
SOUTHWEST COMMUNITIES FINANCING AUTHORITY – JPA ANIMAL SHELTER

STAFF REPORT

DATE: August 2, 2018

SUBJECT: 2018/19 Budget Items: 7A) 2018/19 AFV Operating Budget and Annual Fee Schedule; 7B) SCFA 2018-2019 Shelter Budget Options; and 7C) 2017 Pie Charts of Animal Counts

AGENDA ITEM NUMBER(s): 7A, 7B, and 7C

RECOMMENDED MOTION: That the Board of Directors approves the following items: 7A) 2018/19 AFV Operating Budget and Annual Fee Schedule; 7B) SCFA 2018-2019 Shelter Budget Options; and 7C) Pie Chart of 2017 Animal Counts

REPORT:

7A) 2018/19 AFV Operating Budget and Annual Fee Schedule:

The attached Proposed AFV Operating Budget is for the Period July 1, 2018 through June 30, 2019 that was tentatively approved on March 1, 2018. The proposed budget of \$1,505,300 includes the following ongoing costs: Mandatory minimum wage increases; Online licensing and animal posting; and new positions (including taxes and benefits): In-House Human Resource, Facility Manager (F/T difference), and Administrative Assistant (F/T difference).

Section 17 of the Animal Shelter Operations Agreement states "...Charges are not to exceed a total amount of \$1,000,000.00 as adjusted annually by the most recently publicized Consumer Price Index (CPI) beginning July 1, 2016 and is to be charged to SCFA annually..." The CPI calculation is based on the Los Angeles-Long Beach-Anaheim, CA 12-month percent change CPI-U, from June 2017 to June 2018, which amounts to 4.0%. The difference between the allowable CPI-adjusted budget and the proposed budget for FY 2018/19 is \$179,304. This does not include the \$6,000 mitigation fee for Wildomar, which lowers the total JPA contribution to \$173,304.

Section 17 of the Animal Shelter Operations Agreement also states "...special or unanticipated costs shall be billed at the actual cost to provide such services to SCFA...". The following are special or unanticipated costs included in the proposed budget, totaling \$187,000:

- Minimum wage increase: \$130,000
- Licensing & animal posting: \$7,000
- Human Resource position: \$50,000

The Annual Fee Schedule spreadsheet is based on the 2017 animal counts provided in the attached pie chart. The Annual Fee Schedule provides an estimate of the breakdown of fees including Debt Service, Credit Enhancement, Administrative Costs, and Shelter Operation Fees based on the proposed 2018/19 AFV Operating Budget.

Items pertaining to 7A that are attached are:

- AFV Budget Summary, FY 2018-2019
- Annual Fee Schedule, FY 2018-2019
- AFV CPI Compensation Spreadsheet

7B) **SCFA 2018-2019 Shelter Budget Options:**

The attached SCFA 2018-2019 Shelter Budget Options outlines nine cost-savings options to reduce the 2018/19 Approved Tentative AFV Operating Budget. The options include:

1. Close shelter—1 day a week: Estimated net savings = \$25,000
2. Limit employee raises to mandatory minimum wage increase & merit raises: Estimated net savings = \$54,000
3. Eliminate Volunteer Coordinator position: Estimated net cost = \$283,566
4. Eliminate Rescue Coordinator position: Estimated net savings = \$20,179
5. Eliminate Foster Coordinator position: Estimated net cost = \$28,391
6. Eliminate Lost/Found Coordinator position: Estimated net savings = \$21,964
7. Eliminate Animal Care position at local Petcos: Estimated net savings \$16,610
8. Eliminate Social Media Manager: Estimated net savings = \$22,018
9. Eliminate Donor Developer: Estimated net savings = \$23,018

7C) **Pie Chart of 2017 Animal Counts:**

The attached pie chart reflects animal counts for 2017, with and without Out-of-Area animals. Each JPA entity's portion of the 2018/19 AFV Budget that is approved by the Board will be based on the animal count percentages with Out-of-Area animals.