



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

## Board of Directors

### Agenda

Wednesday, May 8, 2019, 6:30 P.M.

Scotts Valley City Hall

One Civic Center Drive, Scotts Valley CA 95066

Board meetings are televised on Community Television, Channel 25. Agendas and Board Packets are available on the District's web site @ [www.scottsvalleyfire.com](http://www.scottsvalleyfire.com)

Any person who requires a disability related modification or accommodation in order to participate in a public meeting should make such a request to Steve M. Kovacs, Board Secretary, for immediate consideration.

#### 1. Call to Order

1.1 Pledge of Allegiance and Moment of Silence

1.2 Roll Call

#### 2. Public Comment (GC §54954.3)

This portion of the meeting is reserved for persons wishing to address the Board on any matter not on the agenda. Any matter that requires Board action will be referred to staff for a report and action at a subsequent Board meeting.

#### 3. Agenda Amendments (GC §54954.2) – Discussion/Action

#### 4. Consent Calendar

(Consent calendar items will be enacted upon by one motion. There will be no separate discussion on items unless a Board Member, Staff, or member of the public requests removal of the item for separate action.)

4.1 Minutes: Approve Regular Board Meeting Minutes of March 13, 2019

4.2 Payroll: Approve March Payroll 05, 06 and 07 in the amount of: \$430,818.22

4.3 Payroll: Approve April Payroll 08 and 09 in the amount of: \$298,305.30

4.4 Expenditures: Approve Expenditures for March in the Amount of:

General Fund:	\$116,855.60
SCHMIT:	\$ 79.06
TOTAL:	\$116,934.66

4.5 Expenditures: Approve Expenditures for April in the Amount of:

General Fund:	\$112,675.32
SCHMIT:	\$ 3,888.19
TOTAL:	\$116,563.51

4.6 Approve Resolution 2019-3: Resolution Requesting Temporary Transfer of Funds

4.7 Approve Fee Waiver Request from the City of Scotts Valley for the Fireworks Event 7/4/2019

**Scotts Valley Fire Protection District  
Board of Directors Meeting for May 8, 2019  
Agenda**

**Action Items**

- 5.1 Adopt the 2019/2020 FY Preliminary Budgets as Presented, Discussion/Action

685010	General Fund:	\$9,579,003
685020	Zone A:	\$1,209,137
685030	Capital Outlay:	\$ 421,699
685040	SCHMIT:	\$ 234,800

Set public hearing for adoption of the final budget for the August 14, 2019, Regular Board Meeting: 6:30 P.M.

Direct staff to publish a notice for the public hearing and make the budget available for public review

- 5.2 Consider audit proposals, received from the request for proposal to conduct financial audits and preparation of the District's Financial Statement for fiscal years ending 2019, 2020, and 2021. The Board will review the proposals and possibly enter into an agreement with an auditing firm, Discussion/Action
- 5.3 Approve to declare the Public Education Trailer surplus and authorize the Fire Chief to place it for sale, Discussion/Action
- 5.4 LAFCO Call for Nominations for the Special District Alternative Member, Discussion/Action
- 5.5 Approve Agreement with the Santa Cruz Consolidated Emergency Communications Center for Communications Services, Discussion/Action
- 5.6 Approve Proclamation for M. Travis Crivello for Firefighter of the Year, Discussion/Action

**6. Board of Directors and Administrative Reports – Information/Discussion**  
(No action will be taken on any questions raised by the Board at this time.)

- 6.1 Board of Directors Report – *Directors*
- 6.2 Administrative Report – *Chief Officers*

**7. Correspondence**

- 7.1 California Assistance Agreement Letter
- 7.2 Scotts Valley Water District- Fire Service Bills Letter
- 7.3 LAFCO Proposed 2019/2020 FY Final Budget

**8. Request for Future Agenda Items**

**9. Adjournment**

Next Regularly Scheduled Board Meeting:  
Wednesday, June 12, 2019 at 6:30 p.m.



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066

(831) 438-0211

Fax (831) 438-0383

## MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING OF March 13, 2019

### 1. Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, March 13, 2019 at the City of Scotts Valley Council Chambers. President Patterson called the meeting to order at 6:30 p.m. and thanked Community Television for Broadcasting the Meeting.

#### 1.1 Pledge of Allegiance and Moment of Silence

President Patterson called for the Pledge of Allegiance and a Moment of Silence to follow.

#### 1.2 Roll Call

A. Directors Present:	Directors Campbell, Harmon, Parker, Patterson and Pisciotta
B. Directors Absent:	None
C. Fire District Staff:	Chief Kovacs and Administrative Secretary Walton

### 2. Public Comment (GC §54954.3) None

### 3. Agenda Amendments (GC §54954.2) – Discussion/Action None

### 4. Consent Calendar

#### 4.1 Minutes: Approve Regular Board Meeting Minutes of February 13, 2019

#### 4.2 Payroll: Approve February Payroll 03 and 04 in the amount of: \$289,761.21

#### 4.3 Expenditures: Approve Expenditures for February in the Amount of:

<u>General Fund:</u>	\$134,723.78
<u>Zone A:</u>	\$ 500.00
<u>SCHMIT:</u>	\$ 4,388.19
<u>TOTAL:</u>	\$139,611.97

#### 4.4 Adopt Resolution 2019-1 Establishing Appropriation Limit for Fiscal Year 2018/2019

On motion of Director Pisciotta seconded by Director Campbell to *Approve the Consent Calendar Items 4.1, 4.2, 4.3 and 4.4* was approved by the following vote:

AYES:	Campbell, Harmon, Parker, Patterson and Pisciotta
NOES:	None
ABSENT:	None
ABSTAIN:	None

### 5. Action Item

#### 5.1 Approve the Fire Chief as the Authorized Signer for Santa Cruz County Bank, Discussion/Action

**SCOTTS VALLEY FIRE PROTECTION DISTRICT**  
**Regular Board Meeting March 13, 2019**

Chief Kovacs explained that the Santa Cruz County Bank has requested that the District update the authorized representative to sign correspondence for the current Side Fund Loan. A Board Director could also be selected as the authorized signer. This does not allow the Fire Chief to sign any other documents not related to the Side Fund Loan, unless authorized by the Board of Directors.

