



THE SUNRISE CITY
ANIMAL CONTROL

FORT PIERCE
Florida

TO : The Honorable Mayor and Members of the City Commission

THROUGH : Nicholas C. Mimms, P.E., ICMA-CM, City Manager *ncf*

FROM : Peggy Arraiz, Director of Community Response *P*

SUBJECT : **Animal Shelter Management Update**

DATE : September 28, 2022

On June 16, 2022, the Sunrise Humane Society (SHS) Board of Directors issued a letter to the City Commission requesting assistance filling the vacant shelter management position. The Commission agreed to their request and the budget was increased to \$300,000 to provide for the manager and additional operational support under the direction of the City. Subsequently, the position was advertised, interviews conducted, and an offer made.

During the month of August and first week of September, staff began the transfer of operational duties as the original request was very specific for the City to fill the position prior to October 1, 2022. However, challenges were quickly encountered regarding the management of the facility resulting in a letter from the SHS on September 6, 2022 in which the Board of Directors expressed concern over their "losing control of the oversight of operations". Ultimately at a meeting on September 12, 2022 with two members of the Executive Board, Commission liaison Perona and me, the Board stated they no longer wished to have the City provide the management as previously requested but instead to provide the increased funding of \$300,000.

This information was conveyed to City Manager Nick Mimms and the City Commission for consideration. The main issue of concern was that the budget increase was approved by the City Commission with the understanding that a city employee would be overseeing the operations. Without the support of the SHS Board of Directors for this position, considerable concern was raised regarding the Board's ability to provide a financially solid operation moving forward.

An offer was issued to the Sunrise Humane Society to transfer the full operations of the shelter to the City, with a request that they continue to work with us and advance their mission to support the shelter activities through continued fundraising and adoption events. The Board of Directors responded affirmatively with a few minor conditions, which staff will work through with the Board.

For consideration, are amendments to both the service contract and lease to provide for this agreed upon transfer of operations.

Items the City Commission and City Management considered:

- May 10, 2022 – SHS Budget projection showing a projected \$114,000 revenue deficit for the year. *(attached)*
 - It is understood that this projection was due to the County leaving and the expected funding being removed.
- June 18, 2022 – Written request from the SHS Board of Directors for the City to hire a shelter manager. *(attached)*
- July/August 2022 – Staff and the SHS Executive Board met several times in which the funding deficit and proposed budget items were discussed as well as the expected job responsibilities of the proposed manager.
- August 29, 2022 – Email from Board Treasurer and financial report indicating a continued deficit and notification to the Board that there was only enough funding in the bank to cover the September 5th payroll. *(attached)*
- August 29, 2022 – The Board of Directors met and discussed the proposed contract that included the inclusion of a city employee in the position of shelter manager.
 - The Board did not approve the proposed contract.
 - They discussed the critical financial situation and enacting the 60-day termination, while also acknowledging that they did not have the funds to operate during those 60 days, which would mean defaulting on the existing contract.
 - They agreed to provide an answer to the City the following week with an update.
 - I emailed Mr. Mimms immediately after the meeting notifying him of the discussion and outcome. *(attached)*
- August 30, 2022 – Board President Dr. Kittams left a voicemail stating that the Sunrise Humane Society would be financially dissolving on Monday, September 5, 2022.
- September 5, 2022 – Letter from the Board of Directors indicating they have “secured funding to proceed with services through our current agreement and well into 2023”. They additionally requested multiple amendments to the contract for the manager eliminating the management functions, which would be retained by the Board of Directors. *(attached)*
 - The City provided a response on September 6, 2022. *(attached)*
- September 12, 2022 – Meeting between members of the Executive Board and the City was held in which they provided the following information:
 - The funding to continue services included a single \$25,000 donation to cover expenses and the reallocation of a previous \$20,000 donation from its intended purpose of opening a surgery center to cover the cost for spay/neuter surgeries for the shelter animals.
 - A draft business plan and fundraising plan. *(attached)*
 - Their request for the full \$300,000 funding without city oversight or manager.
- September 26, 2022 – The City sent a new management proposal to the SHS. *(attached)*
- September 26, 2022 – The SHS Board of Directors provided an affirmative response. *(attached)*

Sunrise Humane Society, Inc.

