

SILICON VALLEY
ANIMAL CONTROL AUTHORITY

AGENDA ITEM

Fiscal Year 2020-21 Proposed Operating Budget

RECOMMENDED MOTION

That the Board of Directors approve the fiscal year 2020-21 Operating Budget Option Two as presented.

DISCUSSION

Due to COVID-19 and based on feedback from member agency staff, two options are being presented.

Option One holds member agency contributions at 2019-20 levels. It does not include COLA or Step increases. Revenue and most expenditures were reduced.

Option Two includes the above plus the use of \$100,000 in reserves (\$50,000 from the SB 90 reimbursement and \$50,000 from the operating reserve fund) to reduce member agency contributions by 5%. Based on member agency staff input, it is recommended that this option be approved.

Additionally, SVACA currently has three open positions but implemented a hiring freeze due to COVID-19. The positions are funded in both options, however, the freeze will continue until health department directives are modified and economic conditions improve.

Either option will allow SVACA to continue to operate in the same manner since the shelter in place order went into effect and expand services when it is lifted. With that said, staff is anticipating some services continuing to be restricted by health department directives over the next year. As a result, staff expects operating hours to continue to be 8:00 am to 5:00 pm for most services. As always, Animal Control Officers will be available 24 hours a day for emergencies and animals will be cared for 365 days a year.

If greater reductions must be made, then staff recommends the use of additional reserves.

The following two tables list the proposed 2020-21 contribution options.

TABLE 1. 2020-21 Proposed Operating Budget Option One

Member	2019-20	2020-21 Option 1	Difference	Percent Change
Campbell	\$325,162	\$324,930	\$232	.07%
Mountain View	\$505,433	\$505,072	\$361	.07%
Monte Sereno	\$32,470	\$32,447	\$23	.07%
Santa Clara	\$1,120,841	\$1,120,042	\$800	.07%
Total	\$1,983,907	\$1,982,491	\$1,416	.07%

TABLE 2. 2020-21 Proposed Operating Budget Option Two with Reserve Use

Member	2019-20	2020-21 Option 2	Difference	Percent Change
Campbell	\$325,162	\$308,530	\$16,632	5%
Mountain View	\$505,433	\$479,573	\$25,861	5%
Monte Sereno	\$32,470	\$30,847	\$1,623	5%
Santa Clara	\$1,120,841	\$1,063,542	\$57,300	5%
Total	\$1,983,907	\$1,882,491	\$101,416	5%

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.

In an effort to decrease annual operating contribution fluctuations due to animal intakes and service calls, in 2019 the Board of Directors approved the staff recommendation to prepare figures by averaging contributions over a three-year period, have them remain fixed for three years and then be recalculated for the 2022-23 budget year. Table 3 shows the overall percentages and three-year average.

TABLE 3. 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%

Expenses

1. *Personnel Services*

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 2019 is 3.0%. CPI-W averages follow in Table 4 while SVACA’s recent COLA history is in Table 5. Staff is not recommending that a COLA be approved.

Table 4. CPI-W Data

2015	2016	2017	2018	2019
2.3%	2.8%	3.1%	3.9%	3.0%

Table 5. Recent COLA History

FY 16	FY 17	FY 18	FY 19
2.3%	2.8%	3.1%	3.9%

Outreach Coordinator

Staff is recommending that the Outreach Coordinator's salary (\$84,000) be funded with the Animal Assistance Fund. Fundraising has increased substantially since the position became active in 2016. Currently there is almost \$418,000 in the fund and even with the effects of COVID-19, staff still expects to raise at least \$50,000 in 2020-21. The Friends of SVACA raised almost \$50,000 last year and a future goal is to have their efforts fund some of the salary.

CalPERS

Classic contributions increased by .747% from 6.985% to 7.732% and PEPRA increased .804% from 9.680 % to 10.484%. The unfunded accrued liability payment is \$36,664.

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 up to \$60,000 of Animal Assistance funds be used for care and veterinary services. Friends of SVACA will also assist with expenses.

Outreach and Volunteers

Staff is still hoping to hold the fourth annual Pour for Paws and, if we are able, the goal of having The Friends of SVACA fund and coordinate it will come to fruition in 2020-21. The group will also increase their financial support of SVACA's volunteer program.

Return to Owner Hardship Fund

The hardship fund was one of the few areas where staff increased funding (from \$1,000 to \$5,000) as we anticipate many owners struggling financially. Staff has discussed other potential programs with the Friends of SVACA and will work to develop them if they have available funds.

3. *Professional and Contract Services*

Risk Management

Liability and workers compensation insurance are expected to increase by a total of almost \$26,000.