**On motion of Director Harmon seconded by Director Parker to *Approve the Fire Chief as the Authorized Signer for Santa Cruz County Bank* was approved by the following vote:**

<b>AYES:</b>	<b>Campbell, Harmon, Parker, Patterson and Pisciotta</b>
<b>NOES:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>

**5.2 Approve Resolution 2019-2: Resolution Accepting and Allocating Unanticipated Revenue.**  
**Discussion/Action**

Chief Kovacs stated that the unanticipated revenue is a result of the 2018 fire season mutual aid responses. Resolution 2019-2 Accepts \$130,000 of unanticipated revenue and allocates \$100,000 to Account 51025 (Callback) to reimburse labor expenses generated by Strike Team responses and \$30,000 to Account 61720 (Maintenance Mobile Equipment) to cover unanticipated apparatus repairs and maintenance. This is an internal transfer of funds as required by the County.

**On motion of Director Campbell seconded by Director Pisciotta to *Approve Resolution 2019-2: Resolution Accepting and Allocating Unanticipated Revenue* was approved by the following vote:**

<b>AYES:</b>	<b>Campbell, Harmon, Parker, Patterson and Pisciotta</b>
<b>NOES:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>

**5.3 LAFCO Election for Special District Member – Discussion/Action**

Chief Kovacs stated that there is a Special District open seat on the LAFCO Board. The Ballot and Candidate Statements are included in the packet.

President Patterson stated that Edward Banks (Pajaro Valley Public Cemetery District) and Rachel Lather (Soquel Creek Water District) are running for the open seat. The Board reviewed the candidate's background information and voted.

**On motion of Director Parker seconded by Director Pisciotta to *Endorse Rachel Lather as the Special District Member of LAFCO* was approved by the following vote:**

<b>AYES:</b>	<b>Campbell, Harmon, Parker, Patterson and Pisciotta</b>
<b>NOES:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>

**6. Board of Directors and Administrative Reports – Information/Discussion**  
**(No action will be taken on any questions raised by the Board at this time.)**

**6.1 Board of Directors Report – Directors**

Director Campbell stated that he and President Patterson attended a Finance Committee Meeting with two Branciforte Fire District Board Directors to discuss the status of the Agreement. Various options were discussed and Chief Kovacs is going to do additional research and put together a staff report.

President Patterson added that it was a productive meeting with work to be done but that in the end, it will work out well for both agencies.



**SCOTTS VALLEY FIRE PROTECTION DISTRICT**  
**Regular Board Meeting March 13, 2019**

**6.2     Administrative Report – Chief Officers**

The full Administrative Report was included in the packet and Chief Kovacs added the following:

- The FDAC Conference is from April 2<sup>nd</sup> to 5<sup>th</sup>.
- March 30<sup>th</sup> there will be a Fire Prevention and Response Panel Discussion Forum at the Scotts Valley Community Center.
- March 19<sup>th</sup> there will be a County CERT Meeting and I will be speaking on working with volunteers.
- March 22<sup>nd</sup> I have been invited to ride along with Meals on Wheels for about an hour delivering meals to Scotts Valley Residents.
- March 27<sup>th</sup> the Scotts Valley Water District is having a Team Building Seminar. An email was sent out and 3 Board Directors are attending.
- The April 10 Regular Board Meeting was cancelled due to the FDAC Conference.

**7.     **Correspondence – Information****

**7.1     Thank You Letter – Gaines Family**

**7.2     Thank You Letter – Butte County Fire Department**

The Board received and filed the correspondence.

**8.     **Request for Future Agenda Items****  
None

**9.     **Adjournment****

The meeting was adjourned at 6:42 p.m.

ATTEST

\_\_\_\_\_  
Russ Patterson  
Board President

\_\_\_\_\_  
Steve M. Kovacs  
Board Secretary

Date Range From 02/09/2019 To 03/21/2019			
PAYROLL	ACCT. #	PP	TOTALS
Regular Pay	51000	5	\$118,198.75
		6	\$118,255.73
		7	\$118,344.53
Overtime	51005	5	\$2,338.18
		6	\$4,035.74
		7	\$3,793.77
Regular Pay, Extra Help (PCF)	51010	5	\$1,704.00
		6	\$0.00
		7	\$774.00
Regular Pay, Sick Leave	51015	5	\$0.00
		6	\$0.00
		7	\$0.00
Regular Callback Pay	51025	5	\$10,448.64
		6	\$8,943.78
		7	\$13,619.18
Holiday Pay	51035	5	\$0.00
		6	\$0.00
		7	\$0.00
Differential Pay	51040	5	\$5,859.21
		6	\$5,859.21
		7	\$5,859.21
Regular Pay, Sick Leave Reserve	55020	5	\$0.00
		6	\$0.00
		7	\$0.00
Misc Benefits, Vacation Payoff	55021	5	\$4,261.43
		6	\$4,261.43
		7	\$4,261.43
Directors Fees	62327	5	\$0.00
		6	\$0.00
		7	\$0.00
<b>TOTAL PAYROLL</b>			<b>\$430,818.22</b>

04/09/2019

Date Range from 03/21/2019 To 04/20/2019			
PAYROLL	ACCT.#	PP	TOTALS
Regular Pay	51000	8	\$118,629.43
		9	\$118,536.93
Overtime	51005	8	\$6,288.20
		9	\$6,899.88
Regular Pay, Extra Help (PCF)	51010	8	\$0.00
		9	\$510.00
Regular Pay, Sick Leave	51015	8	\$0.00
		9	\$0.00
Regular Callback Pay	51025	8	\$11,231.45
		9	\$13,468.13
Holiday Pay	51035	8	\$0.00
		9	\$0.00
Differential Pay	51040	8	\$5,859.21
		9	\$5,859.21
Regular Pay, Sick Leave Reserve	55020	8	\$0.00
		9	\$0.00
Misc Benefits, Vacation Payoff	55021	8	\$4,261.43
		9	\$4,261.43
Directors Fees	62327	8	\$2,500.00
		9	\$0.00
<b>TOTAL PAYROLL</b>			<b>\$298,305.30</b>

