 - ▶ Fundraising is possible but the LGC is not a known entity. Fact: over the past 15 years, all of the animal welfare non-profits in Houston, COMBINED, have raised only \$90M! Houston foundations do not fund animal welfare non-profits.

LGC NOT THE MODEL FOR TODAY?

- ▶ Transferring BARC employees to the LGC just moves people and results in fewer resources for both entities – it does not solve the resource issue for BARC.
- ▶ The LGC is a new entity that would compete with existing, successful animal welfare non-profits.
- ▶ The LGC is only viable in the near term if funded and staffed from BARC's **existing resources**, which diminishes public safety outcomes. **We want to improve live release, but it must never be at the expense of public safety.**

PUBLIC/NON-PROFIT PARTNERSHIP MODEL

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- ▶ While no examples of animal shelter LGCs were found, several examples of public/non-profit partnerships exist – with varying levels of success. Advantages:
 - **Resources:** No need to transfer City employees. The non-profit contractor provides a turnkey operation.
 - **Less Risk:** Much easier to roll back/unwind legal agreements if partner does not meet goals.
 - **More Collaborative:** Supports the existing ecosystem of animal welfare non-profits rather than introducing new competitor in an already crowded marketplace.
 - **Room to Grow:** If non-profit is extremely successful and gains dedicated foundation dollars or a sustainable revenue stream, could become an LGC.

FOR YOUR CONSIDERATION...

- ▶ BARC proposes:
 - ▶ Begin building the new facility to add capacity
 - ▶ Located at BARC, economies of scale in having BARC employees at both facilities
 - ▶ Phased approach to partnership:
 - Phase I: Do not pursue LGC initially. Issue RFP for experienced non-profit animal welfare partner for Outreach/Retail.
 - Start small – retail adoption outpost(s)?
 - If successful, could transition to Local Government Corporation in Phase II
 - ▶ Reinvigorate BARC Foundation
 - Appoint new board members and update bylaws to encourage more participation
 - Stronger membership requirements





APPENDICES

LGC COMPARISONS

- **Houston First LGC**
 - Funded by Hotel Occupancy Tax (48% of revenue)
 - Pays City an annual fee (\$20M in 2023)
- **Zoo LGC**
 - Revenue from admission, events, membership, contributions and City management fee (city provides 20% of revenue)
- **Houston Parks Board LGC**
 - Revenue from contributions, special events, City management fee, and funding from other entities (County, TIRZ, Management Districts, etc.)
 - (City provides 47% of revenue)

