



**STAFF REPORT
ACTION REQUIRED**

Dog & Cat Licensing Strategy – 2008 Operating Budget Request

Date:	January 9, 2008
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

In 2006, City Council approved the Dog & Cat Licensing Strategy as a means of increasing the percentage of dogs and cats licensed in the City of Toronto. This approval was based on annual reporting of the success of the initiative. To date, Toronto Animal Services (TAS) has been successful in increasing the licences and the revenue associated with this initiative.

Continuation of the Dog & Cat Licensing Strategy into 2008 will allow TAS to continue to promote responsible pet ownership, increase the percentage of licensed pets in the City of Toronto and increase the revenue stream associated with licensing. Revenues generated from this initiative are used to fund needed enhancements to the service.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. City Council approve an addition of \$833,100 gross and \$0 net to the Toronto Public Health’s 2008 Recommended Operating Budget to support the Dog and Cat Licensing Strategy;
2. any year-end deficit resulting from the Dog & Cat Licensing Strategy initiative be reported to the Board of Health and Budget Committee and funded from within the Toronto Animal Services approved budget for 2008 and beyond; and

- The Board of Health forward this report to the Budget Committee for consideration during the 2008 budget process.

Financial Impact

The 2008 Operating Budget Request for an additional 26 positions (14 FTEs), at a cost of \$833,100 gross and \$0 net be included in the 2008 Recommended Operating Budget for Toronto Public Health (TPH). In 2007, the Strategy will have a shortfall of \$330,000 that will be absorbed within the overall under-spending in the Toronto Animal Services Budget.

Table 1: 2008 Request for Dog & Cat Licensing Strategy (in \$000s)

	2007 Budget	2007 Projected Actual	2008 Requested Increase	2008 Total Request	2009 Outlook	2010 Outlook
<u>Expenditures:</u>						
Project Mgmt	95	95	5	100	100	100
Marketing	276	220	100	376	376	376
Public Education & Promotion	110	110	192	302	302	302
Enforcement + Door to Door	360	266	488	848	1012	1012
Licence Processing	48	48	48	96	96	96
Repayment of Capital (ePET)	241	241	-	241	241	241
Total Expenditure	1,130	980	833	1,963	2,127	2,127
Revenues:	1,130	650	833	1,963	2,127	2,127
Net Expenditure	-	330	-	-	-	-
Positions	7.00	7.00	26.00	33.00	-	-
Full Time Equivalents (FTE)	7.00	7.00	14.00	21.00	-	-

The Deputy City Manager and Chief Financial Officer has reviewed this report and agree with the financial impact information.

DECISION HISTORY

At its Special Meeting on March 29 and 30, 2006, City Council approved the Toronto Public Health 2006 Operating Budget which included the Dog & Cat Licensing Strategy with the provision that “The Medical Officer of Health report to the Board of Health and Budget Advisory Committee, annually on animal service levels and performance, including progress of the implementation of the licensing strategy prior to the submission of the TPH Operating Budget.”

ISSUE BACKGROUND

In 2006, the Internal Audit Review of TAS recommended that dog and cat licensing should be aggressively pursued as a core service. The Dog & Cat Licensing Strategy was implemented in late 2006 as a means of increasing the number of pets licensed and the

associated revenues. The licensing of dogs and cats provides important community health and safety benefits, including:

- (1) quicker and more frequent re-unification of lost pets with their owners, reducing animal stress and health and safety risks;
- (2) reduced sheltering needs and lower euthanasia rates due to the increased proportion of lost pets re-united with their owners;
- (3) improved ability to plan and deliver animal services because the size, type and location of the dog and cat population will be known;
- (4) improved ability to enforce City by-laws because owners can be identified and held accountable for the behaviour of their animal; and
- (5) improved ability to identify patterns of animal related problems through information linked with the animal's licence.

The original strategy called for annual investment in the Licensing Strategy and service enhancements funded entirely by increased licensing revenues.

COMMENTS

Since the Dog and Cat Licensing Strategy began, the numbers of licensed pets and the associated revenues has steadily increased (see Table 2). Continuation of this initiative will provide an increasing revenue stream for Toronto Animal Service to strengthen responsible pet ownership and increase the level of service provided to Torontonians.

Table 2: Summary of Total Toronto Animal Services Licences Issued

	2005 Actual	2006 Actual	2007 Projected Actual
<u>Dogs</u>			
Licensed at Year End	20,000	25,143	32,540
Percentage of estimated total population (215,000 dogs)	9.30%	11.70%	15.13%
<u>Cats</u>			
Licensed at Year End	4,500	7,004	11,640
Percentage of estimated total population (323,000 cats)	1.40%	2.20%	3.60%
Total Animal Services Licensing Revenues	\$514,600	\$754,200	\$1,200,000
% Increase from previous year	25%	47%	59%

2007 was the first full year of implementation of the strategy and proved to be a learning year. The strategy focussed on obtaining a more visible presence in the community through:

- Door to Door Summer Promotion Campaign which included enforcement of the by-law requiring dog and cat licensing;
- Public Education and Promotion which included attendance at special public and community events;
- Distribution of printed materials at libraries, parks and recreation centres, water bill inserts, parking permit renewals;
- Advertising through various media sources including radio commercials, newspapers, TTC advertising; and
- Follow-up on outstanding/past due accounts.

Table 3: Summary of Expenditures & Revenues for Dog & Cat Licensing Strategy

	in \$000s			
	2006 Actual	2007 Budget	2007 Projected Actual	Variance
Expenditures				
Project Mgmt	-	95	95	-
Marketing	154	276	220	56
Public Education & Promotion	-	110	110	-
Enforcement	-	360	266	94
Managing Licences and Renewals	36	48	48	-
Repayment of Capital debt (ePET)		241	241	-
Total Expenditure	190	1,130	980	150
Revenues:	204	1,130	650	480
Net Expenditure/(Surplus)	(15)	-	330	330

The 2007 target for Toronto Animal Services total licensing revenues is \$1,654,900 of which \$1,130,000 is directly related to the Dog & Cat Licensing Strategy. The 2007 licensing revenue is projected to be \$1,200,000; a shortfall of \$454,900.