**CLAIMS BY GL OBJ**

04/09/2019

Filter: (Claim Date is between 03/01/2019  
and 03/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
<b>GL Key: 685010</b>			
<b>GL Obj: 53010 Group Health - Dental Insurance</b>			
03/15/2019	FDAC EBA	Life & Vision Ins.- 4/2019	\$1,080.26
03/15/2019	HEALTH CARE EMPLOYEES/EMPLOYER	Dental Ins.- 4/2019	\$5,164.85
	DENTAL TRUST		
03/22/2019	JIM DELUCCHI	Retiree Health Ins.- 4/2019	\$840.28
03/22/2019	SAL LOFRANCO	Retiree Health Ins.- 4/2019	\$563.20
03/22/2019	TIM THEILEN	Retiree Health Ins.- 4/2019	\$679.29
03/22/2019	CALPERS RETIREMENT SYSTEM	Health Ins.- 4/2019	\$53,861.92
03/22/2019	MICHAEL MCMURRY	Retiree Health Ins.- 4/2019	\$1,596.54
03/22/2019	MIKE PHINN	Retiree Health Ins.- 4/2019	\$469.19
03/22/2019	MIKE BIDDLE	Retiree Health Ins.- 4/2019	\$999.98
<b>SubObject Total</b>			<b>\$65,255.51</b>
<b>GL Obj: 61110 Clothing &amp; Personal Supplies</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	IMS Alliance- PAR Tags/Passports	\$336.68
		UPS Store- Structure Name Tags Shipping	
		UPS Store- Turnout Alterations Shipping	
		Golfire- SCBA Markers/Helmet Passports	
03/08/2019	SCOTT'S PPE RECON INC	Turnout Alterations	\$583.44
03/15/2019	HOOK-FAST SPECIALTIES, INC	Belt Buckle	\$27.20
03/29/2019	L.N. CURTIS & SONS	Tecasafe Brush Pants, Fire Pro Wildland Rescue Goggles	\$1,217.53
<b>SubObject Total</b>			<b>\$2,164.85</b>
<b>GL Obj: 61125 Uniform Clothing Allowance</b>			
03/15/2019	L.N. CURTIS & SONS	Crewboss WL Pant	\$213.55
03/15/2019	SUMMIT UNIFORMS	Class B Duty Shirts	\$520.03
<b>SubObject Total</b>			<b>\$733.58</b>
<b>GL Obj: 61221 Telephone &amp; Telegraph</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Comcast- VF2 Internet & Phones 1/21-2/20/19	\$958.33
		Comcast- VF1 Interent & Phones 1/20-2/19/19	
		Verizon- Cellular 1/5-2/4/19	
<b>SubObject Total</b>			<b>\$958.33</b>
<b>GL Obj: 61310 Food</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Mountain Mikes Pizza- Dinner for Crews on Remodel	\$84.09
		Costco- Water	
<b>SubObject Total</b>			<b>\$84.09</b>

**CLAIMS BY GL OBJ**

04/09/2019

Filter: (Claim Date is between 03/01/2019  
and 03/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
<b>GL Obj: 61425 Household Expense</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Brass Key- Desk Key Costco- Station Supplies Mid Valley Supply- Pine 70, Degreaser, Paper Towels, Soap Refill Costco- Water Filter Home Depot- Sheet Metal	\$439.91
<b>SubObject Total</b>			\$439.91
<b>GL Obj: 61720 Maintenance - Mobile Equipment</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Amsoil- OE Motor Oil	\$78.47
03/08/2019	SCARBOROUGH LUMBER & BUILDING	Mobile Maintenance Supplies	\$15.28
03/15/2019	WINCHESTER AUTO STORES	Antifreeze, Filters	\$153.65
03/28/2019	CENTRAL FIRE DISTRICT	WT2550 Oil Sending Unit Replaced	\$349.01
03/28/2019	CENTRAL FIRE DISTRICT	E2510 Annual Inspection & Leak Repairs	\$823.63
03/28/2019	CENTRAL FIRE DISTRICT	WT2550 Air Leak Repair	\$175.20
03/29/2019	CENTRAL FIRE DISTRICT	E2510 Switch Ignition	\$68.64
<b>SubObject Total</b>			\$1,663.88
<b>GL Obj: 61725 Maintenance - Office Equipment</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Envato- Website Theme	\$51.00
03/08/2019	PAGODA TECHNOLOGIES INC.	VPN Access	\$100.00
03/08/2019	PAGODA TECHNOLOGIES INC.	Computer Management- 3/2019	\$1,122.12
03/08/2019	PAGODA TECHNOLOGIES INC.	New PC Set Up- Mayfield	\$270.22
03/08/2019	PAGODA TECHNOLOGIES INC.	New PC Set Up- Theilen	\$240.00
03/22/2019	CAMBRIDGE MANHATTAN GROUP LLC	Website Migration and Troubleshooting	\$720.00
<b>SubObject Total</b>			\$2,503.34
<b>GL Obj: 61730 Maintenance - Other Equipment</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Relm Wireless-PO 18-063, BK Radio Repair Battery Universe-BK Radio Batteries x7 Power Works-BK Radio Antenna Plug Cover Honeywell Analytics-Posicheck Callibration UPS-Posicheck Callibration Shipp	\$3,038.55
03/08/2019	FAILSAFE TESTING	Ladder Testing- 2/2019	\$267.00
03/29/2019	SCARBOROUGH LUMBER & BUILDING	Sand Paper, Screws	\$50.57
<b>SubObject Total</b>			\$3,356.12
<b>GL Obj: 61845 Maintenance - Buildings &amp; Grounds</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Rayne of SC-VF1 Monthly Water Softener Home Depot-VF1 Plumbing for Eye Wash Station, Windows for Admin Office Uline-2 Emergency Eyewash/Shower VF1/VF2 Batteries Plus-Emergency Lighting Batteries	\$1,829.89

