

Preliminary Draft Memorandum

TO: City of Alameda
FROM: James Edison
DATE: January 23, 2017
SUBJECT: FAAS Budget Review

Willdan has been engaged by the City to evaluate the budget of the Friends of the Alameda Animal Shelter (FAAS). The FAAS has operated the Alameda Animal Shelter since 2012, with annual support from the City that started at \$300,000 annually and has gradually increased to \$328,000 in FY 2015-16. Recently FAAS has proposed a revised budget for FY 2016-17 that requests a payment from the City of \$1.4 million annually.

In looking at the FAAS budget from 2012-13 to 2015-16 (actual) there was a gradual increase in expenditures and revenues, with expenditures increasing by \$268,000, or approximately 35 percent. FAAS covered this increase with increases in direct public support (\$125,000) and City support (\$28,000). The major exception to increases is fees, which actually declined in nominal terms by \$9,000 over that period, about 11%. Expenses increased more than revenues over that period, resulting in a change from an operating surplus in 2012-13 to about breakeven in 15-16.

The first large change is from the 15-16 actuals to the 16-17 (approved) budget. The FAAS budgets for 2015-16 (actual), 2016-17 (approved) and 2016-17 (proposed) are detailed at the end of this memorandum. The 16-17 (approved) budget projected a drop in public support of \$187,000 and an expenditure of cash reserves of \$346,000, along with an increase in the City contribution of \$28,000, to a total of \$356,000. FAAS staff have explained that the drop in public support reflects the fact that the level of prior support (from the Angel Fund, Maddie's Fund and others) was unsustainable.

The 16-17 approved budget also included significant increases in expenses for payroll, operating expenses, shelter expenses. There are increases across the board, totaling about \$183,000, or 11 percent. A large proportion of this increase is medical/dental expenses for employees (\$35,000), wages (\$62,000) and professional services (\$39,000). A large portion of the professional services expense is an increase of \$25,000 to pay for ADP payroll processing. Lastly there is an increase of \$35,000 in shelter expenses.

The second, and larger, change is from the 16-17 (approved) budget to the 16-17 (proposed) budget. The major changes from the approved budget are the removal of the cash reserve expenditure, which is replaced by an increase in the City contribution, and a large increase in costs of about \$610,000, which consists mostly of payroll (\$418,000), shelter costs (\$118,000),

operating expenses (\$41,000), and community engagement and programming (\$22,000, from very little). The main driver of shelter costs according to FAAS is increased vet services because they lost a few monthly free services from local vets and from the Alameda County SPCA.

The major increase in the proposed 2016-17 budget over the adopted 16-17 budget is staffing costs. Wages and salaries increase from \$431,000 budgeted in FY 2015-16 to a proposed \$814,000 for FY 2016-17. Of this increase \$158,000 is increases in compensation (including some position modifications) and \$224,000 is the addition of four full-time positions (from 8 to 12, with three part-time positions in each case).

The last comparison to consider is the main overall changes from FY2015-16 actuals to the proposed FY2016-17 budget. In terms of revenue, direct public support drops by \$189,000 and Alameda's payment increases by \$1.1 million. For expenditures the total increases by \$794,000, mostly consisting of payroll expenses (\$525,000), shelter expenses (\$153,000), professional services (\$34,000), operating expenses (\$74,000), and fundraising/outreach expenses (\$59,000).

One thing worth noting is that the proposed budget for FY 2016-17 shows a budget surplus of \$124,000, which would appear to mean that necessary Alameda contribution under the proposed budget should be reduced from \$1.4 million to \$1.3 million.



