

AGENDA ITEM

**SILICON VALLEY
ANIMAL CONTROL AUTHORITY**

Fiscal Year 2019-20 Proposed Operating Budget

RECOMMENDED MOTION

That the fiscal year 2019-20 operating budget be approved as presented.

DISCUSSION

Staff is presenting an operating budget for 2019-20 with overall member contributions increasing by 5.63% or \$105,751.

In an effort to decrease annual operating contribution fluctuations due to animal intakes and service calls, staff worked with Member Agency staff to prepare figures by averaging contributions over a three year period. Staff is also recommending that the percentages remain fixed for three years and be recalculated for the 2022-23 budget year.

For a broader perspective on cost, US communities on average spend approximately \$8.00 per capita on animal services. For 2019-20, Campbell will spend \$7.64, Mountain View \$6.28, Monte Sereno \$9.14, Santa Clara \$8.90 and SVACA as a whole \$7.86.

The following two tables list the proposed 2019-20 contributions and a comparison since 2009-10.

TABLE 1. 2019-20 Proposed Operating Budget Contributions

Member	FY 2018-19	FY 2019-20	Difference	Percent Change
Campbell	\$285,946	\$325,162	\$39,216	13.71%
Mountain View	\$519,155	\$505,433	\$13,722	2.64%
Monte Sereno	\$22,540	\$32,470	\$9,930	44.05%
Santa Clara	\$1,050,515	\$1,120,841	\$70,327	6.69%
Total	\$1,878,156	\$1,983,907	\$105,751	5.63%

TABLE 2. Operating Budget Comparison 2009-10 to 2019-20

	2009-10	2019-20	Difference	Percent Change
Campbell	\$429,546	\$325,162	\$ 104,384	24%
Monte Sereno	\$34,660	\$32,470	\$ 2,190	6%
Santa Clara	\$1,297,068	\$1,120,841	\$ 176,227	14%
Mountain View	*	\$505,433	-	-

*Services provided by Palo Alto Animal Services.

Cost Allocations

Operating costs are based on formulas: field is calculated by taking the sum of population, square miles and calls for service (weighted by 50%); shelter is calculated based on the total live animals received; and administration is the average of field and shelter.

Tables 3 through 5 display the cost allocations. Table 6 shows the overall percentages and three year average. Table 7 shows the total live animal intakes. Tables 8 through 10 list the data used to determine the cost allocations.

TABLE 3: 2017-18 Cost Allocations

Member	Admin	Field	Shelter
Campbell	16.90%	18.54%	15.26%
Mountain View	23.70%	28.61%	18.80%
Monte Sereno	1.62%	2.50%	0.74%
Santa Clara	57.78%	50.36%	65.20%

TABLE 4: 2018-19 Cost Allocations

Member	Admin	Field	Shelter
Campbell	15.17%	16.44%	13.89%
Mountain View	27.37%	33.54%	21.19%
Monte Sereno	1.16%	2.14%	0.18%
Santa Clara	56.31%	47.88%	64.74%

TABLE 5: 2019-20 Cost Allocations

Member	Admin	Field	Shelter
Campbell	16.95%	17.84%	16.05%
Mountain View	24.62%	30.47%	18.78%
Monte Sereno	1.98%	3.52%	0.44%
Santa Clara	56.45%	48.17%	64.74%

TABLE 6: Overall Cost Allocation Comparison

Member	2017-18	2018-19	2019-20	Three Year
Campbell	16.96%	15.22%	16.99%	16.39%
Mountain View	23.90%	27.64%	24.89%	25.48%
Monte Sereno	1.66%	1.20%	2.05%	1.64%
Santa Clara	57.48%	55.93%	56.08%	56.50%

TABLE 7: Total Live Animal Intake

Member	2016	2017	2018
Campbell	267	238	294
Mountain View	329	363	344
Monte Sereno	13	3	8
Santa Clara	1141	1109	1186
Total	1750	1713	1832

