

Santa Cruz County Animal Shelter
Board of Directors Meeting
Minutes

April 11, 2022, 11:00am

In-Person Meeting

VOTING KEY: B=Bush, C=Clark, Co=Coburn, Cz=Czerwin, F=Figueroa, R=Randolph, Ry=Ryan, S=Schmidt, W=Walpole,

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

Abbreviations: Board Member (BM), General Manager (GM), Field Services Manager (FSM)

1.0 Call to Order and Roll Call: Meeting was called to order at 11:12 am by ASA Board Chairperson Walpole. BM's Figueroa, Ryan, and Schmidt were not present for the meeting. New BM Figueroa has replaced BM McKinley as one of the two BM's representing the City of Watsonville. GM Sobel was absent and was replaced by SCCAS Adm. Svcs. Officer II Joe Phares.

2.0 Introductions: None

3.0 Consideration of late additions or changes to the Agenda: None

4.0 Oral Communications: None

5.0 Consent Agenda

- 5.1 Approved minutes of the February 14, 2022 meeting
- 5.2 Accepted reports of the General Manager and the Management Team for February and March 2022
- 5.3 Accepted and filed the statistics for February and March 2022
- 5.4 Accepted and approves quarterly report for all claims under \$10,000
- 5.5 Accepted and approved journal entry payments with the County of Santa Cruz
- 5.6 Accept designated and undesignated donations in the total of \$46,800 from the SCCAS Foundation and direct that the checks be deposited.
- 5.7 Accepted a gift in the amount of \$5,000 from Char Williams through Fidelity Charitable and directed that the check be deposited.
- 5.8 Accepted a gift in the amount of \$5,000 from Altman Specialty Plants, LLC. and directed that the check be deposited.
- 5.9 Ratify the purchase of a new surgery light and ultrasound for the Santa Cruz Shelter, and approve an AUD74 authorizing the General Manager to

transfer appropriations in the amount of \$14,600 from Regular Pay to Fixed Asset Medical Equipment for the purchase.

5.10 Approve an AUD60 to accept and appropriate \$63,000 in unanticipated revenue for the purchase of equipment and supplies for the new cat room

Public Comment: None

Board Comment: None

Board action on Consent Agenda 5.0: Vote: Cz B C Co /F/ R /Ry/ /S/ W

Item approved unanimously.

6.0 Regular Agenda

6.1 General Manager's Report –

- Watsonville Shelter re-opened March 1. The Shelter is open to the public Monday – Saturday, 8 am to 5 pm. Animal Care and Animal Control staff are onsite 7 days a week.
- Santa Cruz Shelter expanded hours from 12 pm – 5pm hours to 10 am – 6 pm, seven days per week.
- Four new animal care hires started in February. Only two vacancies are remaining, an RVT and an Extra Help Animal Services Assistant. The opening for RVT has been difficult to fill and is under continuous recruitment. The second opening is for an Extra Help Animal Services Assistant (Client Services) and we will be conducting interviews in April.
- Restarted the Planned Pethood Program in March. Contracted vets are performing spay/neuter for loan income residents. Contracted vet services are difficult to maintain due to the competitive market for these services.
- RFP for veterinary services was advertised in February. No responses have been received to date. Plan B is to initiate a recruitment for a full-time Vet who would be an employee of the Shelter. That position is in our budget as unfunded. SCCAS will provide another update in June.
- The Santa Cruz Shelter Expansion is wrapping this month and is currently 95% complete.
 - o The new space looks great and will really improve our cat and rabbit spaces and provide a more interactive experience for clients. The surgery suite will also be expanded and improved and allow us to shift our spay/neuter clinics from the annex back to the main shelter.

Board Comment:

BM Clark asked what the requirements were to become an RVT and is SCCAS reached out to the local schools. ASO Phares stated he believed it is about a

one-year program and that SCCAS has worked closely with County Personnel to outreach schools and other sources of potential candidates.

BM Clark asked what the SCCAS pays a Veterinarian. ASO Phares indicated approximately \$70-\$90 per hour, however a review of the Personnel salary schedule indicates an hourly rate range of \$54.62 - \$74.19. ASO Phares indicated it was very difficult to recruit for this position due to the discrepancy in pay between SCCAS and the private sector, even after considering better benefits and retirement offered by the County.

BM Czerwin asked how the public signs up for Planned Pethood. ASO Phares stated that the program is advertised on the website and residents call in to inquire about availability and that we are currently booking about two days per week one month in advance. SCCAS would like to expand the program however ongoing vet services shortages prevents that.

6.2 Approved financial report for the months of February and March 2022.

ASO Phares oral report on financials:

- The Financial Report for February/March 2022 reflects total revenues during this period of \$509,374. Licensing revenues YTD are \$200,788. At this point last year licensing revenues were \$214,325. YTD revenues are 84% of a potential 75% so we are slightly ahead of budget on revenues and anticipate revenues will come in on budget.
- Total expenditures during this period were \$649,176. YTD expenditures are 63% of a potential 75%. Significant salary savings of almost \$300,000 due to vacancies in the first half of the fiscal year are the major contributing factor. These savings are not continuing however as we are close to full staffing.
- Our FY 21-22 budgeted net cost was \$422,676. This cost would be covered with fund balance from our B. Jean, Butler, and SB90 funds. However, based on current estimated/actuals, we instead anticipate a year-end surplus is estimated at \$45,819 instead of the budgeted deficit of \$422,676. SCCAS is close to \$500,000 ahead of budget this year, due primarily to salary savings, as well as the fact we did not utilize the budgeted \$179,000 contingency funds.