Legal Services

A new line item was created for potential legal services (\$10,000).

Reserves

Depending on the Board's decision, \$100,000 or more could be used in 2020-21.

Staff is recommending the SB 90 Reimbursement and Capital Project Improvement Fund be used for future capital expenses and the Undesignated Reserve (\$14,400) be allocated to the Operating Reserve Fund.

For the past fifteen years, SVACA has had an operating budget surplus. Staff expects this to once again be the case for 2019-20 and it could be used to offset contributions for the 2021-22 operating budget or refill reserves.

Long Term Center Capital Needs

Anticipated center capital needs for the next fifteen years (attached) was once again updated. Due to COVID-19, staff is not recommending that any needs be addressed in 2020-21.

CONCLUSION

Staff has always strived to present the most cost-effective operating budget possible but due to COVID-19 it is quite difficult to predict what the future holds. As has been done in the past, staff will work to reduce expenses and increase revenue during the year. SVACA had a 6% operating budget surplus (\$126,765) in 2018-19 which once again demonstrates the sound fiscal responsibility practiced at the agency. Staff is recommending that the 2020-21 Operating Budget Option Two be approved as presented.

DOCUMENTS ATTACHED

- FY 2020-21 Proposed Operating Budget
- FY 2019-20 and 2020-21 Operating Budget Comparison
- Reserves Table
- Anticipated Center Capital Needs

FISCAL IMPACT

\$1,882,491 from the Member Agencies

Silicon Valley Animal Control Authority
 FY 2020-21
 Proposed Operating Budget

	Annual	Admin	Field Services	Shelter Services
REVENUE				
Interest	\$ 26,500.00	\$ 2,061.11	\$ 14,280.56	\$ 10,158.33
Licensing	\$ 150,000.00	-	\$ 150,000.00	-
Program Fees	\$ 265,000.00	-	\$ 132,500.00	\$ 132,500.00
Total Fee Revenue	\$ 441,500.00	\$ 2,061.11	\$ 296,780.56	\$ 142,658.33
Member Agency Contributions				
Campbell	\$ 337,358	\$ 49,253.82	\$ 165,006.95	\$ 123,097.44
Mountain View	\$ 497,376	\$ 71,570.37	\$ 281,773.64	\$144,032.37
Monte Sereno	\$ 41,632	\$ 5,747.59	\$ 32,535.13	\$ 3,349.59
Santa Clara	\$ 1,106,125	\$ 164,088.66	\$ 445,459.15	\$ 496,576.73
Total Contributions	\$ 1,982,491	\$ 290,660.44	\$ 924,774.87	\$ 767,056.13
Total Revenue	\$ 2,423,991.43	\$ 292,721.55	\$ 1,221,555.42	\$ 909,714.46

Silicon Valley Animal Control Authority
FY 2020-21
Proposed Operating Budget

	# of Pos	Annual Salary	Admin	Field Services	Shelter Services
EXPENDITURES					
Personnel Services					
Salaries					
Regular Salaries		\$ 1,470,890.00	\$ 212,054.25	\$ 719,442.40	\$ 539,393.35
Total Overtime		\$ 32,000.00	-	\$ 30,000.00	\$ 2,000.00
Total Salaries	18	\$ 1,502,890.00	\$ 212,054.25	\$ 749,442.40	\$ 541,393.35
Benefits					
Health Insurance		\$ 238,500	\$ 18,900.00	\$ 125,325.00	\$ 94,275.00
Life/AD&D Insurance		\$ 1,585	\$ 123.31	\$ 832.36	\$ 629.77
Dental Insurance		\$ 19,236	\$ 2,187.00	\$ 8,240.40	\$ 8,808.60
Vision Insurance		\$ 3,024	\$ 235.20	\$ 1,629.60	\$ 1,159.20
STD/LTD		\$ 3,962	\$ 497.66	\$ 1,998.13	\$ 1,465.37
Cal PERS/1959 Survivor Benefits		\$ 171,588	\$ 25,167.41	\$ 90,916.16	\$ 55,504.21
Medicare		\$ 21,792	\$ 3,074.79	\$ 10,866.91	\$ 7,850.20
SUI		\$ 39,075	\$ 3,039.18	\$ 21,057.16	\$ 14,978.80
EAP		\$ -	\$ -	\$ -	\$ -
Total Benefits		\$ 498,762	\$ 53,224.55	\$ 260,866.73	\$ 184,671.16
Annual Personnel Costs		\$ 2,001,652	\$ 265,278.80	\$ 1,010,309.13	\$ 726,064.51