FAAS Budget Summary

Item	Actual FY 2015-16	Approved FY 2016-17	15-16 Change	%	Proposed Budget FY2016-2017	15-16 Change	%
Income							
41000 · Direct Public Support							
41100 · Individ, Business Contributions							
41130 · Events							
41131 · After the Ball	\$91,459.82	\$90,000.00	(1,460)	-2%	\$75,000.00	(16,460)	-18%
41132 · Cutest Pet Photo Contest	\$6,454.00	\$6,500.00	46	1%	\$9,000.00	2,546	39%
41133 · Wiggle Waggle Walk	\$2,948.03	\$14,000.00	11,052	375%	\$14,000.00	11,052	375%
41134 · Events - Other	<u>\$13,428.55</u>	<u>\$12,000.00</u>	<u>(1,429)</u>	<u>-11%</u>	<u>\$12,000.00</u>	<u>(1,429)</u>	<u>-11%</u>
Total 41130 · Events	\$114,290.40	\$122,500.00	8,210	7%	\$110,000.00	(4,290)	-4%
41140 · Special Funds							
41141 · Angel fund	\$45,233.81	\$30,000.00	(15,234)	-34%	\$30,000.00	(15,234)	-34%
41142 · Rabbit fund	\$523.91	0	(524)	-100%	0	(524)	-100%
41143 · Sasha Fund	\$14,463.95	\$10,000.00	(4,464)	-31%	\$10,000.00	(4,464)	-31%
41144 · Community/Humane	0	<u>\$1,000.00</u>	<u>1,000</u>	<u>NA</u>	<u>\$5,000.00</u>	<u>5,000</u>	<u>NA</u>
Total 41140 · Special Funds	\$60,221.67	\$41,000.00	(19,222)	-32%	\$45,000.00	(15,222)	-25%
41150 · Appeals							
41151 · Fall appeal	\$8,278.00	\$9,000.00	722	9%	\$10,000.00	1,722	21%
41153 · Holiday appeal	\$53,352.40	\$50,000.00	(3,352)	-6%	\$50,000.00	(3,352)	-6%
41152 · Spring appeal	\$16,240.95	\$8,000.00	(8,241)	-51%	\$9,000.00	(7,241)	-45%
41154 · Summer appeal	0	0	0	NA	0	0	NA
Total 41150 · Appeals	\$77,871.35	\$67,000.00	(10,871)	-14%	\$69,000.00	(8,871)	-11%
41160 · Wine sales donations	\$4,487.50	\$4,000.00	(488)	-11%	\$4,000.00	(488)	-11%
41170 · Individ, Business	\$207,125.94	\$107,000.00	(100,126)	-48%	\$107,000.00	(100,126)	-48%
Total 41100 · Individ, Business	463,997	341,500	(122,497)	-26%	335,000	(128,997)	-28%
41800 · In-Kind Donations							
41801 · In-Kind Donations - HSOA	20,541	12,500	(8,041)	-39%	12,500	(8,041)	-39%
41802 · In-kind Rental Income	40,320	40,320	0	0%	40,320	0	0%
41803 · In-Kind Donations -	27,243	25,000	(2,243)	-8%	25,000	(2,243)	-8%
41804 · In-Kind Media	47,805	0	(47,805)	-100%	0	(47,805)	-100%
41805 · In-Kind Pet Food Pantry	6,630	2,500	(4,130)	-62%	7,000	370	6%
41806 · In-Kind Grooming	0	700	700	NA	700	700	NA
41805 · In-Kind Donations	4,460	1,500	(2,960)	-66%	1,500	(2,960)	-66%
Total 41200 · In-Kind Donations	<u>147,000</u>	<u>82,520</u>	<u>(64,480)</u>	<u>-44%</u>	<u>87,020</u>	<u>(59,980)</u>	<u>-41%</u>
Total 41000 · Direct Public Support	610,997	424,020	(186,977)	-31%	422,020	(188,977)	-31%
42000 · Fees							
42100 · Pet license							
Total 42100 · Pet license	30,074	26,000	(4,074)	-14%	26,000	(4,074)	-14%
42200 · Adoptions							
Total 42200 · Adoptions	29,955	26,500	(3,455)	-12%	28,500	(1,455)	-5%
42400 · Redemptions and Boarding							
Total 42400 · Redemptions and Boarding	6,800	7,200	400	6%	7,200	400	6%
42700 · Miscellaneous fees							
Total 42700 · Miscellaneous fees	8,705	8,350	(355)	-4%	8,650	(55)	-1%
Total 42000 · Fees	75,534	68,050	(7,484)	-10%	70,350	(5,184)	-7%
43000 · Grants							
43100 · Maddie's Fund	23,800	0	(23,800)	-100%	0	(23,800)	-100%
43200 · Miscellaneous grants	8,500	15,000	6,500	76%	7,500	(1,000)	-12%
Total 43000 · Grants	32,300	15,000	(17,300)	-54%	7,500	(24,800)	-77%
44000 · Government Contracts							
44430 · City of Alameda	328,055	355,823	27,768	8%	1,437,229	1,109,174	338%
Total 44000 · Government Contracts	328,055	355,823	27,768	8%	1,437,229	1,109,174	338%
48000 · Miscellaneous Revenue							
Total 48000 · Miscellaneous Revenue	<u>9,109</u>	<u>353,434</u>	<u>344,325</u>	<u>3780%</u>	<u>14,500</u>	<u>5,391</u>	<u>59%</u>
Total Income	1,055,994	1,216,327	160,332	15%	1,951,599	895,604	85%