Public Comment: None

Board Comment:

BM Walpole asked if there is a required budget reserve. ASO Phares responded that there is no set reserve, but that SCCAS is required to allocated about

\$100,000 per year for capital reserve fund, and is also required to allocate 4% of the total expenditures (approximately \$190,000) for contingencies.

BM Randolph commented that the Registered Vet Tech (RVT) classification has not been updated since 2012, and recommended SCCAS complete a six-county salary comparison to determine if SCCAS pay for this classification is competitive. ASO Phares stated he would inquire with Personnel about the possibility of increasing RVT pay. He also informed the Board that many SCCAS classifications only have five pay steps vs. the seven steps that most other classifications utilize.

Board action on Regular Agenda Item 6.2: Vote: Co B C Cz /F/ R /Ry/ /S/ W
Item approved unanimously.

6.3 Considered the General Manager's proposed budget for FY 2022-23

ASO Phares budget key points:

- Summary of services provided by SCCAS
- Staff developed the following Proposed FY 2022-23 Budget for review and consideration The proposed reflects a 10% 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 2021-22 reflect a surplus of \$45,819, resulting in an estimated \$1,567,171 in unassigned reserve balance funds. The budget proposal assumes using \$335,732 in reserve funds for any additional net cost increases after revenues. 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 FY 2022-23 are based on reports provided by County Personnel. The 10.6% increase in Salaries and Benefits supports the current staffing level. Employee Insurance and Benefits costs continue to rise each year.
- Contributions and Donations 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 very modest level of services and supplies expenditures for the average animal population in the shelters. In fact, SCCAS has requested a \$115,199 decrease in services and supplies due to carefully monitored spending and cost-cutting measures. There are several unavoidable fixed costs based on current operations for the shelter including the Santa Cruz Shelter lease agreement and County overhead, contingency funding, and capital reserve funding. Staff continues to count on volunteer and public/non-profit support.
- The budget contains a required 4% Contingency of \$186,954 for any unanticipated costs or revenue shortfalls as well as a required \$103,030 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.

- Exhibit B - Schedule of Member Contributions: this schedule delineates the change in member contributions based on the 10% increase request, and also shows for comparison purposes the effects on contributions of 8% and 12% increases.
- Exhibit C - Member Data by Jurisdiction: this worksheet documents impounds and calls for service over the past three previous fiscal years. It is utilized to determine the allocation of member contributions.
- Exhibit D - Member Contribution Increases/Decreases by Fiscal Year: this chart shows the increase/decrease in member contributions over the past ten years. The ten-year average member contribution increase is only 3.05% which has led to an ongoing structural budget deficit.
- Exhibit E – Personnel Summary- SCCAS is requesting no change in funded positions for FY 2022-23.
- Exhibit F – Proposed Capital Reserve Budget- SCCAS requests a \$50,000 allocation for potential minor building improvements. The fund balance is anticipated to be \$319,682 including the FY 2022-23 allocation.
- Exhibit G - Fee Schedule for Santa Cruz County- this fee schedule reflects changes from FY 2021-22 to FY 2022-23. All of the changes are updates in line with the new Animal Ordinance in effect in Santa Cruz County as of February 11, 2022.
- Exhibit H - Fee Schedule for City of Capitola, City of Santa Cruz, City of Scotts Valley and City of Watsonville- No changes to this fee schedule.
- There may be minor budget adjustments required between now and June when Board will vote on the budget.

In summary, staff recommends a 10% increase to member contributions 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 and quality of life 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.

Public Comment: None

Board Comment:

Member Clark: what is the Pit Fix program. ASO Phares responded that this was one of several programs designed to encourage spay/neuter of dogs and

Member Coburn: Thanked ASO Phares for compiling a reasonable budget request.

Member Czerwin: How is inflation impacting SCCAS. ASO Phares responded that inflation and supply-chain issues are having a major impact on SCCAS. 7-8& inflation when annual budget increases by only 3% on average.

Member Czerwin: Does SCCAS have a target for each fund balance? ASO Phares: No target, two of the funds were gifts. We try to use the balances incrementally. Capital Reserve Fund is used minimally to attempt to build up the balance for major capital projects. Identifying a budget reserve would be very helpful. We are on pace for a 5-year spend out of the trust funds.

Member Coburn: Capital Reserve Fund was developed based on a Capital Reserve report.

Member Randolph: Recommends that the fees be increased incrementally year by year. ASO Phares: licensing fees are our biggest revenue generator and SCCAS is on the high end for licensing. Compliance with licensing is a big problem in the County and SCCAS is working on strategies to improve compliance.

Member Czerwin: does SCCAS partner with Vet's for license compliance assistance. ASO Phares: SCCAS partners for rabies compliance but not licensing.

Member Randolph: Does SCCAS budget for salary savings? ASO Phares: no, due to low vacancy rates.

ASO Phares: Please contact me if you have any questions or concerns re: the budget.

7.0 Adjourn Board Meeting at 12:07 pm

The next regular meeting is scheduled for June 13, 2022 at 11am at the Santa Cruz County Board of Supervisors Chambers located at 701 Ocean St., 5th floor, Santa Cruz. The meeting will be held in person.

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Steve Walpole 4/19/2022
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ATTEST: _____
Chairperson: Stephen Walpole

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Joe Phares 4/19/2022
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Clerk: Joe Phares