LGC COMPARISONS

- **ETHAN – Sources of Funds:**

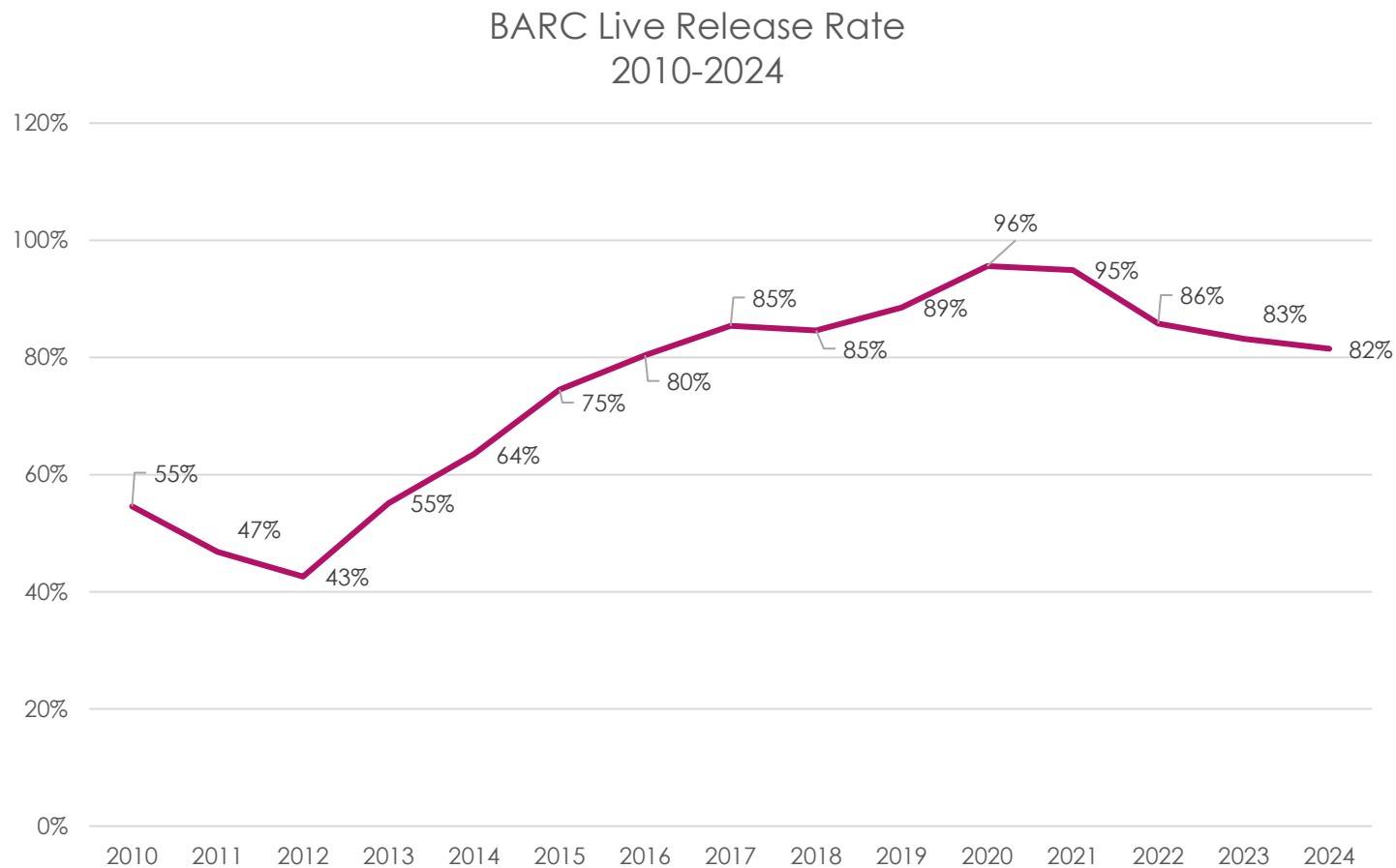
- License fees other governments pay for use of the ETHAN platform
- Directed Navigation fees for healthcare partners through ETHAN
- Ad fees for clinics featured on ETHAN
- ETHAN will eventually pay net revenue to City

- **Complete Communities LGC**

- Expired grant; no new source of revenue; stalled

Expenses	Includes Startup Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Full-Time Staff	\$ 724,984	\$ 1,087,475	\$ 1,091,970	\$ 1,370,364	\$ 1,495,882	\$ 1,804,677
ETHAN Doctor Fees	\$ 468,000	\$ 832,000	\$ 1,040,000	\$ 1,707,750	\$ 4,377,600	\$ 7,900,200
Microsoft TEAMS License Fee	\$ 189,467	\$ 284,200	\$ 363,776	\$ 536,091	\$ 857,746	\$ 1,210,936
Microsoft Azure License Fees	\$ 66,667	\$ 100,000	\$ 128,000	\$ 188,632	\$ 301,811	\$ 426,085
IT Managed Sevices	\$ 133,333	\$ 200,000	\$ 250,000	\$ 300,000	\$ 400,000	\$ 500,000
Physician Insurance	\$ 52,000	\$ 78,000	\$ 78,000	\$ 108,000	\$ 192,000	\$ 330,000
Taxi	\$ 144,720	\$ 388,800	\$ 540,000	\$ 1,026,000	\$ 2,565,000	\$ 4,360,500
Clinic Visits	\$ 16,080	\$ 43,200	\$ 60,000	\$ 114,000	\$ 285,000	\$ 484,500
ShiftAdmin	\$ 2,000	\$ 3,000	\$ 3,000	\$ 4,154	\$ 7,385	\$ 12,692
Supplies	\$ 24,000	\$ 36,000	\$ 46,080	\$ 67,907	\$ 108,652	\$ 153,391
Legal and Other Services and Charges	\$ 228,167	\$ 115,000	\$ 132,250	\$ 152,088	\$ 174,901	\$ 201,136
Non-Capital Purchases	\$ 49,333	\$ 74,000	\$ 85,100	\$ 97,865	\$ 117,438	\$ 146,798
Overhead (Travel, Marketing, etc.)	\$ 80,000	\$ 120,000	\$ 120,000	\$ 126,000	\$ 151,200	\$ 189,000
Capital Purchases	\$ 46,667	\$ 70,000	\$ 80,500	\$ 92,575	\$ 111,090	\$ 138,863
Alternate Language Line	\$ -	\$ -	\$ 50,000	\$ 62,500	\$ 78,125	\$ 97,656
License Fee to COH	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000
Product Implementation & Development	\$ 250,000	\$ 200,000	\$ 200,000	\$ 300,000	\$ 350,000	\$ 450,000
Total Expenses	\$ 2,475,417	\$ 3,631,676	\$ 4,268,676	\$ 6,253,926	\$ 12,023,829	\$ 18,856,433
ETHAN PROFIT	\$ (2,116,292)	\$ (2,051,696)	\$ (1,282,176)	\$ 856,412	\$ 4,611,765	\$ 9,028,917

