



Santa Cruz County Animal Shelter

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Melanie Sobel
General Manager

**SANTA CRUZ COUNTY ANIMAL SHELTER
BOARD OF DIRECTORS MEETING
June 11, 2018 – 3:00 p.m.
Board of Supervisors Chambers, Fifth Floor
701 Ocean Street, Santa Cruz, CA 95060**

1.0 Call to Order and Roll Call

2.0 Introductions

3.0 Consideration of Late Additions or Changes to the Agenda

4.0 Oral Communications – Any person may address the Santa Cruz County Animal Shelter Board of Directors during the Oral Communications period. All Oral Communications should be directed to items or issues that would be within the jurisdiction of the Santa Cruz County Animal Shelter but not on today's Agenda. Board members will not take actions or respond immediately to Oral Communications presented, but may choose to follow-up at a later time, either individually or on a subsequent Agenda.

5.0 Consent Agenda

- Pg 1 **5.1 Approve minutes of the April 9, 2018 meeting**
- Pg 4 **5.2 Accept reports of the General Manager and the Management Team for April/May 2018**
- Pg 10 **5.3 Accept and file the statistics for the months April/May 2018**
- Pg 12 **5.4 Appoint officers of the Board of Directors for FY 2018-19**
- Pg 16 **5.5 Approve and authorize General Manager to sign master contract for veterinarian contract services not to exceed \$86,000 from July 1, 2018 to June 30, 2019**
- Pg 22 **5.6 Approve and authorize General Manager to sign contract for development contract services not to exceed \$50,000 from July 1, 2018 through June 30, 2019**
- Pg 30 **5.7 Approve continuing agreements for FY 2018-19**
- Pg 32 **5.8 Authorize General Manager to accept a gift in the amount of \$80,000 from the Royce J. Scherf Trust and direct that the check be deposited**
- Pg33 **5.9 Authorize expenditure for compact utility tractor with funds from the B. Jean Adams Trust in the amount of \$18,082**

6.0 Regular Agenda

- Pg 34 **6.1 General Manager's oral report**
- Pg 35 **6.2 Consider and approve financial report for the months of April/May 2018 and take related actions**
- Pg 40 **6.3 Consider and approve General Manager's proposed budget for FY 2018-19**
- Pg 66 **6.4 Consider and approve report on audit of Santa Cruz County Animal Shelter for the year ended June 30, 2017 and the Management Letter**

7.0 Adjourn Regular Meeting

Correspondence

Letter to Board from Jeannie Grande
Response to Jeannie Grande from Melanie Sobel
Letter to Board from Stephanie Broughton
Response to Stephanie Broughton from Melanie Sobel
Letter to Board from Fred Rodriguez

EXECUTIVE SESSION – SCCAS BOARD OF DIRECTORS

Schedule a closed personnel session at the Conclusions of the Board's consent or regular agenda, or at any time during the course of the meeting announced by the Chairperson of the Board

Personnel Evaluation – Melanie Sobel - General Manage

ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

The Santa Cruz County Animal Services Authority does not discriminate on the basis of disability and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities.

The Board holds all public meetings in accessible facilities. If you wish to attend the meeting and you require special assistance, please contact Juanita Gunter at 831/454-7209 (TDD 831/454-2123) at least 72 hours in advance of the meeting in order to make arrangements. As a courtesy, please attend the meeting smoke and scent free.

Consent Agenda Item 5.1

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Approve Minutes of April 9, 2018 Meeting

Recommendation:

Approve the minutes from the Santa Cruz County Animal Shelter Board of Directors meeting of April 9, 2018.

SANTA CRUZ COUNTY ANIMAL SHELTER
BOARD OF DIRECTORS MEETING
 Minutes of Monday, April 9, 2018 3:00 PM
 Board of Supervisors Chambers, Fifth Floor
 701 Ocean Street, Santa Cruz, CA 95060

VOTING KEY: C=Coburn, P = Phares, S = Shull, V = Verinsky, Vi = Vides, Mc=McKinley, W=Walpole, F=Flippo, B=Booth

First initial indicates maker of motion, second initial indicates the "second"; upper case letter = "yes" vote; lower case letter = "no" vote; () = abstain; // = absent

- 1.0 Call to Order and Roll Call: Board Chair Nicole Coburn called the meeting to order at 3:05 pm. All Board members were present.
- 2.0 Introductions: none
- 3.0 Late Additions or changes to agenda: replacements for pages 23, 24 and 30 were distributed.
- 4.0 ORAL COMMUNICATION – One person addressed the Board on matters unrelated to the day's Agenda.
- 5.0 CONSENT AGENDA
 - 5.1 Approved minutes of the February 12, 2018 ASA Board Meeting
 - 5.2 Accepted reports of the General Manager and Management Team for February and March 2018
 - 5.3 Accepted the statistics for the months of February and March 2018
 - 5.4 Approved quarterly report for all claims under \$10,000
 - 5.5 Approved journal entry payments with the County of Santa Cruz
 - 5.6 Authorized General Manager to accept a donation in the amount of \$10,000 from Robert Watson and direct that the check be deposited.
 - 5.7 Authorized General Manager to accept a bequest in the amount of \$10,000 from the Yule Family Trust and direct that the check be deposited.

Board action on Consent Agenda 5.0: WSCPVVIMcFB

6.0 REGULAR AGENDA

- 6.1 General Manager's Oral report presented by General Manager Melanie Sobel

Ms. Sobel reported that the Shelter's recent St. Pittie's Day event was very successful. The 200 tee-shirts printed for the event sold out prior to the day of the event and about \$5,000 was raised to support Shelter programs.

Ms. Sobel noted that general donations are up at this time. The Shelter anticipates about \$100K more in donations than we expected for this fiscal year. The next direct mail donation appeal is scheduled to be sent within the next two weeks.

The Shelter's new Program and Development Manager started work today. She has a fundraising background and will be able to help increase donations.

There are still two vacant Animal Control Officer positions. These positions are difficult to fill due in part to the on-call schedules required. Shelter staff is looking into the possibility of contracting out the afterhours wildlife calls in an effort to retain officers.

6.2 Approved financial report for the months of February and March 2018.

General Manager Sobel gave the financial report and noted that license revenue is still down slightly. We expect the licensing push with the digital tags to help increase licensing revenue.

Board action on Regular Agenda Item 6.2: SPWCVViMcFB

6.3 Consider General Manager's proposed budget for FY 2018-2019.

General Manager Sobel gave the Board an overview of three proposed budget plans for the next fiscal year: a plan with a 4% increase, 6% increase and with an 8% increase.

There are no proposed changes to the Shelter's fee schedule or personnel summary. The Board discussed the proposals and asked Ms. Sobel which plan she recommends for the coming fiscal year. Ms. Sobel indicated that she recommends Plan B which is the 6% budget increase.

Ms. Sobel noted that a budget cut would reduce the Shelter programs to only the core mission. Over the years we have added some long-term preventive efforts such as low-cost Watsonville spay/neuter clinic, outreach, education and behavior consulting programs. She also noted that private donations fund the Benefit Shop manager position which helps bring in additional revenue each week.

7.0 Regular meeting was adjourned at 3:42 pm.

The next regular meeting is scheduled for Monday, June 11, 2018 in the Board of Supervisors Chambers at 701 Ocean Street.

Consent Agenda Item 5.2

TO: Santa Cruz County Animal Shelter Board of Directors
 FROM: Melanie Sobel, General Manager
 DATE: June 11, 2018
 SUBJECT: Reports from the Management Team for the months of April/May 2018

This report is provided to give you a brief synopsis of the programs provided and services rendered through the dedication and commitment of Santa Cruz County Animal Shelter's (SCCAS) staff and volunteers.

General

- On April 21, 2018 SCCAS was one of the recipients of proceeds generated from the Wine & Wet Noses event at MacDorsa Park. The event raised over \$3,500 in donations for SCCAS.
- On April 26, 2018 Scott's Valley Jewelers hosted a fundraiser for SCCAS. The event raised over \$1,000 for SCCAS.
- On May 12, 2018 SCCAS participated in The Human Race which generated over \$16,000 in donations. SCCAS was one of the top fundraising participants.
- On May 13, 2018 the SCCAS Benefit Shop was burglarized. Thousands of dollars worth of donated watches, jewelry and other valuable items were taken. SCCAS is currently working with the County Parks Dept. to move the Benefit Shop into a vacant County office space at 807 17th St.
- On May 15, 2018, SCCAS and CAPE hosted the 4th Annual Animal Film Festival at the Del Mar Theater in Santa Cruz.
- On May 19, 2018 SCCAS and the Friends of Watsonville Animal Shelter hosted the Healthy Dogs Shots Fair at the Planned Pethood South Clinic, 150A Pennsylvania Dr., Watsonville. (One block north of Ramsay Park). 154 dogs received free rabies shots, free distemper/parvovirus shots, free microchips, including registration and information on low-cost and free spay or neuter options.
- On May 23, 2018 SCCAS partnered with Santa Cruz Vet Street Outreach at the 2018 Project Homeless Connect event. Lots of happy dogs and cats received free basic vet services, new leashes, harnesses, collars, toys, and pet food and treats! SCCAS is grateful for all those who donated supplies and food for the event.
- SCCAS and Heading Home Animal Rescue are continuing to partner on their "Working Whiskers" program designed to help cats in our community that are not readily adoptable. This program has saved a record number of nonsocial cats from SCCAS. The program has been so successful that in its first 7 months the unsocial cat euthanasia rate went down by more than 2/3 for the entire year of 2016, compared to 2015. Heading Home Animal Rescue, an all volunteer organization with no paid positions, takes more of SCCAS' animals than any other placement partner organization. Over 40% of all animals transferred from SCCAS go into their adoption program.
- Carla Braden, Behavior & Training Coordinator, continues to offer dog training classes, private training, behavior help for new adopters and owners considering surrender, and educational opportunities for staff, volunteers, and community members. Carla is helping SCCAS enhance its outreach on interpretation of dog and cat body language and better understanding of who dogs and cats are, their needs, and how they experience the world.

- SCCAS staff continues to offer training workshops for volunteers on cat behavior, performing dog shows to potential adopters, foster care of animals, and explaining the disposition decisions made on animals regarding health and temperament.
- SCCAS continues to offer community outreach through education and distribution of free resources three times a month to pet owners in the County's most underserved areas: Farmer's Market in Watsonville, St. Francis Soup Kitchen, Mountain Community Resources and Second Harvest in Felton.
- SCCAS and Friends of Watsonville Animal Shelter (FOWAS) continue to offer the Planned Pethood South program at the spay/neuter clinic at 150A Pennsylvania Drive in Watsonville. This clinic expands services for SCCAS' current high quality, low-cost spay/neuter, rabies vaccination and microchip program. The goals of the clinic are to help provide affordable spay/neuter veterinary services to the residents of South County to help reduce the County's homeless animal population and to help residents comply with current animal ownership laws.
- Heading Home Rescue, Animal Shelter Relief and Four Paws to Love continue to take SCCAS' cats and kittens, many with medical issues and too young for adoption, into their adoption programs. This partnership continues to increase SCCAS' animal transfer rate significantly and directly helps increase SCCAS' live animal release rate.
- Santa Cruz SPCA continues to assist SCCAS with taking animals into their adoption program. This directly helps increase SCCAS's live animal release rate.
- Friends of Watsonville Animal Shelter (FOWAS) continue to fund medical procedures for SCCAS animals, allowing them to be treated and made available for adoption. This directly helps increase SCCAS' live animal release rate.
- SCCAS staff continues to participate in FOWAS meetings held every other month.
- In March, 2018, the California Animal Control Directors Association and State Humane Association of California merged to form a single unified Association for private and public animal welfare professionals in California. SCCAS General Manager serves as Vice-President of this newly formed group: California Animal Welfare Association (CAWA).

SCCAS Staff

SCCAS has recently contracted with two new veterinarians for the Planned Pethood program. This will allow us to resume our previous surgery capacity and possibly grow the program even more.

SCCAS is currently recruiting for one Animal Control Officer. There has been a successful recruitment of one Animal Control Officer position: Mark Richard VanDerKroep has been hired. He is currently a 911 dispatcher in Monterey County. Previously, Mr. VanDerKroep was a Senior Constable in Queensland Australia 1999-2015, and a senior constable New South Wales Australia 1990-1999.

SCCAS is also currently recruiting for an Animal Services Coordinator and Animal Health Specialist. Animal Health Specialist Amy Gerome has been promoted to Volunteer Coordinator.

Watsonville Shelter

SCCAS is working on future shelter improvement ideas: shade areas for the dog play yards and a small pole barn to store feral cat traps, cat loaders and house livestock.

SCCAS staff continues to attend bi-monthly Friends of Watsonville Animal Shelter (FOWAS) meetings. We are working with FOWAS to try to improve operations and facilitate community support and outreach to Watsonville residents. FOWAS and SCCAS partner to provide two days a week of spay/neuter services at the Planned Pethood South Watsonville clinic.

Live Oak Shelter

SCCAS veterinary clinic continues to have interns from the Animal Behavior College Registered Veterinary Technician program. The Shelter will also serve as a clinical rotation stop for students at all stages of their education. Depending on the current stage of the program, students will be receiving instruction and performing duties in the Animal Care Department and also in the Veterinary Clinic.

At the clinic at the Live Oak shelter location in the months of April/May 2018 588 animals were spay/neutered. Also, 185 animals were transferred to our adoption placement partner organizations. The Live Oak Shelter continues to work closely with Sheriff's Work Release, CalWorks and Court Referral for support.

Client Services

Client services staff continues to provide excellent customer service while assisting a high volume of clients in person and on the phone. Staff processes adoptions, returns animals to their owners, and schedules spay/neuter appointments, processes licenses, files lost and found reports, processes Administrative Citations, does research and follow up for the daily hold report, and sells merchandise and products to the public such as apparel with our new logo, flea prevention medication and pet identification tags to generate revenue.

Client services staff is increasingly helping with licensing, rabies vaccine data entry and donation processing.

Animal Control

Animal Control Officers continue proactive patrols and the Door-to-Door community outreach campaign, when able. Field Manager Todd Stosuy has completed updating Field policies and procedures and is working with the general manager to create a model ordinance for all jurisdictions.

Animal Control Officers continue to provide excellent animal rescue and control service to residents of Santa Cruz County. Officers continue to rescue injured and mistreated animals, promote public safety with assisting law enforcement and conducting vicious and/or dangerous animal investigations, and provide community outreach and education at special events.

Volunteer and Humane Education Programs

Volunteer orientations continue to be offered twice a month. SCCAS' partnership with YouthSERVE allows 13-18 year olds to volunteer with trained supervisors. Several continuing education seminars are being offered each month to volunteers, staff and now the public on topics such as animal handling skills and basic animal grooming.

Pet of the Week segments continue each week in the Santa Cruz Sentinel, Mid-County Post and KPIG. We are now showcasing a Pet of the Week segment once a month at KSBW television.

SCCAS continues to provide trainings and education opportunities for our volunteers and members of the public.

Statistics

Please see attached.
Melanie Sobel
General Manager

Recommendation:

Accept and file the reports of the management team for the months of April/May 2018.

Animal Control Report
April and May 2018
Todd Stosuy, Field Services Manager

1. We continue to see the need for an officer to be stationed at the Watsonville Shelter 7 days a week due to the high volume of calls in the 95076 area. This includes both proactive outreach and reactive response in an attempt to ensure dogs don't run loose, animals are not neglected and the public is safe.
2. We still have two open animal control officer positions. One position has been offered to a former police officer from Australia and he currently has an anticipated start date in July. The second position was offered to a veterinary technician but she declined. We have ongoing interviews scheduled for this second position. One of our current officers has been out for over a month on a work related on the job injury. He does not have an anticipated return date. This leaves us with two officers and myself for twenty-four seven coverage, 7 days a week. This has led to a gap in our proactive services, including patrols of County Parks and Beaches, as well as limiting calls for service we will respond to.
3. We held multiple 597.1 Seizure Hearings on animals we seized and all were upheld by the Hearing Officer.
4. Officer Rodolfo Manriquez attended a Shelter event in Watsonville and worked alongside staff from other departments in promoting responsible pet ownership to the citizens and residents of Watsonville.
5. We continue to see a strong need for a new Model Ordinance but due to staffing issues I have found it difficult to work on it due to responding to calls for service and assisting the public.
6. In April and May we placed Habitual Orders and Vicious Orders on multiple animals residing within the County of Santa Cruz, as well as the cities of Santa Cruz and Watsonville.

**Shelter Services Board Report
April and May 2018
By Ben Winkleblack, Shelter Manager**

In the months of April and May 2018:

- 1,603 dog licenses were sold
- 220 animals were adopted
- 185 animals were transferred to another shelter or placement partner
- 777 animals entered the shelter
- 161 animals were reunited with their owner
- 522 WebLicensing transactions
- 558 spay or neuter procedures
- 193 animals signed up for the Planned Pethood Program

In May, the shelter provided a healthy dog vaccine clinic at the Planned Pethood South spay and neuter clinic. The event was well received by pet owners and 154 dogs were vaccinated for Rabies, implanted with identification microchips, and given DA2PP vaccines if appropriate. Shelter staff was supported by volunteers that helped the clients fill out paperwork and understand the resources that were available to them. Many animals were signed up for spay and neuter surgery at the event. Animal Control Officer Rodolfo Manriquez was in attendance to distribute collars and leashes and offer additional support where appropriate.

The recent addition of two contract veterinarians has allowed operations to resume at the Planned Pethood South location.

Overall animal intake has decreased by 9% when compared to the same period last year. Canine intake has decreased by 16% and feline intake has increased by 9% when compared to the same period last year

Thank you,
Ben Winkleblack

Consent Agenda Item 5.3

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Statistics for the Months of April and May 2018

Recommendation:

Accept and file the reports of statistics for the months of April and May 2018.



All Jurisdictions Combined 4/1/18 through 5/31/18

	CAT	DOG	KITTEN	OTHER	PUPPY	TOTAL
Total Intake	243	255	183	69	27	777

	CAT	DOG	KITTEN	OTHER	PUPPY	TOTAL
Adopted	44	76	34	33	33	220
Died	4	0	0	0	0	4
Missing	0	1	0	0	0	1
Euthanized	41	34	4	10	1	90
Returned to Owner	22	129	0	9	1	161
Transferred	99	19	49	18	0	185
Total Outcome	210	259	87	70	35	661

Intakes of Owner Requested Euthanasia From All Jurisdictions During 4/1/18 to 5/31/18 = **96**

Animals on hand on May 31, 2018 = 169

Patrols by Jurisdiction	Patrols	Total Minutes
Capitola	7	111
County of Santa Cruz	135	5,494
Watsonville	74	2,832
Scotts Valley	4	137
Live Oak and E. Cliff Beaches	0	0
Total Citations issued	83	

License Compliance and Revenue

	Tags Sold	Revenue
CAPITOLA	55	\$1,579
COUNTY	1,026	\$30,063
SANTA CRUZ	259	\$7,742
SCOTTS VALLEY	70	\$2,132
OTHER	1	\$29
WATSONVILLE	192	\$5,384
TOTAL	1,603	\$46,929

Consent Agenda Item 5.4

TO: Animal Services Board of Directors
 FROM: Melanie Sobel, General Manager
 DATE: June 11, 2018
 SUBJECT: ASA Board Officer Positions for FY2018-19

Recommendation: Appoint Officers of the Santa Cruz County Animal Services Authority Board of Directors as recommended by the General Manager, effective for the first meeting of 2018-19.

Discussion: In accordance with Section 3., Paragraph A., Subparagraph 4. 1. (e) of the ASA Joint Powers Agreement, the officers of the Board of Directors are to rotate on an annual basis beginning with the first meeting of the new fiscal year. While the schedule in which Board members rotate into officer positions is not defined within the JPA agreement, your Board appointed officers in the following rotation, effective with the 2003-04 fiscal year, based on the recommendation of staff, I recommend the same rotation.