**CLAIMS BY GL OBJ**

04/09/2019

Filter: (Claim Date is between 03/01/2019  
and 03/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
03/08/2019	SCARBOROUGH LUMBER & BUILDING	Admin Office Remodel Supplies/ Station	\$726.17
		Maintainence Supplies	
03/15/2019	WESTERN EXTERMINATOR COMPANY	Bug Service- VF2 2/2019	\$54.50
03/15/2019	WESTERN EXTERMINATOR COMPANY	Bug Service- VF1 2/2019	\$54.50
03/15/2019	GREG BELLOWS PLUMBING INC	Cleaned/Cleared Men's Restroom	\$252.19
03/15/2019	R & S ERECTION MONTEREY BAY	VF1- Bay Door Repair 2/27/2019	\$580.00
03/15/2019	PETER RICH	Finish & Paint Admin Office	\$3,100.00
03/28/2019	ALL STATE COMMERCIAL KITCHEN	VF2 Oven Repair	\$556.64
03/29/2019	SCARBOROUGH LUMBER & BUILDING	Light Bulbs, Screws, Wood, Concrete	\$345.14
<b>SubObject Total</b>			<b>\$7,499.03</b>
<b>GL Obj: 61920 Medical Supplies</b>			
03/28/2019	BOUND TREE MEDICAL, LLC	Medical Supplies	\$1,247.02
<b>SubObject Total</b>			<b>\$1,247.02</b>
<b>GL Obj: 62111 Miscellaneous Expenses</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Carmonas BBQ- Catering Award Dinner Deposit	\$1,219.40
		Etsy- Reusable Center Pieces for Award Dinner	
03/08/2019	CITY OF SCOTTS VALLEY	Facility Use Cleaning Fee 2019	\$230.00
<b>SubObject Total</b>			<b>\$1,449.40</b>
<b>GL Obj: 62223 Office Supplies</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Avery Labels-Ballistic Helmet Inventory Label	\$889.89
		Buisness With Pleasure-Card	
		Stock,Binders,Index	
		A Sign ASAP-Reflective Stickers	
		Office Supply-Tab Dividers,Training Folders	
		Quill-Office Supplies	
<b>SubObject Total</b>			<b>\$889.89</b>
<b>GL Obj: 62367 Medical Services</b>			
03/15/2019	EMERYVILLE OCCUPATIONAL MEDICAL CENTER	Medical Physical	\$635.00
03/15/2019	EMERYVILLE OCCUPATIONAL MEDICAL CENTER	Medical Physical	\$655.00
03/15/2019	EMERYVILLE OCCUPATIONAL MEDICAL CENTER	Medical Physical	\$355.00
<b>SubObject Total</b>			<b>\$1,645.00</b>
<b>GL Obj: 62381 Professional &amp; Specialized Services</b>			
03/08/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$2,553.00
03/08/2019	SANTA CRUZ COUNTY CLERK - ELECTIONS	Non-Election Fees	\$175.00
03/08/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$4,657.60
03/08/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$1,073.00
03/08/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$1,731.40

**CLAIMS BY GL OBJ**

04/09/2019

Filter: (Claim Date is between 03/01/2019  
and 03/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
03/08/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$3,404.00
03/15/2019	CENTRAL COAST CISM TEAM	Additionally Insured Rider Policy	\$145.80
03/15/2019	CSG CONSULTANTS, INC.	Fire Inspection- 19F-0533 Dunslee Way	\$47.50
03/15/2019	GENE MICHALAK	BRD Video- 3/13/2019	\$110.00
03/22/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$370.00
<b>SubObject Total</b>			<b>\$14,267.30</b>

**GL Obj: 62715 Small Tools & Equipment**

03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Postal Annex- Shipping E2511 Light Repair Allstar Fire- Fire Hoses Home Depot- Paint Poles Amazon- E2538 Tool Box, Air Hose Kit, Ratchet, Fuse Block Radio, Floor Jack Fire Store- E2538 Bolt Cutters	\$1,519.19
03/08/2019	SCARBOROUGH LUMBER & BUILDING	Small Tools	\$897.74
03/22/2019	L.N. CURTIS & SONS	Lifeline Rope & Swivel Pulley	\$602.99
03/22/2019	TRAVIS CRIVELLO	Saw Blades for Flooring Tool	\$105.33
03/29/2019	SCARBOROUGH LUMBER & BUILDING	Tray Rollers, Storage Totes, Shovel Handle	\$201.48
<b>SubObject Total</b>			<b>\$3,326.73</b>

**GL Obj: 62888 District Special Expense**

03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Brinks- Board of Director Name Plates/Badge Brinks- Plaque Engraving- Parker	\$88.28
03/29/2019	SCARBOROUGH LUMBER & BUILDING	Smoke Alarm	\$31.60
<b>SubObject Total</b>			<b>\$119.88</b>

**GL Obj: 62914 Education & Training**

03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	CAEMSA- Paramedic Recertification- Sundermier/Avila, C. Embassy Suites- Staff Ride, Camp Fire, Paradise CA. Hilton Hotel- LS-215 Ignition Ops Training Lodging	\$1,696.08
03/08/2019	LUKE DUNCAN	Paramedic Recertification Reimbursement	\$200.00
03/15/2019	ACTIVE WELLNESS LLC	Yoga- 2/2019	\$900.00
03/22/2019	ARMANDO CORTES	Reimbursement for S-230/S-231	\$304.98
03/28/2019	COUNTY OF SANTA CRUZ - HEALTH SERVICE AGENCY	Paramedic Accreditation- Post	\$100.00
03/28/2019	TRAVIS CRIVELLO	Reimbursement for I-300	\$229.50
<b>SubObject Total</b>			<b>\$3,430.56</b>

**GL Obj: 62920 Gas, Oil & Fuel**

03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Chevron- Staff Ride, Camp Fire, Paradise, CA	\$53.24
03/08/2019	SCARBOROUGH LUMBER & BUILDING	Propane	\$5.34
03/08/2019	FLYERS ENERGY LLC	Fuel/Diesel	\$1,473.36
03/22/2019	FLYERS ENERGY LLC	Fuel/Diesel	\$900.63
03/28/2019	FLYERS ENERGY LLC	Fuel/Diesel	\$493.47