BARC'S WINS TOWARD OUTCOMES

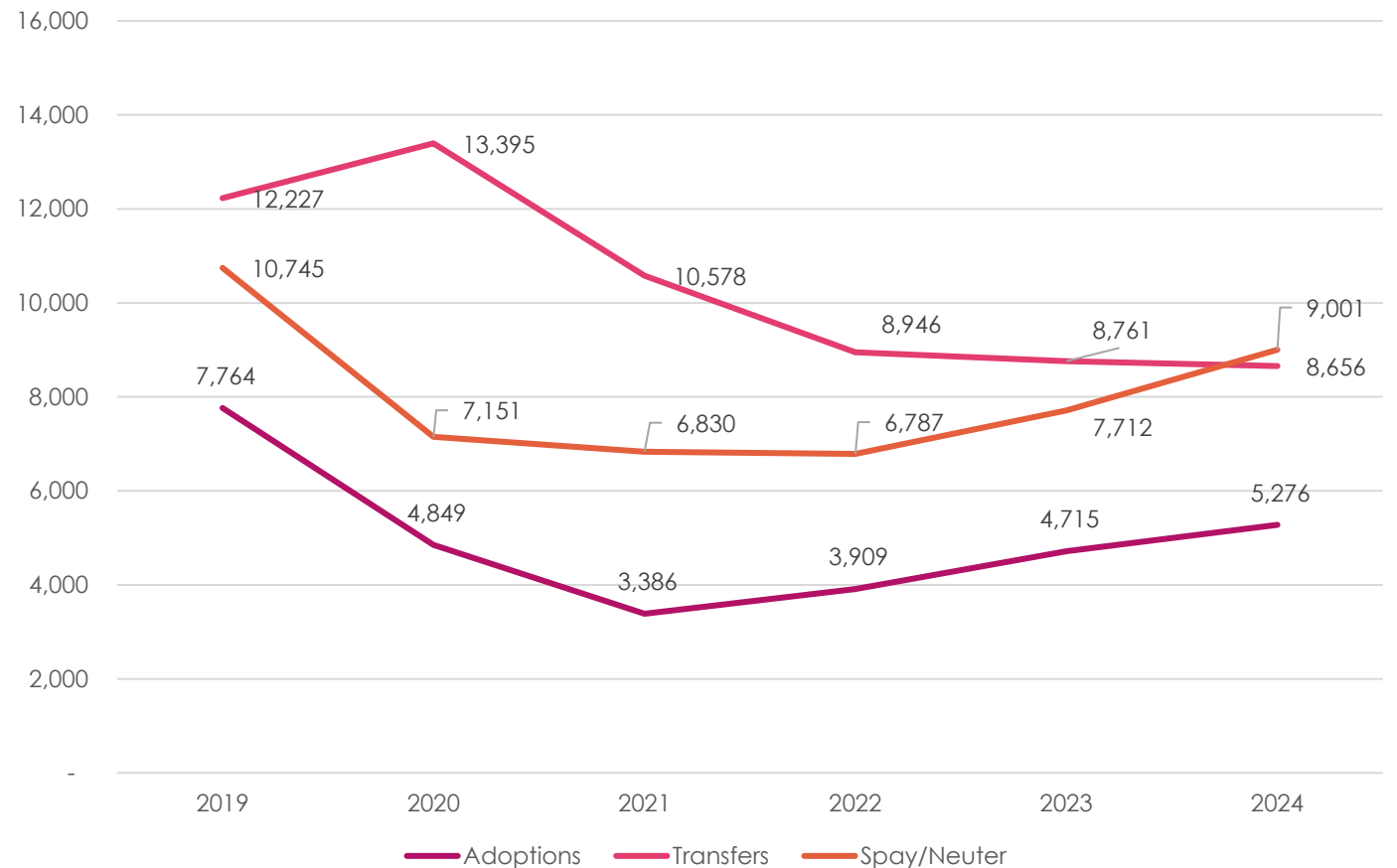


- ▶ Live Release has been higher than 80% since 2016
 - ▶ Up from 43% in 2012
- ▶ COVID downturn explains how we achieved 90% Live Release Rate (intake decreased)

