

Animal agency in doghouse over debt, budget problems

Animal Shelter

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A blistering audit reveals major problems at the SPCA as its contract with Santa Cruz County nears the end. The SPCA says it needs more money to deliver animal control and welfare services.

By David L. Beck
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The non-profit group that manages Santa Cruz County's animal welfare and animal control operations owes the county \$377,000 and says it cannot continue to deliver services without a 56 percent increase in its budget — an increase the county says is out of the question.

How the Society for the Prevention of Cruelty to Animals managed to dig itself into such a hole was the focus of a devastating audit and report compiled by the county's chief administrative officer and its auditor and discussed Tuesday at the Santa Cruz County Board of Supervisors meeting.

Among the report's findings: A

former management team obtained an SPCA credit card without authorization and used it for personal expenses, including a \$460 dinner at a posh Las Vegas casino; the SPCA incurred tens of thousands of dollars in penalties and late charges in its payroll and accounts payable; it spent approximately \$113,000 reconstructing accounting records that had not been properly kept; and it ran up \$363,000 in bills for consulting, computer maintenance and other expenses the county says are not allowable under the contract.

Furthermore, figures that the agency does not dispute show it kept \$272,000 in fees collected on behalf of the county, using them for operating expenses. With fines and interest, that came to \$377,000 as of March 1.

In the wake of the mess, the county and SPCA are racing toward the end of their contract without a plan for keeping stray pets off the streets, running state-mandated spay and neuter clinics, euthanizing animals

See **SPCA**, Page 7B

LOCAL WEDNESDAY, APRIL 24, 2002 SAN JOSE MERCURY NEWS

SPCA | Animal control contract nears end amid budget impasse

Continued from Page 1B

that can't be saved and matching those that can with potential homes.

"The reality," SPCA interim director Doreen Lozano told the board of supervisors Tuesday, "is that July 1 is approaching, and beyond rejecting the proposed budget, there have been no substantive proposals" for dealing with the problem.

Complete audit

Supervisors voted 5-0 Tuesday for a set of recommendations that include asking for legal advice on how to recover what the SPCA owes the county and requesting a more complete financial audit of the operation.

But the supervisors also made it clear they hope to continue working with the SPCA.

Lozano said all interested parties need to sit down and talk. Those parties include the "public partners" that share the contract: Scotts Valley, Santa Cruz, Capitola and the University of California-Santa Cruz.

The agency runs an animal shelter and an animal control operation — a combination that some believe is inconsis-

tent with the SPCA's goals, and which SPCA officials say impairs their fundraising. They also say the turnover rate among animal control officers is so high — 45 percent — because the pay is so low.

One possible outcome is for the SPCA to continue operating shelter and education programs while the county takes over animal control. The board of supervisors has asked the sheriff and the parks department to take part in discussions.

Facing budget cuts of his own, Sheriff Mark Tracy said his office needs to participate in the talks, but he was less direct when asked whether his office could take over the operation.

"We'd like to see an adequate enforcement piece put together," he said, "whether that includes us or not."

Lozano would not be unhappy if the SPCA were to divest itself of animal control. "It will behoove the county to do it," Lozano said, "because quite frankly, animal control officers don't get the same level of respect."

The SPCA currently is without an executive director. Henry Brzezinski, hired last summer after a nationwide search,

quit or was fired in March. Neither he nor Lozano, who is serving as interim executive director for the second time, would comment.

Personal expenses

Lozano's first term as interim director lasted from June 2000, when the agency did not renew the contract of a husband-and-wife team it had hired, until the hiring of Brzezinski.

It was that couple, Jo Storsberg and Brian Taylor, who obtained an SPCA credit card without authorization and used it for personal expenses, according to information given the county auditor by the SPCA.

Those expenses included meals, wine, shopping, Las Vegas entertainment and air fare. Some of those Las Vegas expenses could have been legitimate, Lozano said, because the directors were attending a national Humane Society meeting. But the \$460 dinner at Aqua in Bellagio, the Strip's most expensive hotel, was probably a little over the top, she agreed.

Storsberg and Taylor were released by the SPCA and have since left the state.

Lozano says the agency

could not do what it was supposed to do with the money the county authorized — approximately \$1.5 million a year out of an annual budget of \$1.9 million. The difference is made up by donations.

"It is apparent," she told the board of supervisors Tuesday, "that it was a bad contract for both the SPCA and the county."

The contract included money for two new vans and a full-time veterinarian. The money was not enough to buy the vans, Lozano has responded, and the agency continues to contract with outside veterinarians.

The request for an increase of \$850,000, or 56 percent, Lozano told supervisors, would only ensure the service level in the existing contract.

Lozano said the agency is looking for ways to repay the county the money it is owed, but added, "We don't have the money in the bank."

The SPCA offered to swap the county an old pet cemetery north of Santa Cruz in exchange for debt forgiveness. The county declined.

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