	Total Annual Costs	Admin	Field Services	Shelter Services
Materials, Services & Supplies (MS&S)				
Office & General Supplies	\$ 2,000.00	\$ 155.56	\$ 1,077.78	\$ 766.67
Bank Charges	\$ 18,000.00	\$ 1,400.00	\$ 9,700.00	\$ 6,900.00
Postage/Shipping	\$ 8,000.00	\$ 622.22	\$ 4,311.11	\$ 3,066.67
Printing	\$ 2,500.00	\$ 194.44	\$ 1,347.22	\$ 958.33
Computer Supplies/Licenses	\$ 9,000.00	\$ 700.00	\$ 4,850.00	\$ 3,450.00
Recruitment and Testing Expenses	\$ 500.00	\$ 38.89	\$ 269.44	\$ 191.67
Training and Education	\$ 3,000.00	\$ 233.33	\$ 1,616.67	\$ 1,150.00
Travel	\$ -	\$ -	\$ -	\$ -
Advertising	\$ 500.00	\$ -	\$ 250.00	\$ 250.00
Copy Machine Charges	\$ 9,000.00	\$ 700.00	\$ 4,850.00	\$ 3,450.00
Field Service Equipment	\$ 500.00	\$ -	\$ 250.00	\$ 250.00
Fuel and Vehicle Maintenance	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -
Uniforms	\$ 500.00	\$ -	\$ 250.00	\$ 250.00
Volunteers	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00
Outreach and Education	\$ 1,000.00	\$ -	\$ 500.00	\$ 500.00
Animal Care	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00
Dues and Subscriptions	\$ 1,200.00	\$ 93.33	\$ 646.67	\$ 460.00
Return to Owner Hardship Fund	\$ 5,000.00	\$ 388.89	\$ 2,694.44	\$ 1,916.67
Total MS&S	\$ 101,700.00	\$ 4,526.67	\$ 52,613.33	\$ 44,560.00

Silicon Valley Animal Control Authority

FY 2020-21

Proposed Operating Budget

	Total Annual Costs	Admin	Field Services	Shelter Services
Facility Expenses				
Custodial	\$ 26,500.00	\$ 2,061.11	\$ 14,280.56	\$ 10,158.33
Electric, Gas, Water, Refuse	\$ 85,000.00	\$ 6,611.11	\$ 45,805.56	\$ 32,583.33
Maintenance and Repair	\$ 35,000.00	\$ 2,722.22	\$ 18,861.11	\$ 13,416.67
Communications				
Telephone/Fax	\$ 10,000.00	\$ 777.78	\$ 5,388.89	\$ 3,833.33
Wireless Communications	\$ 7,300.00	\$ 1,034.17	\$ 6,022.50	\$ 243.33
Total Facility Expenses	\$ 163,800.00	\$ 13,206.39	\$ 90,358.61	\$ 60,235.00
Professional and Contract Services				
Contract Veterinarians	\$ 7,500.00	\$ 0.00	\$ 0.00	\$ 7,500.00
Wildlife Center Contract	\$ 23,500.00	\$ 0.00	\$ 0.00	\$ 23,500.00
Accounting Services	\$ 14,000.00	\$ 1,088.89	\$ 7,544.44	\$ 5,366.67
Investigations	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 0.00
Computer Maintenance Contract	\$ 16,000.00	\$ 1,244.44	\$ 8,622.22	\$ 6,133.33
Payroll Preparation	\$ 3,800.00	\$ 295.56	\$ 2,047.78	\$ 1,456.67
Workers' Comp. Insurance	\$ 41,200.00	\$ 3,204.44	\$ 22,202.22	\$ 15,793.33
Liability Insurance	\$ 39,839.00	\$ 3,098.59	\$ 21,468.79	\$ 15,271.62
Legal Services	\$ 10,000.00	\$ 777.78	\$ 5,388.89	\$ 3,833.33
Total Professional Services	\$ 156,839.00	\$ 9,709.70	\$ 68,274.35	\$ 78,854.95
Capital Expenses				
Animal Transport Vehicle	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Subtotal	\$ 2,423,991.43	\$ 292,721.55	\$ 1,221,555.42	\$ 909,714.46
GRAND TOTAL	\$ 2,423,991	\$ 292,721.55	\$ 1,221,555.42	\$ 909,714.46