- 1) Chair rotates out of an officer position to the bottom of the Board Member positions
- 2) Vice Chair rotates into Chair position
- 3) Secretary rotates into Vice Chair position
- 4) Board members 4-9 rotate in order up into officer positions

Based on this rotation, the Officers of the Board of Directors are the following for 2018-19:

Chair: Watsonville Representative #1 (Senior Analyst)
 Vice Chair: Watsonville Representative #2 (Captain)
 Secretary: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative #1 (Police Chief)
 Board Member: County Representative #2 (Undersheriff)
 Board Member: Santa Cruz Representative #2 (Deputy Chief)
 Board Member: County Representative #3 (HSA)
 Board Member: Capitola Representative (Sergeant)
 Board Member: County Representative # 1 (CAO)

For your reference, the following information is provided:

Board Rotation for 2017-18

Chair: County Representative # 1 (CAO)
 Vice Chair: Watsonville Representative #1 (Senior Analyst)
 Secretary: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative #1 (Police Chief)
 Board Member: County Representative #2 (Undersheriff)
 Board Member: Santa Cruz Representative #2 (Police Chief)
 Board Member: County Representative #3 (HSA)
 Board Member: Capitola Representative

Board Rotation for 2016-17

Chair: County Representative #3 (HSA)
 Vice Chair: County Representative # 1 (CAO)
 Secretary: Watsonville Representative #1 (Senior Analyst)
 Board Member: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative #1 (Police Chief)
 Board Member: County Representative #2 (Undersheriff)
 Board Member: Santa Cruz Representative #2 (Police Chief)

Board Rotation for 2015-16

Chair: Santa Cruz Representative #2 (Police Chief)
 Vice Chair: County Representative # 3 (HSA)
 Secretary: County Representative #1 (CAO)
 Board Member: Watsonville Representative #1 (Fire Chief)
 Board Member: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative #1 (Police Chief)
 Board Member: County Representative #2 (Sheriff)

Board Rotation for 2014-15

Chair: County Representative #2 (Sheriff)
 Vice-Chair: Santa Cruz Representative #2 (Police Chief)
 Secretary: County Representative #3 (CAO)
 Board Member: County Representative #1 (CAO)
 Board Member: Watsonville Representative #1 (City Manager)
 Board Member: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative #1 (City Manager)

Board Rotation for 2013-14

Chair: Scotts Valley Representative (City Manager)
 Vice Chair: County representative #2 (Sheriff)
 Secretary: Santa Cruz representative #2 (Police Chief)
 Board Member: County representative #3 (CAO)
 Board Member: County representative #1 (CAO)
 Board Member: Watsonville representative #1 (City Manager)
 Board Member: Watsonville representative #2 (Police Chief)
 Board Member: Santa Cruz representative #1 (City Manager)

Board Rotation for 2012-13

Chair: Santa Cruz Representative #1 (City Manager)
 Vice Chair: Scotts Valley Representative #1 (City Manager)
 Secretary: County Representative #2 (Sheriff)
 Board Member: Santa Cruz Representative #2 (Police Chief)
 Board Member: County Representative #3 (CAO)
 Board Member: County Representative #1 (CAO)
 Board Member: Watsonville Representative #1 (City Manager)
 Board Member: Watsonville Representative #2 (Police Chief)

Board Rotation for 2011-12

Chair: Watsonville Representative #2 (Police Chief)
 Vice Chair: Santa Cruz Representative #1 (City Manager)
 Secretary: Scotts Valley Representative #1 (City Manager)
 Board Member: County Representative #2 (Sheriff)
 Board Member: Santa Cruz Representative #2 (Police Chief)
 Board Member: County Representative #3 (CAO)
 Board Member: County Representative #1 (CAO)
 Board Member: Watsonville Representative #1 (City Manager)

Board Rotation for 2010-11

Chair: Watsonville Representative #1 (City Manager)
 Vice Chair: Watsonville Representative #2 (Police Chief)
 Secretary: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative
 Board Member: County Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #2 (Police Chief)
 Board Member: County Representative #3 (DPW)
 Board Member: County Representative #1 (CAO)

Board Rotation for 2009-10

Chair: County Representative #1 (CAO)
 Vice Chair: Watsonville Representative #1 (City Manager)
 Secretary: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative
 Board Member: County Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #2 (Police Chief)
 Board Member: County Representative #3 (DPW)

Board Rotation for 2008-09

Chair: County Representative #3 (DPW)
 Vice Chair: County Representative #1 (CAO)
 Secretary: Watsonville Representative #1 (City Manager)
 Board Member: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative
 Board Member: County Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #2 (Police Chief)

Board Rotation for 2007-08

Chair: Santa Cruz Representative #2 (Police Chief)
 Vice Chair: County Representative # 3 (DPW)
 Secretary: County Representative #1 (CAO)
 Board Member: Watsonville Representative #1 (City Manager)
 Board Member: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative
 Board Member: County Representative #2 (Police Chief)

Board Rotation for 2006-07

Chair: County Representative #2 (Sheriff)
 Vice-Chair: Santa Cruz Representative #2 (Police Chief)
 Secretary: County Representative #3 (DPW)
 Board Member: County Representative #1 (CAO)
 Board Member: Watsonville Representative #1 (City Manager)
 Board Member: Watsonville Representative #2 (Police Chief)
 Board Member: Santa Cruz Representative #1 (City Manager)
 Board Member: Scotts Valley Representative
 Board Member: Capitola Representative

Board Rotation for 2005-2006

Chair: Capitola representative (City Manager)
 Vice Chair: County representative #2 (Sheriff)
 Secretary: Santa Cruz representative #2 (Police Chief)
 Board Member: County representative #3 (vacant)
 Board Member: County representative #1 (CAO)
 Board Member: Watsonville representative #1 (City Manager)
 Board Member: Watsonville representative #2 (Police Chief)
 Board Member: Santa Cruz representative #1 (City Manager)
 Board Member: Scotts Valley Representative (City Manager)

Board Rotation for 2004-2005

Chair: Scotts Valley Representative (City Manager)
 Vice Chair: Capitola representative (City Manager)
 Secretary: County representative #2 (Sheriff)
 Board Member: Santa Cruz representative #2 (Police Chief)
 Board Member: County representative #3 (vacant)
 Board Member: County representative #1 (CAO)
 Board Member: Watsonville representative #1 (City Manager)
 Board Member: Watsonville representative #2 (Police Chief)
 Board Member: Santa Cruz representative #1 (City Manager)

Board Rotation for 2003-2004

Chair: Santa Cruz representative #1 (City Manager)
 Vice Chair: Scotts Valley Representative
 Secretary: Capitola representative
 Board Member: County representative #2 (Sheriff)
 Board Member: Santa Cruz representative #2 (Police Chief)
 Board Member: County representative #3 (vacant)
 Board Member: County representative #1 (CAO)

Board Rotation for 2002-2003

Chair: County representative #1 (County Administrator's Office (CAO))
 Vice Chair: Santa Cruz representative #1 (City Manager)
 Secretary: Scotts Valley representative
 Board Member: Capitola representative
 Board Member: County representative #2 (Sheriff)
 Board Member: Santa Cruz representative #2 (Police Chief)
 Board Member: County representative #3 (Auditor-Controller)

Consent Agenda Item 5.5

TO: Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Approve and Authorize General Manager to Sign Master Contract for Veterinarian Contract Services Not to Exceed \$86,000 from July 1, 2018 to June 30, 2019

Recommendation:

Approve and authorize General Manager to sign master contract for veterinarian contract services not to exceed \$86,000 from July 1, 2018 to June 30, 2019.

Discussion:

SCCAS supplements veterinary services for SCCAS with contract positions in order to meet the goals for SCCAS's low-cost spay/neuter program and fill in for the full time veterinarian when she is absent.

Contract No. 19-00XX

INDEPENDENT CONTRACTOR AGREEMENT

This Contract is entered into this ____ day of _____, 2018 by and between the SANTA CRUZ COUNTY ANIMAL SHELTER, hereinafter called SCCAS, and _____ hereinafter called CONTRACTOR. The parties agree as follows:

1. **DUTIES.** CONTRACTOR agrees to exercise special skill to accomplish the following results: Veterinary Services at 2200 7th Avenue, Santa Cruz, CA 95062 for the SCCAS.

2. **COMPENSATION.** In consideration for CONTRACTOR accomplishing said result, SCCAS agrees to pay CONTRACTOR as follows: \$_____/ hour. Payment shall be processed for payment in full after a minimum of one day's service is completed and receipt of invoice.

3. **TERM.** The term of this Contract shall be: _____ through June 30, 2019.

4. **EARLY TERMINATION.** Either party hereto may terminate this Contract at any time by giving thirty (30) days written notice to the other party.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONTRACTOR shall exonerate, indemnify, defend, and hold harmless SCCAS (which for the purpose of Section 5 and 6 of this document shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, other legal costs, or liability of any kind or nature which SCCAS may sustain or incur or which may be imposed upon it at any time for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this contract, excepting any liability arising out of the sole negligence of the SCCAS. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects SCCAS and any insurance or self-insurance maintained by SCCAS shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by the SCCAS for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Independent Contractor's Insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this contract, unless CONTRACTOR and SCCAS both initial here ____ / ____.

A. **Types of Insurance and Minimum Limits**

(1) Worker's Compensation in the minimum statutorily required coverage amounts.¹⁸ This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and SCCAS both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and SCCAS ____ / ____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The Santa Cruz County Animal Shelter, its officials, employees, agents and volunteers are added as an additional insured as respects the operations and activities of, and on behalf of, the named insured's performance under its/his/her/their contract with the Santa Cruz County Animal Shelter."

(3) If any insurance policy of CONTRACTOR required by this document includes language conditioning the insurer's legal obligation to defend or indemnify SCCAS on the performance of any act(s) by the named insured, then said insurance policy, by endorsement, shall also name the Santa Cruz County Animal Shelter as a named insured. Notwithstanding the foregoing, both the CONTRACTOR and its insurers agree that by naming the Santa Cruz County Animal Shelter as a named insured, the SCCAS may at its sole direction, but is not obligated to, perform any act required by the named insured under said insurance policies.

(4) CONTRACTOR shall do all things required to be performed by it pursuant to its insurance policies including but not limited to paying within five (5) work days, all deductibles and self-insured retentions (SIR) required to be paid under any insurance policy that may provide defense or indemnity coverage to SCCAS or any additional insured.

(5) All required insurance policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days prior written notice has been given to:

The Santa Cruz County Animal Shelter

(6) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide SCCAS on or before the effective date of this Contract with Certificates of Insurance for all required coverage. All Certificates of Insurance shall be delivered or sent to:

The Santa Cruz County Animal Shelter
Attn: General Manager
1001 Rodriguez Street
Santa Cruz, CA 95062

7. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employees fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the County of Santa Cruz General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the SCCAS.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. **INDEPENDENT CONTRACTOR STATUS.** CONTRACTOR and SCCAS have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of SCCAS. CONTRACTOR is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. SCCAS agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than SCCAS has the right to control the manner²⁰ and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, SCCAS may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the SCCAS supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of SCCAS; (i) CONTRACTOR and SCCAS believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The SCCAS conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

9. NONASSIGNMENT. CONTRACTOR shall not assign the Contract without the prior written consent of the SCCAS.

10. ACKNOWLEDGMENT. CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Animal Shelter Board of Directors has provided funding to the CONTRACTOR.

11. RETENTION AND AUDIT OF RECORDS. CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by SCCAS, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

12. PRESENTATION OF CLAIMS. Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.

13. ATTACHMENTS. This Contract includes the following attachments:
(enter attachments here)

14. LIVING WAGE. This Contract is covered under Living Wage provisions if this section is initialed by SCCAS _____.

If Item # 14 above is initialed by the SCCAS, then this Contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, which requires payment of a living wage to covered employees. Non-compliance during the term of the Contract with these Living Wage Provisions will be considered a material breach, and may result in termination of the Contract and/or pursuit of other legal or administrative remedies.

CONTRACTOR agrees to comply with Santa Cruz County Code section 2.122.140, if applicable.

15. MISCELLANEOUS. This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that this written Contract supersedes any previous written or oral agreements between the parties, and any

modifications to this Contract must be made in a written document signed by all parties. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the County of Santa Cruz, notwithstanding the fact that one of the contracting parties may reside outside of the County of Santa Cruz.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

1. CONTRACTOR

3. Santa Cruz County Animal Shelter

By: _____
SIGNED

By: _____
SIGNED

PRINTED

PRINTED

Company Name: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

2. APPROVED AS TO INSURANCE:

4. APPROVED AS TO FORM:

Risk Management

Asst. County Counsel

DISTRIBUTION:

- Santa Cruz County Animal Shelter
- Auditor-Controller
- Risk Management
- *[contractor]*

Consent Agenda Item 5.6

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Approve and Authorize General Manager to Sign Contract for
Development Contract Services Not to Exceed \$50,000 from July 1, 2018
to June 30, 2019

Recommendation:

Approve and authorize General Manager to sign master contract for development contract services not to exceed \$50,000 from July 1, 2018 to June 30, 2019.

Discussion:

SCCAS is seeking to hire a contract development position to assist in fundraising. The Santa Cruz County Animal Shelter Foundation has donated the funds to SCCAS for this position.

Contract No. XX-XXXX

INDEPENDENT CONTRACTOR AGREEMENT

This Contract is entered into this _____ day of _____, 20____ by and between the SANTA CRUZ COUNTY ANIMAL SHELTER, hereinafter called SCCAS, and _____, hereinafter called CONTRACTOR. The parties agree as follows:

1. **DUTIES.** CONTRACTOR agrees to exercise special skill to accomplish the services set forth in Exhibit A attached hereto and incorporated herein by this reference.

2. **COMPENSATION.** In consideration for CONTRACTOR accomplishing said result, SCCAS agrees to pay CONTRACTOR as follows: \$____/ hour for a maximum of ____ hours / week. Payment shall be processed for payment in full after a minimum of one day's service is completed and receipt of invoice. CONTRACTOR agrees to invoice SCCAS no more than every two weeks.

3. **TERM.** The term of this Contract shall be: July 1, 2018 through June 30, 2019.

4. **EARLY TERMINATION.** Either party hereto may terminate this Contract at any time by giving thirty (30) days written notice to the other party.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONTRACTOR shall exonerate, indemnify, defend, and hold harmless SCCAS (which for the purpose of Section 5 and 6 of this document shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, other legal costs, or liability of any kind or nature which SCCAS may sustain or incur or which may be imposed upon it at any time for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this contract, excepting any liability arising out of the sole negligence of the SCCAS. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects SCCAS and any insurance or self-insurance maintained by SCCAS shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by the SCCAS for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Independent Contractor's Insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this contract, unless CONTRACTOR and SCCAS both initial here ____ / ____.

A. Types of Insurance and Minimum Limits

(1) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and SCCAS both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and SCCAS ____ / ____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The Santa Cruz County Animal Shelter, its officials, employees, agents and volunteers are added as an additional insured as respects the operations and activities of, and on behalf of, the named insured's performance under its/his/her/their contract with the Santa Cruz County Animal Shelter."

(3) If any insurance policy of CONTRACTOR required by this document includes language conditioning the insurer's legal obligation to defend or indemnify SCCAS on the performance of any act(s) by the named insured, then said insurance policy, by endorsement, shall also name the Santa Cruz County Animal Shelter as a named insured. Notwithstanding the foregoing, both the CONTRACTOR and its insurers agree that by naming the Santa Cruz County Animal Shelter as a named insured, the SCCAS may at its sole direction, but is not obligated to, perform any act required by the named insured under said insurance policies.

(4) CONTRACTOR shall do all things required to be performed by it pursuant to its insurance policies including but not limited to paying within five (5) work days, all deductibles and self-insured retentions (SIR) required to be paid under any insurance policy that may provide defense or indemnity coverage to SCCAS or any additional insured.

(5) All required insurance policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days prior written notice has been given to:

(6) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide SCCAS on or before the effective date of this Contract with Certificates of Insurance for all required coverage. All Certificates of Insurance shall be delivered or sent to:

**The Santa Cruz County Animal Shelter
Attn: General Manager
1001 Rodriguez Street
Santa Cruz, CA 95062**

7. EQUAL EMPLOYMENT OPPORTUNITY. During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the County of Santa Cruz General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the SCCAS.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and SCCAS have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of SCCAS. CONTRACTOR is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. SCCAS agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than SCCAS has the right to control the manner and means of accomplishing the result contracted for. 26

SECONDARY FACTORS: (a) The extent of control which, by agreement, SCCAS may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the SCCAS supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of SCCAS; (i) CONTRACTOR and SCCAS believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The SCCAS conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

9. NONASSIGNMENT. CONTRACTOR shall not assign the Contract without the prior written consent of the SCCAS.

10. ACKNOWLEDGMENT. CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Animal Shelter Board of Directors has provided funding to the CONTRACTOR.

11. RETENTION AND AUDIT OF RECORDS. CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by SCCAS, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

12. PRESENTATION OF CLAIMS. Presentation and processing of any or all claims arising out of or related to this Contract shall be made to the Santa Cruz Animal Shelter located at **1001 Rodriguez Street, Santa Cruz, CA 95062.**

13. ATTACHMENTS. This Contract includes the following attachments:

Exhibit A – Scope of Services

14. LIVING WAGE. This Contract is covered under Living Wage provisions if this section is initialed by SCCAS _____.

If Item # 14 above is initialed by the SCCAS, then this Contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, which requires payment of a living wage to covered employees. Non-compliance during the term of the Contract with these Living Wage Provisions will be considered a material breach, and may result in termination of the Contract and/or pursuit of other legal or administrative remedies.

CONTRACTOR agrees to comply with Santa Cruz County Code section 2.122.140, if applicable.

15. MISCELLANEOUS. This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that

this written Contract supersedes any previous written or oral agreements between the parties, and any modifications to this Contract must be made in a written document signed by all parties. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the County of Santa Cruz, notwithstanding the fact that one of the contracting parties may reside outside of the County of Santa Cruz.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

1.

3. Santa Cruz County Animal Shelter

By: _____
SIGNED

By: _____
SIGNED

PRINTED

PRINTED

Company Name: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

2. APPROVED AS TO INSURANCE:

4. APPROVED AS TO FORM:

Risk Management

Asst. County Counsel

DISTRIBUTION:

- Santa Cruz County Animal Shelter
- Auditor-Controller
- Risk Management
- *Contractor*

Essential Duties and Responsibilities include the following (other duties may be assigned):

- Responsible for overall maintenance and integrity of confidential donor information, queries, and reports in the database. Maintain current and accurate donor information in the database. Responsible for donor emails and associated lists. Prepare thank you letters in a timely fashion. Adjust and customize thank you letters for donor cultivation purposes.
- Identifying foundations for potential funding and assisting with preparation of grant proposals. Apply for grants and prepare resulting reports etc. Maintain relationships with existing grantors.
- Writing: articles for our internal and external newsletters, animal stories for mailings and donor solicitations.
- Enter donations accurately in database, prepare deposit slips and generate the appropriate correspondence in a timely manner. (Donations may come in the mail, online, over the counter, etc.)
- Proof newsletter donor lists to make sure donor categories are recorded properly. Determine proper coding for incoming donations.
- Contact donors when additional information or clarification is needed, while maintaining good donor relations and documenting all interactions. Responsible for monthly giving program for in-house and online donations, including processing, troubleshooting, and contacting donors when updated information is needed.
- Responsible for matching gift program in the development database, including gathering employer/matching company information and reports, processing the associated checks, confirming gifts, entering matching pledges, documenting, contacting matching companies when needed (e.g. for matching factor, missing matches, missing initial donations), thanking donors, etc.
- Responsible for vehicle donation program: processing incoming donations, vendor payments, marketing, etc.
- Assist with donor communications, including in-kind acknowledgement letters, sympathy cards, and contacting donors by phone or email to clarify donations, request additional information, or for stewardship
- Assist with mail/email solicitations, including querying for and exporting mail files, and creating email files and email layouts
- Identify and research foundations for potential funding, and assisting with writing and preparation of grant proposals
- Prepare various reports
- Maintain wish lists
- Assist with social media strategy and content
- Conduct tours for children who have donated or done projects to help our shelter.
- Running various errands: purchasing supplies, picking up donations, etc.
- Troubleshooting to resolve various problems as they arise
- Working effectively under pressure to deliver results in a fast-paced environment
- Working professionally with the donors, public, volunteers and fellow co-workers
- Various work related to special events, including a silent and live auction
 - Marketing and PR for events
 - Assisting on the day of each event to ensure they run smoothly and successfully
 - Soliciting donations for auction items
 - Coordinating outside vendors for events

Qualifications:

- ✓ Bachelor's degree from four-year college or university, or two to five years of relevant experience, or the equivalent combination of education and experience
- ✓ Demonstrated proficiency in Microsoft Office Suite, Google Apps and database management systems
- ✓ Proficiency in Adobe Create Suite applications (Photoshop and InDesign) preferred
- ✓ An appreciation for animals and dedication to animal protection, welfare and advocacy
- ✓ High ethical standards, sound judgment and comfortable working with confidential information pertaining to donor development
- ✓ Courteous, personable, and tactful while dealing with members of the public and employees of the Center
- ✓ Strong communication skills, both verbal and written
- ✓ Demonstrated organizational and project management abilities
- ✓ Experience working with database management systems
- ✓ Ability to calculate figures and amounts, able to apply concepts of basic algebra and geometry
- ✓ Ability to solve practical problems and deal with a variety of variables
- ✓ Ability to perform duties both under general supervision and independently
- ✓ Ability to complete assignments in a timely manner or under deadline

Consent Agenda Item 5.7

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Approve Continuing Agreements for FY 2018-2019

Recommendation:

Approve the continuing agreements for vendor contracts over \$10,000 for FY 2018-2019.

