

SILICON VALLEY
ANIMAL CONTROL AUTHORITY

AGENDA ITEM

Fiscal Year 2021-22 Proposed Operating Budget

RECOMMENDED MOTION

That the Board of Directors approve the fiscal year 2021-22 Operating Budget Option One as presented.

DISCUSSION

In May 2020 during the pandemic, staff prepared two operating budget options and recommended the approval of option two which reduced member contributions by 5% and included the potential use of up to \$100,000 in reserves if necessary. The Board of Directors approved that option.

For 2021-22, staff has once again prepared two options for consideration. Option One increases member contributions by 2.55% and due to the recent good news on the pandemic it includes a 1.5% COLA, returns step increases and lifts the hiring freeze as it is anticipated that much of our work will return to 2019-20 levels.

Option Two includes the above plus the use of up to \$50,000 in operating reserve funds to hold member agency contributions nearly flat.

Either option will allow SVACA to continue to operate in the same manner since the pandemic restrictions began and expand services as they are lifted. Staff also anticipates an operating budget surplus for 2020-21 due to the severity of the pandemic this winter which led to health department directives ordering the public to stay-at-home as much as possible.

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

The following two tables list the proposed 2021-22 contribution options.

TABLE 1. 2021-22 Proposed Operating Budget Option One Comparison

Member	2019-20	2020-21	2021-22 Option 1	20-21 v. 21-22 Difference	Percent Change
Campbell	\$325,162	\$308,530	\$316,394	\$7,863	2.55%
Mountain View	\$505,433	\$479,573	\$491,803	\$12,231	2.55%
Monte Sereno	\$32,470	\$30,847	\$31,594	\$747	2.42%
Santa Clara	\$1,120,841	\$1,063,542	\$1,090,616	\$27,074	2.55%
Total	\$1,983,906	\$1,882,491	\$1,930,407	\$47,915	2.55%

TABLE 2. 2021-22 Proposed Operating Budget Option Two with Reserve Use Comparison

Member	2019-20	2020-21	2021-22 Option 2	20-21 v. 21-22 Difference	Percent Change
Campbell	\$325,162	\$308,530	\$308,194	\$337	.11%
Mountain View	\$505,433	\$479,573	\$479,053	\$519	.11%
Monte Sereno	\$32,470	\$30,847	\$30,794	\$52	.17%
Santa Clara	\$1,120,841	\$1,063,542	\$1,062,366	\$1,176	.11%
Total	\$1,983,906	\$1,882,491	\$1,880,407	\$2,084	.11%

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. 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%

Revenue

Revenue was increased based on the anticipated lifting of restrictions over the course of the year which will most likely result in the ability to operate most programs such as the spay/neuter clinic which typically generates a third of program fees.

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 2020 is 1.5%. CPI-W averages follow in Table 4 while SVACA’s recent COLA history is in Table 5.

A COLA was not provided to staff in 2020-21 but the Board did approve a 3% one-time non-pensionable compensation in January 2021. Staff recommends the approval of the 1.5% COLA as well as reviewing SVACA’s financial state this autumn as was done in 2020 to consider additional compensation if appropriate. Hopefully, the virus will be well under control by then and economic conditions will improve locally and nationally.

Table 4. CPI-W Data

2015	2016	2017	2018	2019	2020
2.3%	2.8%	3.1%	3.9%	3.0%	1.5%

Table 5. Recent COLA History

FY 16	FY 17	FY 18	FY 19	FY 20
2.3%	2.8%	3.1%	3.9%	0

Outreach Coordinator

Staff is once again 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 approximately \$2,000,000 in the fund and even with the effects of COVID-19, staff expects to raise at least \$65,000 in 2020-21 and the Friends of SVACA is on track to raise approximately \$30,000. For 2021-22, it is anticipated that over \$100,000 will be raised collectively.

CalPERS

Classic contributions decreased .144% from 10.484% to 10.34% and PEPRA decreased .142% from 7.732% to 7.59%. The unfunded accrued liability payment is \$35,000.

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.

Recruitment and Retention

Funds were added to increase our ability to recruit, develop and retain high quality team members. When health conditions allow, staff plans to schedule regular meetings when accomplishments will be celebrated and lunch provided. Snacks, coffee, tea and water could also be offered in the staff lounge on a regular basis. Staff will also continue to explore and host team building activities.

