



DISCUSSION

City of San Bernardino Request for Council Action

Date: March 18, 2026

To: Honorable Mayor and City Council Members

From: Jasmine Glover-McNamara, Director of Animal Services

Department: Animal Services

Subject: **Amendment No. 1 to the Regional Partnership Agreements for Animal Services (All Wards)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2026-030 authorizing the City Manager to finalize and execute amendments to the Regional Partnership Agreements effective July 1, 2026 with the Cities of Colton, Fontana, Grand Terrace, Loma Linda, and Rialto, to update the cost allocation and ensure full cost recovery for regional animal sheltering services.

City Manager's Comments

The City Manager recommends approval. This represents a couple of changes. The percentages are changed in the Regional Partnership Agreements based on the number of animals taken in over the previous contract. It also reflects an updating the agreements to incur the full costs of the operation of the animal shelter services.

Executive Summary

Pursuant to the Regional Partnership Agreements for animal shelter services with the Cities of Colton, Fontana, Grand Terrace, Loma Linda, and Rialto, the City of San Bernardino Animal Services Department began receiving animals from partner jurisdictions on June 27, 2024. With a full year of operational and financial data now available, the Department has evaluated the costs associated with providing regional animal sheltering services.

The proposed amendment updates the cost allocation structure by transitioning from the original incremental cost recovery model, which only captured the cost of additional positions added to support the partnership, to a full operational cost allocation model that more accurately reflects the total cost of providing shelter services. Under the proposed structure, the cost allocation will include the salary and benefits of all shelter personnel involved in operations, including full-time employees, seasonal temporary

assignment staff (SBTS), and per diem veterinarians, as well as applicable administrative and indirect costs associated with operating the shelter. The amendment also introduces a 3% Consumer Price Index (CPI) adjustment applied during the annual reconciliation process to account for inflationary increases in operational costs.

These amendments are intended to ensure that the City of San Bernardino achieves full cost recovery for regional animal sheltering services provided to partner jurisdictions while maintaining transparency and equitable cost distribution based on each city's utilization of shelter services.

Background

On December 6, 2023, the Mayor and City Council authorized the City Manager to finalize and execute agreements with the Cities of Colton, Fontana, Loma Linda, Grand Terrace and Rialto to house animals at the shelter, beginning July 1, 2024 for a 3-year term expiring June 30, 2027. The Department now has a full year of impound and cost data associated with the influx of animals associated with the Partnership.

The Department is recommending amendments to the original agreements to update the cost allocation structure, adjust each city's share of operational expenses based on actual shelter usage, incorporate staffing and indirect costs associated with providing regional animal sheltering services, and implement a Consumer Price Index (CPI) adjustment to account for inflationary increases in operational costs.

Discussion

Following the implementation of the Regional Partnership Agreements for animal sheltering services, the Department of Animal Services began receiving animals from the partner cities of Colton, Fontana, Grand Terrace, Loma Linda, and Rialto on June 27, 2024. With a full year of operational and financial data now available, the Department has conducted a comprehensive review of intake volumes, operational demands, and associated costs related to providing sheltering services to partner jurisdictions.

The original agreements anticipated the addition of thirty (31) new positions to support the increased service demand associated with the regional partnership, and the cost allocation methodology initially reflected only the salary and benefits associated with those additional positions. However, after reviewing a full year of operational and financial data, the Department determined that this approach does not fully capture the true cost of providing regional sheltering services. While the additional positions were necessary to support the partnership, the shelter operates as a fully integrated system in which all personnel contribute to the intake, care, medical treatment, and placement of animals regardless of their originating jurisdiction. As a result, the Department is recommending that the cost allocation structure be updated to include the salary and benefits of all shelter staff involved in operations, including the Department's seventy (70) full-time employees, two (2) part-time permanent employees, ten (10) seasonal temporary assignment staff (SBTS), and five (5) per diem veterinarians. This revised

structure more accurately reflects the total staffing resources required to operate the shelter and support the regional partnership.

The table below summarizes the original contract percentages and the proposed amended percentages based on the actual number of animals impounded at the shelter by jurisdiction during Fiscal Year 2024–2025:

Orininal Contract Percentages	
San Bernardino	53.5%
Fontana	24%
Rialto	14%
Colton	7%
Grand Terrace	1.0%
Loma Linda	0.5%
Total	100%

Total Impounds for FY 2024-2025 and Revised Percentages for 2026-2027						
	Q1	Q2	Q3	Q4	Total Impounds	Revised %
San Bernardino	2919	2075	2014	2392	9400	70%
Fontana	511	372	379	452	1714	12.8%
Rialto	463	328	297	316	1404	10.4%
Colton	202	159	145	212	718	5.4%
Loma Linda	34	27	22	37	120	1%
Grand Terrace	12	11	21	13	57	0.5%
Total	4141	2972	2878	3422	13413	100%

The amendment also incorporates indirect costs associated with providing regional animal sheltering services. Under the updated cost allocation structure, the total cost of providing services includes direct operational costs, shared operational costs, and indirect administrative costs. Direct operational costs include expenses directly associated with caring for animals, such as staffing, veterinary services, and shelter supplies. Shared operational costs include expenses related to maintaining shelter facilities and services utilized by all participating jurisdictions. In addition, the amendment incorporates indirect costs that support shelter operations but are provided by other City departments. These indirect costs are calculated based on the rates established in the City’s Cost of Fee Study completed by Matrix Consulting Group in January 2023 and reflect administrative and operational support provided by departments such as Human Resources for recruitment, onboarding, offboarding, and personnel matters; Finance for budgeting, accounting, and fiscal oversight; Payroll for employee compensation processing; and Facilities for building maintenance and infrastructure support.