FAAS Budget, Cont.

Item	Actual FY 2015-16	Approved FY 2016-17	15-16 Change	%	Proposed Budget FY2016-2017	15-16 Change	%
Expense							
61000 · Payroll Expenses							
61100 · Salaries and wages	419,318	481,178	61,860	15%	813,629	394,311	94%
61200 · Other Employee Expenses							
Total 61200 · Other Employee Expenses	<u>95,439</u>	<u>140,899</u>	<u>45,459</u>	<u>48%</u>	<u>227,274</u>	<u>131,834</u>	<u>138%</u>
Total 61000 · Payroll Expenses	514,758	622,077	107,320	21%	1,040,903	525,335	102%
62000 · Shelter expenses							
62100 · Contractual services	9,443	10,000	557	6%	60,000	50,557	535%
62101 · Dog Training/Sasha Fund	9,305	10,000	695	7%	15,000	5,695	61%
62200 · Spay/neuter	37,510	40,000	2,490	7%	40,000	2,490	7%
62210 · Other Vet services & lab							
Total 62210 · Other vet services & lab	61,580	50,000	(11,580)	-19%	110,000	48,420	79%
62220 · Medications	6,583	15,000	8,417	128%	18,000	11,417	173%
62230 · Rabbit care	2,024	500	(1,524)	-75%	500	(1,524)	-75%
62240 · Feed & litter	8,047	10,000	1,953	24%	10,000	1,953	24%
62250 · Kennel Supplies & Equipment	19,189	40,000	20,811	108%	40,000	20,811	108%
62260 · Microchips	3,818	5,000	1,182	31%	5,000	1,182	31%
62270 · Transportation/mileage	226	2,500	2,274	1006%	2,500	2,274	1006%
62275 · FAAS Mobile	4,291	6,500	2,209	51%	6,500	2,209	51%
62280 · Shelter repairs	<u>12,105</u>	<u>20,000</u>	<u>7,895</u>	<u>65%</u>	<u>20,000</u>	<u>7,895</u>	<u>65%</u>
Total 62000 · Shelter expenses	174,123	209,500	35,377	20%	327,500	153,377	88%
62500 · In-Kind Donations Expense							
62510 · In-Kind HSOA	20,541	12,500	(8,041)	-39%	12,500	(8,041)	-39%
62520 · In-Kind Rental	40,320	40,320	0	0%	40,320	0	0%
62530 · In-Kind Shelter/Pet/Office	27,243	25,000	(2,243)	-8%	25,000	(2,243)	-8%
62540 · In-Kind Media	47,805	0	(47,805)	-100%	0	(47,805)	-100%
62550 · In-Kind Pet Food Pantry	6,630	2,500	(4,130)	-62%	7,000	370	6%
62560 · In-Kind Grooming	0	700	700	NA	700	700	NA
62570 · In-Kind Other/Professional	<u>4,460</u>	<u>1,500</u>	<u>(2,960)</u>	<u>-66%</u>	<u>1,500</u>	<u>(2,960)</u>	<u>-66%</u>
Total 62500 · In-Kind Donations Expense	147,000	82,520	(64,480)	-44%	87,020	(59,980)	-41%
63000 · Occupancy							
Total 63000 · Occupancy	36,041	40,501	4,460	12%	42,501	6,460	18%
64000 · Insurance							
Total 64000 · Insurance	13,764	14,728	963	7%	14,728	963	7%
65000 · Professional Services							
65110 · Professional Consultants	5,000	30,000	25,000	500%	20,000	15,000	300%
65120 · Accounting/Audit/990	16,900	20,000	3,100	18%	20,000	3,100	18%
65130 · Information Technology	2,000	6,500	4,500	225%	6,500	4,500	225%
65140 · Payroll Service	9,058	15,000	5,942	66%	20,000	10,942	121%
65190 · Other	<u>395</u>	<u>1,000</u>	<u>605</u>	<u>153%</u>	<u>1,000</u>	<u>605</u>	<u>153%</u>
Total 65000 · Professional Services	33,354	72,500	39,146	117%	67,500	34,146	102%



FAAS Budget, Cont.