**CLAIMS BY GL OBJ**

04/09/2019

*Filter: (Claim Date is between 03/01/2019  
and 03/31/2019)(Pre-Approved Excluded)*

Claim Date	Vendor	Message	Amount
<b>SubObject Total</b>			<b>\$2,926.04</b>
<b>GL Obj: 62930 Conference Tuition - Registrations</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	IAFC- CRR/WUI Conference-Vandervoort	\$750.00
<b>SubObject Total</b>			<b>\$750.00</b>
<b>GL Obj: 63070 Utilities</b>			
03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	SV Water District- VF2 RW Service 1/1-1/31/19	\$271.76
		Greenwaste- VF1 Trash & Recycle 1/1-1/31/19	
03/15/2019	PG&E	Gas- VF1 2/6-3/6/19	\$347.78
03/15/2019	PG&E	Gas- VF2 2/6-3/6/19	\$235.34
03/22/2019	PG&E	Electric- VF2 2/5-3/6/19	\$461.91
03/22/2019	PG&E	Electric- VF1 2/5-3/6/19	\$828.35
<b>SubObject Total</b>			<b>\$2,145.14</b>
<b>Index Total</b>			<b>\$116,855.60</b>



**CLAIMS BY GL OBJ**

04/09/2019

*Filter: (Claim Date is between 03/01/2019  
and 03/31/2019)(Pre-Approved Excluded)*

Claim Date	Vendor	Message	Amount
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**GL Key: 685040****GL Obj: 61221 Telephone & Telegraph**

03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Verizon- SCHMIT Cellular 1/5-2/4/2019	\$38.19
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<b>SubObject Total</b>	<b>\$38.19</b>
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**GL Obj: 62920 Fuel**

03/07/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	7 Eleven- HM2560 Fuel	\$40.87
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<b>SubObject Total</b>	<b>\$40.87</b>
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<b>Index Total</b>	<b>\$79.06</b>
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<b>Grand Total</b>	<b>\$116,934.66</b>
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**CLAIMS BY GL OBJ**

04/30/2019

Filter: (Claim Date is between 04/01/2019  
and 04/30/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
<b>GL Key: 685010</b>			
<b>GL Obj: 53010 Group Health - Dental Insurance</b>			
04/11/2019	PETE STELLING	April 2019 Dental Plan Refund	\$160.99
04/11/2019	FDAC EBA	Life & Vision Ins.- 5/2019	\$1,070.26
04/18/2019	MCNEIL AND COMPANY, INC.	PCF Acccident & Health 4/1/19	\$2,166.40
04/18/2019	CALPERS RETIREMENT SYSTEM	Health Ins.- 5/2019	\$53,482.14
04/18/2019	HEALTH CARE EMPLOYEES/EMPLOYER DENTAL TRUST	Dental Ins.- 5/2019	\$4,788.97
04/24/2019	MIKE BIDDLE	Retiree Health Ins.- 5/2019	\$999.98
04/24/2019	MICHAEL MCMURRY	Retiree Health Ins.- 5/2019	\$1,596.54
04/24/2019	MIKE PHINN	Retiree Health Ins.- 5/2019	\$27.64
04/24/2019	TIM THEILEN	Retiree Health Ins.- 5/2019	\$679.29
04/24/2019	JIM DELUCCHI	Retiree Health Ins.- 5/2019	\$840.28
04/24/2019	SAL LOFRANCO	Retiree Health Ins.- 5/2019	\$563.20
<b>SubObject Total</b>			<b>\$66,375.69</b>
<b>GL Obj: 61110 Clothing &amp; Personal Supplies</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	LN Curtis- (3) 5 Gallon Citroqueeze Turnout Cleaner	\$979.57
04/18/2019	L.N. CURTIS & SONS	Amazon- Duty Boots- Todd Amazon- Duty Boots- Whittle Wrkrt Wildland Tactical Pants	\$181.94
<b>SubObject Total</b>			<b>\$1,161.51</b>
<b>GL Obj: 61125 Uniform Clothing Allowance</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Active 911- Annual Subscription	\$585.00
<b>SubObject Total</b>			<b>\$585.00</b>
<b>GL Obj: 61221 Telephone &amp; Telegraph</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Comcast- VF1 Internet & Phones 2/20-3/19/19 Comcast- VF2 Internet & Phonees 2/21-3/20/19	\$452.50
<b>SubObject Total</b>			<b>\$452.50</b>
<b>GL Obj: 61310 Food</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Costco- Water Costco- Refreshments for Recognition Dinner Nob Hill- Admin Remodel Crew Dinner	\$149.61
<b>SubObject Total</b>			<b>\$149.61</b>
<b>GL Obj: 61425 Household Expense</b>			
04/11/2019	MID VALLEY SUPPLY	Paper Towels & Floor Cleaner	\$103.38
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Costco- Station Supplies	\$233.86
<b>SubObject Total</b>			<b>\$337.24</b>