Budget Overview: SHS 10/2021 thru 9/2022 - FY22 P&L

October 2021 - September 2022

	TOTAL
Revenue	
CONTRACT REVENUE	
City of Fort Pierce	150,000.00
St Lucie County	105,435.19
Total CONTRACT REVENUE	255,435.19
Direct Public Support	
Business Contributions	7,800.00
Gifts In Kind - Goods & Services	136,700.00
Donated Utilities	9,000.00
Total Gifts In Kind - Goods & Services	145,700.00
Individual Contributions	62,400.00
Total Direct Public Support	215,900.00
Grants Foundations & Trusts	15,000.00
Interest Income	2.40
Service Revenue	
Adoption Donation	57,000.00
SHS Boarding Fees	5,820.00
SHS Service Fees	2,040.00
Total Service Revenue	64,860.00
Total Revenue	\$551,197.59
GROSS PROFIT	\$551,197.59
Expenditures	
Advertising & Marketing	960.00
Animal Care & Office Expenses	
Animal Care Costs	
Animal Care Feed	7,200.00
In Kind Food	3,000.00
Total Animal Care Feed	10,200.00
Animal Care Supplies	3,600.00
In Kind Animal Care Supplies	2,000.00
Total Animal Care Supplies	5,600.00
Medical Supplies	23,400.00
In Kind Medical Supplies	24,000.00
Total Medical Supplies	47,400.00
Total Animal Care Costs	63,200.00
Office Supplies & Software	
Computer Related Expenses	7,920.00
Office Supplies	6,900.00
In Kind Office Supplies	1,000.00
Total Office Supplies	7,900.00
Total Office Supplies & Software	15,820.00

Sunrise Humane Society, Inc.

Budget Overview: SHS 10/2021 thru 9/2022 - FY22 P&L

October 2021 - September 2022

	TOTAL
Total Animal Care & Office Expenses	79,020.00
Bank Charges & Fees	
Bank Fees	300.00
Merchant Fees	2,220.00
Total Bank Charges & Fees	2,520.00
Compensation Costs	
Payroll Taxes	55,786.00
Salaries, Wages	309,920.00
Workers Compensation Insurance	6,200.00
Total Compensation Costs	371,906.00
Consultants & Contracted Services	
Consultant Services	300.00
Donated Consultants & Services	106,300.00
Outside Medical Services	2,400.00
Veterinary Services (Op SOS)	48,000.00
Total Consultants & Contracted Services	157,000.00
Education & Outreach	
Printing & Composition	900.00
Total Education & Outreach	900.00
Insurance	6,600.00
Interest Paid	352.00
Legal & Professional Services	
Accounting Fees - Audit & Tax	5,040.00
Employment Background Checks	360.00
Legal Expense	1,200.00
Payroll Service Fees	5,700.00
Total Legal & Professional Services	12,300.00
Occupancy and Building Expense	
Building Lease	400.00
Furniture & Fixtures	5,100.00
Janitorial Supplies	2,700.00
Pest Control	2,100.00
Repairs & Maintenance	7,500.00
In Kind Bld Maintenance Supplies	400.00
Total Repairs & Maintenance	7,900.00
Utilities	5,000.00
Donated Utilities	9,000.00
Total Utilities	14,000.00
Total Occupancy and Building Expense	32,200.00
Taxes & Licenses	500.00
Travel & Events	
Continuing Education	1,200.00

Sunrise Humane Society, Inc.

Budget Overview: SHS 10/2021 thru 9/2022 - FY22 P&L

October 2021 - September 2022

	TOTAL
Total Travel & Events	1,200.00
Total Expenditures	\$665,458.00
NET OPERATING REVENUE	\$ -114,260.41
NET REVENUE	\$ -114,260.41



100 SAVANNAH ROAD
Sunrise Humane Society
FORT PIERCE *Florida*

16 June 2022

Peggy Arraiz, Animal Control Manager
City of Fort Pierce
100 N US Hwy 1
Fort Pierce, FL 34950

Dear Peggy,

This letter is written on behalf of, and with the full knowledge of, the Sunrise Humane Society Board of Directors. As you are aware, the position of Animal Care Manager at the shelter has been vacant for more than 30 days. During this time we have been forced to evaluate the shelter operations and find that we are not able to effectively fill the void in management that exists.