Outreach and Volunteers

At some point in 2021-22, staff hopes to hold our annual fundraiser, Pour for Paws. If we are able to do so the goal of having The Friends of SVACA fund and coordinate it will come to fruition.

Return to Owner Hardship Fund

The hardship fund was decreased as demand was less than what was anticipated in 2020-21. Staff will continue to operate our Companion Animal Cupboard and COVID-19 Relief Programs to help those in need.

3. *Professional and Contract Services*

Risk Management

Liability and workers compensation insurance are expected to increase by approximately \$13,000.

Reserves

For 2020-21, the Board approved the use of up to \$100,000 if necessary. 2021-22 Option One does not include reserves but up to \$50,000 could be used in 2021-22 Option Two. The reserves spreadsheet is attached to this report.

Long Term Center Capital Needs

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. In the past, the Board elected to review needs annually and contribute amounts needed for that given fiscal year. Anticipated center capital needs for the next fifteen years (attached) was once again 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. Overall, the outlook is excellent as the Capital Project Improvement Fund (CPIF) along with Animal Assistance Fund can be used to cover anticipated expenses for at least the next fifteen years. Projects and maintenance could also be deferred if necessary.

For 2021-22, staff is recommending the CPIF be used for roof repairs (coating application) at a total not to exceed \$60,000. Staff is also recommending the use of the Animal Assistance Fund to replace the Barking Lot turf (outdoor dog play area) and some of the fencing for a total not to exceed \$30,000. Staff also recommends improving our ability to care and treat challenging medical cases by replacing older equipment and adding new devices including an ultrasound unit, fluid warming equipment, pulse oximeter, infusion pump and surgical warming unit for a total not to exceed \$50,000.

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 10% operating budget surplus (\$239,539) in 2019-20 which once again demonstrated the sound fiscal responsibility practiced at the agency. Staff is recommending that the 2021-22 Operating Budget Option One be approved as presented.

DOCUMENTS ATTACHED

FY 2021-22 Proposed Operating Budget
FY 2020-21 and 2021-22 Operating Budget Comparison
Reserves Table
Anticipated Center Capital Needs

FISCAL IMPACT

\$1,930,407 from the Member Agencies

Silicon Valley Animal Control Authority
 FY 2021-22
 Proposed Operating Budget

	Annual	Admin	Field Services	Shelter Services
REVENUE				
Interest	\$ 28,000.00	\$ 2,177.78	\$ 15,088.89	\$ 10,733.33
Licensing	\$ 175,000.00	-	\$ 175,000.00	-
Program Fees	\$ 300,000.00	-	\$ 150,000.00	\$ 150,000.00
Total Fee Revenue	\$ 503,000.00	\$ 2,177.78	\$ 340,088.89	\$ 160,733.33
<u>Member Agency Contributions</u>				
Campbell	\$ 328,242	\$ 50,755.45	\$ 156,683.59	\$ 120,802.94
Mountain View	\$ 482,660	\$ 73,752.38	\$ 267,560.27	\$141,347.66
Monte Sereno	\$ 40,104	\$ 5,922.82	\$ 30,893.98	\$ 3,287.15
Santa Clara	\$ 1,079,401	\$ 169,091.32	\$ 422,989.07	\$ 487,320.72
Total Contributions	\$ 1,930,407	\$ 299,521.97	\$ 878,126.90	\$ 752,758.48
Total Revenue	\$ 2,433,407.35	\$ 301,699.74	\$ 1,218,215.79	\$ 913,491.82