BARC'S WINS TOWARD OUTCOMES

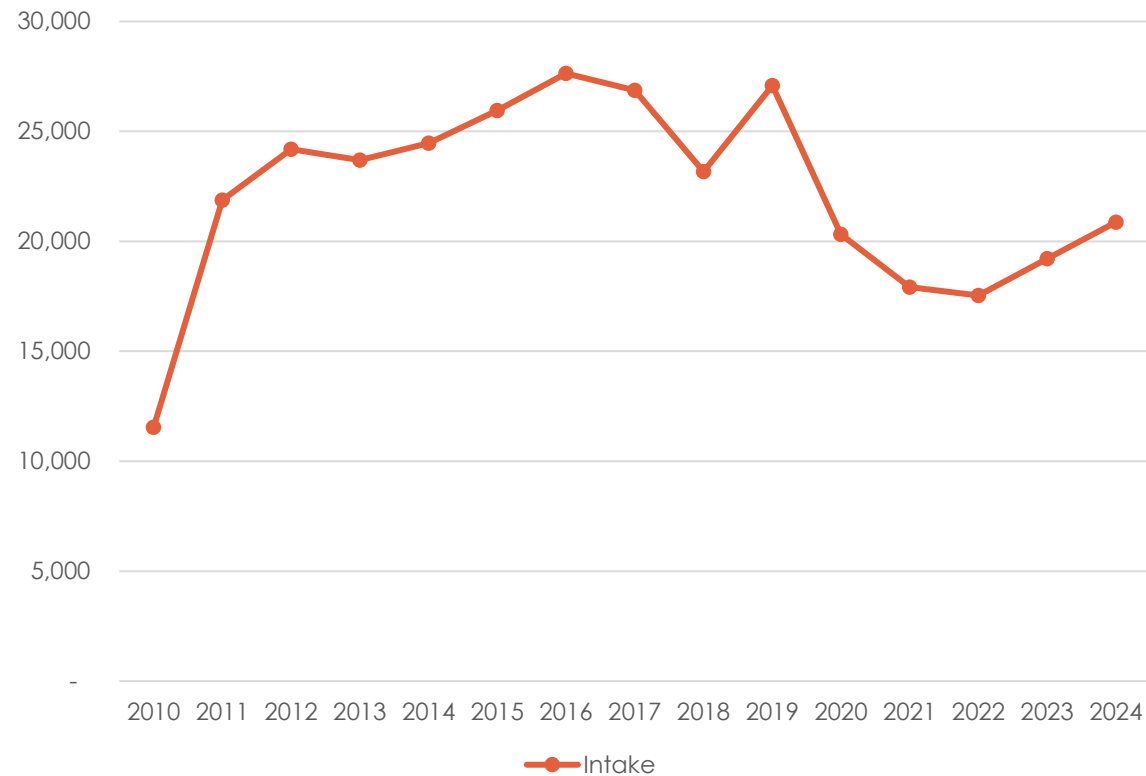
- ▶ Average **5,000 adoptions** per year, increasing
- ▶ Average **10,000 transfers** per year, decreasing
- ▶ Average **8,000 spay/neuters** per year, increasing