TABLE 8: 2016 Figures Used for 2017-18 Cost Allocations

Population			Calls	2016		Sq. Miles		
Campbell	41,993	17.24%	Campbell	1,448	20.34%	Campbell	6.35	16.22%
Mountain View	77,846	31.96%	Mountain View	1,844	25.91%	Mountain View	12	30.65%
Monte Sereno	3,485	1.43%	Monte Sereno	168	2.36%	Monte Sereno	1.5	3.83%
Santa Clara	120,245	49.37%	Santa Clara	3,658	51.39%	Santa Clara	19.3	49.30%
Total	243,569	100.00%	Total	7,118	100.00%	Total	39.15	100.00%

TABLE 9: 2017 Figures Used for 2018-19 Cost Allocations

Population			Calls	2017		Sq. Miles		
Campbell	42,584	16.86%	Campbell	1,093	16.15%	Campbell	6.35	16.60%
Mountain View	80,447	31.86%	Mountain View	2,400	35.47%	Mountain View	12	31.36%
Monte Sereno	3,554	1.41%	Monte Sereno	109	1.61%	Monte Sereno	1.5	3.92%
Santa Clara	125,948	49.87%	Santa Clara	3,164	46.76%	Santa Clara	18.41	48.12%
Total	252,533	100.00%	Total	6,766	100.00%	Total	38.26	100.00%

TABLE 10: 2018 Figures Used for 2019-20 Cost Allocations

Population			Calls	2018		Sq. Miles		
Campbell	42,584	16.86%	Campbell	1,409	18.96%	Campbell	6.35	16.60%
Mountain View	80,447	31.86%	Mountain View	2,180	29.33%	Mountain View	12	31.36%
Monte Sereno	3,554	1.41%	Monte Sereno	325	4.37%	Monte Sereno	1.5	3.92%
Santa Clara	125,948	49.87%	Santa Clara	3,519	47.34%	Santa Clara	18.41	48.12%
Total	252,533	100.00%	Total	7,433	100.00%	Total	38.26	100.00%

Expenses

1. *Personnel Services*

a) Salaries

Cost of Living Adjustment (COLA)

SVACA Policy states that COLAs will be considered annually and based on the US Department of Labor San Francisco – Oakland – San Jose Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) by taking the average of the figures reported for the calendar year preceding the new fiscal year and will go into effect on the first day of the new fiscal year. The Board will review and approve all COLAs. The average rate for 2018 is 3.9%. CPI-W averages follow in Table 9 while SVACA's recent COLA history is in Table 10.

Table 9 - CPI-W Data

2014	2015	2016	2017	2018
2.6%	2.3%	2.8%	3.1%	3.9%

Table 10 – Recent COLA History

FY 15	FY 16	FY 17	FY 18
2.6%	2.3%	2.8%	3.1%

b) **Benefits**

CalPERS

SVACA's CalPERS contributions increased from 8.892 % to 9.68% and 6.842% to 6.985% while the unfunded liability payment is \$28,270.

c) Longevity Increase Salary Policy

In the event the Board of Directors approves the proposed Longevity Increase Policy, staff included \$39,139 for the adjustments that would be effective on July 1, 2019.

2. *Materials, Services and Supplies*

Animal Care

Staff and the Friends of SVACA have collectively continued to solicit donations through various means. Staff is recommending that up to \$60,000 of Animal Assistance funds be used to care for our animals in 2019-20. Additional funds will also be used for at risk animals as has been done in the past. It is expected that the Friends of SVACA will once again assist with expenses when necessary. Staff is recommending that up to \$30,000 of the Maddie's Fund Pet Adoption Days Grant be used in 2019-20 to ready our animals for adoption.

3. *Facility Expenses*

SVACA's Center will be operating for its thirteenth year and staff is recommending a utility line item increase.

4. *Professional and Contract Services*

Staff anticipates a slight decrease overall in our contract services.

Reserves

For the eighth consecutive year, staff is proposing that no reserve or operating budget surplus funds be used to reduce operating budget contributions. As stated in JPA sections 5.4, 6.3.3 and 6.3.4, all members will be responsible for their proportional share of future capital expenses. The reserves spreadsheet is attached to this report.