EXPENDITURES AGREEMENTS TO BE RENEWED FOR FISCAL YEAR 2018-2019 OVER \$10,000

Department Title	Index Code	Object Code	Vendor (Contractor) Name	Amount	Description
Animal Services Authority	702810	62610	County of Santa Cruz	\$197,669	Live Oak Shelter Lease
Animal Services Authority	702810	61525	SDRMA	\$37,200	Liability Insurance
Animal Services Authority	702810	61215	SCCECC	\$31,051	Dispatch Services with NETCOM
Animal Services Authority	702810	62317	HLP, Inc	\$19,600	Chameleon Software Support
Animal Services Authority	702850	62399	Master contract	\$86,000	Substitute Veterinarian Services
Animal Services Authority	702810	62381	Leila Dunn	\$20,800	Benefit Shop Management
Animal Services Authority	702810	62381	Carla Braden	\$66,700	Behavior and Training Consultant
Animal Services Authority	702810	62381	Jen Walker	\$25,000	Education Coordinator

Consent Agenda Item 5.8

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Authorize General Manager to accept a gift in the amount of \$80,000 from the Royce J. Scherf Trust and direct that the check be deposited

Recommendation:

Authorize General Manager to accept a gift in the amount of \$80,000 from the Royce J. Scherf Trust and direct that the check be deposited.

Consent Agenda Item 5.9

TO: Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Authorize Expenditure for Compact Utility Tractor

Recommendation:

Authorize General Manager to allocate funds from the B. Jean Adams Trust in the amount of \$18,082.

Discussion:

The funds are needed to purchase a compact utility tractor. The tractor would replace a, now broken, small lawn mower for field maintenance/ mowing. The tractor would also come with pallet forks and a front-end loader. The loader will distribute the wood chips that are currently moved by hand and are used to cover landscaped areas to reduce water usage and prevent weeds. The pallet forks will be used for the many products that the shelter uses that are received on pallets including cat litter, dog and cat food, and barn supplies.

Regular Agenda Item 6.1

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: General Manager's Oral Report

Acting General Manager will present an oral report on the Santa Cruz County Animal Shelter.

Regular Agenda Item 6.2

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Financial Report for the period ending May 31, 2018

Recommendation:

Approve the Financial Report as presented for the period ending May 31, 2018 including the Estimated/Actuals for FY 2017-18.

Discussion:

The Financial Report for April/May 2018 reflects total revenues of \$400,814 and expenditures of \$630,795. YTD revenues are \$3,739,456. YTD expenditures are \$3,639,294. Current total revenues are 95% of a potential 92%. The percentage of current year expenditures is at 85%.

Licensing revenues YTD are \$270,569. At this point last year licensing revenues were \$294,851.

The Financial Report reflects the estimated/actual expenditures and revenues based on current YTD actual through May and an estimate through June 30, 2018 based on experience and expectations.

**Santa Cruz County Animal Services Authority
Financial Summary for Fiscal Year 2017-2018
For Months Ending May 31, 2018**

Revenues:	2017-18 Final Budget	2017-18 Est/Actuals	2017-18 YTD Actuals	YTD Remaining	2016-17 YTD Actuals
ANIMAL LICENSES	\$356,000	\$300,000	\$270,569	\$29,431	\$294,851
INTEREST	\$23,000	\$29,000	\$24,186	\$4,814	\$21,174
RENTS & CONCESSIONS	\$200	\$200	\$138	\$62	\$185
RENTAL DEPOSIT/FORFEIT REVENUE	\$200	\$200	\$0	\$200	\$70
ST-MANDATED COST REIMBURSEMENT	\$0	\$0	\$0	\$0	\$0
HUMANE SERVICES	\$305,000	\$278,000	\$254,948	\$23,053	\$243,633
ADMINISTRATIVE SERVICES	\$1,750	\$3,500	\$3,164	\$336	\$2,570
COST RECOVERY-OTHER	\$7,500	\$9,500	\$8,669	\$831	\$9,149
MEMBER CONTRIBUTION	\$2,741,168	\$2,741,168	\$2,636,487	\$104,681	\$2,493,964
CHARGES FOR CURRENT SERVICES	\$32,000	\$28,000	\$20,924	\$7,077	\$48,063
ADMIN FINE FEES	\$20,000	\$11,500	\$10,542	\$959	\$17,862
GRANT SERVICES-NON INTERGOV	\$0	\$1,870	\$1,870	(\$0)	\$0
ANIMAL MICROCHIP FEES	\$22,000	\$16,500	\$15,153	\$1,347	\$19,093
ANIMAL RABIES FEES	\$16,000	\$16,500	\$14,936	\$1,564	\$16,141
ANIMAL SPAY&NEUTER FEES	\$131,000	\$93,000	\$85,560	\$7,440	\$112,564
SALES-OTHER-TAXABLE	\$65,000	\$65,000	\$60,819	\$4,181	\$56,410
CASH OVERRAGES	\$0	\$40	\$40	\$0	\$67
CONTRIBUTIONS and DONATIONS	\$200,000	\$340,000	\$313,696	\$26,304	\$194,534
INSURANCE PROCEEDS	\$0	\$0	\$0	\$0	\$0
NSF CHECKS	\$0	(\$155)	(\$155)	\$0	(\$97)
NSF CHECKS-RETURNED CHECK FEE	\$0	\$0	\$0	\$0	\$70
OTHER REVENUE	\$38,000	\$38,000	\$17,911	\$20,089	\$23,425
UNCLAIMED MONEY-ESCHEATED	\$0	\$0	\$0	\$0	\$0
BOND PROCEEDS	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES:	\$3,958,818	\$3,971,823	\$3,739,456	\$232,367	\$3,553,727

Less Expenditures:

Salaries and Benefits	\$2,914,565	\$2,875,488	\$2,546,599	\$328,889	\$2,523,927
Services and Supplies	\$1,037,496	\$1,090,789	\$977,481	\$113,307	\$1,028,673
Other Uses	\$115,211	\$115,214	\$115,214	\$0	\$55,539
Fixed Assets	\$33,333	\$0	\$0	\$0	\$0
Operating Transfers Out	\$0	\$100,000	\$0	\$100,000	\$0
TOTAL EXPENDITURES:	\$4,100,605	\$4,181,490	\$3,639,294	\$542,196	\$3,608,139

Plus Contingency:

	\$164,024	\$0	\$0	(\$0)	\$0
TOTAL EXPENDITURES INCLUDING CONTINGENCY:	\$4,264,629	\$4,181,490	\$3,639,294	\$542,196	\$3,608,139

NET REVENUES OVER (UNDER) EXPENDITURE **(\$305,811)** **(\$209,667)** **\$100,162** **(\$309,830)** **(\$54,412)**

BEGINNING FUND BALANCE - UNDESIGNATED **\$1,326,895** **\$1,326,895** **\$1,326,895** **\$1,326,895** **\$1,326,895**
(unaudited ending balance from 6/30/17)

ENDING FUND BALANCE - UNDESIGNATED **\$1,021,084** **\$1,117,228** **\$1,427,057** **\$1,017,065** **\$1,272,483**

ANIMAL LICENSE DETAIL

	2017-18 YTD Actuals	2016-17 YTD Actuals	PY COMPARISON
LICENSES - CAPITOLA	\$7,662	\$8,123	(\$461)
LICENSES - SANTA CRUZ	\$45,542	\$49,639	(\$4,097)
LICENSES- SCOTTS VALLEY	\$13,979	\$14,534	(\$555)
LICENSES- COUNTY	\$171,623	\$186,580	(\$14,957)
LICENSES- WATSONVILLE	\$31,763	\$35,975	(\$4,212)

* Fund Balance Assigned for B. Jean Donation - balance as of 6/30/17 is \$539,273 (Unaudited)

* Fund Balance - Non spendable for change fund/petty cash - balance as of 6/30/17 is \$900 (Unaudited)

**SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY FINANCIAL REPORT
2017-2018**

As of 5/31/18 from ONESolution
SC CO ANIMAL SERVICES AUTHORITY
Organization: 70 28

Pos += UP
Neg () = DOWN

Acct	Acct Title	2017-18 Final Budget	2017-18 Adj. Budget	2017-18 Est./Actuals	April Actuals	May Actuals	2017-18 YTD Actuals	YTD Remaining	92%	92%	92%	2016-17 YTD Actuals	COMPARE	May Actuals	2016-17 Est./Actuals
									Percentage of CY EA Actualized	Percentage of CY Budget Actualized	Percentage of PY Eas Actualized		THRU MAY PY ACTUALS		
51000	SALARIES & BENF	\$2,914,565	\$2,938,910	\$2,875,488	\$208,977	\$202,984	\$2,546,599	\$328,889	88.56%	86.65%	88.61%	\$2,523,927	\$22,672	\$216,794	\$2,848,365
61000	SERVICES & SUPL	\$1,037,496	\$1,037,493	\$1,090,789	\$128,213	\$61,817	\$977,481	\$113,307	89.61%	94.22%	89.43%	\$1,028,673	(\$51,192)	\$87,349	\$1,150,216
70000	OTHER CHARGES	\$115,211	\$115,214	\$115,214	\$28,804	\$0	\$115,214	\$0	100.00%	100.00%	100.00%	\$55,539	\$59,675	#REF!	\$55,540
86110	BUILDINGS AND IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	#REF!	\$0	\$0	\$0	\$0
86204	FIXED ASSETS	\$33,333	\$33,333	\$0	\$0	\$0	\$0	\$0	#DIV/0!	0.00%	0.00%	\$0	\$0	\$0	\$0
90000	OTHER FINANCING USES	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	0.00%	#DIV/0!	0.00%	\$0	\$0	\$0	\$0
98700	CONTINGENCIES	\$164,024	\$164,024	\$0	\$0	\$0	\$0	\$0	#DIV/0!	0.00%	0.00%	\$0	\$0	\$0	\$0
51000-98700	TOTAL EXPENDITURES	\$4,264,629	\$4,288,974	\$4,181,490	\$365,994	\$264,801	\$3,639,294	\$542,196	87.03%	84.85%	154.18%	\$3,608,139	\$31,155	#REF!	\$4,054,121
40100-42500	TOTAL REVENUES	\$3,958,818	\$3,958,818	\$3,971,823	\$187,087	\$213,727	\$3,739,456	\$232,367	94.15%	94.46%	97.03%	\$3,553,727	\$185,730	\$91,153	\$3,662,629
	NET COST	\$305,811	\$330,156	\$209,667	\$178,906	(\$51,075)	(\$100,162)	\$309,830	-47.77%	-30.34%	13.90%	\$54,412	\$154,575	#REF!	\$391,492
51000	REGULAR PAY-PER	1,794,665	1,794,665	1,742,107	\$129,243	\$127,829	\$1,537,188	\$204,918	88.24%	85.65%	88.15%	\$1,545,426	(\$8,238)	\$139,040	1,753,222
51005	OVERTIME PAY-PE	3,880	3,880	4,367	\$647	\$605	\$3,841	\$526	87.97%	99.00%	92.38%	\$3,511	\$330	\$94	3,801
51010	REGULAR PAY-EXT	62,527	86,872	68,176	\$5,638	\$2,502	\$62,034	\$6,143	90.99%	71.41%	89.91%	\$62,050	(\$16)	\$4,689	69,013
51040	DIFFERENTIAL PAY	29,197	29,197	29,577	\$2,182	\$1,891	\$26,099	\$3,478	88.24%	89.39%	88.71%	\$26,070	\$29	\$2,183	29,389
52010	OASDI-SOCIAL SE	143,143	143,143	136,683	\$10,417	\$10,044	\$120,601	\$16,082	88.23%	84.25%	88.06%	\$120,113	\$487	\$10,856	136,398
52015	RETIREMENT	344,728	344,728	334,449	\$24,949	\$24,971	\$295,064	\$39,385	88.22%	85.59%	88.15%	\$290,063	\$5,001	\$26,072	329,058
53010	EMPLOYEE INSURA	494,276	494,276	517,980	\$35,902	\$35,141	\$459,623	\$58,357	88.73%	92.99%	89.45%	\$430,768	\$28,855	\$33,860	481,559
53015	UNEMPLOYMENT IN	6,128	6,128	6,128	\$0	\$0	\$6,128	(\$0)	100.00%	100.00%	100.00%	\$7,405	(\$1,277)	\$0	7,405
54010	WORKERS COMPENS	36,021	36,021	36,021	\$0	\$0	\$36,021	(\$0)	100.00%	100.00%	100.00%	\$38,520	(\$2,499)	\$0	38,520
51000	SALARIES & BENF	\$2,914,565	\$2,938,910	\$2,875,488	\$208,977	\$202,984	\$2,546,599	\$328,889	88.56%	86.65%	88.61%	\$2,523,927	\$22,672	\$216,794	\$2,848,365
61115	POLICE SAFETY EQUIPMENT	500	500	500	\$0	\$0	\$0	\$500	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
61125	UNIFORM REPLACEMENT	2,500	2,500	535	\$0	\$201	\$535	\$0	99.97%	21.39%	100.00%	\$1,488	(\$953)	\$0	1,488
61215	RADIO SERVICES	29,208	29,208	30,088	\$5,015	\$0	\$27,581	\$2,507	91.67%	94.43%	92.08%	\$28,304	(\$723)	\$3,826	30,739
61220	TELECOM SERVICES	30,855	30,855	47,272	\$3,983	\$4,043	\$39,393	\$7,879	83.33%	127.67%	82.40%	\$23,092	\$16,301	\$2,405	28,026
61310	FOOD	9,000	9,000	9,200	\$740	\$927	\$8,447	\$753	91.82%	93.86%	92.27%	\$13,841	(\$5,394)	\$843	15,000
61412	JANITORIAL SERVICES	9,000	9,000	19,374	\$1,235	\$825	\$17,724	\$1,650	91.48%	196.93%	83.33%	\$7,280	\$10,444	\$728	8,736
61525	LIABILITY INSURANCE	32,519	32,519	34,515	\$0	\$0	\$34,515	(\$0)	100.00%	106.14%	100.00%	\$33,568	\$947	\$153	33,568
61535	OTHER INSURANCE	1,000	1,000	3,022	\$0	\$0	\$3,022	\$0	100.00%	302.20%	0.00%	\$0	\$3,022	\$0	0
61720	MAINT-MOBILE EQUIPMENT-SERV	10,000	10,000	9,000	\$196	\$0	\$7,598	\$1,402	84.42%	75.98%	63.67%	\$3,820	\$3,778	\$665	6,000
61725	MAINT-OFFICE EQUIPMENT	600	600	900	\$139	\$54	\$741	\$159	82.37%	123.55%	90.16%	\$789	(\$48)	\$66	875
61730	MAINT-OTHER EQUIP-SVCS	2,000	2,000	4,000	\$0	\$0	\$2,452	\$1,548	61.29%	122.58%	90.07%	\$2,882	(\$431)	\$142	3,200
61731	MAINT-OTHER EQUIP-SUP	1,000	1,000	1,000	\$0	\$0	\$80	\$920	8.01%	8.01%	63.38%	\$507	(\$427)	\$29	800
61835	FACILITIES MAINT	18,000	18,000	18,000	\$3,275	\$0	\$10,112	\$7,888	56.18%	56.18%	85.78%	\$28,306	(\$18,194)	\$17,282	33,000
61845	MAINT-STRUCT IM	1,500	1,500	600	\$0	\$37	\$208	\$392	34.65%	13.86%	49.41%	\$593	(\$385)	\$0	1,200
61846	MAINT-STRUCT/IMPS/GRDS-OTHER-SUPPLIES	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
61920	MEDICAL, DENTAL & LAB SUPPLIES	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
61922	OTHER MEDICAL MATERIALS	96,000	96,000	96,000	\$6,405	\$3,259	\$79,596	\$16,404	82.91%	82.91%	90.14%	\$77,524	\$2,072	\$4,520	86,000
62020	MEMBERSHIPS	1,500	1,500	1,959	\$0	\$0	\$1,959	\$0	100.00%	130.60%	100.00%	\$1,781	\$178	\$250	1,781
62111	MISCELLANEOUS EXPENSES	7,000	7,000	10,123	\$0	\$0	\$10,123	(\$0)	100.00%	144.62%	100.00%	\$7,280	\$2,843	\$75	7,280

**SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY FINANCIAL REPORT
2017-2018**

As of 5/31/18 from ONESolution
SC CO ANIMAL SERVICES AUTHORITY
Organization: 70 28

Pos + = UP
Neg () = DOWN

Acct	Acct Title	2017-18 Final Budget	2017-18 Adj. Budget	2017-18 Est./Actuals	April Actuals	May Actuals	2017-18 YTD Actuals	YTD Remaining	92%	92%	92%	2016-17 YTD Actuals	COMPARE	May Actuals	2016-17 Est./Actuals
									Percentage of CY EA Actualized	Percentage of CY Budget Actualized	Percentage of PY Eas Actualized		THRU MAY PY ACTUALS		
62112	CASH SHORTAGES	0	0	21	\$0	\$20	\$21	\$0	0.00%	0.00%	100.97%	\$30	(\$10)	\$0	30
62214	DUPLICATING SVCS.	3,500	3,500	5,000	\$1,477	(\$2)	\$3,696	\$1,304	73.93%	105.61%	86.36%	\$3,886	(\$190)	\$633	4,500
62217	MISC NONINVENTORIAL ITEMS EXPENSE	0	0	202	\$0	\$0	\$202	(\$0)	0.00%	0.00%	99.92%	\$66	\$136	\$0	66
62219	PC SOFTWARE PURCHASES	2,000	2,000	5,711	\$363	(\$213)	\$5,711	(\$0)	100.00%	285.56%	100.00%	\$1,158	\$4,553	\$0	1,158
62221	POSTAGE	10,000	10,000	10,000	\$114	\$2,019	\$8,805	\$1,195	88.05%	88.05%	97.63%	\$9,275	(\$470)	\$0	9,500
62222	SUBSCRIPTIONS/PERIODICALS	125	125	125	\$0	\$0	\$0	\$125	0.00%	0.00%	100.00%	\$411	(\$411)	\$0	411
62223	SUPPLIES	68,000	67,997	68,000	\$6,184	\$2,690	\$59,930	\$8,070	88.13%	88.14%	85.78%	\$51,469	\$8,461	\$2,216	60,000
62225	NON-PC SOFTWARE	250	250	250	\$0	\$0	\$0	\$250	0.00%	0.00%	0.00%	\$0	\$0	\$0	250
62226	INVENTORIAL ITEMS	1,200	1,200	4,947	\$0	\$0	\$4,947	(\$0)	100.00%	412.25%	93.95%	\$85,733	(\$80,786)	\$0	91,250
62301	ACCOUNTING & AUDITING	13,500	13,500	13,500	\$0	\$0	(\$5,600)	\$19,100	-41.48%	-41.48%	0.00%	\$0	(\$5,600)	\$0	13,500
62310	BANKING SERVICES	30,000	30,000	30,000	\$2,922	\$2,634	\$27,387	\$2,613	91.29%	91.29%	83.71%	\$29,297	(\$1,910)	\$2,714	35,000
62316	COMPUTER PROF SVCS	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
62317	CONSULT/MGT/PC SVCE.	20,000	20,000	20,000	\$110	\$88	\$19,451	\$549	97.26%	97.26%	97.50%	\$19,500	(\$49)	\$211	20,000
62318	COUNTY COUNSEL	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
62325	DATA PROCESSING	71,770	71,770	71,424	\$6,138	\$18,414	\$71,424	\$0	100.00%	99.52%	100.00%	\$63,882	\$7,542	\$16,224	63,882
62330	DPW SERVICES - GENERAL MONEY	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
62381	PROF & SPECIAL	135,000	135,000	145,000	\$23,590	\$4,955	\$126,463	\$18,537	87.22%	93.68%	82.33%	\$108,673	\$17,790	\$13,163	132,000
62399	VETERINARIAN SERVICES	95,000	95,000	93,000	\$7,762	\$5,680	\$83,367	\$9,633	89.64%	87.75%	89.82%	\$94,313	(\$10,946)	\$9,919	105,000
62500	EQUIPMENT RENTS & LEASES-	2,292	2,292	2,292	\$191	\$191	\$1,907	\$385	83.19%	83.19%	91.24%	\$2,091	(\$185)	\$190	2,292
62610	RENTS & LEASES-	198,842	198,842	197,669	\$49,417	\$0	\$197,669	\$0	100.00%	99.41%	100.00%	\$197,669	\$0	\$0	197,669
62710	FIELD EQUIPMENT	1,200	1,200	1,000	\$0	\$360	\$788	\$212	78.79%	65.66%	6.31%	\$916	(\$128)	\$0	14,500
62801	ADVERTISING & PROMOTION	2,000	2,000	2,000	\$350	\$40	\$1,133	\$867	56.64%	56.64%	100.01%	\$2,706	(\$1,573)	\$416	2,706
62842	INVENTORY MATERIALS PURCHASED	20,000	20,000	21,789	\$2,000	\$982	\$21,789	\$0	100.00%	108.94%	100.00%	\$20,357	\$1,432	\$0	20,357
62857	SPECIAL MISC EXP-SUPPLIES	500	500	621	\$0	\$23	\$621	\$0	99.93%	124.11%	63.92%	\$320	\$301	\$45	500
62890	SUBSCRIPTIONS/BOOKS	500	500	500	\$0	\$0	\$125	\$375	25.00%	25.00%	0.00%	\$0	\$125	\$0	500
62893	TOWING	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
62914	TRAVEL-EDUCATION	2,500	2,500	774	\$575	\$0	\$774	\$0	100.00%	30.96%	67.82%	\$1,153	(\$379)	\$0	1,700
62920	GAS, OIL, FUEL	12,000	12,000	14,000	\$835	\$1,175	\$12,473	\$1,527	89.09%	103.94%	78.73%	\$5,708	\$6,765	\$1,356	7,250
62922	TRAVEL-LODGING	1,200	1,200	2,335	\$473	\$1,241	\$2,335	\$0	99.99%	194.57%	100.01%	\$3,141	(\$806)	\$2,588	3,141
62924	TRAVEL-MEALS	500	500	367	\$0	\$0	\$367	(\$0)	100.07%	73.45%	64.19%	\$321	\$46	\$20	500
62926	TRAVEL-MILEAGE	1,000	1,000	1,000	\$377	\$0	\$985	\$15	98.55%	98.55%	71.66%	\$717	\$269	\$0	1,000
62928	TRAVEL-OTHER	100	100	178	\$50	\$88	\$178	\$0	99.97%	177.94%	100.00%	\$157	\$21	\$30	157
62930	REGISTRATIONS	335	335	995	\$550	(\$275)	\$995	(\$0)	100.02%	297.06%	99.97%	\$923	\$72	\$201	923
62935	SERVICE CENTER	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	100.00%	\$8,781	(\$8,781)	\$0	8,781
62940	TRAVEL ADVANCES	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
63070	UTILITIES	92,000	92,000	92,000	\$3,748	\$12,363	\$85,452	\$6,548	92.88%	92.88%	90.39%	\$84,964	\$488	\$6,438	94,000
74230	PRINCIPAL ON LEASE PUCHASES	0	0	0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0
61000	SERVICES & SUPPLIES	\$1,037,496	\$1,037,493	\$1,090,789	\$128,213	\$61,817	\$977,481	\$113,307	89.61%	94.22%	89.43%	\$1,028,673	(\$28,520)	\$87,349	\$1,150,216

**SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY FINANCIAL REPORT
2017-2018**

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SC CO ANIMAL SERVICES AUTHORITY
Organization: 70 28

Pos + = UP
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Acct	Acct Title	2017-18 Final Budget	2017-18 Adj. Budget	2017-18 Est./Actuals	April Actuals	May Actuals	2017-18 YTD Actuals	YTD Remaining	92%	92%	92%	2016-17 YTD Actuals	COMPARE	May Actuals	2016-17 Est./Actuals
									Percentage of CY EA Actualized	Percentage of CY Budget Actualized	Percentage of PY Eas Actualized		THRU MAY PY ACTUALS		
75315	COUNTY OVERHEAD (see 3550)	\$115,211	\$115,214	\$115,214	\$28,804	\$0	\$115,214	\$0	100.00%	100.00%	100.00%	\$55,539	\$0	\$0	\$55,540
700000	OTHER CHARGES	\$115,211	\$115,214	\$115,214	\$28,804	\$0	\$115,214	\$0	100.00%	100.00%	100.00%	\$55,539	\$59,675	\$0	\$55,540
86204	EQUIPMENT	\$33,333	\$33,333	\$0	\$0	\$0	\$0	\$0	#DIV/0!	0.00%	0.00%	\$0	\$0	\$0	\$0
86204	FIXED ASSETS	\$33,333	\$33,333	\$0	\$0	\$0	\$0	\$0	#DIV/0!	0.00%	0.00%	\$0	\$0	\$0	\$0
90000	OPERATING TRSF OUT	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	0.00%	#DIV/0!	0.00%	\$0	\$0	\$0	\$0
90000	OTHER FINANCING USES	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	0.00%	#DIV/0!	0.00%	\$0	\$0	\$0	\$0
98700	APPROP FOR CONTINGENCIES	\$164,024	\$164,024	\$0	\$0	\$0	\$0	(\$0)	#DIV/0!	0.00%	0.00%	\$0	\$0	\$0	\$0
98700	CONTINGENCIES	\$164,024	\$164,024	\$0	\$0	\$0	\$0	(\$0)	#DIV/0!	0.00%	0.00%	\$0	\$0	\$0	\$0
40100	PROPERTY TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
40230	ANIMAL LICENSES	\$356,000	\$356,000	\$300,000	\$25,378	\$20,795	\$270,569	\$29,431	90.19%	76.00%	92.14%	\$294,851	(\$24,281)	\$24,922	\$320,000
40430	INTEREST	\$23,000	\$23,000	\$29,000	\$2,651	\$0	\$24,186	\$4,814	83.40%	105.16%	92.06%	\$21,174	\$3,012	\$1,981	\$23,000
40440	RENTS & CONCESS	\$200	\$200	\$200	\$28	\$0	\$138	\$62	69.18%	69.18%	99.98%	\$185	(\$47)	\$0	\$185
40441	RENTAL DEPOSIT/FORFEIT REVENUE	\$200	\$200	\$200	\$0	\$0	\$0	\$200	0.00%	0.00%	50.00%	\$70	(\$70)	\$0	\$140
40872	ST-MANDATED COST REIMBURSEMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
40984	STATE-OTHER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
41096	INTERGOVERNMENTAL REV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
41510	HUMANE SERVICES	\$305,000	\$305,000	\$278,000	\$24,734	\$14,717	\$254,948	\$23,052	91.71%	83.59%	91.94%	\$243,633	\$11,315	\$22,063	\$265,000
42010	ADMINISTRATIVE SERVICES	\$1,750	\$1,750	\$3,500	\$464	\$239	\$3,164	\$336	90.40%	180.80%	91.79%	\$2,570	\$594	\$241	\$2,800
42022	COST RECOVERY-OTHER	\$7,500	\$7,500	\$9,500	\$656	\$696	\$8,669	\$831	91.26%	115.59%	91.49%	\$9,149	(\$480)	\$1,119	\$10,000
42044	MEMBER CONTRIBUTION	\$2,741,168	\$2,741,168	\$2,741,168	\$71,758	\$144,429	\$2,636,487	\$104,681	96.18%	96.18%	100.00%	\$2,493,964	\$142,523	\$0	\$2,493,964
42047	OTHER CHARGES CURRRRENT SERVICES	\$32,000	\$32,000	\$28,000	\$2,200	\$4,148	\$20,924	\$7,076	74.73%	65.39%	94.24%	\$48,063	(\$27,139)	\$6,990	\$51,000
42073	ADMINISTRATIVE FINE FEES	\$20,000	\$20,000	\$11,500	\$1,410	\$476	\$10,542	\$959	91.67%	52.71%	89.31%	\$17,862	(\$7,320)	\$1,275	\$20,000
42074	GRANT SERVICES-NON INTERGOV	\$0	\$0	\$1,870	\$0	\$0	\$1,870	(\$0)	0.00%	0.00%	0.00%	\$0	\$1,870	\$0	\$0
42202	ENDOWMENT CARE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
42205	ANIMAL MICROCHIP FEES	\$22,000	\$22,000	\$16,500	\$1,120	\$1,165	\$15,153	\$1,347	91.84%	68.88%	90.92%	\$19,093	(\$3,940)	\$1,575	\$21,000
42206	ANIMAL RABIES FEES	\$16,000	\$16,000	\$16,500	\$1,338	\$1,082	\$14,936	\$1,564	90.52%	93.35%	92.23%	\$16,141	(\$1,205)	\$1,148	\$17,500
42207	ANIMAL SPAY&NEUTER FEES	\$131,000	\$131,000	\$93,000	\$5,402	\$7,098	\$85,560	\$7,440	92.00%	65.31%	90.78%	\$112,564	(\$27,004)	\$9,052	\$124,000
42234	SALES-OTHER-TAXABLE	\$65,000	\$65,000	\$65,000	\$5,004	\$5,940	\$60,819	\$4,181	93.57%	93.57%	90.98%	\$56,410	\$4,408	\$5,225	\$62,000
42362	CASH OVERAGES	\$0	\$0	\$40	\$10	\$0	\$40	\$0	0.00%	0.00%	100.00%	\$67	(\$27)	\$0	\$67
42372	CONTRIBUTIONS AND DONATIONS	\$200,000	\$200,000	\$340,000	\$42,868	\$12,252	\$313,696	\$26,304	92.26%	156.85%	92.64%	\$194,534	\$119,162	\$13,425	\$210,000
42375	INSURANCE PROCEEDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
42380	NSF CHECKS	\$0	\$0	(\$155)	(\$80)	\$0	(\$155)	(\$0)	0.00%	0.00%	100.26%	(\$97)	(\$58)	\$22	(\$97)
42381	NSF CHECKS-RETURNED CHECK	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	100.00%	\$70	(\$70)	\$30	\$70
42384	OTHER REVENUE	\$38,000	\$38,000	\$38,000	\$2,145	\$690	\$17,911	\$20,089	47.13%	47.13%	55.77%	\$23,425	(\$5,514)	\$2,085	\$42,000
42390	UNCLAIMED MONEY-ESCHEATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
42500	BOND PROCEEDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0
42981	LICENSES - CAPITOLA	\$0	\$0	\$0	\$755	\$595	\$7,662	(\$7,662)	0.00%	0.00%	0.00%	\$8,123	(\$461)	\$667	\$0
42982	LICENSES - SANTA CRUZ	\$0	\$0	\$0	\$4,146	\$3,756	\$45,542	(\$45,542)	0.00%	0.00%	0.00%	\$49,639	(\$4,097)	\$3,554	\$0
42983	LICENSES- SCOTTS VALLEY	\$0	\$0	\$0	\$1,051	\$883	\$13,979	(\$13,979)	0.00%	0.00%	0.00%	\$14,534	(\$555)	\$1,362	\$0
42984	LICENSES- COUNTY	\$0	\$0	\$0	\$15,824	\$13,648	\$171,623	(\$171,623)	0.00%	0.00%	0.00%	\$186,580	(\$14,957)	\$16,260	\$0
42986	LICENSES- WATSONVILLE	\$0	\$0	\$0	\$3,602	\$1,913	\$31,763	(\$31,763)	0.00%	0.00%	0.00%	\$35,975	(\$4,212)	\$3,079	\$0
40100-42500	REVENUES	\$3,958,818	\$3,958,818	\$3,971,823	\$187,087	\$213,727	\$3,739,456	\$232,367	94.15%	94.46%	97.03%	\$3,553,727	\$185,730	\$91,153	\$3,662,629

Regular Agenda Item 6.3

TO: Santa Cruz County Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Proposed Budget 2018-19

Recommendation:

Consider adopting the Proposed Budget 2018-19 – Plan A with a 4% increase status quo member contribution, Plan B with a 6% increase to member contributions or Plan C with an 8% increase to member contributions. All plans use unassigned reserve balance funds to cover increased net cost. Consider using reserve funds and a portion of the remaining SB90 funds in conjunction with a 6% increase to member contributions for any additional net cost increases after revenues.

Discussion:

Staff developed the following Proposed Budget 2018-19 for review and consideration (Exhibit A). Exhibit B outlines the Schedule of Member Contributions with population changes, Exhibit C provides Member Data by Jurisdiction (impounds and calls for service), Exhibit D provides the Personnel Summary, and Exhibit E provides the Proposed Fee Schedule 2018-19 with no changes in fees. Exhibit F is the Supplemental Budget adding \$91,700 from the Santa County Animal Shelter Foundation for three contract positions. Exhibit G is the Capital Improvement Fund budget and Exhibit H is the Budget Transfers. All three plans include a \$100,000 contribution to a 30 year asset reserve fund to repair and replace all building components at the Santa Cruz County Animal Shelter in Santa Cruz.

Plan A reflects a 4% increase to member contributions and support for current levels of service with existing staff and recommends continuing to use unassigned reserve balance funds to cover increased net costs. The Estimated Actuals for FY 2017-18 reflect a deficit of \$187,285, leaving an estimated \$2,194,218 in unassigned reserve balance funds to carry forward to cover the deficit of \$434,759. The budget proposal assumes using SB90 funds of \$145,258 and funds \$100,000 for the Capital Asset Reserve fund; funds \$24,345 from the B. Jean Adams fund to fund the extra-help Registered Veterinarian Technician; and funds \$177,000 from the Muriel R. Butler living trust fund for the animal behavior and training, veterinarian and resale shop management contracts.

Plan B reflects a 6% increase to member contributions and support for current levels of service with existing staff and recommends continuing to use unassigned reserve funds to cover increased net costs. The projected \$2,194,218 of unused unassigned reserve funds can carry forward to cover the deficit of \$379,936 for Plan B. The budget proposal assumes using SB90 funds and funds \$100,000 for the Capital Asset Reserve fund; funds \$24,345 from the B. Jean Adams fund to fund the extra-help Registered Veterinarian Technician; and funds \$177,000 from the Muriel R. Butler living trust fund for the animal behavior and training, veterinarian and resale shop management contracts.

Plan C reflects an 8% increase to member contributions and support for current levels of service with existing staff and recommends continuing to use unassigned reserve funds to

cover increased net costs. The projected \$2,194,218 of unused unassigned reserve funds can carry forward to cover the deficit of \$325,113 for Plan B. The budget proposal assumes using SB90 and funds \$100,000 for the Capital Asset Reserve fund; funds \$24,345 from the B. Jean Adams fund to fund the extra-help Registered Veterinarian Technician; and funds \$177,000 from the Muriel R. Butler living trust fund for the animal behavior and training, veterinarian and resale shop management contracts.

Alternatives to using reserve funds could be reducing staff, shelter hours open to the public or services to the community. Staff reductions could result in fewer opportunities to generate new revenue through grants and programs.

Salaries and Benefits projected for 2018-19 are based on reports provided by County Personnel. The 8% increase in Salaries and Benefits supports the current staffing level. Employee Insurance and Benefits (53010) continue to rise each year. Three contractors for animal behavior and training coordination, humane education coordination and resale shop management have been added under Professional and Special Services (62381). All contractors are being funded through the gift from the Muriel R. Butler living trust. And the extra-help registered veterinarian technician position which helps expand our Planned Pethood program is funded through the B. Jean Adams fund.

Revenues continue to increase through growing programs and services. The Planned Pethood low-cost spay/neuter program, which uses existing staff, had a set-back in 2017-18 due to not having a contract vet for over three months. Now that this position is filled, we expect the program to continue to grow and generate revenue. Contributions and Donations (42372) are increasing due to increased shelter exposure in the community, more special events, and online and direct mail giving campaigns. With the creation of the Santa Cruz County Animal Shelter Foundation, we expect this revenue to continue to grow to offset our proactive program expenses.

The budget maintains a minimal amount of services and supplies for the average population in the shelters and accepts fixed costs based on current operations for the shelter lease, county overhead, telephone and data processing, service center charges for vehicles, and janitorial services. Staff continues to count on volunteer and public/non-profit support. The budget contains the required 4% Contingency that will be needed for any unanticipated costs or revenue shortfalls.

In summary, staff recommends Plan B which considers increased costs in general operations and is a well balanced approach to meet the current needs of the community. SCCAS continues the movement toward a higher live animal release rate and institution of progressive, long-term approaches to address pet homelessness in Santa Cruz County. These vital programs help animals and their guardians beyond the Shelter's doors – spay/neuter clinics, training classes, humane education, and community outreach. With current staff and service levels, SCCAS can continue to work towards implementing revenue generating programs to help offset ongoing expenditures.

In considering SCCAS's future, the use of one-time funds for general operations is not sustainable and must be phased out. Staff will continue to recommend increases to member contributions in future years.

**Summary of the 2018-19 Adjusted Proposed Budget
Status Quo Operations**

	<u>Amount</u>
2017-18 Net Cost of Operations (Base funding)	\$ 305,811.20
Change in Expenditures:	
Salaries and Benefits 8% increase	\$ 236,860.00
Services and Supplies 10%	103,853.00
Other Charges - Co. Overhead 66% increase	76,415.00
Fixed Assets 100% decrease	(33,333.00)
Operating Transfers Out	100,000.00
Contingencies 7% increase	11,683.80
Total Expenditures	\$ 495,478.80
Change in Revenues:	
Animal Licenses 2% decrease	\$ (6,000.00)
Interest 35% increase	8,000.00
Administrative Services 49% increase	850.00
Cost Recovery 27% increase	2,000.00
Animal Rabies Fees 13% increase	2,000.00
Contributions and Donations 108% increase	216,700.00
Total Revenues	\$ 223,550.00
Total Net Increase 6% of Total Expenditures	\$ 271,928.80
Total Net Cost of Operations	\$ 577,740.00
2018-19 Financing Available	
SB90 Funds	\$ 145,258.00
Fund Vet Tech from B. Jean Adams fund	24,345.00
Fund Veterinarian/Behavior&Training/Benefit Contracts from Butler fund	177,000.00
Total Financing Available	\$ 346,603.00
Difference Requires Member Contributions Increase	\$ 231,137.00
Estimated Reserve Funds as of 6/30/19:	
B. Jean	\$ 490,583.00
Butler	667,918.00
Capital Reserve	244,660.00
SB90 remaining	279,964.00
Reserve Funds with Designations	\$ 1,683,125.00