BARC Adoptions, Transfers, and Spay/Neuter



BARC's CHALLENGES

BARC Live Release and Intake
2010-2024

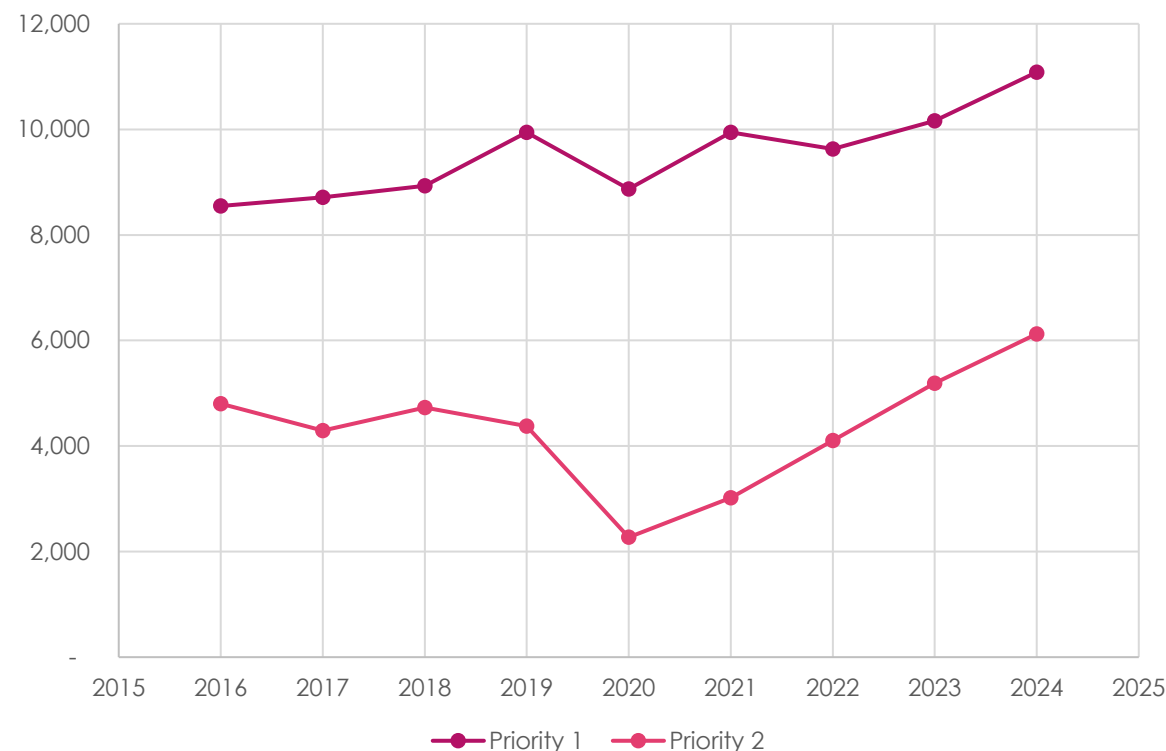


- ▶ Animal intake used to be much higher
- ▶ COVID downturn dramatically lowered intake, but now climbing