Long Term Center Capital Needs

In the past, the Board elected to review needs annually and contribute the totals needed for that particular given fiscal year. Staff is not anticipating any capital expenses in 2019-20 but in order to present SVACA's most comprehensive financial outlook, the anticipated center capital needs for the next fifteen years (attached) was updated. Needs could of course shift and staff will continue to stretch out the lives of these items as much as possible through proper maintenance.

CONCLUSION

Staff has strived to produce the most cost effective budget possible that will allow SVACA to continue to deliver a high level of service. As has been done in the past, staff will again work to reduce expenses and increase revenue during the year. SVACA had an 8.6% operating budget surplus (\$192,443) in 2017-18 which clearly demonstrates the sound fiscal responsibility practiced at the agency. Staff is requesting that the 2019-20 operating budget be approved as presented.

DOCUMENTS ATTACHED

FY 2019-20 Proposed Operating Budget

FY 2018-19 and 2019-20 Operating Budget Comparison

Reserves Table

Anticipated Center Capital Needs

FISCAL IMPACT

\$1,983,907 from the Member Agencies

SVACA 2019-20 Proposed Operating Budget

	Total Annual
REVENUE	
Interest	\$ 35,000.00
Licensing	\$ 200,000.00
Program Fees	\$ 240,000.00
Total Fee Revenue	\$ 475,000.00
Member Agency Contributions	
Campbell	\$ 325,162
Mountain View	\$ 505,433
Monte Sereno	\$ 32,470
Santa Clara	\$ 1,120,841
Total Contributions	\$ 1,983,907
Total Revenue	\$ 2,458,907.22
EXPENDITURES	
Personnel Services	
	Annual Salary
Salaries	
Regular Salaries	\$ 1,497,161.00
Total Overtime	\$ 32,000.00
Total Salaries	\$ 1,529,161.00
Benefits	
Health Insurance	\$ 238,500
Life/AD&D Insurance	\$ 1,441
Dental Insurance	\$ 19,284
Vision Insurance	\$ 3,024
STD/LTD	\$ 3,625
Cal PERS/1959 Survivor Benefits	\$ 153,143
Medicare	\$ 22,173
SUI	\$ 59,637
EAP	\$ -
Total Benefits	\$ 500,826
Annual Personnel Costs	\$ 2,029,987

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SVACA 2019-20 Proposed Operating Budget

	Total Annual
Materials, Services & Supplies (MS&S)	
Office & General Supplies	\$ 2,500.00
Bank Charges	\$ 20,000.00
Postage/Shipping	\$ 10,000.00
Printing	\$ 3,000.00
Computer Supplies/Licenses	\$ 10,600.00
Recruitment and Testing Expenses	\$ 500.00
Training and Education	\$ 3,000.00
Travel	\$ 3,000.00
Advertising	\$ 500.00
Copy Machine Charges	\$ 11,000.00
Field Service Equipment	\$ 500.00
Fuel and Vehicle Maintenance	\$ 25,000.00
Uniforms	\$ 1,500.00
Volunteers	\$ 2,500.00
Outreach and Education	\$ 6,000.00
Animal Care	\$ 23,000.00
Dues and Subscriptions	\$ 2,000.00
Return to Owner Hardship Fund	\$ 1,000.00
Total MS&S	\$ 125,600.00

SVACA 2019-20 Proposed Operating Budget

	Total Annual
Facility Expenses	
Custodial	\$ 29,445.00
Electric, Gas, Water, Refuse	\$ 90,000.00
Maintenance and Repair	\$ 40,000.00
Communications	
Telephone/Fax	\$ 10,600.00
Wireless Communications	\$ 7,300.00
Total Facility Expenses	\$ 177,345.00
 Professional and Contract Services	
Contract Veterinarians	\$ 10,000.00
Wildlife Center Contract	\$ 26,175.00
Accounting Services	\$ 14,000.00
Investigations	\$ 1,000.00
Computer Maintenance Contract	\$ 16,000.00
Payroll Preparation	\$ 3,800.00
Workers' Comp. Insurance	\$ 29,000.00
Liability Insurance	\$ 26,000.00
Total Professional Services	\$ 125,975.00
 Capital Expenses	
Animal Transport Vehicle	\$0.00
Subtotal	\$ 2,458,907.22
GRAND TOTAL	\$ 2,458,907