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2019-20 v. 2020-21

	Annual 2019-20	Proposed 2020-21	Difference	
REVENUE				
Interest	\$ 35,000.00	\$ 26,500.00	\$ (8,500.00)	
Licensing	\$ 200,000.00	\$ 150,000.00	\$ (50,000.00)	
Program Fees	\$ 240,000.00	\$ 265,000.00	\$ 25,000.00	
Total Fee Revenue	\$ 475,000.00	\$ 441,500.00	\$ (33,500.00)	
Member Agency Contributions				
Campbell	\$ 325,162.39	\$ 324,930.35	\$ (232.04)	-0.07%
Mountain View	\$ 505,433.43	\$ 505,072.73	\$ (360.70)	-0.07%
Monte Sereno	\$ 32,489.95	\$ 32,446.78	\$ (23.17)	-0.07%
Santa Clara	\$ 1,120,841.45	\$ 1,120,041.58	\$ (799.87)	-0.07%
OPTION ONE - Total Contributions	\$ 1,983,907.22	\$ 1,982,491.43	\$ (1,415.79)	-0.07%
Total Revenue	\$ 2,458,907.22	\$ 2,423,991.43	\$ (34,915.79)	-1.42%
Deductions				
SB 90 Reimbursement	\$ -	\$ 50,000.00	\$ 50,000.00	
Operating Reserve Fund	\$ -	\$ 50,000.00	\$ 50,000.00	
Total Deductions	\$ -	\$ 100,000.00	\$ 100,000.00	
OPTION TWO - Revised Contributions				
Campbell	\$ 325,162.39	\$ 308,530.35	\$ (16,632.04)	-5.11%
Mountain View	\$ 505,433.43	\$ 479,572.73	\$ (25,860.70)	-5.12%
Monte Sereno	\$ 32,489.95	\$ 30,848.78	\$ (1,623.17)	-5.00%
Santa Clara	\$ 1,120,841.45	\$ 1,063,541.58	\$ (57,299.87)	-5.11%
Revised Contributions	\$ 1,983,907.22	\$ 1,882,491.43	\$ (101,415.79)	-5.11%

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2019-20 v. 2020-21

EXPENDITURES			
	Annual Salary	Annual Salary	Difference
Personnel Services			
Salaries			
Regular Salaries	\$ 1,497,161.00	\$ 1,470,800.00	(26,271.00)
Overtime/Standby	\$ 32,000.00	\$ 32,000.00	-
Total Salaries	\$ 1,529,161.00	\$ 1,502,800.00	(26,271.00)
Benefits			
Health Insurance	\$ 238,500.00	\$ 238,500.00	-
Life/AD&D Insurance	\$ 1,440.72	\$ 1,585.44	144.72
Dental Insurance	\$ 19,284.00	\$ 19,236.00	(48.00)
Vision Insurance	\$ 3,024.00	\$ 3,024.00	-
STD/LTD	\$ 3,624.60	\$ 3,962.16	337.56
Cal PERS	\$ 153,142.78	\$ 171,587.79	18,445.01
Medicare	\$ 22,172.83	\$ 21,791.91	(380.92)
SUI	\$ 59,637.28	\$ 39,075.14	(20,562.14)
Total Benefits	\$ 500,828.22	\$ 498,762.43	(2,065.79)
Annual Personnel Costs	\$ 2,029,987.22	\$ 2,001,562.43	(28,334.79)
Materials, Services & Supplies (MS&S)			
Office & General Supplies	\$ 2,500.00	\$ 2,000.00	(500.00)
Bank Charges	\$ 20,000.00	\$ 18,000.00	(2,000.00)
Postage/Shipping	\$ 10,000.00	\$ 8,000.00	(2,000.00)
Printing	\$ 3,000.00	\$ 2,500.00	(500.00)
Computer Supplies/Licenses	\$ 10,600.00	\$ 9,000.00	(1,600.00)
Recruitment and Retention	\$ 500.00	\$ 500.00	-
Training and Education	\$ 3,000.00	\$ 3,000.00	-
Travel	\$ 3,000.00	\$ -	(3,000.00)
Advertising	\$ 500.00	\$ 500.00	-
Copy Machine Charges	\$ 11,000.00	\$ 9,000.00	(2,000.00)
Field Service Equipment	\$ 500.00	\$ 500.00	-
Fuel and Vehicle Maintenance	\$ 25,000.00	\$ 20,000.00	(5,000.00)
Uniforms	\$ 1,500.00	\$ 500.00	(1,000.00)
Dues and Subscriptions	\$ 2,000.00	\$ 1,200.00	(800.00)
Volunteers	\$ 2,500.00	\$ 1,000.00	(1,500.00)
Animal Care	\$ 23,000.00	\$ 20,000.00	(3,000.00)
Outreach and Education	\$ 6,000.00	\$ 1,000.00	(5,000.00)
Return to Owner Hardship Fund	\$ 1,000.00	\$ 5,000.00	4,000.00
Total MS&S	\$ 125,600.00	\$ 101,700.00	(23,900.00)