While Dr. Kittams has, as always, provided leadership oversight, however, we are over-burdening both she and the Operation SOS staff. We are in an untenable situation that can no longer continue.

The need to fill the vacant management position is paramount, although the complications of SHS hiring this position right now seem contrary to our contract negotiations. Without someone in this role, as soon as possible, we are concerned we will not be able to fully honor the terms of our contract between now and October.

The current discussion with the City regarding our October 2022 contract renewal includes the hiring, supervision, and management of a Shelter Director. SHS would not attract the same caliber of potential leadership that a City position would. We are asking for your help, seeking your immediate assistance and support. Would it be possible for the City to seek approval to immediately post the vacant management position, as a City position, and assist with the hiring to fill this critical position?

We understand that you are currently seeking consensus on the budget from the City Commissions and the Mayor, and that it will be the end of June before that happens. If we were to begin recruitment now, it would likely be the end of the month before someone could be hired at best.

Sincerely,

A handwritten signature in blue ink that reads "Debra C. Parsons". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Debra Parsons-Drake
Board Treasurer

Peggy Arraiz

From: Sunrise Humane Society <accounting@sunrisehs.org>
Sent: Monday, August 29, 2022 1:37 PM
To: julie Kittams; Arnold Becky; Eempio Sharon; Morton Caitlin; tomperona@gmail.com; Shaw Diane; Nicholson Andrea
Cc: Peggy Arraiz
Subject: SHS Financials
Attachments: SHS Financial Report.pdf

SECURITY WARNING: This email originated outside of the City of Fort Pierce systems. Please use caution when clicking links or opening attachments. For questions or concerns please contact IT immediately. .

Attached are the financials thru Saturday August 27, 2022.

The accounts payable include Operation SOS services and medical supply purchases thru Saturday plus we have the loan payment to be made.

We only paid the minimum on the credit card last month, making the credit card balance higher than normal.

Looking at balances, we will be able to cover the September 5th payroll only if we transfer the **final remaining available funds** from savings (\$17,000), although we will have to continue to defer the credit card balances.

Deb

Management Report

Sunrise Humane Society, Inc.

For the period ended August 28, 2022



Sunrise Humane Society
FORT PIERCE *Florida*

Prepared on

August 28, 2022

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Statement of Activity

October 1, 2021 - August 28, 2022

	Total
REVENUE	
CONTRACT REVENUE	
City of Fort Pierce	150,000.00
St Lucie County	105,435.19
Total CONTRACT REVENUE	255,435.19
Direct Public Support	
Business Contributions	12,550.59
Gifts In Kind - Goods & Services	
Donated AC Supplies	19,611.05
Donated Animal Food	1,633.15
Donated FPUA Utilities	17,863.10
Donated Maintenance Supplies	93.75
Donated Medical Supplies	20,242.32
Donated Office Supplies	437.73
Donated Professional Services	
Donated Comptroller	7,350.00
Donated Cremation Services	1,500.00
Donated Grounds Maintenance	9,000.00
Donated Legal Services	1,500.00
Donated Veterinary Services	56,250.00
Total Donated Professional Services	75,600.00
Total Gifts In Kind - Goods & Services	135,481.10
Individual Contributions	
Donation Banks	56.85
Total Individual Contributions	55,426.19
Total Direct Public Support	203,457.88
Grants Foundations & Trusts	
Interest Income	5.08
Other Types of Income	
Rebates	12.20
Total Other Types of Income	12.20
Service Fee Pass Thru	
FP Impound Fee	1,437.10
FP Licenses	1,378.00
PSL License	210.00
SLC Impound Fees	-4,441.00
SLC Licenses	2,529.00
Total Service Fee Pass Thru	1,113.10
Service Revenue	
Adoption Donation	65,555.26
SHS Boarding Fees	6,660.00
SHS Service Fees	2,450.00

