

BITTER DISPUTE OVER ANIMAL CARE CONTRACT STILL FAR FROM RESOLVED

Santa Cruz County agrees to make SPCA payment

Animal Shelter

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Supervisors have harsh words for leaders of the Society for Prevention of Cruelty to Animals, going so far as to accuse them of stealing county money, but grudgingly agree to make payment for the sake of the animals.

By David L. Beck
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After a stormy session Tuesday morning during which one supervisor accused the Santa Cruz SPCA of stealing and another accused it of indifference to its own troubles, the board of supervisors voted anyway to make its June payment to the troubled non-profit group that handles

animal services.

The Society for the Prevention of Cruelty to Animals owes the county about \$715,000, according to a report by the county auditor, and two supervisors objected to making the payment. "I have a problem with trying to give more money when there's been a history of bad debts," said Tony Campos.

Supervisor Jeff Almquist called a portion of that debt "stolen" from the county, because it represents fees the SPCA collected but never turned over.

"It doesn't matter that you used it for a good purpose," he said. "That doesn't matter. . . . There is no dispute at all that there is \$228,000 of fees that they took and had no right to keep. It's public money that was held in trust. It's inviolate."

But the argument that animals' lives were at stake carried the day, and the

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TUESDAY'S DECISIONS

Santa Cruz supervisors voted to:

■ Pay the SPCA's June bill of about \$89,000.

■ Give the county three seats on a new animal services board. The city of Santa Cruz gets two; Scotts Valley and Capitola one each.

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board voted to turn over its share of the June payment — approximately \$89,000 out of a total of \$126,000 — on schedule. The cities of Santa Cruz, Scotts Valley and Capitola and the University of California also participate in the arrangement.

The county is creating a joint powers authority, along with the three cities and UC-Santa Cruz, to take over animal control and care from the SPCA. The SPCA, which owns the shelter and refuses to sell it, is comfortable giving up the field services but thinks it can do a better job on animal care than the county.

The catch is that it wants \$1.6 million to do it — more than it received for both care and control last year. The county says it can't afford more than \$750,000.

What's left is negotiating the

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divorce. The contract ends June 30. The county would like an extension of two or three months to get the new authority up and running. It balks at the SPCA's monthly asking price, however.

The crisis has been building since April, when a preliminary report by the county auditor raised serious issues of mismanagement, including such oddities as the cost of reconstructing financial records — more than \$130,000 — and the bills run up by a husband-and-wife team of executive directors at the SPCA's expense.

The final auditor's report shows the county is owed \$715,000, including the \$228,000 from license fees the SPCA collected but didn't turn over to the county. The rest is in dispute, with the county insisting that the contract listed precise amounts for precise services, and the SPCA insisting that it has always assumed it had a fixed total to spend as needed.

Under the county's interpretation, much of that "debt" is money given to the SPCA for salaries but used for other purposes, according to auditor

Gary Knutson. Another big chunk went for salaries that weren't authorized. Under the SPCA interpretation, much of that debt disappears.

With the board battling a poor economy and the elimination of its utility tax at the polls in March — a \$10 million blow to the general fund — Supervisor Mardi Wormhoudt was exasperated by the SPCA's attitude. "Never once," she said, "have I heard one person representing the SPCA say, 'You know, I think in this one area, we blew it . . . We shouldn't have leased that Audi . . . We shouldn't have leased those computers.' It doesn't give me confidence that we can work through this."

It's not enough, she said, "to assert that it's water under the bridge. It isn't. It's three-quarters of a million dollars!"

"At a time when we're cutting adoption funds for humans, foster care for children, needed care for people, I would like to hear some response from the SPCA that this is a big deal."

Jennifer McHale, the SPCA board chair, made the acknowledgment that Wormhoudt wanted.

"I'm sorry we didn't go line item by line item through the auditor's report," she said. "I'm sorry if you feel we didn't acknowledge that we've had problems." In fact, the SPCA has had "dramatic problems," along with a "string of bad luck."

Nevertheless, McHale said, "We're not sitting here saying that our case for animals is more important than children or whatever."

Was that a breakthrough? "Well, put it this way," McHale said after the meeting. "Perhaps we've been saying a lot of things privately that we thought were getting to the right people, and they weren't."

Toward the end of the session, there were hints of a compromise on the contract extension. "If this is a short-term contract, I don't know if we care so much about the terms," said Jan Beautz, the board of supervisors chair. But the county can't pay \$135,000, she said.

"We're open to reducing the amount," replied McHale.

Contact David L. Beck at dbeck@sjmercury.com or at (831) 423-0960.