**SANTA CRUZ COUNTY ANIMAL SHELTER
ADJUSTED PROPOSED BUDGET FOR FISCAL YEAR 2018-2019**

Accounts	Actuals 2016-17	Budget 2017-18	Est./Actuals 2017-18	A	B	C	Status Quo Change from 2017-18
				4% Increase Proposal 2018-19	6% Increase Proposal 2018-19	8% Increase Proposal 2018-19	
SALARIES AND BENEFITS							
51000 -- REGULAR PAY-PERMANENT	1,751,127	1,794,665	1,742,107	1,880,698	1,880,698	1,880,698	86,033
51005 -- OVERTIME PAY-PERMANENT	3,782	3,880	4,367	3,880	3,880	3,880	0
51010 -- REGULAR PAY-EXTRA HELP	68,855	62,527	68,176	62,527	62,527	62,527	0
51040 -- DIFFERENTIAL PAY	29,049	29,197	29,577	29,197	29,197	29,197	0
52010 -- OASDI-SOCIAL SECURITY	136,148	143,143	136,683	141,117	141,117	141,117	(2,026)
52015 -- PERS	328,737	344,728	334,449	394,033	394,033	394,033	49,305
53010 -- EMPLOYEE INSURANCE AND BENEFITS	481,559	494,276	517,980	562,566	562,566	562,566	68,290
53015 -- UNEMPLOYMENT INSURANCE	7,405	6,128	6,128	5,413	5,413	5,413	(715)
54010 -- WORKERS COMPENSATION INSURANCE	38,520	36,021	36,021	71,994	71,994	71,994	35,973
SUBTOTAL SALARIES AND BENEFITS	2,845,183	2,914,565	2,875,488	3,151,425	3,151,425	3,151,425	236,860
SERVICES AND SUPPLIES							
61115 -- POLICE SAFETY EQUIP-REPLACE	0	500	500	500	500	500	0
61125 -- UNIFORM REPLACEMENT	1,488	2,500	535	2,500	2,500	2,500	0
61215 -- RADIO	30,739	29,208	30,088	29,208	29,208	29,208	0
61220 -- TELECOM SERVICES	28,026	30,855	47,272	46,000	46,000	46,000	15,145
61310 -- FOOD	15,697	9,000	9,200	9,000	9,000	9,000	0
61412 -- JANITORIAL SERVICES	8,736	9,000	19,374	10,000	10,000	10,000	1,000
61525 -- LIABILITY INSURANCE	33,568	32,519	34,515	32,519	32,519	32,519	0
61535 -- OTHER INSURANCE	0	1,000	3,022	1,000	1,000	1,000	0
61720 -- MAINT-MOBILE EQUIPMENT-SERV	6,558	10,000	9,000	10,000	10,000	10,000	0
61725 -- MAINT-OFFICE EQUIPMENT-SERVICES	851	600	900	900	900	900	300
61730 -- MAINT-OTHER EQUIPMENT-SERVICES	4,618	2,000	4,000	2,000	2,000	2,000	0
61731 -- MAINT-OTHER EQUIPMENT-SUPPLIES	680	1,000	1,000	1,000	1,000	1,000	0
61835 -- FACILITIES MAINT-GENERAL-SERVICES	29,857	18,000	18,000	18,000	18,000	18,000	0
61845 -- MAINT-STRUCT/IMPS/GRDS-OTHER-SERVICES	593	1,500	600	1,000	1,000	1,000	(500)
61846 -- MAINT-STRUCT/IMPS/GRDS-OTHER-SUPPLIES	0	0	0	0	0	0	0
61920 -- MEDICAL, DENTAL & LAB SUPPLIES	0	0	0	0	0	0	0
61922 -- OTHER MEDICAL MATERIALS & SUPPLIES	96,787	96,000	96,000	96,000	96,000	96,000	0
62020 -- MEMBERSHIPS	1,781	1,500	1,959	2,000	2,000	2,000	500
62111 -- MISCELLANEOUS EXPENSE-SERVICES	7,706	7,000	10,123	10,500	10,500	10,500	3,500
62112 -- CASH SHORTAGES	30	0	21	0	0	0	0
62214 -- DUPLICATING SERVICES	4,785	3,500	5,000	3,500	3,500	3,500	0
62217 -- MISC NONINVENTORIAL ITEMS EXPENSE	66	0	202	0	0	0	0
62219 -- PC SOFTWARE PURCHASES	1,158	2,000	5,711	5,500	5,500	5,500	3,500
62221 -- POSTAGE	9,766	10,000	10,000	10,000	10,000	10,000	0
62222 -- SUBSCRIPTIONS/PERIODICALS	411	125	125	125	125	125	0
62223 -- SUPPLIES	60,879	68,000	68,000	68,000	68,000	68,000	0
62225 -- NON-PC SOFTWARE	0	250	250	250	250	250	0
62226 -- INVENTORIAL ITEMS	85,733	1,200	4,947	1,200	1,200	1,200	0
62301 -- ACCOUNTING AND AUDITING FEES	13,958	13,500	13,500	13,500	13,500	13,500	0

**SANTA CRUZ COUNTY ANIMAL SHELTER
ADJUSTED PROPOSED BUDGET FOR FISCAL YEAR 2018-2019**

Accounts	Actuals 2016-17	Budget 2017-18	Est./Actuals 2017-18	A	B	C	Status Quo Change from 2017-18
				4% Increase Proposal 2018-19	6% Increase Proposal 2018-19	8% Increase Proposal 2018-19	
62310 -- BANKING FEES	34,441	30,000	30,000	30,000	30,000	30,000	0
62316 -- COMPUTER PROF SERVICES	0	0	0	0	0	0	0
62317 -- CONSULT/MGT/PC SERVICES	19,799	20,000	20,000	20,000	20,000	20,000	0
62318 -- COUNTY COUNSEL	0	0	0	0	0	0	0
-- COUNTY OVERHEAD - RECLASSIFIED	0	0	0	0	0	0	0
62325 -- DATA PROCESSING SERVICES	63,882	71,770	71,424	71,770	71,770	71,770	0
62330 -- DPW SERVICES - GENERAL MONEY	0	0	0	0	0	0	0
62381 -- PROF & SPECIAL SERV-OTHER	133,002	135,000	145,000	216,700	216,700	216,700	81,700
62349 -- GIS SERVICES	0	0	0	0	0	0	0
62399 -- VETERINARIAN SERVICES	100,238	95,000	93,000	95,000	95,000	95,000	0
62500 -- EQUIPMENT LEASE & RENT	2,282	2,292	2,292	0	0	0	(2,292)
62610 -- RENTS & LEASES-STRUC IMP & GRNDS	197,669	198,842	197,669	198,842	198,842	198,842	0
62710 -- FIELD EQUIPMENT	14,511	1,200	1,000	1,200	1,200	1,200	0
62801 -- ADVERTISING & PROMOTION SUPPLIES	2,706	2,000	2,000	1,000	1,000	1,000	(1,000)
62842 -- INVENTORY MATERIALS PURCHASED	21,303	20,000	21,789	20,000	20,000	20,000	0
62857 -- SPECIAL MISC EXPENSE - SUPPLIES	350	500	621	500	500	500	0
62890 -- SUBSCRIPTIONS BOOKS & ED MATERIALS	0	500	500	500	500	500	0
62893 -- TOWING	0	0	0	0	0	0	0
62914 -- EDUCATION & TRAINING	1,153	2,500	774	2,500	2,500	2,500	0
62920 -- GAS, OIL, FUEL	7,054	12,000	14,000	14,000	14,000	14,000	2,000
62922 -- LODGING	3,141	1,200	2,335	1,200	1,200	1,200	0
62924 -- MEALS	321	500	367	500	500	500	0
62926 -- MILEAGE	717	1,000	1,000	1,000	1,000	1,000	0
62928 -- TRAVEL-OTHER	177	100	178	100	100	100	0
62930 -- REGISTRATIONS	923	335	995	335	335	335	0
62935 -- SERVICE CENTER CHARGES	8,781	0	0	0	0	0	0
62940 -- TRAVEL ADVANCES	0	0	0	0	0	0	0
63070 -- UTILITIES	92,534	92,000	92,000	92,000	92,000	92,000	0
74230 -- PRINCIPAL ON LEASE PURCHASES	0	0	0	0	0	0	0
SUBTOTAL SERVICES AND SUPPLIES	1,149,455	1,037,496	1,090,788	1,141,349	1,141,349	1,141,349	103,853
75315 - COUNTY OVERHEAD (See prev. 3550)	55,539	115,211	115,214	191,626	191,626	191,626	76,415
86204 - FIXED ASSETS	0	33,333	0	0	0	0	(33,333)
90000 - Operating Transfers Out	0	0	100,000	100,000	100,000	100,000	100,000
98700 - APPROPRIATIONS FOR CONTINGENCY	0	164,024	0	175,708	175,708	175,708	11,684
TOTAL EXPENDITURES	4,050,176	4,264,629	4,181,490	4,760,108	4,760,108	4,760,108	495,479

REVENUES

**SANTA CRUZ COUNTY ANIMAL SHELTER
ADJUSTED PROPOSED BUDGET FOR FISCAL YEAR 2018-2019**

Accounts	Actuals 2016-17	Budget 2017-18	Est./Actuals 2017-18	A	B	C	Status Quo Change from 2017-18
				4% Increase Proposal 2018-19	6% Increase Proposal 2018-19	8% Increase Proposal 2018-19	
40100 -- PROPERTY TAX-CURRENT SEC-GEN	0	0	0	0	0	0	0
40230 -- ANIMAL LICENSES	327,040	356,000	300,000	350,000	350,000	350,000	(6,000)
40430 -- INTEREST	22,980	23,000	29,000	31,000	31,000	31,000	8,000
40440 -- RENTS & CONCESSIONS	185	200	200	200	200	200	0
40441 -- RENTAL DEPOSIT/FORFEIT REVENUE	70	200	200	200	200	200	0
40872 -- STATE MANDATED REIMBUSEMENTS	0	0	0	0	0	0	0
40894 -- STATE-OTHER	0	0	0	0	0	0	0
41096 -- FED OTHER	0	0	0	0	0	0	0
41510 -- HUMANE SERVICES	270,289	305,000	278,000	305,000	305,000	305,000	0
42010 -- ADMINISTRATIVE SERVICES	2,869	1,750	3,500	2,600	2,600	2,600	850
42022 -- COST RECOVERY-OTHER	10,252	7,500	9,500	9,500	9,500	9,500	2,000
42044 -- MEMBER CONTRIBUTIONS	2,493,964	2,741,168	2,741,168	2,917,482	2,972,305	3,027,128	231,137
42047 -- CHARGES FOR CURRENT SERVICES	50,800	32,000	28,000	32,000	32,000	32,000	0
42073 -- ADMIN FINE FEES	21,507	20,000	11,500	20,000	20,000	20,000	0
42074 -- GRANT SERVICES-NON INTERGOV	0	0	1,870	0	0	0	0
42205 -- ANIMAL MICROCHIP FEES	21,193	22,000	16,500	22,000	22,000	22,000	0
42206 -- ANIMAL RABIES FEES	17,975	16,000	16,500	18,000	18,000	18,000	2,000
42207 -- ANIMAL SPAY & NEUTER FEES	121,548	131,000	93,000	131,000	131,000	131,000	0
42334 -- SALES OTHER TAXABLE	61,612	65,000	65,000	65,000	65,000	65,000	0
42362 -- CASH OVERAGES	69	0	40	0	0	0	0
42372 -- CONTRIBUTIONS AND DONATIONS	236,510	200,000	340,000	416,700	416,700	416,700	216,700
42375 -- INSURANCE PROCEEDS	0	0	0	0	0	0	0
42380 -- NSF CHECKS	(97)	0	(155)	0	0	0	0
42381 -- NSF CHECK FEES	70	0	0	0	0	0	0
42384 -- OTHER REVENUE	39,315	38,000	38,000	38,000	38,000	38,000	0
42390 -- UNCLAIMED MONEY-ESCHEATED	0	0	0	0	0	0	0
42462 -- OPERATING TRANSFER IN	0	0	0	0	0	0	0
42500 -- BOND PROCEEDS	0	0	0	0	0	0	0
42981 -- LICENSES-CAPITOLA CITY	9,023	0	0	0	0	0	0
42982 -- LICENSES-SANTA CRUZ CITY	54,619	0	0	0	0	0	0
42983 -- LICENSES-SCOTT'S VALLEY CITY	16,433	0	0	0	0	0	0
42984 -- LICENSES-COUNTY SANTA CRUZ	206,062	0	0	0	0	0	0
42986 -- LICENSES-WATSONVILLE	40,903	0	0	0	0	0	0
TOTAL REVENUES	3,698,149	3,958,818	3,971,823	4,358,682	4,413,505	4,468,328	454,687
EXPENDITURES LESS REVENUES	352,027	305,811	209,667	401,426	346,603	291,780	40,792
FUND BALANCE TRANSFER TO ASSET RESERVE			100,000	100,000	100,000	100,000	
Positions Authorized		33.50	33.50	33.50	33.50	33.50	0.00
Positions Unfunded		4.00	4.00	4.00	4.00	4.00	0.00

FY 2017-2018			FY 2018-19 Base Adjustment		FY 2018-19 Operational Increase				FY 2018-19 Asset Reserve Contribution		
Year 1 Base	Year 1 Smoothing	Year 1 Total (New Base)	Year 2 Base Adjustment	Year 2 Base	Blended % (50% Pop, 25% Imp, 25% Cfs)	4% Increase	6% Increase	8% Increase	Blended % (50% Pop, 25% Imp, 25% Cfs)	Contribution	
Capitola	\$32,753	\$5,624	\$38,377	\$9,433	\$47,810	2.4%	\$2,827	\$4,169	\$5,511	2.4%	\$1,632
County	\$1,322,848	\$121,445	\$1,444,293	(\$1,447)	\$1,442,846	52.9%	\$61,050	\$90,034	\$119,017	52.9%	\$35,245
Santa Cruz	\$519,700	\$42,620	\$562,320	(\$18,996)	\$543,324	18.6%	\$21,425	\$31,596	\$41,767	18.6%	\$12,369
Scotts Valley	\$109,081	\$7,799	\$116,880	(\$8,136)	\$108,744	3.4%	\$3,921	\$5,782	\$7,643	3.4%	\$2,263
Watsonville	\$527,072	\$52,227	\$579,299	\$13,315	\$592,614	22.7%	\$26,254	\$38,719	\$51,183	22.7%	\$15,157
Total	\$2,511,454	\$229,715	\$2,741,169	(\$5,830)	\$2,735,339	100%	\$115,476	\$170,299	\$225,122	100%	\$66,667

4.0% 6.0% 8.0%

	FY2018-19 Total Contribution			Change from 2017-18			Change from 2017-18		
	4% Increase	6% Increase	8% Increase	4% Increase	6% Increase	8% Increase	4% Increase	6% Increase	8% Increase
Capitola	\$52,269	\$53,611	\$54,953	\$13,892	\$15,234	\$16,576	36.20%	39.70%	43.19%
County	\$1,539,141	\$1,568,125	\$1,597,109	\$94,848	\$123,832	\$152,816	6.57%	8.57%	10.58%
Santa Cruz	\$577,117	\$587,289	\$597,460	\$14,797	\$24,969	\$35,140	2.63%	4.44%	6.25%
Scotts Valley	\$114,928	\$116,790	\$118,651	(\$1,952)	(\$90)	\$1,771	-1.67%	-0.08%	1.52%
Watsonville	\$634,026	\$646,490	\$658,954	\$54,727	\$67,191	\$79,655	9.45%	11.60%	13.75%
Total	\$2,917,482	\$2,972,305	\$3,027,128	\$176,313	\$231,136	\$285,959	6.43%	8.43%	10.43%

Sample Membership Formulas using Population, Animal Impounds and Call-for-Service as Variables, Based on Current Year Budget

Sample #1: Population Basis (Includes Capitola)

			Compared to Existing Membership Formula		
	Population	% of total	Membership Contribution	% Point Difference	Nominal Difference
Capitola	10,150	3.8%	\$104,401	3.8	96,778
County	136,086	51.1%	\$1,399,750	-2.0%	\$75,455
Santa Cruz	55,231	20.7%	\$568,093	-0.9%	\$29,397
Scotts Valley	12,143	4.6%	\$124,900	-0.1%	\$7,684
Watsonville	52,891	19.8%	\$544,025	-0.8%	\$30,268
	266,501		\$2,741,169		

Note: Capitola pays \$23,320 (annualized) for contract services. Actual Δ = \$73,458

*Adjusted to remove UCSC population (9,401) from Santa Cruz ** Total FY 2017-2018 Budget: \$2,741,169

Recommended Formula: Blended Population (50% Weight), Animal Impound (25% Weight) and Call-for-Service (25% Weight)

					Compared to Existing Membership Formula		
	% of Impounds (3 Yr Avg)	% of Calls for Service (3 Yr Avg)	% of Population	Weighted 50% Pop, 25% Impound, CFS	Membership Contribution	% Point Difference	Nominal Difference
Capitola	1.9%	0.2%	3.8%	2.4%	\$67,105.12	2.4%	\$67,105.12
County	47.0%	62.3%	51.1%	52.9%	\$1,449,198.26	-0.2%	\$124,903.38
Santa Cruz	15.6%	17.1%	20.7%	18.6%	\$508,576.32	-2.9%	(\$30,119.90)
Scotts Valley	2.0%	2.5%	4.6%	3.4%	\$93,067.07	-1.3%	(\$24,149.24)
Watsonville	33.4%	17.8%	19.8%	22.7%	\$623,221.79	2.1%	\$109,465.21
	100.0%	100.0%	100.0%	100.0%	\$2,741,169	0.1%	\$247,204.56

Actual Δ = \$38,885

Existing Formula: Population

	Population	% of total
County	136,086	53.1%
Santa Cruz	55,231	21.5%
Scotts Valley	12,143	4.7%
Watsonville	52,891	20.6%
	256,351	99.9%

Sample #2: Blended Population, Animal Impound and Call-for-Service (Equal Weight 1/3)

					Compared to Existing Membership Formula		
	% of Impounds (3 Yr Avg)	% of Calls for Service (3 Yr Avg)	% of Population	Blended %, Weighted in Equal 1/3	Membership Contribution	% Point Difference	Nominal Difference
Capitola	#DIV/0!	#DIV/0!	3.8%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
County	47.0%	62.3%	51.1%	53.5%	\$1,465,534.58	2.4%	\$141,239.70
Santa Cruz	15.6%	17.1%	20.7%	17.8%	\$488,688.39	-2.9%	(\$50,007.83)
Scotts Valley	2.0%	2.5%	4.6%	3.0%	\$82,447.80	-1.5%	(\$34,768.51)
Watsonville	33.4%	17.8%	19.8%	23.7%	\$649,555.84	3.8%	\$135,799.26
	#DIV/0!	#DIV/0!	100.0%	#DIV/0!	#DIV/0!		#DIV/0!

Actual Δ = \$27,356

Sample #4: Tailorable Weighting.

Enter as decimal:
 Impounds Weighting 0
 Calls for Service Weighting 0
 Population Weighting 0

Compared to Existing Membership Formula

	% of Impounds (3 Yr Avg)	% of Calls for Service (3 Yr Avg)	% of Population	Blended %	Membership Contribution	% Point Difference	Nominal Difference	
Capitola	1.9%	0.2%	3.8%	0.0%	\$0.00	0.0%	\$0.00	Actual Δ = (\$23,320.00)
County	47.0%	62.3%	51.1%	0.0%	\$0.00	-51.1%	(\$1,324,294.88)	
Santa Cruz	15.6%	17.1%	20.7%	0.0%	\$0.00	-20.7%	(\$538,696.22)	
Scotts Valley	2.0%	2.5%	4.6%	0.0%	\$0.00	-4.6%	(\$117,216.31)	
Watsonville	33.4%	17.8%	19.8%	0.0%	\$0.00	-19.8%	(\$513,756.58)	
	100.0%	100.0%	100.0%	0.0%	\$0		(\$2,493,964.00)	

#1 New Formula Implementation: Equal 4-Year Smoothing

Note that these numbers are not fixed as the annual budget will likely

	Contribution Percent	Membership Contribution
Capitola	2.4%	\$61,053
County	52.9%	\$1,318,506
Santa Cruz	18.6%	\$462,712
Scotts Valley	3.4%	\$84,674
Watsonville	22.7%	\$567,018
	1	2493964

rise year over year and the service calculations will be updated each year.