**CLAIMS BY GL OBJ**

04/30/2019

Filter: (Claim Date is between 04/01/2019  
and 04/30/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
<b>GL Obj: 61720 Maintenance - Mobile Equipment</b>			
04/11/2019	WINCHESTER AUTO STORES	Filters, Brakes, Cleaner	\$314.77
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Amazon- E2538 Hose Fittings	\$7,743.82
04/29/2019	CENTRAL FIRE DISTRICT	Tehama Tires- WT2550 Tires	
		HM2560 Annual Inspection & Service	\$670.39
<b>SubObject Total</b>			<b>\$8,728.98</b>
<b>GL Obj: 61725 Maintenance - Office Equipment</b>			
04/11/2019	PAGODA TECHNOLOGIES INC.	County VPN & Guest Wireless	\$325.00
04/11/2019	PAGODA TECHNOLOGIES INC.	Computer Management- 4/2019	\$1,122.12
04/29/2019	MONTEREY BAY OFFICE PRODUCTS	Copier Contract 1/23-4/22/2019	\$845.18
<b>SubObject Total</b>			<b>\$2,292.30</b>
<b>GL Obj: 61730 Maintenance - Other Equipment</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Costco- Batteries, Smoke Detectors	\$169.77
		Amazon- Dewalt Battery Pack	
<b>SubObject Total</b>			<b>\$169.77</b>
<b>GL Obj: 61845 Maintenance - Buildings &amp; Grounds</b>			
04/11/2019	WESTERN EXTERMINATOR COMPANY	VF2 Bug Service- 3/2019	\$54.50
04/11/2019	WESTERN EXTERMINATOR COMPANY	VF1 Bug Service- 3/2019	\$54.50
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Rayne of SC- VF1 Water Softener 3/2019	\$948.47
		Costco- Admin Office Floor Transitions	
		Costco- Admin Office Flooring	
		BL Transfer Station- Admin Remodel	
04/18/2019	COMMUNICATION SERVICE CO.	Re-Cabeling of Admin Office	\$1,956.00
<b>SubObject Total</b>			<b>\$3,013.47</b>
<b>GL Obj: 61920 Medical Supplies</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Analgesic- O2 Annual Cylinder Rental/Refill	\$520.45
<b>SubObject Total</b>			<b>\$520.45</b>
<b>GL Obj: 62111 Miscellaneous Expenses</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Carmona's BBQ- Catering Awards Dinner	\$902.86
		Walgreens- Strike Team Supplies	
		Amazon- Award Dinner Supplies	
<b>SubObject Total</b>			<b>\$902.86</b>
<b>GL Obj: 62223 Office Supplies</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Amazon- iPad Screen Protector	\$150.50
		Dollar Tree- Zip Lock Bags	
		Amazon- Pens, Folders	
		Amazon- Office Supplies	
04/18/2019	QPCS LLC	Modems, Antenna, 1 Year Netcloud (5)	\$5,807.53
<b>SubObject Total</b>			<b>\$5,958.03</b>

**CLAIMS BY GL OBJ**

04/30/2019

Filter: (Claim Date is between 04/01/2019  
and 04/30/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
<b>GL Obj: 62358 Laundry Service</b>			
04/11/2019	SCOTTS VALLEY CLEANERS	Dry Cleaning- 9/2018-3/2019	\$389.00
<b>SubObject Total</b>			<b>\$389.00</b>
<b>GL Obj: 62367 Medical Services</b>			
04/11/2019	MARK A. CLEMENTI, PH.D.	Psychological Evaluation	\$907.50
04/18/2019	MARK A. CLEMENTI, PH.D.	Psychological Evaluation	\$825.00
04/18/2019	EMERYVILLE OCCUPATIONAL MEDICAL CENTER	Medical Questionnaire	\$30.00
04/18/2019	EMERYVILLE OCCUPATIONAL MEDICAL CENTER	DMV Paperwork	\$25.00
<b>SubObject Total</b>			<b>\$1,787.50</b>
<b>GL Obj: 62381 Professional &amp; Specialized Services</b>			
04/11/2019	CSG CONSULTANTS, INC.	Fire Plan Review- B-175031(2), B-183521, 4525 Scotts Valley Drive, 213 Blueberry Court	\$712.50
04/18/2019	CSG CONSULTANTS, INC.	Fire Inspection- Lexington Plan Review- 185 Hacienda Dr., The Terrace-SV Units 1-19, Kaiser Mental Health and Wellness Expansion	\$245.00
04/24/2019	LIEBERT CASSIDY WHITMORE	Legal Services	\$185.00
<b>SubObject Total</b>			<b>\$1,142.50</b>
<b>GL Obj: 62715 Small Tools &amp; Equipment</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Mob Armor- iPad MDC Mounting	\$543.98
04/18/2019	L.N. CURTIS & SONS	The Firestore- WT2550 Wheel Chock Amazon- 2538 Creeper and Bracket Yates Voyager Class III	\$1,565.75
<b>SubObject Total</b>			<b>\$2,109.73</b>
<b>GL Obj: 62888 District Special Expense</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Gateway Press- Awards Dinner CPR 1st Aid Supplies- CPR AED Trainers Flower Outlet- Memorial	\$1,505.74
04/18/2019	CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION	Out Of State Sales Tax 18/19 F.Y.	\$1,414.00
<b>SubObject Total</b>			<b>\$2,919.74</b>
<b>GL Obj: 62914 Education &amp; Training</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	CCAI Hotel-Whittle Inspireyourpeople.com-Leadership Books South Bay Regional-Inspector 2A,2B,S-270-Vandervoort, ICS 300 Cahir Delta/Alaska-Flight GSMCON- Mayfield Precision Training- S-215 (X5)	\$3,119.72
04/18/2019	ACTIVE WELLNESS LLC	Yoga 3/2019	\$900.00
04/29/2019	TARGETSOLUTIONS LEARNING	Firefighters and Volunteer Memberships	\$3,370.00
04/29/2019	ANDREW LOFRANCO	ETO Reimbursement for Lodging Expense	\$216.12

**CLAIMS BY GL OBJ**

04/30/2019

*Filter: (Claim Date is between 04/01/2019  
and 04/30/2019)(Pre-Approved Excluded)*

Claim Date	Vendor	Message	Amount
<b>GL Obj: 62920 Gas, Oil &amp; Fuel</b>			
04/24/2019	FLYERS ENERGY LLC	Fuel/Diesel	\$366.32
04/24/2019	FLYERS ENERGY LLC	Fuel/Diesel	\$2,164.90
<b>SubObject Total</b>			<b>\$7,605.84</b>
<b>GL Obj: 62930 Conference Tuition - Registrations</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	CSDA- Financial Management- Kovacs	\$1,210.00
		GSMCON- Social Media Conference- Mayfield	
<b>SubObject Total</b>			<b>\$1,210.00</b>
<b>GL Obj: 63070 Utilities</b>			
04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	SV Water District- VF2 RW Service 2/1-2/18/19 VF2 Water 12/8/18-2/6/19 VF1 FS 12/5/18-2/4/19 Greenwaste- VF1 Trash & Recycle 2/1-2/28/19	\$567.26
04/18/2019	CITY OF SCOTTS VALLEY	Sewer- VF1 1/16-3/15/19	\$142.08
04/18/2019	CITY OF SCOTTS VALLEY	Sewer- VF2 1/16-3/15/19	\$99.99
04/18/2019	PG&E	Gas- VF1 3/7-4/5/19	\$215.14
04/18/2019	PG&E	Gas- VF2 3/7-4/5/19	\$154.82
04/18/2019	PG&E	VF2 Electric 3/7-4/4/19	\$432.52
04/18/2019	PG&E	VF1 Electric 3/7-4/4/19	\$720.57
<b>SubObject Total</b>			<b>\$2,332.38</b>
<b>Index Total</b>			<b>\$112,675.32</b>