	Total
Total Service Revenue	74,665.26
Total Revenue	549,688.71
GROSS PROFIT	549,688.71
EXPENDITURES	
Advertising & Marketing	574.68
Animal Care Costs	
Animal Care Feed	3,688.86
In Kind Food	1,633.15
Total Animal Care Feed	5,322.01
Animal Care Supplies	5,747.87
In Kind Animal Care Supplies	19,611.05
Total Animal Care Supplies	25,358.92
Medical Supplies	25,644.98
In Kind Medical Supplies	20,242.32
Total Medical Supplies	45,887.30
Total Animal Care Costs	76,568.23
Bank Charges & Fees	
Bank Fees	404.20
Merchant Fees	2,282.60
Total Bank Charges & Fees	2,686.80
Compensation & Staffing Costs	
Continuing Education	660.69
Employment Background Checks	269.55
Payroll Taxes	49,178.47
Salaries, Wages	234,044.54
Workers Compensation Insurance	7,761.60
Total Compensation & Staffing Costs	291,914.85
Consultants & Contracted Services	
Consultant Services	100.00
Donated Consultants & Services	
In Kind Comptroller	7,350.00
In Kind Cremation Costs	1,500.00
In Kind Veterinary Services	56,250.00
Total Donated Consultants & Services	65,100.00
Outside Medical Services	3,185.61
Transportation	3,250.00
Veterinary Services (Op SOS)	45,825.00
Total Consultants & Contracted Services	117,460.61
Education & Outreach	
Printing & Composition	653.83
Total Education & Outreach	653.83
Insurance	4,392.45
D & O Insurance	641.46
Total Insurance	5,033.91

	Total
Interest Paid	372.52
Legal & Professional Services	
Accounting Fees - Audit & Tax	710.00
Legal Expense	2,928.49
In Kind Legal Services	1,500.00
Total Legal Expense	4,428.49
Payroll Service Fees	5,825.95
Total Legal & Professional Services	10,964.44
Occupancy and Building Expense	
Building Lease	275.00
Grounds Maintenance	
In Kind Grounds Maintenance	9,000.00
Total Grounds Maintenance	9,000.00
Janitorial Supplies	1,959.46
Pest Control	1,050.00
Repairs & Maintenance	3,340.04
In Kind Bld Maintenance Supplies	93.75
Total Repairs & Maintenance	3,433.79
Utilities	
In Kind FPUA Utilities	17,863.10
Utilities - Comcast	2,038.96
Utilities - FPUA	2,000.04
Total Utilities	21,902.10
Total Occupancy and Building Expense	37,620.35
Office Supplies & Software	
Computer Related Expenses	3,929.33
Office Supplies	4,692.88
In Kind Office Supplies	437.73
Total Office Supplies	5,130.61
Total Office Supplies & Software	9,059.94
Taxes & Licenses	330.00
Total Expenditures	553,240.16
NET OPERATING REVENUE	-3,551.45
NET REVENUE	\$ -3,551.45

Statement of Financial Position

As of August 28, 2022

	Total
ASSETS	
Current Assets	
Bank Accounts	
Chase Checking	4,648.95
Chase Savings	37,506.42
Total Bank Accounts	42,155.37
Total Current Assets	42,155.37
TOTAL ASSETS	\$42,155.37
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	5,760.00
Total Accounts Payable	5,760.00
Credit Cards	
Chase 0066	4,720.67
Total Credit Cards	4,720.67
Total Current Liabilities	10,480.67
Long-Term Liabilities	
Operation SOS Loan	14,289.98
Total Long-Term Liabilities	14,289.98
Total Liabilities	24,770.65
Equity	
Retained Earnings	20,936.17
Net Revenue	-3,551.45
Total Equity	17,384.72
TOTAL LIABILITIES AND EQUITY	\$42,155.37

Peggy Arraiz

From: Peggy Arraiz
Sent: Monday, August 29, 2022 6:25 PM
To: Nick Mimms
Cc: Jennifer Robinson; Janey Vanderhorst
Subject: SHS contract

Good afternoon Mr. Mimms,

I just attended the SHS Board of Directors meeting where they discussed the proposed contract with the City. The Board did not approve it. They are facing the reality of not being able to survive financially, even if the City was to advance the money.

