

Supervisors want SPCA to apologize

Agency accused of 'accounting chaos'

Animal Shelter

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SANTA CRUZ — Supervisors demanded atonement and money Tuesday from the SPCA after an audit showed the agency misused \$715,000 in taxpayer money.

County Auditor Gary Knutson called SPCA finance practices "accounting chaos" as he reported audit results to supervisors. The agency bought equipment, hired more staff and paid top-level administrators more than its three-year contract with the county and area cities allowed, Knutson said.

At the same time, vacant animal-patrol positions saved the SPCA \$460,000, but it didn't give that money back to local governments, he said.

The SPCA also owes area governments \$229,000 in animal-license fee revenue, Knutson discovered earlier this year. The agency used the money to fund operations instead of turning it over to area governments.

Knutson's audit also showed the SPCA gave its former husband-and-wife executive team a leased Audi, charging half of its expense to the county contract. The charges were described as "recruitment" and "trailer rental" expenses. The couple was issued a company credit card on which they rung up lavish personal expenses, he said.

Supervisors Jeff Almquist and Tony Campos said they refuse to give the SPCA more money until there was a plan for repaying its debt to the county. Both voted against authorizing the agency's June payment of \$126,000.

The motion to pay the SPCA passed 3-2, with supervi-

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WORMHOUDT

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Deadlock

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sors Jan Beautz, Mardi Wormhoudt and Ellen Pirie voting in favor. The board also voted to decide in future closed sessions whether to sue the SPCA for part or all of its debt to the county.

Almquist said the county should force the SPCA to start paying the county back by withholding its June payment.

"To do otherwise is a gift of public funds," he said.

Almquist grilled the SPCA about whether it had the cash on hand to fund June operations.

"You're saying you have no ability to pay (for June) even though you've stolen money from us," Almquist said.

Doreen Lozano, interim executive director, said the SPCA has \$76,000 in cash as well as a \$100,000 line of credit.

Lozano said the SPCA used all its public money for public purposes, and denied the SPCA had misappropriated funds. She pointed to a contract term that said the agency could transfer money between personnel, operating and capital funds. That term gave the SPCA freedom in how it allocated expenses, she said.

But supervisors were not convinced and chafed under the SPCA's apparent lack of remorse. Wormhoudt, who had been friendly toward the SPCA in previous hearings,

fired off her first harsh words Tuesday.

The SPCA's demand for almost double its allotment for animal shelter is discouraging, Wormhoudt said, when supervisors are being forced to cut vital services to the poor this week due to budget difficulties.

"I'd like to hear some kind of recognition from the SPCA that this is a big deal," she said. "Never once have I heard a person representing the SPCA say, 'You know what, I think in this area we blew it, and we want to work with you on this.' ... That doesn't give me a lot of confidence that we can work through this."

The SPCA won't go below \$1.3 million for services next year, while the county says it can't afford more than \$750,000. The SPCA's contract with the county ends June 30.

The agency agreed to hand over patrol services to area governments earlier this month. County supervisors approved the joint-powers authority for animal control Tuesday.

Jennifer McHale, SPCA board president, said the SPCA "absolutely acknowledges" it has had problems.

"We've spent a considerable amount of our own money to fix those problems," she said. "We do want to work with the county to come up with a solution that will behoove all of us. ... We're not sitting here saying animals are more important than children or the community."

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