Item	Actual FY 2015-16	Approved FY 2016-17	15-16 Change	%	Proposed Budget FY2016-2017	15-16 Change	%
66000 · Operating expenses/Administrative							
66100 · Supplies	4,767	6,500	1,733	36%	6,500	1,733	36%
66110 · Uniforms	1,524	3,500	1,976	130%	5,000	3,476	228%
66120 · Postage and shipping	3,606	3,500	(106)	-3%	4,500	894	25%
66130 · General Printing	5,243	5,000	(243)	-5%	6,000	757	14%
66140 · IT, Website Maintenance contracts	19,614	22,000	2,386	12%	30,000	10,386	53%
66150 · Credit card processing	2,662	3,000	338	13%	4,000	1,338	50%
66160 · Bank charges	1,002	1,000	(2)	0%	1,500	498	50%
66170 · Taxes & licenses	1,653	5,000	3,347	202%	5,000	3,347	202%
66180 · Employee recruitment	300	2,500	2,200	733%	5,000	4,700	1567%
66190 · Professional memberships	2,437	2,000	(437)	-18%	4,000	1,563	64%
66200 · Travel, meetings & conferences	5,024	10,000	4,976	99%	15,000	9,976	199%
66210 · Marketing & Advertising	2,496	15,000	12,504	501%	30,000	27,504	1102%
66220 · Volunteer recognition	4,364	6,000	1,636	37%	10,000	5,636	129%
66230 · Operating expenses - other	473	2,500	2,027	429%	2,500	2,027	429%
66240 · Depreciation	<u>0</u>	<u>0</u>	-	-	<u>0</u>	-	-
Total 66000 · Operating expenses	55,164	87,500	32,336	59%	129,000	73,836	134%
67000 · Fundraising expense							
67010 · After the Ball	37,610	40,000	2,390	6%	50,000	12,390	33%
67020 · Wiggle Waggle Walk	1,112	6,000	4,888	440%	8,000	6,888	620%
67030 · Summer Appeal	0	0			0		
67040 · Fall Appeal	3,946	6,000	2,054	52%	6,000	2,054	52%
67050 · Holiday Appeal	3,980	6,000	2,020	51%	6,000	2,020	51%
67060 · Spring Appeal	4,902	6,000	1,098	22%	6,000	1,098	22%
67070 · Calendar	3,793	9,000	5,207	137%	6,000	2,207	58%
67080 · Merchandise	812	10,000	9,188	1132%	10,000	9,188	1132%
67090 · Other	<u>2,998</u>	<u>2,000</u>	<u>(998)</u>	<u>-33%</u>	<u>2,000</u>	<u>(998)</u>	<u>-33%</u>
Total 67000 · Fundraising expense	59,153	85,000	25,847	44%	94,000	34,847	59%
68000 · Community Engagement &							
68100 · Humane Education Program	30	500	470	1567%	5,000	4,970	16567%
68200 · Pet food pantry	0	500	500	NA	5,000	5,000	NA
68300 · Animal Transport & Mobile	0	1,000	1,000	NA	1,500	1,500	NA
68400 · Emergency Preparedness					<u>12,500</u>	<u>12,500</u>	<u>NA</u>
Total 68000 · Community Engagement &	<u>30</u>	<u>2,000</u>	<u>1,970</u>	<u>6567%</u>	<u>24,000</u>	<u>23,970</u>	<u>79900%</u>
Total	1,033,386	1,216,326	182,940	18%	1,827,151	793,765	77%
Net Income	22,609	1			124,448	101,839	450%