They have not voted on the 60-day termination clause, but it was openly discussed. The bottom line is that they cannot afford to even continue for 60 days and may default on their contract. The Board agreed to brainstorm this week to try and find a way to at least make payroll for September and meet on Saturday to discuss. I was promised an answer by Monday, but as of tonight – 4 of the board members were for termination. Actually, from my viewpoint, only 1 of the board members showed any positivity for continuing.

Interviews are still scheduled for tomorrow morning. I am happy to discuss this further – as we need to decide how to move forward Tuesday night.

Best Regards,

Margaret M. (Peggy) Arraiz | Director of Community Response | City of Fort Pierce

Code Enforcement / Animal Control / Parking Enforcement
Phone: 772.467.3148 | 100 North U.S. 1 Fort Pierce

[Website](#) | [Facebook](#) | [Survey](#)





100 SAVANNAH ROAD
Sunrise Humane Society
FORT PIERCE *Florida*

September 5, 2022

Good morning, Ms. Arraiz!

The Board of Directors held a meeting this weekend to work towards a collaborative resolution on the new Service Agreement. We have secured funding to proceed with services through our current Agreement and well into 2023. Also, we are diligently working on a projected budget and fund-raising plan so as to present to the new Administrator to begin work.

We are writing to request individual written responses, approved by the City Manager, Mr. Mimms, to the below queries for clarification on the role of the new Administrator and the new Contract.

1. **Human Resources:** It is our understanding from conversations directly with the new hire that she will not be performing HR duties due to being a 1099 contractor and not having liability insurance around the legality of covering HR tasks. When you initially mentioned the possibility of the new hire being 1099 vs. W-2, we did not realize this would be a consequence.

There is concern that the new contractor has been hired outside of this expectation of the job description that was agreed upon, and we honestly do not have the budget to separately hire someone to manage the HR portion of the job spelled out in that description.

What would it take for the City to be able to protect her for the HR portion of the position which is critically needed operational support? Is this possible?

2. **Clarity of Contractor Responsibilities and Term:** In addition to the above Human Resources responsibilities, we would like clarity around other Essential Job Functions the new hire will be taking on in General Administration, Shelter Management, and the other listed functions. Your email on September 1 mentioned that the City had pivoted in its hiring choice. There is concern that the 1099 contractor position will fall short of the original vision of this role, and we would like to gain a clear understanding of which areas this may affect.

- a. **Handing Off of Financial Responsibilities:** Specifically, will the new hire be taking over financial management to the extent that we originally hoped? (spelled out in job description)

b. **Contract Length and Agreement:** Since the new hire is a contractor, we believe it would be appropriate to understand the terms of her engagement. May we see the written contract?

3. **Confirmation of City-Paid Fixed Costs of Operation and Budget:** According to the proposed budget provided by the City of Fort Pierce, the following are some of the fixed costs of operation that will be covered by the City. This is not all-inclusive, as there are many other non-recurring vendor charges. As the items below are service agreements and invoices are currently in the name of Sunrise Humane Society, we need to confirm an orderly process for transitioning these vendors to the City effective by or before October 1, 2022. ***These changes would need to be made regardless of the execution of the SHS contract to ensure the operational transition to the City.***

Vendor	Charges	Frequency	Purpose / Line Item	Annual Estimates	
Vale Environmental	\$175	monthly	pest control	\$2,100	may change with add'l services
Crystal Springs	\$60	monthly	office supply - bottles water for staff	\$720	varies based on season / heat
Shelter Luv	\$135	monthly	computer related expenses - animal database	\$1,620	varies based on # of adoptions
Wix	\$25	monthly	computer related expenses - email host	\$300	based on limited email accounts
Wix	\$500	annual	computer related expenses - ISP	\$500	
Comcast	\$190	monthly	Utilities - Comcast, telephone & internet	\$2,280	
Fire Equipment & Services	\$195	quarterly	Building Maintenance	\$780	fire alarm monitoring
			TOTAL	\$8,300	

Further details requiring confirmation based on the City's proposed budget:

There was a reduction in the SHS budget numbers for insurance costs, based on the City picking up a portion of those costs. We will need clarification of the City's intent for covering the building liability costs.