FY 2016-2017		FY 2017-2018	FY 2017-2018	FY 2018-2019
Year 0	(Current \$)	Year 1 Change	Year 1 Contribution*	Year 2 Change
	\$23,320	\$9,433	\$32,753	\$9,433
	\$1,324,295	(\$1,447)	\$1,322,848	(\$1,447)
	\$538,696	(\$18,996)	\$519,700	(\$18,996)
	\$117,216	(\$8,136)	\$109,081	(\$8,136)
	\$513,757	\$13,315	\$527,072	\$13,315
	\$2,493,964	(\$5,830)	\$2,511,454	(\$5,830)

*Plus increases annual COLA (approved by the Board) or change

	FY 2019-2020		FY 2020-21		
Year 2 Contribution*	Year 3 Change	Year 3 Contribution*	Year 4 Change	Year 4 Contribution*	
\$42,187	\$9,433	\$51,620	\$9,433	\$61,053	
\$1,321,401	(\$1,447)	\$1,319,954	(\$1,447)	\$1,318,506	
\$500,704	(\$18,996)	\$481,708	(\$18,996)	\$462,712	
\$100,945	(\$8,136)	\$92,810	(\$8,136)	\$84,674	
\$540,387	\$13,315	\$553,703	\$13,315	\$567,018	
\$2,505,624	(\$5,830)	\$2,499,794	(\$5,830)	\$2,493,964	

Adjustments in service levels (backward-looking 3 year formula adjusts ea. year)

Impounds - Animal Intake by Jurisdiction

Jurisdiction	Fiscal Year 2014/2015		Fiscal Year 2015/2016		Fiscal Year 2016/2017		3-Year Avg (rounded)	% of Total, with Capitola
	Intake	Percentage of Total	Intake	Percentage of Total	Intake	Percentage of Total		
Capitola County	97	1.84%	123	2.10%	87	1.71%	102	2.07%
Monterey County	2,295	43.47%	2,508	42.73%	2,182	42.93%	2,328	47.0%
Other	110	2.08%	144	2.45%	145	2.85%		
Santa Jose City	269	5.10%	265	4.51%	316	6.22%		
San Mateo	4	0.08%	10	0.17%	5	0.10%		
Santa Clara County	3	0.06%	2	0.03%	-	0.00%		
Santa Cruz	12	0.23%	21	0.36%	56	1.10%		
Scotts Valley	718	13.60%	876	14.92%	630	12.39%	741	15.0%
Shelter	121	2.29%	93	1.58%	126	2.48%	113	2.3%
Watsonville	7	0.13%	1	0.02%	-	0.00%		
Grand Total	1,643	31.12%	1,827	31.12%	1,536	30.22%	1,669	33.7%
	5,279	100.00%	5,870	100.00%	5,083	100.00%		
							4954	100.0%
							No Cap. 4,852	

Calls for Service - Activities by Jurisdiction

Jurisdiction	Fiscal Year 2014/2015		Fiscal Year 2015/2016		Fiscal Year 2016/2017		3-Year Avg (rounded)	% of Total, with Capitola
	Calls Responded To	Percentage of Total	Calls Responded To	Percentage of Total	Calls Responded To	Percentage of Total		
Capitola County	16	0.15%	21	0.21%	31	0.38%	23	0.24%
Monterey County	6,904	63.96%	6,207	60.63%	4,794	58.41%	5,968	62.6%
Other	9	0.08%	6	0.06%	6	0.07%		
Santa Jose City	39	0.36%	32	0.31%	29	0.35%		
San Mateo	2	0.02%	-	0.00%	2	0.02%		
Santa Clara County	1	0.01%	1	0.01%	-	0.00%		
Santa Cruz	3	0.03%	1	0.01%	6	0.07%		
Scotts Valley	1,677	15.53%	1,824	17.82%	1,553	18.92%	1,685	17.7%
Shelter	305	2.83%	160	1.56%	174	2.12%	213	2.2%
Watsonville	191	1.77%	140	1.37%	168	2.05%		
Grand Total	1,648	15.27%	1,846	18.03%	1,444	17.59%	1,646	17.3%
	10,795	100.00%	10,238	100.00%	8,207	100.00%		
							9535	100.0%
							No Cap. 9,512	

**2018-19 County of Santa Cruz Proposed Budget
Allowed and Recommended Positions**

Exhibit D

INDEX	POSITION	Salary Range	2017-18 Allowed	2017-18 Mid-Year	2016-17 Total	2018-19 Request	2018-19 Recomm	Change From 17-18	2018-19 Unfunded
ANIMAL SERVICES									
702800	General Manager	9B	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Field Manager	D8	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Shelter Manager	D8	1.00		1.00	1.00	1.00	0.00	0.00
	Prog and Dev Mgr - Animal Shelter	DK	1.00		1.00	1.00	1.00	0.00	0.00
	Veterinarian	BC	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-PIO/volunteers	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-Animal Care	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-Watsonville	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Coord-Client Svcs	DO	1.00		1.00	1.00	1.00	0.00	0.00
	Admin Aide	JJ	1.00		1.00	1.00	1.00	0.00	0.00
	Accountant II	HV	0.50		0.50	0.50	0.50	0.00	0.00
	Clerk II/III	28/FB	1.00		1.00	1.00	1.00	0.00	1.00
	Bldg Maint Work II	R8	1.00		1.00	1.00	1.00	0.00	1.00
	Animal Control Officer I/II	D4/D6	6.00		6.00	6.00	6.00	0.00	1.00
	Animal Svcs Clk Disp	FC	1.00		1.00	1.00	1.00	0.00	0.00
	Animal Svcs Assistant	CD	5.50		5.50	5.50	5.50	0.00	0.50
	Registered Veterinary Technician	ZF	2.00		2.00	2.00	2.00	0.00	0.00
	Animal Health Specialist/Animal Care Worker	D5/D2	6.50		6.50	6.50	6.50	0.00	0.50
	TOTAL		33.50	0.00	33.50	33.50	33.50	0.00	4.00

Extend all limited term positions until June 30, 2018

	Current 2017-18	Proposed 2018-19
Unaltered Animal Certificate	\$250	
Late Penalty	\$15	
Failure to license-if impounded	\$30	
Feral Cat Colony Registration Fee	\$20	
Quarantine Fees		
Home Quarantine (Field Check)	\$75	
Shelter Quarantine	\$50	plus board fees
Service Fees		
Microchip	\$15	
Microchip for impounded dogs and cats	\$25	
Dog/Cat trap rental	\$10	(free for Cat TNR done by ordinance)
Dog Humane Trap Deposit	\$255	
Cat Humane Trap Deposit	\$70	
Pick-Up Animal in a Trap	\$75	
Pick-Up of Owned Animal	\$75	
Pick-up and Disposal of Deceased Animal on Private Property	\$85	
Use of Livestock Trailer	\$100/\$150	(1st /2nd time)
Medical Fees		
Medical groom	\$45	
Medical nail trim	\$15	
Medication dispensed	\$20	
Vet procedure	\$25	
Rabies	\$14	
Medical bath	\$20	
Wound prep	\$35	
Owner Surrender of Animal Residing in Santa Cruz County		
Owner Surrender of Dog		
Owner Surrender of Cat	\$0	
Owner Surrender of Rabbit	\$0	
Owner Surrender of Exotic (snake, lizard, bird, turtle)	\$0	
small rodents	\$0	
Large livestock	\$0	
small livestock	\$0	
Large Exotic	\$0	
	\$0	
Owner Surrender of Animal Residing Outside of Santa Cruz County		
Owner Surrender of Dog	\$50	
Owner Surrender of Cat	\$35	
Owner Surrender of Rabbit	\$25	
Owner Surrender of Exotic	\$55	
(snake, lizard, bird, turtle)	\$15-\$35	
small rodents	\$10-\$25	
Large livestock	\$100	
small livestock	\$75	
Large Exotic	\$55	
Protective Custody Fee		
Owner Arrest	\$75	/hour min.(2 hours after hrs)
Confiscate/Humane	\$75	/hour min.(2 hours after hrs)
Emergency Hospital	\$25	
Owner Requested Euthanasia	\$75	Plus Disposal
Disposal of Owned Dead Animals	\$50	Up to 19 lbs
	\$50	20 – 69 lbs
	\$50	70 – 99 lbs

	Current 2017-18	Proposed 2018-19
	\$50	100 – Up
Refund Processing Fee	\$25	
Animal Control Officer Services	\$75/hour	
Field Return of Owned Animal	\$75	unaltered penalty fee if applicable

Spay/Neuter Fees for Impounded Animals

Cats		
	Neuter	\$50
	Spay	\$50
Dogs		
	Neuter	\$195
	Spay	\$195

Planned Pethood Spay/Neuter Fees

Dog	\$190
Cat	\$25
Rabbit	\$75
"Fix-a-Pit" Program all Pit Bulls & Chihuahuas	\$50
Animals over 100 lbs., in heat, pregnant or cryptorchid add	
Animals determined obese by veterinarian add	

Fees for Additional Required Services

Microchip	\$10
License	\$29
Rabies	\$10
Late drop-off fee	\$20
Late pick-up fee	\$40/night
Blood panel for dogs over 7 yrs of age and cats over 10 yrs of age	\$55

Planned Pethood Spay/Neuter Fees for Limited Income*

Dog	\$50
Cat	\$10
Rabbit	\$50

*Limited income eligibility determined through proof of receipt of government assistance
OR through a year-to-date pay stub or W2 tax form that proves the following:

- 1 person household--maximum of \$35,350 annual income
- 2 person household--maximum of \$40,350 annual income
- 3 person household--maximum of \$45,400 annual income
- 4 person household--maximum of \$50,400 annual income

ONE STOP Fees with Purchase of License

Rabies	\$10
Microchip	\$15
Nuisance Abatement Appeals Fee (County)	\$75
Non-sufficient Funds Check Fee	\$40
Puppy Training Deposits	\$100-\$200
Training Room Rental Fees	\$22

FINES FOR VIOLATIONS OF ANIMAL ORDINANCE – ADMINISTRATIVE CITATION PROGRAM

***Failure to license**

First offense in one year	\$100
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	Current 2017-18	Proposed 2018-19
Second offense in one year	\$200	
Third offense in one year	\$500	
**Failure to microchip		
First offense in one year	\$100	
Second offense in one year	\$200	
Third offense in one year	\$500	
***Failure to provide rabies vaccination,		
First offense in one year	\$100	
Second offense in one year	\$200	
Third offense in one year	\$500	
Failure to display license (each dog)	\$50	
****Failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate		
First offense	\$250	
Second offense	\$500	
Third offense	\$750	
Dog running at large, first offense	\$100	
Dog running at large, second offense	\$200	
Dog running at large, third offense	\$250	
Dog off leash, first offense	\$50	
Dog off leash, second offense	\$150	
Dog off leash, third offense	\$250	
Safety of animal in parked vehicle	\$250	
Failure of owner to pick up after dog or cat defecating	\$100	
Habitual noisy animals (6.12.090)	\$100	
Permitting livestock to trespass, per offense	\$200	

All first offense recommended penalties not subject to cure will be reduced by 50% if they are paid in full by 5:00 p.m. of the first business day following issuance.

*Citations for failure to license will be dismissed if cured within 7 calendar days, including day of issuance

**Citations for failure to microchip will be dismissed if cured within 7 calendar days, including day of issuance

***Citations for failure to provide rabies vaccination will be dismissed if cured within 7 calendar days, including day of issuance

****Citations for failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate will be dismissed if ASA receives evidence that animal was spayed or neutered within 30 calendar days, including day of issuance.



SANTA CRUZ COUNTY ANIMAL SHELTER SUPPLEMENTAL BUDGET • FY 2018-19

SUBJECT

Board of Directors

From: Santa Cruz County Animal Shelter

Meeting Date: June 11, 2018

Recommended Action(s):

1. Approve funding in the amount of \$91,700 from the Santa Cruz County Animal Shelter Foundation for a part-time contract development position, a part-time contract humane educator position, and increased hours for a contract behavior and training consultant.

Executive Summary

The Santa Cruz County Animal Shelter Foundation raises supplemental funding in order to offer proactive and progressive programs to improve the lives of both people and animals in Santa Cruz County. The Board must approve funding from the foundation to be incorporated into the Animal Shelter budget.

Background

In Santa Cruz County, the primary organization safeguarding and improving the lives of domestic animals is the Santa Cruz County Animal Shelter. The Shelter, whose annual intake exceeds 5,000 thousand animals a year, has municipal funding for core services such as animal control, licensing, rabies vaccinations, housing for strays and surrenders, and intervention in animal abuse cases.

The purpose of the newly-formed Santa Cruz County Animal Shelter Foundation is to raise charitable dollars in support of the Shelter. The Shelter is the county's sole open-admission facility, offering protective custody, handling abuse cases, housing strays and surrenders, and even assuming guardianship of abandoned and maltreated farm animals. Shelter workers are primarily focused on providing care and crisis intervention to the county's neediest animals.

Analysis

Many of the Shelter's key preventive initiatives – spay/neuter clinics, training classes, humane education, and community outreach – require independent funding. These are the programs that help animals and their guardians beyond the Shelter's doors. These are the programs that are the agents of change. Outside donations from the Foundation make it possible for the Shelter to provide these services, which would otherwise have to be cut back or completely discontinued.

SUPPLEMENTAL BUDGET SUMMARY

2018-19 Proposed Budget

All Funds	2018-19 Recommended Budget	2018-19 Supplemental Request	Recommended & Supplemental Total	Change from Recommended
Revenues				
Licenses and Permits	350,000	0	350,000	0
Use of Money	31,400	0	31,400	0
Charges for Services	3,479,072	33,333	3,512,405	33,333
Miscellaneous	428,000	91,700	519,700	91,700
Total Financing	4,288,472	125,033	4,413,505	125,033
Expenditures				
Salaries & Benefits	3,151,425	0	3,151,425	0
Services & Supplies	1,049,649	91,700	1,141,349	91,700
Other Charges	191,626	0	191,626	0
Appropriations for Contingency	175,708	0	175,708	0
Subtotal	4,568,408	91,700	4,660,108	91,700
<i>IntraFund Transfers</i>	<i>100,000</i>	<i>0</i>	<i>100,000</i>	<i>0</i>
Total Expenditures	4,668,408	91,700	4,760,108	91,700

Explanation

This Financial Supplemental Budget Action adds funding for a part-time contract development position, a part-time contract humane educator position, and increases the contract behavior and training consultant position by \$16,700.

The proposed budget undercharged the members \$33,333. This Financial Supplemental Budget Action increases member contributions by \$33,333 to account for the complete contribution to the Capital Fund.

Funding Source

Funding for the contract positions is through donations from the Santa Cruz County Animal Shelter Foundation.

Funding for the increase in member contributions will come from the JPA members.

SUPPLEMENTAL BUDGET ACCOUNTING DETAIL

<u>GL Key</u>	<u>GL Obj Key</u>	<u>Description</u>	<u>2018-19 Supplemental Request</u>	<u>2018-19 Supplemental Recommended</u>
702810	42044	Member Contributions	33,333	33,333
702810	42372	Contributions and Donations	91,700	91,700
		Total Financing	125,033	125,033
702810	62381	Professional and Special Services	91,700	91,700
		Total Expenditures	91,700	91,700

**Santa Cruz County Animal Shelter
Capital Budget 76124 2018-2019 FY**

Exhibit G

Capital Fund 76124	2016-2017	2017-2018	2018-2019		
	Actual	Actual	Budget	Change	% Change
Expenditures					
Contingencies					
98700 Appropriations for Contingencies	-	-	244,660	244,660	100%
Total Requirements	-	-	244,660	244,660	100%
Financing					
Fund Balance Available			144,660	144,660	100%
Other Financing Sources					
42462 Operating Transfer In	-	-	100,000	100,000	100%
Total Financing	-	-	244,660	244,660	100%
EXPENDITURES LESS REVENUE	-	-	-	-	0%

COUNTY OF SANTA CRUZ
 REQUEST FOR TRANSFER OR REVISION
 OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: SANTA CRUZ COUNTY ANIMAL SHELTER

Date: June 11, 2018

TO: **Board of Supervisors / County Administrative Officer / District Board**

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending - June 30, 2018

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT	L/N	T / C Hash
	89,320	0	

Batch #	
Date	Keyed By:

		GL Key	Object	JL Key	JL Object	Amount	Account Description
		TRANSFER	To	702860	42462		
For	076124		34343			44,660	CAPITAL FUND RESERVE FOR CAPITAL ASSET

Explanation:
 RELOCATE CAPITAL ASSET RESERVE INTO THE CAPITAL FUND.

SEE SCCAS 06/11/18 ITEM 6.3 THAT AUTHORIZED THE SCCAS GM TO RELOCATE THE CAPITAL ASSET RESERVE OUT OF THE GENERAL FUND AND INTO THE CAPITAL FUND.

Name Meloni Sobel Title General Manager

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Auditor-Controller, by _____ Deputy _____ Date _____

County Administrative Officer's Action: () Recommended to Board () Approved () Not Recommended or Approved

County Administrative Officer _____ Date _____

State of California }
 ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on

_____ 20_____, By _____, Deputy Clerk

(A-C) * Decs: _____ Item _____ - Budget Trans
 BRD. NAME AGENDA DATE Item No. A-C Review

Distribution:
 White-Board of Supervisors Green-County Administrative Officer Goldenrod-Departmental Control Copy
 Yellow-Auditor-Controller Pink-Originating Department

COUNTY OF SANTA CRUZ
 REQUEST FOR TRANSFER OR REVISION
 OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: SANTA CRUZ COUNTY ANIMAL SHELTER

Date: June 11, 2018

TO: **Board of Supervisors / County Administrative Officer / District Board**

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending - June 30, 2018

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT	L/N	T / C Hash
	200,000	0	

Batch #	
Date	Keyed By:

		GL Key	Object	JL Key	JL Object	Amount	Account Description
		TRANSFER	To	702860	42462		
For	076124		34343			100,000	CAPITAL FUND RESERVE FOR CAPITAL ASSET

Explanation:

FUND 17/18 CONTRIBUTION TO CAPITAL FUND.

SEE SCCAS 06/11/18 ITEM 6.3 THAT AUTHORIZED THE SCCAS GM TO FUND THE CAPITAL FUND RESERVE WITH 17/18 CONTRIBUTION OF \$100,000.

Name Melanie Sebel Title General Manager

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Auditor-Controller, by _____ Deputy Date _____

County Administrative Officer's Action: () Recommended to Board () Approved () Not Recommended or Approved

County Administrative Officer _____ Date _____

State of California }
 ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on

County of Santa Cruz _____ 20____, By _____, Deputy Clerk

(A-C) * Decs: _____ Item _____ - Budget Trans

A-C Review		

Distribution:

White-Board of Supervisors

Green-County Administrative Officer

Goldenrod-Departmental Control Copy

Yellow-Auditor-Controller

Pink-Originating Department

COUNTY OF SANTA CRUZ
 REQUEST FOR TRANSFER OR REVISION
 OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: SANTA CRUZ COUNTY ANIMAL SHELTER

Date: June 11, 2018

TO: **Board of Supervisors / County Administrative Officer / District Board**

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending - June 30, 2018

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT	L/N	T / C Hash
	89,320	0	

Batch #	
Date	Keyed By:

		GL Key	Object	JL Key	JL Object	Amount	Account Description
		TRANSFER	To	702810	90000		
From	006110		34343			44,660	GF FUND BALANCE OLD RESERVE

Explanation:
 RELOCATE CAPITAL ASSET RESERVE OUT OF THE GENERAL FUND.

SEE SCCAS 06/11/18 ITEM 6.3 THAT AUTHORIZED THE SCCAS GM TO RELOCATE THE CAPITAL ASSET RESERVE OUT OF THE GENERAL FUND AND INTO THE CAPITAL FUND.

Name Melanie Sobel Title General Manager

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Auditor-Controller, by _____ Deputy Date _____

County Administrative Officer's Action: () Recommended to Board () Approved () Not Recommended or Approved

County Administrative Officer _____ Date _____

State of California } As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for
 ss. transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order.
 County of Santa Cruz duly entered in the minutes of said Board on

_____ 20____, By _____, Deputy Clerk

(A-C) * Decs: _____ Item _____ -udget Trans

A-C Review		

Distribution: BRD. NAME AGENDA DATE Item No.
 White-Board of Supervisors Green-County Administrative Officer Goldenrod-Departmental Control Copy
 Yellow-Auditor-Controller Pink-Originating Department

COUNTY OF SANTA CRUZ
 REQUEST FOR TRANSFER OR REVISION
 OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: SANTA CRUZ COUNTY ANIMAL SHELTER Date: June 11, 2018

TO: **Board of Supervisors / County Administrative Officer / District Board**

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending - June 30, 2018

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT	L/N	T / C Hash
	200,000	0	

Batch #	
Date	Keyed By:

		GL Key	Object	JL Key	JL Object	Amount	Account Description
		TRANSFER	To	702810	90000		
From	702810		86204			33,333	FIXED ASSETS
	006110		34400			66,667	FUND BALANCE

Explanation:
 FUND 17/18 CONTRIBUTION TO CAPITAL FUND.

SEE SCCAS 06/11/18 ITEM 6.3 THAT AUTHORIZED THE SCCAS GM TO FUND THE CAPTIAL FUND RESERVE WITH 17/18 CONTRIBUTION OF \$100,000.

Name Melania Sobel Title General Manager

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Auditor-Controller, by _____ Deputy _____ Date _____

County Administrative Officer's Action: () Recommended to Board () Approved () Not Recommended or Approved

County Administrative Officer _____ Date _____

State of California }
 ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on

County of Santa Cruz _____ 20____, By _____, Deputy Clerk

(A-C) * Decs: _____ Item _____ -udget Trans
 BRD. NAME AGENDA DATE Item No. A-C Review

Distribution: White-Board of Supervisors Green-County Administrative Officer Goldenrod-Departmental Control Copy
 Yellow-Auditor-Controller Pink-Originating Department

Regular Agenda Item 6.4

TO Santa Cruz County Animal Shelter Board of Directors
FROM: Melanie Sobel, General Manager
DATE: June 11, 2018
SUBJECT: Report on Audit of Santa Cruz County Animal Shelter

Recommendation:

Consider and approve report on Audit of Santa Cruz County Animal Shelter for the year ended June 30, 2017.



266 17th Street, Suite 200
Oakland, California 94612-4124

Telephone: (510) 452-5051
Fax: (510) 452-3432

March 16, 2018

To the Board of Directors of
Santa Cruz County Animal Shelter
Santa Cruz, California

We have audited the financial statements of the governmental activities and major fund of Santa Cruz County Animal Shelter for the year ended June 30, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz County Animal Shelter are described in notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Santa Cruz County Animal Shelter during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 16, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Santa Cruz County Animal Shelter's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Santa Cruz County Animal Shelter's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of plan contributions and funding progress schedules which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Santa Cruz County Animal Shelter and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Harshwal and Company, LLP

A handwritten signature in black ink, appearing to read "Sanwar Harshwal". The signature is written in a cursive style with a large initial 'S'.