Although lower than what was anticipated, these results are very positive for an implementation year. Expenditure reductions of \$150,000 have partially offset this shortfall, resulting in an expected net shortfall of \$330,000. The shortfall can be mainly attributed to the following unforeseen circumstances:

- A six week delay in the hiring of TAS Representatives (summer students) due to Local 416 negotiations
- Lower than projected dog and cat licensing registrations per staff
- Cancellation of the fall advertising campaign due to cost containment
- Inability to fill staff vacancies due to the hiring freeze

This revenue shortfall of \$330,000 will be offset by deferral or under-spending of expenditures within TAS. At year-end, it is expected that TAS spending will be within the budget allocation.

2008 Strategic Direction

To increase dog and cat licensing in the City of Toronto, the strategy relies on the following four fundamentals:

1. Education and public awareness (e.g. marketing and advertising)
2. Active registration efforts (door-to-door canvassing, presence at animal-related events)
3. Easy access to apply for a licence (online, mail, in person) and multiple payment options (cash, cheque, credit, debit)
4. Enforcement for non-compliance

According to an Ipsos Reid Survey conducted in June 2007, 82% of Torontonians know that dogs must be licensed and 44% know that cats must be licensed. This high level of public awareness indeed is due in part to public education efforts undertaken as part of the licensing strategy. The survey also estimated that there are 215,000 owned companion dogs and 323,000 owned companion cats in the City of Toronto, yet only 16% of dogs and 3% of cats are licensed. This clearly demonstrates that increased licensing enforcement presence throughout the City of Toronto is needed to obtain compliance with the bylaw and meet the objectives of the strategy.

The following is planned for 2008:

- Media advertising (radio proved to be very successful in 2007)
- Increased public education and promotion at special public and community events
- Increased enforcement with a move towards “zero tolerance” in future years
- Continuation of the door to door summer promotion/canvassing campaign
- Outreach to pet services, veterinarians and community agencies
- Outreach to multi-unit residences

The incremental 2008 Request is explained further below:

Marketing - Media Advertising

Results from the 2007 marketing campaign have been analyzed and this information has been used to develop the 2008 campaign. In 2008, funding of an additional \$100,000 from \$276,000 in 2007 to \$376,000 is requested for increased radio advertisements.

Public Education & Promotion

In 2007 TAS attended many trade shows and community events such as the All About Pets show, Woofstock, the National Home Show, the Sportsman Show, the Dog Days of Summer, the Royal Winter Fair, various Environmental Days, High Park is My Park, and shopping malls.

In addition to formal events, Toronto Animal Services did public education and promotion in parks and public spaces including: Dundas Square, The Boardwalk/The Beach, High Park, Sunnybrook Park and the Scarborough Bluffs.

Based on the experiences of the other municipalities, approximately one-third of the population will license their pets once they become aware of the benefits of licensing and the legal requirement to do so. Frequent and visible presence in community is critical to raising this awareness. It is important that this be continued in 2008. In 2008, funding of an additional \$192,000 is requested for increased promotion from \$110,000 in 2007 to \$302,000 in 2008.

Enforcement

TAS Animal Care and Control Officers (ACCOs) are responsible for the enforcement of Municipal Code 349, which mandates the licensing of dogs and cats in the City of Toronto. In order to maximize compliance with the bylaw, it is important to have a combined education and enforcement approach.

While it is expected that a large percentage of people will willingly license their pets once they become aware of the benefits and of the bylaw requirements, there must also be a significant level of enforcement to support the marketing campaign. People should know that there is a penalty for non-compliance. There should be a significant probability that you will be fined if found without a license. Funding for an additional 9 staff (7.68 FTEs) is requested to continue with the follow up and enforcement.

Door-To-Door Canvassing

In 2007, TAS hired 12 students for the door-to-door summer campaign. The program ran for 11 weeks from June 18 to August 31, 2007. During this period, students visited neighbourhoods to do education and outreach on responsible pet ownership and licensing. Residents were given an opportunity to purchase a license at the door, or alternatively were told about other purchasing options – online through ePET, by visiting one of our shelters or by mail. During this period, approximately 57,000 of 450,000 single-family homes were visited. New license sales were highest during the period students were active in the community.

In 2008, TAS plans to continue canvassing homes. It is expected that the program will be more effective since all of the start-up issues have been resolved. The program will start May 15th and run for approximately 4 months with the goal of visiting 120,000 single-family homes. Funding for 16 students (5.33 FTEs) plus promotional material is requested for 2008.

In 2008, funding of an additional \$488,000 is requested for increased enforcement and door to door canvassing from \$360,000 in 2007 to \$848,000 in 2008. In 2009, an additional \$164,000 is requested for the annualization of salaries and benefits.

License Processing

As the number of people who license their pets increases, there is a need to increase the capacity of TAS to accommodate the increased volume and provide customer service in a timely and efficient manner. In 2008, funding of an additional \$48,000 is requested from \$48,000 in 2007 to \$96,000 in 2008. The additional funds will be used for one additional position to process the additional volume of licenses.

Conclusion

The Dog & Cat Licensing Strategy continues to require investment but these costs will be fully recovered from the revenues generated through licensing.

Dog and cat licensing is beneficial to both owners and their animals due to the fact that when lost, the animals can be reunited with their owners faster and with less stress to the animal. Revenues from licensing improve the services provided to the public, animal owners and animals.

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