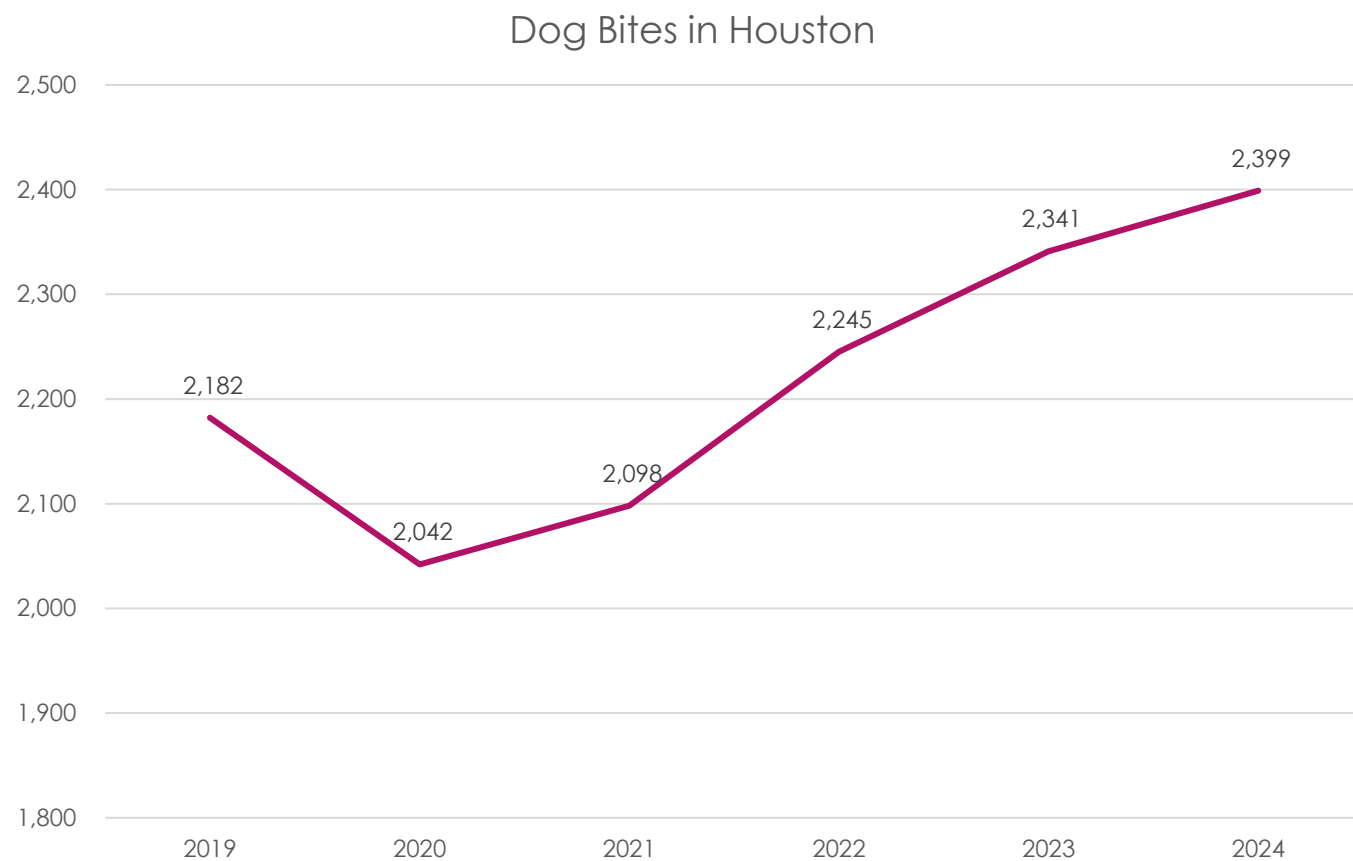
BARC's CHALLENGES

- ▶ Calls for Service Rising
 - ▶ Priority 1 – Up 11% since 2016
 - ▶ Priority 2 – Up 40% since 2016
 - ▶ Dangerous dog bites and aggressive roaming dogs are a major public safety concern

BARC Calls for Service
2019-2024



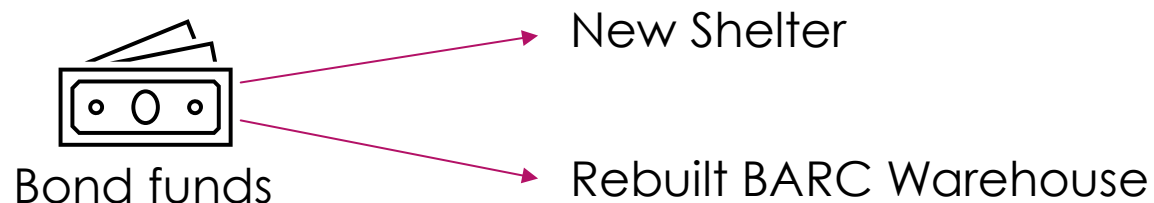
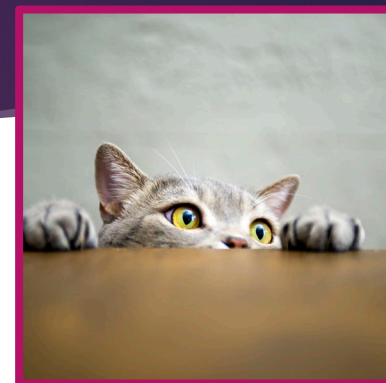
BARC's CHALLENGES



- ▶ Dog bites are increasing
 - ▶ Up 10% since 2019

BOND INFORMATION

- 🐾 \$47 million for new building and upgrades to existing facilities
- 🐾 Must be used for capital expenses or permanent improvements, not operations/maintenance
- 🐾 Requirement for City to have ownership interest in new/upgraded facilities



RETAIL OUTPOST

- 🐾 Satellite facility that provides pet services to the public
 - Grooming, wellness, accessories, events, etc.



	Overall Yearly Total (increased by 10% a year)	
Year 1	\$	1,526,784.00
Year 2	\$	1,679,462.40
Year 3	\$	1,847,408.64
	\$	5,053,655.04
Start Up Costs	\$	1,526,784.00
Three Year Costs	\$	6,580,439.04

Job Title	FTEs
Receptionist	2
Kennel Tech	8
Adoption Coordinator	3
Vet Tech	2
Operations Supervisor	1
Security	3
Total	19



THANK YOU