**CLAIMS BY GL OBJ**

04/30/2019

*Filter: (Claim Date is between 04/01/2019  
and 04/30/2019)(Pre-Approved Excluded)*

Claim Date	Vendor	Message	Amount
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**GL Key: 685040****GL Obj: 61221 Telephone & Telegraph**

04/12/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Verizon- SCHMIT Cellular 2/5-3/4/19	\$38.19
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<b>SubObject Total</b>	<b>\$38.19</b>
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**GL Obj: 62914 Education & Training**

04/24/2019	RW JONES AND ASSOCIATES HEALTH & SAFETY TRAINING CONSULTANTS LLC	Haz-mat Training 4/17/19	\$3,850.00
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<b>SubObject Total</b>	<b>\$3,850.00</b>
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<b>Index Total</b>	<b>\$3,888.19</b>
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<b>Grand Total</b>	<b>\$116,563.51</b>
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**SCOTTS VALLEY FIRE PROTECTION DISTRICT**

**RESOLUTION NO. 2019-3**

**RESOLUTION REQUESTING**  
**TEMPORARY TRANSFER OF FUNDS**

WHEREAS the Scotts Valley Fire Protection District is in need of financial assistance during the period of July 1, 2019 to April 30, 2020; and

WHEREAS the Board of Supervisors of the County of Santa Cruz has, declared its approval of and intention to provide needed tax anticipation funds pursuant to Constitution Article XVI Section 6;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Directors of the Scotts Valley Fire Protection District hereby determine and declare that:

The sum of \$2,000,000.00 is needed in anticipation of tax revenues for the operation and maintenance of said district through April 30, 2020.

Said sum of \$2,000,000.00 requested does not exceed 85% of the taxes accruing before any other obligations are met from such taxes.

The district agrees to repay this loan by April 30, 2020, together with interest at the current rate per annum received on similar types of investments by the county as determined by the County Treasurer.

The Secretary of this Board shall forward three certified copies of this Resolution to the Auditor-Controller of the County of Santa Cruz so that the request may be signed and presented to the Board of Supervisors for approval.

PASSED AND ADOPTED BY THE Board of Directors of the Scotts Valley Fire Protection District, County of Santa Cruz, State of California, this 8<sup>th</sup> day of May, 2019 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Russ Patterson, Board President

ATTEST: \_\_\_\_\_  
Steve M. Kovacs, Board Secretary

REVIEWED AND RECOMMENDED:

\_\_\_\_\_  
Auditor-Controller

\_\_\_\_\_  
Treasurer-Tax Collector

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

DISTRIBUTED:

County Auditor

County Treasurer

County Counsel

GL Balances

Criteria: As of = 6/30/2019; Sub-Fund = 76455001, 76465001, 76465001, 76465001; Object = 10100

GL Account Title	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018	8/31/2018
Fund Type 76 - INVESTMENT TRUST-LOCAL BOARDS IN	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance	Ending Balance
Fund 76455 - APTOSOLA SELVA FIRE PROTECTION														
Sub-Fund 76455001 - APTOSOLA SELVA FIRE PROTECTION														
101 EQUITY IN POOLED CASH	3,691,078.50	2,789,301.06	1,598,288.43	1,112,819.00	443,089.88	5,545,694.94	4,539,124.50	3,845,565.29	3,353,249.08	7,694,149.87	7,091,936.33	7,138,015.27	4,878,789.32	3,513,338.96
Total Sub-Fund 76455001	3,691,078.50	2,789,301.06	1,598,288.43	1,112,819.00	443,089.88	5,545,694.94	4,539,124.50	3,845,565.29	3,353,249.08	7,694,149.87	7,091,936.33	7,138,015.27	4,878,789.32	3,513,338.96
Fund 76465 - BRANCOFORTE FIRE DIST														
Sub-Fund 76465001 - BRANCOFORTE FIRE DIST														
101 EQUITY IN POOLED CASH	191,428.31	87,128.41	7,476.75	(74,971.16)	(34,973.33)	368,181.86	306,506.32	241,716.98	222,363.40	549,554.27	602,432.30	573,802.62	342,280.05	188,232.37
Total Sub-Fund 76465001	191,428.31	87,128.41	7,476.75	(74,971.16)	(34,973.33)	368,181.86	306,506.32	241,716.98	222,363.40	549,554.27	602,432.30	573,802.62	342,280.05	188,232.37
Fund 76465 - CENTRAL FIRE PROTECTION DISTRI														
Sub-Fund 76465001 - CENTRAL FIRE PROTECTION DISTRI														
101 EQUITY IN POOLED CASH	5,214,173.18	3,832,487.86	2,982,187.19	2,331,926.82	1,529,759.06	8,280,889.58	7,259,940.17	5,365,972.24	4,388,331.89	10,149,695.16	8,748,470.76	8,551,498.56	5,488,763.97	4,154,114.30
Total Sub-Fund 76465001	5,214,173.18	3,832,487.86	2,982,187.19	2,331,926.82	1,529,759.06	8,280,889.58	7,259,940.17	5,365,972.24	4,388,331.89	10,149,695.16	8,748,470.76	8,551,498.56	5,488,763.97	4,154,114.30
Fund 76466 - PALARO VALLEY FIRE PROTECTION														
Sub-Fund 76466001 - PALARO VALLEY FIRE PROTECTION														
101 EQUITY IN POOLED CASH	491,318.79	482,027.23	440,563.24	468,470.56	460,917.87	1,334,150.87	1,324,022.78	1,253,282.37	891,821.54	818,246.46	406,687.04	499,243.28	461,016.03	450,925.89
Total Sub-Fund 76466001	491,318.79	482,027.23	440,563.24	468,470.56	460,917.87	1,334,150.87	1,324,022.78	1,253,282.37	891,821.54	818,246.46	406,687.04	499,243.28	461,016.03	450,925.89
Fund 76686 - SCOTT'S VALLEY FIRE														
Sub-Fund 76686001 - SCOTT'S VALLEY FIRE														
101 EQUITY IN POOLED CASH	551,619.54	(111,146.96)	(590,096.33)	(1,160,941.22)	(1,517,168.87)	1,187,423.67	825,375.89	431,565.80	17,559.59	2,378,918.91	2,064,267.22	2,045,976.04	752,217.54	(103,102.17)
Total Sub-Fund 76686001	551,619.54	(111,146.96)	(590,096.33)	(1,160,941.22)	(1,517,168.87)	1,187,423.67	825,375.89	431,565.80	17,559.59	2,378,918.91	2,064,267.22	2,045,976.04	752,217.54	(103,102.17)
Total Fund 76886	10,129,618.32	7,059,797.40	4,418,419.28	2,677,304.10	881,828.61	16,886,340.92	14,334,969.77	11,278,492.08	8,863,125.50	21,580,564.67	18,913,793.65	18,809,535.77	11,833,046.91	8,201,509.35