Source: Friends of the Alameda Animal Shelter

Willdan has consulted with industry experts on the current and proposed staffing for FAAS. Following is the table provided by FAAS regarding current and future staffing. The total budget increase for staffing is \$382,000. Of this total \$158,000 is salary increases and \$224,000 is for four new positions, increasing the total FTEs to 12. The conclusion is that the current staffing (8 FTEs plus additional part time staff) is roughly appropriate for the number of FAAS intakes. As far as new positions, the development director is a reasonable position so long as the position results in additional funding in excess of that position's cost (which does not appear to be the case). A second customer care associate could be appropriate for a facility open six hours a day, five days a week. The necessity for an Animal Intake and Adoption Coordinator or Volunteer Recruitment and Training Manager is unclear since at a relatively small facility those functions can be covered by overlapping staff.



Willdan also obtained salaries for a comparable organization. Overall the comparable salaries are in the range, but somewhat lower, than those proposed in the FAAS table for 2016-17. Notable variances are suggested compensation of 110-120K for the ED (compared to 140) and 50-60K for a director of development (compared to 92).

One issue that is definitely worth raising with FAAS is that in their proposed budget they are adding a director of development but show a reduction in fundraising revenue of \$189,000 from adopted 2015-16 to proposed 2016-17.

Another item to consider is that the current salaries at FAAS appear to be higher than those on the rightmost column of the proposed table, where the total wages equal \$431,439 for 2014-15. In the approved 2016-17 budget the total wages and salaries is \$481,178, suggesting a compensation increase of 11.5%. This may not be exactly correct, however, as some of that difference may be from increased hours worked by part time employees.

	Proposed for FY2016-17 with new positions and salary adjustments	New X Mod *	Proposed salaries as of July 1, 2016 (for FY2016-17) Full salary adjustments	Increase %	Proposed salaries as of July 1, 2016 (for FY2016-17) Intermediary step up salary adjustment	Increase %	Salaries: FYs 2014-15 through 2015-2016 (Before FY2016-17 COLA)	FTEs	Eligible Benefits/Notes
1	Animal Behavior Supervisor	*	\$52,876	35.58%	\$45,938	17.79%	\$39,000	1 FTE	Medical Dental & Vision
2	Sr. Animal Care Attendant (1) at 34 hrs		30,056	41.67%	24,398	15.00%	21,216	part time	\$17 per hour
5	Animal Care Attendant (3) at 20 hrs		49,920	45.45%	39,983	16.50%	34,320	part time	\$16 per hour
6	Animal Care Attendant (1) at 30 hrs		24,960	45.45%	19,991	16.50%	17,160	part time	\$16 per hour
7	Animal Care Supervisor		42,275	67.11%	33,787	33.55%	25,298	1 FTE	Medical Dental & Vision
8	Animal Intake and Adoption Coordinator	X	35,404	NA	25,803	NA	0	1 FTE	Medical Dental & Vision
9	Marketing and Communications Coordinator		59,340	41.29%	50,670	20.64%	42,000	1 FTE	Medical Dental & Vision
10	Director of Development	X	92,000	NA	69,000	NA	0	1 FTE	Medical Dental & Vision
11	Executive Director		140,000	55.56%	115,000	27.78%	90,000	1 FTE	Medical Dental & Vision
12	Customer Care Associate		34,460	14.87%	32,230	7.43%	30,000	1 FTE	Medical Dental & Vision
13	Customer Care Associate	X	34,460	NA	32,230	NA	0	1 FTE	Medical Dental & Vision
14	Shelter Operations/Facilities Manager	*	65,882	11.46%	62,494	5.73%	59,106	1 FTE	Medical Dental & Vision
15	Vet Tech - Certified	*	45,126	28.56%	40,113	14.28%	35,100	1 FTE	Medical Dental & Vision
16	Community Outreach/ Volunteer Coordinator		44,470	16.29%	41,355	8.15%	38,239	1 FTE	Medical Dental & Vision
17	Volunteer Recruitment and Training Manager	X	62,400	NA	46,800	NA	0	1 FTE	Medical Dental & Vision
	Total		\$813,629		\$679,791		\$431,439	12 FTE	
								5 part time	
	Compensation per Capita		\$10.26		\$8.57		\$5.56		
	Petaluma Comparison		\$489,602						
			\$5.69						

Sources: FAAS, Willdan