Please confirm that in the proposed budget the City has committed to:

- Animal care feed
- Computer related expenses
- Office supplies
- Employment background checks
- Staff training
- Printing
- Grounds maintenance – when will this begin?
- Furniture & fixtures
- Janitorial supplies
- Pest control
- Building repair & maintenance
- Utilities

4. **Section B.3.0, D2 of Service Agreement To Be Updated:** (Related to #3 above.) The proposed contract clearly states in section B.3.0d2 that the new administrator can negotiate contracts and make payments from SHS accounts for things that the budget says will be paid by the City (including, without limitation, contracts for telephone, cleaning, landscape care, vermin extermination and other services which are deemed necessary, up to \$250/ occurrence or \$750 aggregate). It says that “The Sunrise Humane Society agrees that all expenses will be paid out of the Sunrise Humane Society’s operating account.”

a. We are interested in modifying this contract item to match the proposed budget to make those items payable out of the City accounts per item #2 (which makes sense since the new hire is a city contractor now).

b. If there are purchases outside of the items the City is covering that SHS is responsible for that will impact operations in any way (i.e. spending of SHS money), we think it should be done in consultation with the SHS Board or its designee.

5. **Communication & Operations “In Consultation” with the BOD** - As we enter into this change with the new hire, one of the biggest fears of this board is losing control of the oversight of operations and what is going on at the shelter. To stay abreast of daily activities, we believe it is appropriate to establish a clear understanding of communication protocols and procedures for consultation with the BOD.

a. The new contract Section B.3.0 A2 lists everything that shall be done in “in consultation with the Sunrise Humane Society Board of Directors.”

i. We would like to define “in consultation with the Board of Directors” for clarity. This should be modified to mean the full Board of Directors or the Board’s designee. We want this to mean that all operational changes, contracts, and costs have to be pre-approved by the Board of Directors or their designee.

b. To keep all parties on the same page, we ask that communications of execution of BOD-approved operational changes, contracts, or costs by the new administrator be emailed to all members of the board and the Kennel Manager within a reasonable amount of time.

We appreciate you taking the time to consider our questions and concerns, and we look forward to working together on these items. Please do not hesitate to reach out for clarifications on any of the above items!

Best regards,

Sunrise Humane Society Board of Directors



THE SUNRISE CITY
ANIMAL CONTROL

FORT PIERCE
Florida

September 5, 2022

Sunrise Humane Society
Board of Directors
100 Savannah Road
Fort Pierce, FL 34950

Re: FY 2023 Contract Negotiations

Dear Board Members,

The City of Fort Pierce has an existing contract with the Sunrise Humane Society that remains in effect today. Included in that contract, Section 2.2 states that upon expiration of the initial term, the agreement would automatically renew, with all the existing terms and conditions. That contract is for the amount of \$135,000.00, although we fully acknowledge that we have been funding the SHS at an annual rate of \$150,000.00. Therefore, per our City Manager, until a new contract is agreed upon and signed by both parties, the current rate of \$150,000.00 shall continue.

Below are the direct answers, as reviewed and approved by Mr. Mimms, to your inquiries:

1. Human Resources – Yes, the City through its Shelter Administrator will be overseeing and managing the staff.
2. Clarity of Contractor Responsibilities and Terms – The job functions of the Administrator will be those provided in the proposed contract. A copy will be provided once the contract is finalized.
3. Confirmation of City-Paid Fixed Costs and Operation and Budget – The most recent budget provided by your Board Treasurer on August 29, 2022 does not indicate any “city paid fixed costs” other than the line item titled “Contract with COFP for Administration”. No, the City is not responsible for any of the items listed in your letter.
4. Section B.3.0, D2 of Service Agreement to be updated: (Related to #3 above) –
 - a. As stated above, there are no “items” payable by the City. The City does not agree to this proposed amendment to the contract.
 - b. If the Administrator is responsible for receiving approval from the Board of Directors or their designee for all purchases, regardless of how small the price, then the Board of Directors is acting as the Administrator, which is contrary to our understanding of the proposed agreement.
 - c. The City does not agree to this proposed amendment to the contract.