Silicon Valley Animal Control Authority
 FY 2021-22
 Proposed Operating Budget

	# of Pos	Annual Salary		
		Admin	Field Services	Shelter Services
EXPENDITURES				
Personnel Services				
Salaries				
Regular Salaries		\$ 1,464,434.00	\$ 217,975.60	\$ 701,223.85
Total Overtime		\$ 32,000.00	\$ -	\$ 30,000.00
Total Salaries	18	\$ 1,496,434.00	\$ 217,975.60	\$ 731,223.85
Benefits				
Health Insurance		\$ 221,100	\$ 18,900.00	\$ 123,375.00
Life/AD&D Insurance		\$ 1,743	\$ 135.58	\$ 915.14
Dental Insurance		\$ 22,188	\$ 2,518.80	\$ 9,521.40
Vision Insurance		\$ 3,327	\$ 235.20	\$ 1,629.60
STD/LTD		\$ 4,358	\$ 547.45	\$ 2,198.89
Cal PERS/1959 Survivor Benefits		\$ 158,228	\$ 25,344.90	\$ 84,819.66
Medicare		\$ 21,698	\$ 3,160.65	\$ 10,602.75
SUI		\$ 53,872	\$ 4,190.02	\$ 29,030.82
EAP		\$ -	\$ -	\$ -
Total Benefits		\$ 486,514	\$ 55,032.59	\$ 262,093.25
Annual Personnel Costs		\$ 1,982,948	\$ 273,008.19	\$ 993,317.10

	Total Annual Costs		
	Admin	Field Services	Shelter Services
Materials, Services & Supplies (MS&S)			
Office & General Supplies	\$ 2,000.00	\$ 155.56	\$ 1,077.78
Bank Charges	\$ 18,000.00	\$ 1,400.00	\$ 9,700.00
Postage/Shipping	\$ 8,000.00	\$ 622.22	\$ 4,311.11
Printing	\$ 2,500.00	\$ 194.44	\$ 1,347.22
Computer Supplies/Licenses	\$ 10,600.00	\$ 824.44	\$ 5,712.22
Recruitment and Testing Expenses	\$ 3,500.00	\$ 272.22	\$ 1,886.11
Training and Education	\$ 2,000.00	\$ 155.56	\$ 1,077.78
Travel	\$ 1,500.00	\$ 116.67	\$ 808.33
Advertising	\$ 500.00	\$ -	\$ 250.00
Copy Machine Charges	\$ 10,000.00	\$ 777.78	\$ 5,388.89
Field Service Equipment	\$ 500.00	\$ -	\$ 250.00
Fuel and Vehicle Maintenance	\$ 25,000.00	\$ -	\$ 25,000.00
Uniforms	\$ 1,000.00	\$ -	\$ 500.00
Volunteers	\$ 500.00	\$ -	\$ -
Outreach and Education	\$ 500.00	\$ -	\$ 250.00
Animal Care	\$ 20,000.00	\$ -	\$ -
Dues and Subscriptions	\$ 2,000.00	\$ 155.56	\$ 1,077.78
Return to Owner Hardship Fund	\$ 2,000.00	\$ 155.56	\$ 1,077.78
Total MS&S	\$ 110,100.00	\$ 4,830.00	\$ 59,715.00

Total Personnel Costs	\$ 1,982,948	\$ 273,008.19	\$ 993,317.10
Total MS&S	\$ 110,100.00	\$ 4,830.00	\$ 59,715.00
Total Operating Budget	\$ 2,093,048.00	\$ 277,838.19	\$ 1,053,032.10

Silicon Valley Animal Control Authority
 FY 2021-22
 Proposed Operating Budget

	Total Annual Costs			Admin	Field Services	Shelter Services
Facility Expenses						
Custodial	\$ 15,000.00	\$ 1,166.67	\$ 8,083.33	\$ 5,750.00		
Electric, Gas, Water, Refuse	\$ 90,000.00	\$ 7,000.00	\$ 48,500.00	\$ 34,500.00		
Maintenance and Repair Communications	\$ 40,000.00	\$ 3,111.11	\$ 21,555.56	\$ 15,333.33		
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	\$ 162,300.00	\$ 13,089.72	\$ 89,550.28	\$ 59,660.00		
Professional and Contract Services						
Contract Veterinarians	\$ 10,000.00	\$ 0.00	\$ 0.00	\$ 10,000.00		
Wildlife Center Contract	\$ 24,738.00	\$ 0.00	\$ 0.00	\$ 24,738.00		
Accounting Services	\$ 16,000.00	\$ 1,244.44	\$ 8,622.22	\$ 6,133.33		
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	\$ 47,380.00	\$ 3,685.11	\$ 25,532.56	\$ 18,162.33		
Liability Insurance	\$ 45,315.00	\$ 3,524.50	\$ 24,419.75	\$ 17,370.75		
Legal Services	\$ 10,000.00	\$ 777.78	\$ 5,388.89	\$ 3,833.33		
Total Professional Services	\$ 174,233.00	\$ 10,771.83	\$ 75,633.42	\$ 87,827.75		
Capital Expenses						
Animal Transport Vehicle	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		
Subtotal	\$ 2,429,581.08	\$ 301,699.74	\$ 1,218,215.79	\$ 913,491.82		
GRAND TOTAL	\$ 2,429,581	\$ 301,699.74	\$ 1,218,215.79	\$ 913,491.82		