Sanwar Harshwal (Managing Partner)

SANTA CRUZ COUNTY ANIMAL SHELTER
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Harshwal & Company LLP
Certified Public Accountants
266 17th Street, Suite 200
Oakland, CA 94612
(510) 452-5051

**SANTA CRUZ COUNTY ANIMAL SHELTER
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2017**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Santa Cruz County Animal Shelter
Santa Cruz, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Santa Cruz County Animal Shelter (the “Shelter”), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Shelter’s basic financial statements as listed in table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Santa Cruz County Animal Shelter, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of plan contributions, and schedule of funding progress – other post employment obligations on pages 4 - 9, 28 - 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Cruz County Animal Shelter's basic financial statements. The general information and schedule of insurance coverage are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general information and schedule of insurance coverage have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2018, on our consideration of the Santa Cruz County Animal Shelter's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Cruz County Animal Shelter's internal control over financial reporting and compliance.

Harshwal & Company, LLP
Certified Public Accountants

A handwritten signature in black ink that reads "Harshwal & Company LLP". The signature is written in a cursive, flowing style.

Oakland, California
March 16, 2018

**Management's Discussion and Analysis
(Required Supplementary Information)**

**SANTA CRUZ COUNTY ANIMAL SHELTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

This section of the Santa Cruz County Animal Shelter's (the Shelter) audit report presents our discussion and analysis of the Shelter's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the Shelter's basic financial statements following this section.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Shelter's basic financial statements. The Shelter's basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the Shelter's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all Shelter assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Shelter is improving or deteriorating.

The *Statement of Activities* presents information showing how the Shelter's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as expenses pertaining to earned but unused vacation and sick leave.

Both of these government-wide financial statements distinguish functions of the Shelter that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Shelter does not have any business-type activities.

Fund financial statement

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Shelter, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Shelter are classified as governmental funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds financial statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the Shelter's programs.

**SANTA CRUZ COUNTY ANIMAL SHELTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Shelter's near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The Shelter reports only one governmental fund, which is the general fund. The general fund is the general operating fund of the Shelter. It is used to account for all financial resources.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (other than MD&A)

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Shelter's general fund budgetary comparison schedule and progress in funding its obligation to provide pension benefits to its employees and other post-employment obligations to retirees.

The Shelter adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

**SANTA CRUZ COUNTY ANIMAL SHELTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

	<u>Governmental Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Variance %</u>
Assets:			
Current and other assets	\$ 2,192,247	\$ 2,500,954	(12.34)%
Total assets	<u>2,192,247</u>	<u>2,500,954</u>	<u>(12.34)%</u>
Deferred Outflow of Resources	<u>1,182,608</u>	<u>604,621</u>	<u>95.59 %</u>
Liabilities:			
Current and other liabilities	323,514	276,109	17.17 %
Long-term liabilities	<u>3,884,848</u>	<u>3,261,475</u>	<u>19.11 %</u>
Total liabilities	<u>4,208,362</u>	<u>3,537,584</u>	<u>18.96 %</u>
Deferred Inflow of Resources	<u>601,152</u>	<u>600,318</u>	<u>0.14 %</u>
Net Position:			
Unrestricted	<u>(1,434,659)</u>	<u>(1,032,327)</u>	<u>38.97 %</u>
Total net position	<u><u>\$ (1,434,659)</u></u>	<u><u>\$ (1,032,327)</u></u>	<u><u>38.97 %</u></u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the fiscal year ended June 30, 2017, the Shelter has showed a negative net position due to the recognition of changes in net pension liability in compliance with the requirement of GASB Statement No. 68. The Shelter's net position is \$1,434,659.

**SANTA CRUZ COUNTY ANIMAL SHELTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Change in Net Position

	<u>Governmental Activities</u>		<u>Variance</u>	<u>%</u>
	<u>2017</u>	<u>2016</u>		
Revenues:				
Program revenues:				
Fees, fines and charges for services	\$ 3,438,618	\$ 3,328,606	\$ 110,012	3.31 %
Operating grants and contributions	-	7,033	(7,033)	(100.00)%
General revenues:				
Interest and investment income	22,980	19,032	3,948	20.74 %
Miscellaneous	<u>242,933</u>	<u>419,139</u>	<u>(176,206)</u>	<u>(42.04)%</u>
Total revenues	<u>3,704,531</u>	<u>3,773,810</u>	<u>(69,279)</u>	<u>(1.84)%</u>
Expenses:				
Governmental activities	<u>4,106,863</u>	<u>3,861,145</u>	<u>245,718</u>	<u>6.36 %</u>
Total expenses	<u>4,106,863</u>	<u>3,861,145</u>	<u>245,718</u>	<u>6.36 %</u>
Change in net position	(402,332)	(87,335)	(314,997)	360.68 %
Net Position, beginning of year	<u>(1,032,327)</u>	<u>(944,992)</u>	<u>(87,335)</u>	<u>9.24 %</u>
Net position, end of year	<u><u>\$ (1,434,659)</u></u>	<u><u>\$ (1,032,327)</u></u>	<u><u>\$ (402,332)</u></u>	<u><u>38.97 %</u></u>

Analysis of Change in Net Position

The Shelter's net position decreased by \$402,332 during the current fiscal year. This was due to increased expenditures during the year.

**SANTA CRUZ COUNTY ANIMAL SHELTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE SHELTER'S FUNDS

As noted earlier, the Shelter uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The Shelter's governmental fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At June 30, 2017, the Shelter's governmental fund reported an ending fund balance of \$1,868,733, a decrease of \$356,112 in comparison with the prior year. Revenues for governmental funds totaled \$3,704,531, which represents a decrease of \$69,279, or 1.84%, from fiscal year 2015-2016. Expenditures for governmental functions totaling \$4,060,643 increased by \$158,383.00, or 4.06%, from fiscal year 2015-2016. In the fiscal year 2016-2017, expenditures for governmental functions exceeded revenues by \$356,112.

The following table presents the amount of revenues and expenditures by source as well as increases or decreases from the prior year.

	Governmental Funds				Increase/(Decrease)	
	2017		2016			
	Amount	% of Total	Amount	% of Total	Amount	% of Change
<u>Revenue by Source</u>						
Licenses and permits	\$ 327,040	8.83 %	\$ 331,474	8.78 %	\$ (4,434)	(1.34)%
Revenue from use of money and property	22,980	0.62 %	19,032	0.50 %	3,948	20.74 %
Member contributions	2,493,964	67.32 %	2,352,796	62.35 %	141,168	6.00 %
Charges for services	506,180	13.66 %	542,093	14.36 %	(35,913)	(6.62)%
Other revenues	<u>354,367</u>	<u>9.57 %</u>	<u>528,415</u>	<u>14.00 %</u>	<u>(174,048)</u>	<u>(32.94)%</u>
Total	<u>3,704,531</u>	<u>100.00 %</u>	<u>3,773,810</u>	<u>100.00 %</u>	<u>(69,279)</u>	<u>(1.84)%</u>
<u>Expenditures by Source</u>						
Salaries and benefits	2,845,183	70.07 %	2,710,107	69.45 %	135,076	4.98 %
Services and supplies	1,159,920	28.56 %	1,046,882	26.83 %	113,038	10.80 %
Other charges	<u>55,540</u>	<u>1.37 %</u>	<u>145,271</u>	<u>3.72 %</u>	<u>(89,731)</u>	<u>(61.77)%</u>
Total	<u>\$ 4,060,643</u>	<u>100.00 %</u>	<u>\$ 3,902,260</u>	<u>100.00 %</u>	<u>\$ 158,383</u>	<u>4.06 %</u>

**SANTA CRUZ COUNTY ANIMAL SHELTER
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

The following provides explanations in significant changes in revenues by source:

- Member contributions increased by \$141,168, mainly due to a 6.00% increase in JPA member contributions approved by the Board.
- Other revenues decreased by \$174,048, due to the receipt of two (2) large non-recurring items last year (one bequest in the amount of \$100,000 and the other one is \$95,000) which were not present this year.

CAPITAL ASSETS

The Shelter's net capital assets for its governmental activities as of June 30, 2017, is zero (cost of \$257,501 and accumulated depreciation of the same amount). These capital assets include animal control vehicles and other equipment. Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	<u>Governmental Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease) % of Change</u>
Equipment	\$ 31,965	\$ 31,965	- %
Vehicles	225,536	225,536	- %
Less: accumulated depreciation	<u>(257,501)</u>	<u>(257,501)</u>	- %
Net capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>- %</u>

Additional information on the Shelter's capital assets can be found in Note 4 on page 20.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Shelter is funded by member contributions and fees paid by the general public. Member contributions totaled \$2,493,964 in fiscal year 2016-2017 and will be increased by \$247,205, a 10% increase. Total member contributions for fiscal year 2017-2018 will be \$2,741,169.

Total budgetary expenditures are expected to increase in fiscal year 2017-2018 compared to the previous year, as audited, by \$210,368 which represents a 5.2% increase. The increase in expenditures is substantially the result of a projected increase in salaries and benefits.

Anticipated budgeted revenues for fiscal year 2017-2018 of \$3,958,819 indicate an increase by 7.0% from fiscal year 2016-2017 audited revenues of \$3,698,149. The decrease in revenue is primarily due to a projected decrease in other revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Shelter's finances for all those with an interest in the Shelter's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santa Cruz County Animal Shelter, 1001 Rodriguez Street, Santa Cruz, CA 95062.

Basic Financial Statements-
Government-wide Financial Statements

SANTA CRUZ COUNTY ANIMAL SHELTER
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash	\$ <u>2,192,247</u>
Total Assets	<u>2,192,247</u>
Deferred Outflow of Resources	<u>1,182,608</u>
<u>Liabilities</u>	
Current	
Accounts payable - Claims	65,546
Accounts payable - Payroll	107,333
Donations	150,515
Stale dated warrants	120
Non-current liabilities	
Compensated absences	237,588
Other Post-Employment Benefits	927,055
Net pension liability	<u>2,720,205</u>
Total Liabilities	<u>4,208,362</u>
Deferred Inflow of Resources	<u>601,152</u>
<u>Net Position</u>	
Unrestricted	<u>(1,434,659)</u>
Total Net Position	<u>\$ (1,434,659)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

SANTA CRUZ COUNTY ANIMAL SHELTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs

Governmental activities:

 General government \$ (4,106,863)

 Total Governmental Activities (4,106,863)

Program Revenues

 Fees, fines and charges for services 3,438,618

 Total Program Revenues 3,438,618

General Revenues

 Interest and investment income 22,980

 Miscellaneous 242,933

 Total General Revenues 265,913

Change in Net Position (402,332)

Net Position - Beginning (1,032,327)

Net Position - Ending \$ (1,434,659)

The accompanying notes to the basic financial statements are an integral part of this statement.

**Basic Financial Statements -
Fund Financial Statements**

**SANTA CRUZ COUNTY ANIMAL SHELTER
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General Fund</u>
<u>Assets</u>	
Cash	\$ 2,192,247
Total Assets	\$ 2,192,247
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts payable - Claims	\$ 65,546
Accounts payable - Payroll	107,333
Donations	150,515
State dated warrants	120
Total Liabilities	323,514
Fund Balances:	
Nonspendable:	
Imprest cash	900
Committed to:	
Asset reserve	44,660
Assigned to:	
B Jean Adams Trust	539,273
Eliminate projected budgetary deficit in subsequent year's budget	305,811
Unassigned	978,089
Total Fund Balance	1,868,733
Total Liabilities and Fund Balance	\$ 2,192,247

The accompanying notes to the basic financial statements are an integral part of this statement.

SANTA CRUZ COUNTY ANIMAL SHELTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Fund Balance- Total Governmental Fund	\$ 1,868,733
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	1,182,608
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	(601,152)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at the year end consist of:	
OPEB liability	\$ (927,055)
Net pension liability	(2,720,205)
Compensated absences	<u>(237,588)</u>
	<u>(3,884,848)</u>
Net Position of Governmental Activities	<u>\$ (1,434,659)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

SANTA CRUZ COUNTY ANIMAL SHELTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Revenues</u>	<u>General Fund</u>
Licenses and permits	\$ 327,040
Revenue from use of money and property	22,980
Member contributions	2,493,964
Charges for services	506,180
Other	<u>354,367</u>
Total Revenues	<u>3,704,531</u>
<u>Expenditures</u>	
Salaries and benefits	2,845,183
Services and supplies	1,159,920
Other charges	<u>55,540</u>
Total Expenditures	<u>4,060,643</u>
Net Change in Fund Balance	(356,112)
Fund Balance, Beginning	<u>2,224,845</u>
Fund Balance, Ending	<u><u>\$ 1,868,733</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

SANTA CRUZ COUNTY ANIMAL SHELTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES- GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net Change in Fund Balance \$ (356,112)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	\$ (30,115)	
Change in OPEB obligation	(123,000)	
Change in net pension liability	<u>106,895</u>	<u>(46,220)</u>

Changes in Net position - Governmental Activities \$ (402,332)

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Santa Cruz County Animal Shelter (the Shelter), formerly known as the Animal Services Authority, was formed on June 18, 2002, by the execution of a joint powers agreement among the cities of Capitola, Santa Cruz, and Scotts Valley, and the County of Santa Cruz. The joint powers agreement was amended to allow the City of Watsonville to become a Party to the joint powers agreement effective November 15, 2004. The City of Capitola withdrew from the joint powers agreement effective July 1, 2007. However, the joint powers agreement was amended to allow the City of Capitola to become a Party again effective July 1, 2017. The Shelter is governed by an eight member board.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government. These statements include the financial activities of the overall government except for fiduciary activities. The Shelter does not have fiduciary activities. Eliminations would have been made to eliminate the double counting of internal service fund activities but the Shelter has no internal service fund activities. Governmental activities are normally supported by intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Shelter's governmental activities. Direct expenses are those that are specifically associated with the Shelter. Program revenues include contributions from other governmental agencies that are restricted for meeting the operational or capital requirements of the Shelter. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues.

When both restricted and unrestricted resources are available for use, it is the Shelter's policy to use restricted resources first, then unrestricted resources as they are needed.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic assets used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D.

Governmental Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The Shelter has no proprietary or fiduciary funds, only governmental funds. Therefore, only one statement is prepared.

The Shelter reports one governmental fund, the General Fund:

General Fund – The general fund is a general operating fund of the Shelter and is funded by member contributions from the parties of the Joint Powers Authority and user fees collected. It is used for the purpose of preserving the well-being of animals and providing education, adoption, and humane law enforcement services to the community.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The Shelter has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

**SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means having been earned and collectible within the current period. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when due.

D. Capital Assets and Depreciation

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment and vehicles	4-15 years
------------------------	------------

E. Fund Balance Classification Policies and Procedures

The Shelter's governmental fund balance is classified in the following categories:

Nonspendable – Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D.

Committed – The Shelter Board, as the Shelter’s highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Shelter Board removes or changes the specific use. The Board action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30th. However, the amount can be determined subsequent to the release of the financial statements.

Assigned – Includes amounts that are constrained by the Shelter’s intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. The Shelter Board delegated the authority to assign amounts to be used for specific purposes to the Shelter General Manager, not to exceed \$10,000 per purpose. Any funds set aside as assigned fund balance greater than \$10,000 must be reported to the Shelter Board for approval at their next regular meeting and recorded in the minutes. The Shelter Board has the authority to remove or change the assignment of the funds with a simple majority vote.

Unassigned – Includes amounts that are technically available for any purpose, and includes all amounts not contained in other classifications.

When both restricted and unrestricted resources are available for use, it is the Shelter’s policy to use restricted resources first, then unrestricted resources as they are needed.

When committed, assigned, and unassigned funds are available for use, it is the Shelter’s policy to use committed funds first, assigned funds second, and unassigned funds last.

NOTE 2. POOLED CASH AND INVESTMENTS

Cash balances of the Shelter’s funds are deposited with the County of Santa Cruz where the available balances beyond immediate needs are invested in various securities by the County Treasurer. Pooled balances are restricted to legally stipulated investments consistent with state statutes and the County’s Investment Policy. In accordance with GASB Statement No. 31, the County calculated the fair value of all investments included in the pooled investments based on quoted market prices. Any material unrealized gains or losses are reported along with investment income (interest). At June 30, 2017, the unrealized losses applicable to the Shelter are considered to be immaterial and, therefore, no adjustments have been made to the financial statements.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3. COMPENSATED ABSENCES PAYABLE

Compensated absences are those absences for which employees will be paid, such as vacation, sick, and administrative leave. A liability for compensated absences that are attributable for services already rendered that are not contingent on a special event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. On June 30, 2017, the liability for compensated absences included \$212,677 of vacation pay, \$19,626 of vested sick leave, and \$5,285 of administrative pay for a total of \$237,588.

NOTE 4. CAPITAL ASSETS

The following is a summary of capital assets activity for the Shelter for the fiscal year ended June 30, 2017:

	<u>Balance</u> <u>06/30/16</u>	<u>Additions</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>06/30/17</u>
Capital assets, being depreciated				
Equipment	\$ 257,501	\$ -	\$ -	\$ 257,501
Less: accumulated depreciation for				
Equipment	<u>(257,501)</u>	<u>-</u>	<u>-</u>	<u>(257,501)</u>
Total Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5. LONG TERM DEBT

The following is a summary of long-term debt transactions for the Shelter for the fiscal year ended June 30, 2017:

	<u>Balance</u> <u>06/30/16</u>	<u>Additions/</u> <u>(Deletions)</u>	<u>Balance</u> <u>06/30/17</u>	<u>Current</u> <u>Portion</u>	<u>Long-Term</u> <u>Portion</u>
Compensated absences	\$ 207,473	\$ 30,115	\$ 237,588	\$ -	\$ 237,588
Net OPEB Obligations	804,055	123,000	927,055	-	927,055
Net pension liability	<u>2,249,947</u>	<u>470,258</u>	<u>2,720,205</u>	<u>-</u>	<u>2,720,205</u>
Totals	<u>\$ 3,261,475</u>	<u>\$ 623,373</u>	<u>\$ 3,884,848</u>	<u>\$ -</u>	<u>\$ 3,884,848</u>

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6. PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2017 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Auditor-Controller-Treasurer Tax Collector's Office, 701 Ocean Street, Room 100, Santa Cruz, California 95060.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at **.843346%**, which is the County of Santa Cruz' calculation of the Shelter's proportional share under Miscellaneous Plan).

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (c) =(a) - (b)
Balance at: 6/30/15 (VD) ¹	\$ 9,005,256	\$ 6,845,750	\$ 2,159,506
Changes Recognized for the Measurement Period			
• Service Cost	176,363	-	176,363
• Interest on the Total Pension Liability	681,587	-	681,587
• Difference between Expected and Actual Experience	34,282	-	34,282
• Plan to Plan Resource Movement	-	24	(24)
• Contributions from the Employers	-	213,578	(213,578)
• Contributions from Employees	-	85,563	(85,563)
• Net Investment Income ²	-	36,540	(36,540)
• Benefit Payments, including Refunds of Employee Contributions	(436,178)	(436,178)	-
• Administrative Expenses	-	(4,172)	4,172
Net Changes during 2015-16	<u>456,054</u>	<u>(104,645)</u>	<u>560,699</u>
Balance at: 6/30/16 (MD) ¹	<u>\$ 9,461,310</u>	<u>\$ 6,741,105</u>	<u>\$ 2,720,205</u>

¹The fiduciary net position includes receivable for employee service buyback's, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

² Net of administrative expenses.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2016 (the measurement date), the District incurred a total pension expense of \$106,895 for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2016, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 22,854	\$ (39,631)
Changes of Assumptions	-	(50,640)
Net Difference between Projected And Actual Earnings on Pension Plan Investments	<u>601,921</u>	<u>(234,290)</u>
	<u>\$ 624,775</u>	<u>\$ (324,561)</u>

The amounts above are net of outflows and inflows recognized in the 2014-2015 measurement period expense.

Amounts reported as deferred outflow and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2017	\$ (27,370)
2018	62,901
2019	168,619
2020	96,065

The Shelter's employer contributions for the year ending June 30, 2017 is \$328,737.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7. OPERATING LEASES

Lease with the County of Santa Cruz

On October 28, 2008, the Shelter executed an agreement as *lessee* to lease property from the County of Santa Cruz for \$197,669 per year, for a period of 30 years. At the end of this period, the Shelter will have the option to extend the lease for an additional 30 years.