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2019-20 v. 2020-21

	Total Annual Costs	Total Annual Costs	Difference
Facility Expenses			
Custodial	\$ 29,445.00	\$ 26,500.00	\$ (2,945.00)
Electric, Gas, Water, Refuse	\$ 90,000.00	\$ 85,000.00	\$ (5,000.00)
Building Maintenance and Repair	\$ 40,000.00	\$ 35,000.00	\$ (5,000.00)
Communications	\$ -	\$ -	\$ -
Telephone/Fax	\$ 10,600.00	\$ 10,000.00	\$ (600.00)
Wireless Communications	\$ 7,300.00	\$ 7,300.00	\$ -
Total Facility Expenses	\$ 177,345.00	\$ 163,800.00	\$ (13,545.00)
Professional and Contract Services			
Contract Veterinarians	\$ 10,000.00	\$ 7,500.00	\$ (2,500.00)
Wildlife Center Contract	\$ 26,175.00	\$ 23,500.00	\$ (2,675.00)
Accounting Services	\$ 14,000.00	\$ 14,000.00	\$ -
Investigations	\$ 1,000.00	\$ 1,000.00	\$ -
Computer Maintenance Contract	\$ 16,000.00	\$ 16,000.00	\$ -
Payroll Preparation	\$ 3,800.00	\$ 3,800.00	\$ -
Workers' Comp. Insurance	\$ 29,000.00	\$ 41,200.00	\$ 12,200.00
Liability Insurance	\$ 26,000.00	\$ 39,639.00	\$ 13,639.00
Legal Services	\$ -	\$ 10,000.00	\$ 10,000.00
Total Professional Services	\$ 125,975.00	\$ 156,639.00	\$ 30,664.00
Capital Expenses			
Vehicle Replacement Fund	\$ -	\$ -	\$ -
Total Capital Expenses	\$ -	\$ -	\$ -
Subtotal	\$ 2,458,907.22	\$ 2,423,991.43	\$ (34,915.79)
Reserve	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 2,458,907.22	\$ 2,423,991.43	\$ (34,915.79)

2019-20 SVACA Reserves

5/8/20

Unrestricted

Capital Project Improvement Fund	\$	34,000.00
Operating Reserve Fund	\$	131,396.00
Reserve for Unknown Losses	\$	203,003.00
Vehicle Replacement Fund	\$	15,507.00
Undesignated Reserve	\$	14,400.00
SB 90 Reimbursement	\$	582,999.00
Total:	\$	981,305.00

Restricted

Animal Assistance Fund	\$	417,926.00
Chubz Fund	\$	4,486.00
Total:	\$	422,412.00

2020-21 SVACA Reserves
Based on Potential Board Approval
5/8/20

Unrestricted

Capital Project Improvement Fund	\$	34,000.00
Operating Reserve Fund	\$	95,796.00
Reserve for Unknown Losses	\$	203,003.00
Vehicle Replacement Fund	\$	15,507.00
SB 90 Reimbursement	\$	532,999.00
Total:	\$	881,305.00

Restricted

Animal Assistance Fund	\$	273,926.00
Chubz Fund	\$	4,486.00
Total:	\$	278,412.00

SVACA Center Capital Anticipated Needs

2020-2035

Assumes Reserve Use in 2020-21

5/20

			<u>Capital Reserves</u>
2021-22		Current Amount	\$ 566,999
roof coating	\$ 60,000	2021-22	\$ (60,000)
	\$ 60,000		\$ 506,999
2023-24		2023-24	\$ 506,999
computers	\$ 35,000		\$ (385,000)
hvac 1	\$ 350,000		\$ 121,999
	\$ 385,000		
2024-25		2024-25	\$ 121,999
hvac 2-4	\$ 200,000		\$ (212,000)
parking lot resurface	\$ 12,000		\$ (90,001)
	\$ 212,000		
2028-29		2028-29	\$ (90,001)
computers	\$ 40,000		\$ (133,000)
cooler	\$ 25,000		\$ (223,001)
interior paint	\$ 42,000		
exterior paint	\$ 26,000		
	\$ 133,000		
2028-29		2028-29	\$ (223,001)
hvac 5	\$ 65,000		\$ (65,000)
	\$ 65,000		\$ (288,001)
2033-34		2033-34	\$ (288,001)
computers	\$ 42,000		\$ (42,000)
	\$ 42,000		\$ (330,001)
Total	\$ 897,000		