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2020-21 v. 2021-22

	Annual 2020-21	Proposed 2021-22	Difference	
REVENUE				
Interest	\$ 26,500.00	\$ 28,000.00	\$ 1,500.00	
Licensing	\$ 150,000.00	\$ 175,000.00	\$ 25,000.00	
Program Fees	\$ 265,000.00	\$ 300,000.00	\$ 35,000.00	
Total Fee Revenue	\$ 441,500.00	\$ 503,000.00	\$ 61,500.00	
Member Agency Contributions				Percent Change
Campbell	\$ 308,530.35	\$ 316,393.77	\$ 7,863.42	2.55%
Mountain View	\$ 479,572.73	\$ 491,803.45	\$ 12,230.72	2.55%
Monte Sereno	\$ 30,846.78	\$ 31,594.33	\$ 747.55	2.42%
Santa Clara	\$ 1,063,541.58	\$ 1,090,615.81	\$ 27,074.23	2.55%
OPTION ONE - Total Contributions	\$ 1,882,491.43	\$ 1,930,407.35	\$ 47,915.92	2.55%
Total Revenue	\$ 2,323,991.43	\$ 2,433,407.35	\$ 109,415.92	4.71%
Deductions				
Operating Reserve Fund	\$ 100,000.00	\$ -	\$ (50,000.00)	
Total Deductions	\$ 100,000.00	\$ 50,000.00	\$ (50,000.00)	
OPTION TWO - Revised Contributions				Percent Change
Campbell	\$ 308,530.35	\$ 308,193.77	\$ (336.58)	-0.11%
Mountain View	\$ 479,572.73	\$ 479,053.45	\$ (519.28)	-0.11%
Monte Sereno	\$ 30,846.78	\$ 30,794.33	\$ (52.45)	-0.17%
Santa Clara	\$ 1,063,541.58	\$ 1,062,365.81	\$ (1,175.77)	-0.11%
Revised Contributions	\$ 1,882,491.43	\$ 1,880,407.35	\$ (2,084.08)	-0.11%

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2020-21 v. 2021-22

EXPENDITURES			
	Annual Salary	Annual Salary	Difference
Personnel Services			
Salaries			
Regular Salaries	\$ 1,470,890.00	\$ 1,464,434.00	(6,456.00)
Overtime/Standby	\$ 32,000.00	\$ 32,000.00	-
Total Salaries	\$ 1,502,890.00	\$ 1,496,434.00	(6,456.00)
Benefits			
Health Insurance	\$ 238,500.00	221,100.00	(17,400.00)
Life/AD&D Insurance	\$ 1,585.44	1,743.12	157.68
Dental Insurance	\$ 19,236.00	22,188.00	2,952.00
Vision Insurance	\$ 3,024.00	3,327.00	303.00
STD/LTD	\$ 3,962.16	4,358.04	395.88
Cal PERS	\$ 171,587.79	158,228.00	(13,359.79)
Medicare	\$ 21,791.91	21,698.29	(93.62)
SUI	\$ 39,075.14	53,871.62	14,796.48
Total Benefits	\$ 498,762.43	486,514.08	(12,248.35)
Annual Personnel Costs	\$ 2,001,652.43	1,982,948.08	(18,704.35)
Materials, Services & Supplies (MS&S)			
Total Annual Costs			
Office & General Supplies	\$ 2,000.00	\$ 2,000.00	\$ -
Bank Charges	\$ 18,000.00	\$ 18,000.00	\$ -
Postage/Shipping	\$ 8,000.00	\$ 8,000.00	\$ -
Printing	\$ 2,500.00	\$ 2,500.00	\$ -
Computer Supplies/Licenses	\$ 9,000.00	\$ 10,600.00	\$ 1,600.00
Recruitment and Retention	\$ 500.00	\$ 3,500.00	\$ 3,000.00
Training and Education	\$ 3,000.00	\$ 2,000.00	\$ (1,000.00)
Travel	\$ -	\$ 1,500.00	\$ 1,500.00
Advertising	\$ 500.00	\$ 500.00	\$ -
Copy Machine Charges	\$ 9,000.00	\$ 10,000.00	\$ 1,000.00
Field Service Equipment	\$ 500.00	\$ 500.00	\$ -
Fuel and Vehicle Maintenance	\$ 20,000.00	\$ 25,000.00	\$ 5,000.00
Uniforms	\$ 500.00	\$ 1,000.00	\$ 500.00
Dues and Subscriptions	\$ 1,200.00	\$ 2,000.00	\$ 800.00
Volunteers	\$ 1,000.00	\$ 500.00	\$ (500.00)
Animal Care	\$ 20,000.00	\$ 20,000.00	\$ -
Outreach and Education	\$ 1,000.00	\$ 500.00	\$ (500.00)
Return to Owner Hardship Fund	\$ 5,000.00	\$ 2,000.00	\$ (3,000.00)
Total MS&S	\$ 101,700.00	\$ 110,100.00	\$ 8,400.00