5. Communications and Operations “In Consultation” with the BOD –

- a. You state in your letter “one of the biggest fears of this board is losing control of the oversight of operations and what is going on at the shelter”. However, that was exactly the intent of this collaborative effort. Paragraph B.2.0 – Appointment states “The Sunrise Humane Society hereby delegates to the City the management of day-to-day business affairs and operations of the Savannah Shelter”, which was reviewed and approved by the Board in July of this year.
- b. Additionally, in my email to your Board President and Treasurer on July 7, 2022, discussing the proposed contract and terms, I clearly state “If it is the SHS Board’s understanding that the City will simply hire someone who will only do what the BOD says, without any input from the City, then this is not going to work.” And again, was reviewed and approved by the Board.
- c. The City does not agree to these proposed amendments to the contract or to the proposed policy.

In closing, the City presented the proposal of providing a shelter administrator to assist the Sunrise Humane Society as a way for both organizations to overcome challenges the SHS had employing qualified personnel in this position. It was with a mutual understanding that the operations would be handled by the City and a City employee in a way that fulfilled the Board’s mission. However, this is not the current understanding based upon your recent correspondence.

As time is of the essence and an amended contract must be presented to the City Commission at their meeting September 19, 2022 in order to be in effect October 1, 2022, I will be happy to meet with the executive board in an attempt to resolve these matters.

Best Regards,

Margaret M. Arraiz
Director of Community Response



September 26, 2022

Sunrise Humane Society
Board of Directors
100 Savannah Road
Fort Pierce, FL 34950

Re: New Management Proposal

Dear Board Members:

The City of Fort Pierce has received and reviewed your request for an increase in funding and your desire to move forward independently without the previously requested City provided shelter manager. As part of our consideration process, we have also reviewed your proposed Business Plan and Fund-Raising Plan, which was provided at the request of Commissioner Perona on behalf of the City Commission.

After careful review of past practices and the current state of the shelter, including the fact that staffing has been severely cut back, reducing what the City views as appropriate care for the animals, as well as your proposed future plans, the City continues to have grave concerns regarding the future financial stability and overall operation of the organization if a management change is not implemented.

As such, the City presents the following for your consideration:

1. In lieu of the City enacting the 'for cause' 60-day termination clause of the service agreement, due to documented financial difficulties, the two parties agree to an amicable and cooperative transfer of the shelter management and administration to the City of Fort Pierce.
 - a. The City will immediately provide leadership to the operations of the facility through our contracted employee.
 - b. The City will begin transitioning SHS staff to City employees.
 - c. The City will assume all operations, including the daily care of the animals.
 - d. The City will assume all maintenance responsibilities.
2. The City does not wish to terminate its working relationship with the Sunrise Humane Society Board, but instead wish to further its goals by relieving the Board of the

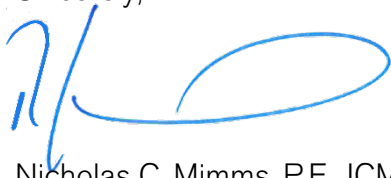
administration and management of the day-to-day operations, so that it may focus its full attention to the Board's mission, which is to care for the animals in the shelter and serve the Fort Pierce community. As part of this transition, the City requests the following:

- a. The Board will continue its work to advance the overall vision of the shelter and promote the needs of the animals in its care.
- b. The Board will continue its efforts to rehome the animals in the shelter by coordinating the transport of animals to outside organizations that can assist with finding good and quality homes.
- c. The Board will continue its fund-raising efforts and other activities that support the shelter and its operations.

On behalf of the City Commission, management, and staff of the City of Fort Pierce, we thank you for all your hard work and dedication to our citizens and our animals. We appreciate you stepping forward when the need was the greatest and acknowledge that you did an admirable job under very challenging conditions. However, at this juncture, the City does not believe the current arrangement between the City and the Sunrise Humane Society is on a course that will provide the best benefit to the animals, which is our primary focus.

We hope to continue our working relationship with the Board and all parties that have a vested interest in the shelter and the animals through this newly proposed arrangement and look forward to hearing from the Board on its decision.