Finally, to ensure the City maintains full cost recovery over time, the Department is recommending the addition of a 3% Consumer Price Index (CPI) adjustment to the final year-end reconciliation (true-up) billing. This adjustment will help account for inflationary increases in operational costs and ensure that the City is able to continue providing high-quality sheltering services without shifting regional service costs onto City of San Bernardino residents.

Capital Improvement Project (CIP) costs associated with shelter construction and improvements were originally billed at approximately \$4 million and have already been expended for shelter improvements. Pursuant to the terms of the agreement, participating jurisdictions are repaying their proportional share of these capital costs over the three-year contract term through June 30, 2027. Because these costs represent fixed capital expenses rather than ongoing operational costs, they are excluded from the CPI adjustment.

The table below summarizes the Fiscal Year 2024–2025 Amended Budget Compared to Actual Total Billing and Payments Received:

Regional Partner FY24-25 Payments	FY 24-25 Amended Budget	FY 24-25 Actuals
Fontana	\$1,417,398.00	\$782,799.67
Rialto	\$826,815.00	\$453,868.34
Colton	\$41,341.00	\$250,426.11
Loma Linda	\$32,568.00	\$19,120.97
Grand Terrace	\$65,131.00	\$39,780.09
Total	\$2,383,253.00	\$1,545,995.18

The table below summarizes the updated cost allocation structure based on FY 2024–2025 intake data and projected Fiscal Year 2026–2027 operational costs:

Regional Partner	Percentage	Yearly CIP Portion of Costs	Operating Budget	Additional Billing for Staffing	Additional Indirect Costs	3% CPI	Potential Additional
Fontana	12.8%	\$291,284.00	\$1,273,456.00	\$577,304.43	\$70,910.53	\$57,650.12	\$705,865.08
Rialto	10.4%	\$169,916.00	\$742,849.00	\$470,674.90	\$57,813.18	\$38,140.11	\$566,628.19
Colton	5.4%	\$84,960.00	\$371,425.00	\$241,825.37	\$29,703.50	\$19,288.61	\$290,817.49
Loma Linda	1%	\$9,104.00	\$26,592.00	\$40,285.01	\$4,948.22	\$2,154.76	\$47,387.99
Grand Terrace	0.5%	\$18,208.00	\$53,181.00	\$19,938.29	\$2,449.03	\$2,276.04	\$24,663.36
Total Billing	30%	573,472.00	\$2,467,503.00	\$1,350,028.00	\$165,824.46	\$119,509.64	\$1,635,362.11

These amendments ensure that the cost of providing animal shelter services to partner jurisdictions is fully recovered and that the City of San Bernardino’s residents are not subsidizing services provided to other municipalities.

2021-2025 Strategic Targets and Goals

Aligns with Strategic Goal #1: Improved Operational & Financial Capacity by ensuring the City receives full cost recovery for services provided and Strategic Goal #3: Improved Quality of Life by partnering with other entities in the Region, ensuring consistent, stable animal services for our residents and those of neighboring cities.

Fiscal Impact

Approval of the proposed amendment to the Regional Partnership Agreements will update the cost allocation structure for regional animal sheltering services to ensure full operational cost recovery, including staffing, shared operational costs, and indirect administrative costs. Based on Fiscal Year 2025–2026 operational data, the amendments are projected to generate approximately \$1.63 million in additional cost recovery from partner cities, including updated operational allocations, indirect costs, and CPI adjustments. The revised billing structure ensures that costs associated with animals originating from partner jurisdictions are recovered through the regional partnership agreements and are not subsidized by the City of San Bernardino.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2026-030 authorizing the City Manager to finalize and execute amendments to the Regional Partnership Agreements effective July 1, 2026 with the Cities of Colton, Fontana, Grand Terrace, Loma Linda, and Rialto, to update the cost allocation and ensure full cost recovery for regional animal sheltering services.

Attachments

- Attachment 1 Amendment No. 1 to the Regional Partnership Agreement
- Attachment 2 Colton – Signed Shelter Partnership Agreement
- Attachment 3 Fontana – Signed Shelter Partnership Agreement
- Attachment 4 Grand Terrace – Signed Shelter Partnership Agreement
- Attachment 5 Loma Linda – Signed Shelter Partnership Agreement
- Attachment 6 Rialto – Signed Shelter Partnership Agreement
- Attachment 7 Resolution 2026-030; Amendment to the Regional Partnership Agreement

Ward:
All Wards

Synopsis of Previous Council Actions:

December 6, 2023 Adopt Resolution 2023-188 Authorizing the City Manager to finalize and execute participation agreements with the Cities of Colton, Fontana and Rialto to house animals at the shelter located at 333 Chandler Place in the City of San Bernardino Regional Partnership for Animal Services.

April 17, 2024	Adopt Resolution No. 2024-067 Authorize and Appropriate Funding for Animal Services for the Preparation of the Regional Partnership Agreements – Site Improvement Costs
May 15, 2024	Adopt Resolution No. 2024-096 Authorize and Appropriate Funding for Animal Services for the Preparation of the Regional Partnership Agreements – Staffing Costs
April 2, 2025	Adopt Resolution 2025-269 allocating \$700,000 for Revenues and Expenses Related to the Regional Partnership Agreements in the FY 2024-2025 Budget.
August 20, 2025	Adopt Resolution 2025-354 allocating \$1,090,000 for Revenues and Expenses Related to the Regional Partnership Agreements in the FY 2025-2026 Budget.

CC: Eric Levitt, City Manager