Silicon Valley Animal Control Authority
Proposed Operating Budget Comparison
2020-21 v. 2021-22

	Total Annual Costs	Total Annual Costs	Difference
Facility Expenses			
Custodial	\$ 26,500.00	\$ 15,000.00	\$ (11,500.00)
Electric, Gas, Water, Refuse	\$ 85,000.00	\$ 90,000.00	\$ 5,000.00
Building Maintenance and Repair	\$ 35,000.00	\$ 40,000.00	\$ 5,000.00
Communications	\$ -	\$ -	\$ -
Telephone/Fax	\$ 10,000.00	\$ 10,000.00	\$ -
Wireless Communications	\$ 7,300.00	\$ 7,300.00	\$ -
Total Facility Expenses	\$ 163,800.00	\$ 162,300.00	\$ (1,500.00)
Professional and Contract Services			
Contract Veterinarians	\$ 7,500.00	\$ 10,000.00	\$ 2,500.00
Wildlife Center Contract	\$ 23,500.00	\$ 24,736.00	\$ 1,238.00
Accounting Services	\$ 14,000.00	\$ 16,000.00	\$ 2,000.00
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	\$ 41,200.00	\$ 47,380.00	\$ 6,180.00
Liability Insurance	\$ 39,839.00	\$ 45,315.00	\$ 5,476.00
Legal Services	\$ 10,000.00	\$ 10,000.00	\$ -
Total Professional Services	\$ 156,839.00	\$ 174,233.00	\$ 17,394.00
Capital Expenses			
Vehicle Replacement Fund	\$ -	\$ -	\$ -
Total Capital Expenses	\$ -	\$ -	\$ -
Subtotal	\$ 2,423,991.43	\$ 2,429,581.08	\$ 5,589.65
Reserve	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 2,423,991.43	\$ 2,429,581.08	\$ 5,589.65

2020-21 SVACA Reserves
3/8/21

Unrestricted

Capital Project Improvement Fund	\$	566,999.00
Operating Reserve Fund	\$	195,796.00
Reserve for Unknown Losses	\$	203,003.00
Vehicle Replacement Fund	\$	15,507.00
Total:	\$	981,305.00

FYE 6-30-20 Surplus	\$	202,574.00
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Restricted

Animal Assistance Fund	\$	2,009,448.00
Chubz Fund	\$	4,486.00
Total:	\$	2,013,934.00

2020-21 SVACA Reserves
3/8/21

Unrestricted

Capital Project Improvement Fund	\$	516,999.00
Operating Reserve Fund	\$	195,796.00
Reserve for Unknown Losses	\$	203,003.00
Vehicle Replacement Fund	\$	15,507.00
Total:	\$	931,305.00

FYE 6-30-20 Surplus	\$	202,574.00
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Restricted

Animal Assistance Fund	\$	2,009,448.00
Chubz Fund	\$	4,486.00
Total:	\$	2,013,934.00

SVACA Center Capital Anticipated Needs

2021-2036

3/21

			<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		