Sincerely,



Nicholas C. Mimms, P.E., ICMA-CM
City Manager

NCM:pa

c: Mayor & Commissioners
City Clerk
City Attorney
Community Response Director



September 26, 2022

Dear City of Fort Pierce Representatives:

Regarding the letter from Nicholas Mimms, Fort Pierce City Manager, dated September 26, 2022, the Sunrise Humane Society is prepared to move forward as outlined with the following caveats:

Item 1, b

- Sunrise Humane Society is financially able to pay staff through the close of business on September 30, 2022. The final payroll we are capable of funding will be made on October 4, 2022. **It is imperative that the City transition staff effective October 1, 2022.**
- To avoid further staff attrition, we would propose Lorin, Peggy, and Dr Kittams meet with staff as soon as possible to jointly make this announcement. SHS recognizes that this as a positive opportunity for staff and will assist with staff retention. If announced independent of SHS, (Peggy or Lorin) we are concerned of staff shortages in caring for the animals.

Item 1, c

- The City will legally transition ownership of all animals on property as of October 1, 2022. Without SHS control and oversight, the animals in care will be admitted, cared for, euthanized, transferred and adopted out under the authority of City employees.
- Does the City imply that financial management is a part of operations?
- Sunrise Humane Society, without funding under a contract with the City, is not able to maintain existing vendors and agreements. We are not financially prepared to incur any further debt. All available funds will be exhausted to recover from current indebtedness.
- We will work with the City to transition all vendor accounts to City control effective October 1, 2022.
- The City operated and managed shelter will manage accounting and financial responsibilities internally.
- Sunrise Humane Society, Inc. as a licensed 501.c3, will only manage donation processing and subsequent distribution to the City.

Item 2, a

- This implies the animals will still be under the care of Sunrise Humane Society. Without control and oversight, the City needs to accept “ownership” of the animals (see Item 1, c above). The animals in care will be admitted, cared for, euthanized, transferred and adopted out under the authority of City employees.

As of October 1, 2022, we no longer have a contractual relationship with the City, nor any financial commitment from the City for our services. With the changes proposed, the Board of Directors is disinclined to present the Sunrise Humane Society as being the operating entity of the Shelter. While we are considering continuation of non-profit operations, it would transition to be solely for the purpose of "A Friends of the Shelter". To the extent reasonable, we would continue to promote the needs of the shelter to the public with fundraising efforts and other activities to support the shelter operations.

We understand that this will require full transition of operational cash flow (adoption, impound, licensing, etc) to the City. Transactions through ShelterLuv, our software program, are currently generated as donations. Does the COFP have in-place a software program to handle the adoption fees/licensing/other cash-flow as those as of October 1 will be the property of COFP? All donations currently accepted at the shelter will need to be directed to Sunrise Humane Society. We also need to understand the transition of the email accounts, phone lines, website, animals in Foster homes under medical supervision, social media accounts, and what to do with donations that come in after October 1 as COFP is not a nonprofit to accept said-donations. This process will require collaboration to implement immediately by Friday, September 30. Lastly, we are asking for a collaborative approach to media/Volunteers: what will be the consensus story?

Thank you for your consideration. We look forward to moving the existing Shelter to the hands of the COFP. This will require a very coordinated plan on the part of COFP to engage the BOD in all the operational duties we have been performing in lieu of the Manager position we have been asking for over eighteen months, of which COFP will now reap the benefits of in addition to twice the funding. Lastly, we ask any negative commentary regarding the struggles we have been handed between COVID, The Great Resignation, the failure of contract negotiations between COFP and SLC resulting in SHS losing 2/3 of its funding, the Housing Crisis, all these hurdles were no fault of this fledgling nonprofit the COFP readily employed to administrate their open-admission animal shelter 18 months ago...we ask COFP keep all commentary positive. We don't want a further dark cloud lingering over this Facility. The animals deserve better. We have done nothing more than outstanding work, including the \$12k in permanent improvements to your building. Honestly, this facility has never had the wonderful care it has had under our watch. It is unfortunate half the Commission did not feel it worthy of even a tour to first-hand witness the ground-breaking work we accomplished. We close our books with \$56k in our bank accounts in order to reimburse the recent donors, pay our last bills and outstanding loan payment...which is a far-cry from the poorly-run organization outlined in your recent letter. We took care of business, the animals and the public in a professional and kind manner. We have provided COFP with an amazing No-Kill animal shelter with heart. We are proud of our work and have no regrets.

Cheers,
Dr. Julie Kittams
SHS BOD President