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2018-19 v. 2019-20

	Annual 2018-19	Proposed 2019-20	Difference	
REVENUE				
Interest	\$ 25,000.00	\$ 35,000.00	\$ 10,000.00	
Licensing	\$ 195,000.00	\$ 200,000.00	\$ 5,000.00	
Program Fees	\$ 230,000.00	\$ 240,000.00	\$ 10,000.00	
Total Fee Revenue	\$ 450,000.00	\$ 475,000.00	\$ 25,000.00	
Member Agency Contributions				Percent Change
Campbell	\$ 285,946.32	\$ 325,162.39	\$ 39,216.07	13.71%
Mountain View	\$ 519,155.00	\$ 505,433.43	\$ (13,721.57)	-2.64%
Monte Sereno	\$ 22,540.40	\$ 32,469.95	\$ 9,929.55	44.05%
Santa Clara	\$ 1,050,514.73	\$ 1,120,841.46	\$ 70,326.72	6.69%
Total Contributions	\$ 1,878,156.46	\$ 1,983,907.22	\$ 105,750.76	5.63%
Total Revenue	\$ 2,328,156.46	\$ 2,458,907.22	\$ 130,750.76	5.62%

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2018-19 v. 2019-20

EXPENDITURES	Annual Salary	Annual Salary	Difference
Personnel Services			
Salaries	\$ 1,389,182.00	\$ 1,497,161.00	107,979.00
Regular Salaries	\$ 32,000.00	\$ 32,000.00	-
Overtime/Standby	\$ 1,421,182.00	\$ 1,529,161.00	107,979.00
Total Salaries			
Benefits			
Health Insurance	\$ 243,000.00	238,500.00	(4,500.00)
Life/AD&D Insurance	\$ 1,563.48	1,440.72	(122.76)
Dental Insurance	\$ 18,552.00	19,264.00	732.00
Vision Insurance	\$ 3,024.00	3,024.00	-
STD/LTD	\$ 3,624.60	3,624.60	0.00
Cal PERS	\$ 146,772.90	153,142.78	6,369.88
Medicare	\$ 20,607.14	22,172.83	1,565.69
SUI	\$ 55,426.10	59,637.28	4,211.18
Total Benefits	\$ 492,570.22	500,826.22	8,256.00
Annual Personnel Costs	\$ 1,913,752.22	2,029,987.22	116,235.00
	Total Annual Costs	Total Annual Costs	Difference
Materials, Services & Supplies (MS&S)			
Office & General Supplies	\$ 2,500.00	\$ 2,500.00	\$ -
Bank Charges	\$ 18,000.00	\$ 20,000.00	\$ 2,000.00
Postage/Shipping	\$ 8,000.00	\$ 10,000.00	\$ 2,000.00
Printing	\$ 3,000.00	\$ 3,000.00	\$ -
Computer Supplies/Licenses	\$ 10,600.00	\$ 10,600.00	\$ -
Recruitment and Testing Expenses	\$ 500.00	\$ 500.00	\$ -
Training and Education	\$ 3,000.00	\$ 3,000.00	\$ -
Travel	\$ 3,000.00	\$ 3,000.00	\$ -
Advertising	\$ 1,000.00	\$ 500.00	\$ (500.00)
Copy Machine Charges	\$ 11,000.00	\$ 11,000.00	\$ -
Field Service Equipment	\$ 500.00	\$ 500.00	\$ -
Fuel and Vehicle Maintenance	\$ 20,000.00	\$ 28,000.00	\$ 8,000.00
Uniforms	\$ 1,500.00	\$ 1,500.00	\$ -
Dues and Subscriptions	\$ 2,000.00	\$ 2,000.00	\$ -
Volunteers	\$ 1,500.00	\$ 2,500.00	\$ 1,000.00
Animal Care	\$ 25,000.00	\$ 23,000.00	\$ (2,000.00)
Outreach and Education	\$ 4,500.00	\$ 6,000.00	\$ 1,500.00
Return to Owner Hardship Fund	\$ 1,500.00	\$ 1,000.00	\$ (500.00)
Total MS&S	\$ 117,100.00	\$ 125,600.00	\$ 8,500.00