The Shelter's future minimum rental commitments for this facility lease, accounted for as an operating lease at June 30, 2017, are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2018	\$ 197,669
2019	197,669
2020	197,669
2021	197,669
2022	197,669
2023-2027	988,345
2028-2032	988,345
2033-2037	988,345
2038	<u>197,669</u>
Total	<u><u>\$ 4,151,049</u></u>

NOTE 8. RELATED PARTY TRANSACTIONS

During the normal course of business, the Shelter is charged for data processing services, telecommunications services, janitorial services, facilities maintenance services, service center charges, accounting services, and equipment and structure lease and rent, by various departments of the County of Santa Cruz.

The County of Santa Cruz Information Services Department provides the Shelter with data processing services and telecommunications services. The charges for performing those functions for the year ended June 30, 2017, are summarized below:

Data processing services	\$ 63,882
Telecommunications services	<u>28,026</u>
Total	<u><u>\$ 91,908</u></u>

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8. RELATED PARTY TRANSACTIONS - CONT'D.

The County of Santa Cruz General Services Department provides the Shelter with janitorial services, facilities maintenance services, and service center items. The charges for performing those functions for the year ended June 30, 2017, are summarized below:

Janitorial services	\$	8,736
Facilities maintenance services		<u>25,733</u>
Total	\$	<u><u>34,469</u></u>

The County of Santa Cruz Auditor-Controller's Office provides the Shelter with accounting services. The charges for performing those functions for the year ended June 30, 2017, were \$8,358.

The County of Santa Cruz Department of Public Works leases the facility to the Shelter, the details of which are described in Note 6. The lease charges for the year ended June 30, 2017, were \$197,669.

The Shelter is one of a number of agencies and departments within the County of Santa Cruz. General expenses such as purchasing, accounting, budgeting, data processing, and personnel administration represent services provided to the Shelter by departments within the County of Santa Cruz. Such expenses, based on an allocation plan and charged to the Shelter during the year ended June 30, 2017, amounted to \$55,539.

NOTE 9. POST-RETIREMENT HEALTH CARE BENEFITS

Plan Description. Employees of the Shelter who retire through CalPERS, their spouse, and eligible dependents may receive health plan coverage through the Public Employees' Medical & Hospital Care Program Plan (Plan). The Plan is a defined benefit plan, which provides the retirees a monthly medical contribution that is not to exceed the cost of the plan selected. The cost of the Plan to the Shelter will be determined through CalPERS' regulations and requirements. The Shelter contributions are based on longevity schedules with fixed dollar scaling that varies by bargaining unit. The Plan does not issue a financial report.

Eligibility. All of the Shelter's employees became participants in accordance with the Memorandum of Understanding (MOU) as negotiated by each group or bargaining unit. In order to receive benefits, eligible employees must meet the minimum requirements defined in their MOU.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. POST-RETIREMENT HEALTH CARE BENEFITS -CONT'D.

The Plan is eligible to plan members who retire directly from the Shelter through CalPERS at age 50 with at least 5 years of service.

The numbers of participants in the Plans are as follows:

<u>Participants as of January 1, 2016*</u>	<u>Total</u>
Active employees	27
Retirees	<u>1</u>
Total	<u><u>28</u></u>

* Most recent information available

Funding Policy. The contribution requirements for the Shelter are established by a Memorandum of Understanding as negotiated by each group or bargaining unit. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2016, the Shelter contributed \$0 to the plan, as there were no retirees.

Annual OPEB Cost and Net OPEB Obligation. The Shelter's Annual Other Post-Employment Benefits (OPEB) cost (expense) is calculated based on the *Annual Required Contribution of the Employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the Shelter's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Shelter's net OPEB obligation to the Plan:

	<u>Total</u>
Annual required contribution	\$ 135,000
Interest on net OPEB obligation	32,000
Amortization of net OPEB obligation	<u>(44,000)</u>
Annual OPEB cost (expense)	123,000
Contributions made	<u>-</u>
Increase in net OPEB obligation	123,000
Net OPEB obligation - beginning of year	<u>804,055</u>
Net OPEB obligation - end of year	<u><u>\$ 927,055</u></u>

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. POST-RETIREMENT HEALTH CARE BENEFITS - CONT'D.

The Shelter's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2015	\$ 89,000	\$ -	- %	\$ 689,055
06/30/2016	115,000	-	-	805,055
06/30/2017	123,000	-	-	927,055

Funded Status and Funding Progress. As of January 1, 2016, the most recent actuarial valuation date, the Plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$555,000 and the actuarial value of assets was \$0, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$555,000. The covered payroll (annual payroll of active employees covered by the plan) was \$1,584,000 and the ratio of UAAL to the covered payroll was 35%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial assumptions involve estimates and assumptions that extend far into the future. These assumptions are subject to future revisions as new facts become known.

SANTA CRUZ COUNTY ANIMAL SHELTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. POST-RETIREMENT HEALTH CARE BENEFITS - CONT'D.

In the January 1, 2016, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return which is based on the expected return on funds invested in County investments, and an annual healthcare cost trend of actual premiums initially and reduced to an ultimate rate of 5% thereafter. The actuarial assumption for inflation was 3%, and the aggregate payroll increases were 3.25%. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as level percentage of projected payroll on a closed basis. The remaining amortization as of June 30, 2016, was 24 years.

The table below shows the analysis of the actuarial value of assets as a percentage of the actuarial accrual liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2017. The schedule of funding progress presented as RSI following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded (Overfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Overfunded) Liability as a Percentage of Covered Payroll</u>
1/1/2016	\$ -	\$ 555,000	\$ 555,000	. %	\$ 1,584,000	35.04 %

NOTE 10. DEFERRED COMPENSATION PLAN

The Shelter offers all of its full-time employees a deferred compensation plan (Plan) created in accordance with Section 457 of the Internal Revenue Code. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or emergency. Employees direct the investment of Plan assets into certificates of deposit and various mutual funds. The County has insignificant administrative duties.

As of June 30, 2017, the County's Plan assets of \$166,661,913 are not recorded in the Shelter's financial statements as they are deposited with a third party administrator independent of the County and the Shelter.

Required Supplementary Information
(Other than MD&A)

SANTA CRUZ COUNTY ANIMAL SHELTER
Budgetary Comparison Schedule-General Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary Balances, Beginning	\$ 1,718,978	\$ 1,718,978	\$ 2,224,845	\$ 505,867
Resources (Inflows)				
Licenses and permits	330,000	330,000	327,040	(2,960)
Use of money	16,000	16,000	19,032	3,032
Member contributions	2,493,964	2,493,964	2,493,964	-
Charges for services	517,750	517,750	542,093	24,343
Other	<u>296,900</u>	<u>296,900</u>	<u>528,416</u>	<u>231,516</u>
Amounts Available for Appropriation	<u>3,654,614</u>	<u>3,654,614</u>	<u>3,910,545</u>	<u>255,931</u>
Charges to Appropriations (Outflows)				
Salaries and employee benefits	2,792,312	2,850,312	2,845,183	5,129
Services and supplies	1,025,371	1,150,461	1,153,539	(3,078)
Other charges	55,540	55,540	55,539	1
Appropriations for contingencies	<u>154,929</u>	<u>67,929</u>	<u>-</u>	<u>67,929</u>
Total Charges to Appropriations	<u>4,028,152</u>	<u>4,124,242</u>	<u>4,054,261</u>	<u>69,981</u>
Budgetary Balances, Ending	<u>\$ 1,345,440</u>	<u>\$ 1,249,350</u>	<u>\$ 2,081,129</u>	<u>\$ 691,817</u>

SANTA CRUZ COUNTY ANIMAL SHELTER
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Year*

Fiscal year	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Measurement period ending	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 176,363	\$ 176,050	\$ 189,858
Interest	681,587	675,250	666,828
Changes of Assumptions	-	(158,282)	-
Differences Between Expected and Actual Experience	34,282	(123,873)	-
Benefit Payments, including Refunds of Employee Contributions	<u>(436,178)</u>	<u>(415,339)</u>	<u>(391,674)</u>
Net Change in Total Pension Liability	456,054	153,806	465,012
Total Pension Liability - Beginning	<u>9,005,256</u>	<u>9,228,595</u>	<u>8,991,953</u>
Total Pension Liability - Ending (a)	<u>\$ 9,461,310</u>	<u>\$ 9,382,401</u>	<u>\$ 9,456,965</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 213,578	\$ 192,529	\$ 179,887
Contributions - Employees	85,563	86,930	83,640
Net Investment Income	36,540	159,395	1,093,488
Benefit Payments, including Refunds of Employee Contributions	(436,178)	(415,339)	(391,674)
Plan to Plan Resource Movement	24	(275)	-
Administrative Expense	<u>(4,172)</u>	<u>(8,028)</u>	<u>-</u>
Net Change in Fiduciary Net Position	(104,645)	15,212	965,341
Plan Fiduciary Net Position - Beginning	<u>6,845,750</u>	<u>7,117,242</u>	<u>6,328,024</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,741,105</u>	<u>\$ 7,132,454</u>	<u>\$ 7,293,365</u>
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 2,720,205</u>	<u>\$ 2,249,947</u>	<u>\$ 2,163,600</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.25 %	76.02 %	77.12 %
Covered Employee Payroll¹	\$ 1,235,206	\$ 2,465,809	\$ 1,352,634
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	220.22 %	91.25 %	159.95 %

The above is presented at 0.84%, which is the County of Santa Cruz calculation of the Shelter's proportionate share.

Cont'd...

SANTA CRUZ COUNTY ANIMAL SHELTER
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Year*

¹ Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Shelter will present information for those years for which information is available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expenses) to 7.65 percent (withouth a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

SANTA CRUZ COUNTY ANIMAL SHELTER
Schedule of Plan Contributions
Last Ten Fiscal Year*

<u>Fiscal Year¹</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Actuarially Determined Contribution ²	\$ 213,578	\$ 293,561	\$ 192,529
Contribution in Relation to the Actuarially Determined Contribution ²	<u>(213,578)</u>	<u>(293,561)</u>	<u>(192,529)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll ³	\$1,235,206	\$2,465,809	\$1,352,634
Contribution as a percentage of Covered-Employee Payroll ³	17.29 %	11.91 %	14.23 %

The above is presented at 0.84%, which is the County of Santa Cruz calculation of the Shelter's proportionate share.

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be determined as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standards as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 3.00 percent payroll assumption.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Shelter will present information for those years for which information is available.

SANTA CRUZ COUNTY ANIMAL SHELTER
Schedule of Plan Contributions
Last Ten Fiscal Year*

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were derived from the June 30, 2013 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2013 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

SANTA CRUZ COUNTY ANIMAL SHELTER
Schedule of Funding Process
For the Year Ended June 30, 2017

OTHER POST EMPLOYMENT OBLIGATIONS

The table below shows a two-year analysis of the actuarial value of assets as a percentage of the actuarial accrual liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2017.

Actuarial Valuation Date*	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Liability as a Percentage of Covered Payroll
1/1/12	\$ -	\$ 275,000	\$ 275,000	0%	\$ 1,310,000	21.0%
1/1/14	\$ -	\$ 403,000	\$ 403,000	0%	\$ 1,293,000	31.2%
1/1/16	\$ -	\$ 555,000	\$ 555,000	0%	\$ 1,584,000	35.0%

*Most recent information available.

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed Accordance With
Government Auditing Standards**



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Santa Cruz County Animal Shelter
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Santa Cruz County Animal Shelter (the "Shelter") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Shelter's basic financial statements, and have issued our report thereon dated March 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Shelter's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Shelter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Shelter's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Shelter's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harshwal & Company, LLP
Certified Public Accountants

A handwritten signature in black ink that reads "Harshwal & Company LLP". The signature is written in a cursive, slightly slanted style. There is a small yellow square mark to the right of the signature.

Oakland, California
March 16, 2018

General Information

SANTA CRUZ COUNTY ANIMAL SHELTER

General Information

For the Year Ended June 30, 2017

Organization

The Shelter was formed by the execution of a joint powers agreement to establish, operate and maintain an animal control and care Shelter for the Cities of Santa Cruz, Scotts Valley, Watsonville, and the County of Santa Cruz.

Directors and Officials

The Shelter shall be governed by a Board of Directors. Each entity, which is a Party to the Joint Powers Shelter agreement, shall have representation on the Board. The following were in office June 30, 2017:

Susan Mauriello, County of Santa Cruz, Chair
 Tamara Vides, City of Watsonville, Vice Chair
 Michael Mckinley, City of Watsonville, Secretary
 Joe Phares, County of Santa Cruz, Vice Chair
 Jeremy Verinsky, County of Santa Cruz
 Tina Shull, City of Santa Cruz
 Dan Flippo, City of Santa Cruz
 Stephen Walpole, City of Scotts Valley

Other officials at June 30, 2017, were:

Melanie Sobel, General Manager
 Juanita Gunter, Administrative Assistant

Accounts and Records

The official accounting records are maintained in the office of the County Auditor-Controller. Supporting documents are maintained by the Shelter.

Minute Book

Minutes were recorded for meetings and contained approval for disbursements in accordance with prescribed procedures.

Budgetary Procedures

The Shelter prepared fiscal year budgets in accordance with applicable laws and regulations.

Schedule of Insurance Coverage

SANTA CRUZ COUNTY ANIMAL SHELTER
Schedule of Insurance Coverage
For the Year Ended June 30, 2017

At June 30, 2017, the Shelter's insurance coverage was as follows:

COVERAGE	INSURER	LIMITS
Property Coverage	SDRMA	\$1,000,000,000 per occurrence. Replacement cost for scheduled property
Boiler & Machinery	SDRMA	\$100,000,000 per occurrence. Replacement cost for scheduled property
Personal Injury and Property Damage Liability Coverage – General	SDRMA	\$5,000,000 per occurrence.
Personal Injury and Property Damage Coverage – Auto Liability	SDRMA	\$5,000,000 per occurrence.
Uninsured/Underinsured Motorists	SDRMA	\$1,000,000 each accident.
Public Officials and Employees Errors	SDRMA	\$5,000,000 per occurrence/general aggregate.
Employment Practices Liability	SDRMA	\$5,000,000 per occurrence/general aggregate.
Employee Benefits Liability	SDRMA	\$5,000,000 per occurrence/general aggregate.
Employee Dishonesty Coverage	SDRMA	\$1,000,000 per occurrence.
Personal Liability Coverage for Board Members	SDRMA	\$500,000 per occurrence/general aggregate per Board Member.

General Manager Sobel
Santa Cruz County Animal Control
2200 7th Ave
Santa Cruz, CA 95062

Manager Sobel

There's been a marked increase in dogs running with no tether as of late. I try to jog on one of the local beaches in the morning with my little dog on a tether. However, in the last few weeks I've been attacked by these loose dogs who think this is a game, I always pick my doggie up when they approach. One almost knocked me down yesterday. Does anyone in SC County animal control monitor the beaches between Pleasure Point and Sunny Cove ever?

I think the law and the signs state that dogs are supposed to be "leashed". Why isn't there any enforcement?

Stephanie Broughton
300 26th Ave
Santa Cruz, CA 95062

May 8th



Santa Cruz County Animal Shelter

1001 Rodriguez St., Santa Cruz, CA 95062
580 Airport Boulevard, Watsonville, CA 95076
Phone: (831) 454-7303 Fax: (831) 454-7210

Melanie Sobel
General Manager

May 15, 2018

Ms. Stephanie Broughton
300 26th Ave.
Santa Cruz, CA 95062

Dear Ms. Broughton,

Thank you for again contacting me concerning off-leash dogs on County beaches. This issue has been an on-going challenge.

The Santa Cruz County Animal Shelter is currently down two officers and have one officer on medical leave. We are in the process of recruiting and hiring for the two vacancies. When these officers are fully trained, there should be more opportunity for beach patrols. Right now, there are three fully trained officers to cover Santa Cruz County and the cities of Watsonville, Santa Cruz, Capitola and Scotts Valley, 24 hours a day, seven days a week. The department is currently spread thin and must allocate its efforts between aggressive animals, assisting law enforcement, animal bites, neglected/abused animals and attending court and seizure hearings, as well as dogs off leash on the beach. With new staff members fully trained, the situation should improve.

Santa Cruz County Animal Shelter responds to service calls based on priority of public safety and does conduct proactive patrols when possible. The County beaches are still on the patrol list, and will be visited as often as time allows.

Yours very truly,

A handwritten signature in cursive script that reads "Melanie Sobel".

Melanie Sobel
General Manager
Santa Cruz County Animal Shelter

Dear Board Members:

Do you think there might be a problem at Pleasure Point and other areas with off-leash dogs? Pasted in below are some posts from locals on the Neighborhood Network. It's not just one dog, there are others! How about some active patrols to curb this behavior. Try calling the Animal Services number to see how long it takes to get someone to report a problem.

Sincerely,

Fred Rodriguez April 20, 2018

[Gj Souls, Pleasure Point](#)

[Manja the Catahoula Dog off leash on the beach](#)

Manja, the dog has attacked close to 10 of the neighborhood dogs, has been seen off leash on the beach. Today, the dog was brought down to Dirtfarm by some one other than the owner and argued with 2 women who's dogs have been repeatedly attacked by Manja. We are getting the Animal Control paperwork printed out to hand out to those who have complaints. We understand that everyone is busy so we are trying to help with the process, however, the state does require that the complaints are turned into the local Animal control office and signed in front of a witness. Please, take a moment so we can get thos taken care of and ensure the dog is handled.

Manja, the dog at 23651 EAST CLIFF rental that has attacked close to 10 of the neighborhood dogs, has been seen off leash on the beach. Today, the dog was brought down to Dirtfarm by some one other...



[Kecan Comptroller \(Block Beach\)](#)

Animal services never helped me. My neighbor had a dog she never would leash or even put a fence around her property; dog (Gretta) always attacked my dogs, wherever we were, beach, streets, etc. I complained to the SPCA and they had "a talk" with her about it. So she took the dog to behavioral classes. Which worked as long as she was paying attention to the dog. And she was always so apologetic after an attack, offered pay vet bills, etc. Even wanted to rent my back house, so she could rent hers for more money, make a profit I suppose. So basically clueless, you know the "she never does this with other dogs" type. Turns out, Gretta just didn't like Siberian Huskies. Nothing like being terrorized for 8-9 years by the neighbor. There, that's end of my rant.

Undersheriff Jeremy Verinsky

5200 Soquel Avenue
Santa Cruz, CA 95062

Dear Mr. Verinsky

Reference: Dogs running around off-leash at Pleasure Point

As a regular visitor to the Pleasure Point area, it seems that in the last few months, on every sunny day there are dogs running around off-leash not only on the beach but also along the walkways. At one point there used to be some patrols by the county animal services people that would keep this behavior in check. But the routine patrols appear to have been eliminated. Please investigate! There are regular posts on the Pleasure Point Neighborhood Network that detail some of the awful results of dogs biting or jumping up on unsuspecting people in the area. My understanding is that the dogs need to be on-leash on all public areas except specifically defined "dog-parks". Perhaps I'm mistaken, but this attitude of my dog should run free needs to be corralled before more problems occur. Please have the patrols reinstated.

Jeannie Grande



2164 Warren Ave

Santa Cruz, CA 95062

✓ Cc: Santa Cruz County Animal Services Board 2200 7th Ave., Santa Cruz, CA 95062



Santa Cruz County Animal Shelter

1001 Rodriguez St., Santa Cruz, CA 95062
580 Airport Boulevard, Watsonville, CA 95076
Phone: (831) 454-7303 Fax: (831) 454-7210

Melanie Sobel
General Manager

May 7, 2018

Ms. Jeannie Grande
2164 Warren Ave.
Santa Cruz, CA 95062

Dear Ms. Grande,

Thank you for again contacting the Santa Cruz County Animal Shelter Board concerning off-leash dogs on County beaches. This issue has been an on-going challenge.

The Santa Cruz County Animal Shelter is currently down two officers. We are in the process of recruiting and hiring new staff. When these officers are fully trained, there should be more opportunity for beach patrols. Right now, there are three fully trained officers to cover Santa Cruz County and the cities of Watsonville, Santa Cruz, Capitola and Scotts Valley, 24 hours a day, seven days a week. The department is currently spread thin and must allocate its efforts between aggressive animals, assisting law enforcement, animal bites, neglected/abused animals and attending court and seizure hearings, as well as dogs off leash on the beach. With new staff members fully trained, the situation should improve.

Santa Cruz County Animal Shelter responds to service calls based on priority of public safety and does conduct proactive patrols when possible. The County beaches are still on the patrol list, and will be visited as often as time allows.

Yours very truly,

A handwritten signature in blue ink that reads 'Melanie Sobel'.

Melanie Sobel
General Manager
Santa Cruz County Animal Shelter