



Board of Directors

October 12, 2011

President, Michael Walsh
Vice President & CFO
NSF International

Re: Proposed Reduction of Humane Society of Huron Valley Contract

Vice President, Mark Heusel
Attorney
Dickenson Wright, PLLC

Dear County Commissioners:

Treasurer, Del Dunbar
CPA
Dunbar & Martel

As the President of the Humane Society of Huron Valley's Board of Directors, I am writing to convey the Board's response to the proposed fifty percent reduction for 2012/13 in the contract amount currently paid to the HSHV for essential Animal Control functions that we provide for Washtenaw County. I am also including information to assist the County as you make critical decisions regarding how and by whom these services will be delivered in the future. As you will see, most of these services are State-mandated and all of them are tied to the responsibilities of a county "impound facility" working to protect the health and safety of Washtenaw County citizens.

Secretary, Diana Kern
Vice President
NEW Center

The HSHV Board and staff were shocked to learn of this proposed drastic cut in our contract from \$500,000 to \$250,000 per year. We expected, based on the letter from Robert Guenzel to the University of Michigan (see attached letter), that we had a valid agreement in place with the County through 2018, for which we could rely on when we built our new shelter. We were also highly disappointed, given our more than twenty years of providing these essential services, to learn about this proposed cut from a media call rather than hearing about it directly from the County. When we accessed the on-line County budget documents, we were surprised to see that the contract funding was included in the "Outside Agency Allocation" section of the budget rather than in the Animal Control line item within the Sheriff Department's budget. We are not sure if you erroneously view this appropriation as a "grant" to a community nonprofit or if there was some other reason for placing a contract for outsourced services in this section of the budget. In either event, this reclassification of expenses is inappropriate.

Peter Fink
President & Owner
The Galt Company

Laurence Jonas
Development Director
Michigan Public Media

The HSHV Board of Directors discussed this issue in depth and reached a unanimous decision to do our best to put aside our emotions and theories as to why this proposed, unilateral, contract renegotiation was handled in this manner. Rather, we are looking at this issue as objectively as we can and from a business perspective given the important organizational decisions that we must make depending on the County's final budget decisions.

Susan Kornfield
Attorney & Partner
Bodman LLP

Jane Lumm
Community Leader

Thomas Piotrowski
Attorney

Kathy Power
Community Leader

One decision we have already made is that it is not possible for us to continue providing the legally-mandated Animal Control Services that HSHV currently provides for \$250,000 per year. Even the \$500,000 fee the County pays under our 2011 contract is insufficient to cover all of the costs for the Animal Control functions provided by the HSHV. We have determined that our donors cannot subsidize the Animal Control contracted functions to an even higher level.

Sharon Rothwell
Vice President of Corp Affairs
Masco Corporation

Dr. Anne Staebler
Veterinarian
Ann Arbor Mobile Vet

Our hope is that the County will work with us to find a mutually acceptable solution that provides the level of funding that will allow the HSHV to continue to provide these services. You are probably aware that at the request of the County Administrator, we were willing to defer a portion of the 2012 and 2013 contract amount to assist with the County's cash flow needs. We reluctantly agreed to consider this concession in light of the significant budget challenges the County is facing. We remain open to exploring alternatives to the County's proposal simply to reduce the contract amount so that the funding of this important service continues for all citizens of the County. Some other options for funding the services might include identifying supplemental funding for the contract from other County departments or working with local governments to ask them to share the costs of these services. Over the long-term, we would also encourage, as other communities have done, the exploration of improved enforcement and use of pet license fees to support the cost of animal control-related obligations, as was suggested by our Executive Director to the County Treasurer in 2008.

Should the County be unable or unwilling to find the additional resources that will allow the HSHV to continue to provide these Animal Control Services, given our long-standing relationship, we are willing to work with you on a short-term basis to provide an orderly transition to either another service provider or to a County-run shelter. This could be accomplished through a limited-term extension of the existing contract at the 2011 funding level.

Given the important decisions the County and the HSHV are facing, it is important that both organizations have good information to help them make informed and thoughtful decisions. Therefore, I am attaching a summary of the current Animal Control services we provide. I am also including some of the issues that, based on our extensive experience, the County will face should you determine it is best for Washtenaw County to deliver these services directly or through another service provider.

Finally, we have compiled an Animal Control comparison chart with Washtenaw County and other Michigan Counties. You will note that Washtenaw County currently has the lowest per resident cost (at the \$500,000 per year funding level) for this function while, more importantly, also having the lowest kill rate for the stray and abuse/neglect animals.

Washtenaw County was a pioneer in animal welfare when it determined over twenty years ago that it was better to contract with an organization dedicated to animal welfare to provide the essential Animal Control Services rather than run a "County Pound" where stray dogs and cats are simply killed after the State-required holding time has expired. The continually increasing "save rate" for these animals demonstrates that this enlightened decision made by our County many years ago was the right one. Even if the HSHV does not remain as the contracted service provider, we expect that you will make it a priority to continue to provide these services in the same high quality manner as the HSHV has done for these many years.

Please let me know if you have any questions or if you would like to discuss this issue directly with us.

Sincerely,



Michael Walsh, President
Humane Society of Huron Valley Board of Directors

cc: Members, HSHV Board of Directors
Jerry Clayton, Washtenaw County Sheriff

Enc: Robert Guenzel Letter
Legal/Financial Summary of Impound Facility
Per Resident Expenditure/Outcome Comparison by County