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2018-19 v. 2019-20

	Total Annual Costs	Total Annual Costs	Difference
Facility Expenses			
Custodial	\$ 26,000.00	\$ 29,445.00	\$ 3,445.00
Electric, Gas, Water, Refuse	\$ 85,000.00	\$ 90,000.00	\$ 5,000.00
Building Maintenance and Repair	\$ 40,000.00	\$ 40,000.00	\$ -
Communications	\$ -	\$ -	\$ -
Telephones/Fax	\$ 10,600.00	\$ 10,600.00	\$ -
Wireless Communications	\$ 7,300.00	\$ 7,300.00	\$ -
Total Facility Expenses	\$ 168,900.00	\$ 177,345.00	\$ 8,445.00
Professional and Contract Services			
Contract Veterinarians	\$ 14,000.00	\$ 10,000.00	\$ (4,000.00)
Wildlife Center Contract	\$ 26,175.00	\$ 26,175.00	\$ -
Accounting Services	\$ 13,700.00	\$ 14,000.00	\$ 300.00
Investigations	\$ 1,000.00	\$ 1,000.00	\$ -
Computer Maintenance Contract	\$ 17,500.00	\$ 16,000.00	\$ (1,500.00)
Payroll Preparation	\$ 3,500.00	\$ 3,800.00	\$ 300.00
Workers' Comp. Insurance	\$ 27,000.00	\$ 29,000.00	\$ 2,000.00
Liability Insurance	\$ 25,652.00	\$ 26,000.00	\$ 348.00
Total Professional Services	\$ 128,527.00	\$ 125,875.00	\$ (2,652.00)
Capital Expenses			
Vehicle Replacement Fund	\$ -	\$ -	\$ -
Total Capital Expenses	\$ -	\$ -	\$ -
Subtotal	\$ 2,328,279.22	\$ 2,458,907.22	\$ 130,628.00
Reserve	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 2,328,279.22	\$ 2,458,907.22	\$ 130,628.00

SVACA Reserves (UNRESTRICTED)**3/4/19****SVACA Reserves (UNRESTRICTED)**

Capital Project Improvement Fund	\$	34,000.00
Operating Reserve Fund	\$	131,396.00
Reserve for Unknown Losses	\$	203,003.00
Vehicle Replacement Fund	\$	10,679.00
Undesignated Reserve	\$	14,400.00
SB 90 Reimbursement	\$	582,999.00
Total:	\$	976,477.00

SVACA Reserves (UNRESTRICTED)	\$	1,296,078.00
CalPERS UAL FYE 6-30-19 50%	\$	(319,601.00)
Balance	\$	976,477.00

SVACA Reserves (RESTRICTED)

Maddie's Pet Adoption Days Grant-2014	\$	21,139.00
Maddie's Pet Adoption Days Grant-2015	\$	35,700.00
Animal Assistance Fund	\$	319,666.00
Chubz Fund	\$	4,486.00
Total:	\$	380,991.00

SVACA Center Capital Anticipated Needs
2019-2034
3/19

2021-22	
website	\$ 15,000
washer/dryer	\$ 25,000
parking lot resurface	\$ 12,000
	<u>\$ 52,000</u>
2022-23	
computers	\$ 35,000
hvac 1	\$ 350,000
exterior paint	\$ 26,000
	<u>\$ 411,000</u>
2023-24	
hvac 2-4	\$ 195,000
roof coating	\$ 36,000
barking lot	\$ 15,000
interior paint	\$ 42,000
	<u>\$ 288,000</u>
2027-28	
website	\$ 18,000
cooler	\$ 25,000
	<u>\$ 43,000</u>
2028-29	
computers	\$ 40,000
hvac 5	\$ 65,000
	<u>\$ 105,000</u>
2033-34	
computers	\$ 42,000
website	\$ 20,000
	<u>\$ 62,000</u>
Total	\$ 961,000