Run: 4/9/2019 8:50 AM Includes transactions posted through: 4/9/2019





## CITY OF SCOTTS VALLEY RECREATION DIVISION

361 King's Village Road • Scotts Valley • California • 95066  
Phone (831) 438-3251 • Facsimile (831) 438-2557 • [www.scottsvally.org](http://www.scottsvally.org)



April 8, 2019

Chief Steve Kovacs  
Scott Valley Fire District  
7 Erba Lane  
Scotts Valley, CA 95066

The Advocates for the City of Scotts Valley are sponsoring a Fourth of July celebration at Skypark on July 4<sup>th</sup>. This includes a parade, fireworks, pony rides, food and many other fun things to do. As you can imagine, the City gets many sponsorships and volunteers helping out with every aspect in order to make this community event possible. Marco Montenegro with Pyro Spectaculars, Inc. is handling the fireworks this year. We understand that a fire permit costing \$550 is required prior to the fireworks display being approved. The Advocates, along with the City of Scotts Valley Recreation Division, would like to request a waiver of this \$550 fee associated with the fire permit. We truly appreciate your consideration of this matter, and are looking forward to a safe and spectacular Fourth of July celebration.

Sincerely,

A handwritten signature in blue ink that reads "Kristin Ard".

Kristin Ard  
Recreation Division Manager

KA:ca



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

Date: May 8, 2019  
To: Board of Directors  
From: Steve M. Kovacs, Fire Chief  
Subject: 2019/2020 Preliminary Budgets

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## **Recommendation**

1. Adopt the 2019/2020 Preliminary Budgets as presented:

685010	General Fund:	\$ 9,579,003
685020	Zone A:	\$ 1,209,137
685030	Capital Outlay:	\$ 421,699
685040	SCHMIT:	\$ 234,800

2. Set a public hearing for adoption of the final budgets for August 14, 2019, Regular Board Meeting.
3. Direct staff to publish a notice for the public hearing and make the budgets available for public review.

## **Background**

The Board of Directors must pass a preliminary budget before June 30<sup>th</sup> and a final budget by October 1<sup>st</sup> of each year.

## **General Fund**

### **Revenue**

The estimated Fund Balance beginning this fiscal year is \$1,844,145.

The estimated surplus is attributed to a 6.35% increase in Secured Property Tax, Plan Check and Inspection Fee activity, the B40 Administrative Services Agreement and approximately \$740K in Strike Team reimbursements.

An estimated increase to property tax of 4.5% has been included in the preliminary budget as recommended by the County Auditor's Office.

Revenue from Plan Check and Inspection Fees for FY 2019/2020 are estimated at \$45,000, while the estimated expenditures for contract plan check and inspection services are \$15,000. The net cost recovery equals \$30,000, to offset staff time for those services and for future contract plan check and inspection services.

Board of Directors

Robert Campbell Edward Harmon Joe Parker Russ Patterson Daron Pisciotta

Revenue from Strike Teams is budgeted at \$200,000, and offset in the budget as an overtime expenditure.

## **Expenditures**

The Salaries and Benefits budget includes a Cost of Living Adjustment (COLA), based on the current MOU's in place. Overtime and Call Back are budgeted to reflect the trend over the last few years, which when compared from year to year, illustrates the difficulty in budgeting. Years with high fire activity have increased overtime, which is reimbursed by forest agencies and shown as revenue during those years. 2018/2019 experienced increased Callback Pay due to injuries. All allocated positions are funded.

The CalPERS Safety Retirement Plan is 20.073% of payroll, which is up from the 2018/2019 fiscal year amount of 18.677%. The Unfunded Accrued Liability's (UAL) annual lump sum prepayment option for the Safety Plan is \$636,480, which is up from the 2018/2019 payment of \$507,715. The Safety Side Fund is captured as a loan payment to Santa Cruz County Bank under "Other Charges".

The CalPERS Miscellaneous Plan is 10.221% of payroll which is up from the 2018/2019 fiscal year amount of 9.409%. The UAL's annual lump sum prepayment option for the Miscellaneous Plan is \$15,909, which is up from the 2018/2019 payment of \$12,000.

The employer rate for new CalPERS safety employees hired after January 1, 2013, is 13.034% of payroll, up from the 2018/2019 rate of 12.141%. Non-safety employee rate is 6.985% of payroll, up from the 2018/2019 rate of 6.842%.

This represents a budgeted amount of \$1,264,763, payable to CalPERS and a loan payment for the Side Fund of \$324,241, for a total of \$1,589,004, in retirement liability, which represents a \$170,527, increase over 2018/2019.

Health insurance is budgeted for an estimated 8% increase effective January 1, 2019. Retiree health insurance is budgeted at \$74,570, a decrease of \$10,303.69 over last year, due to one retiree coming off the plan.

Workers compensation insurance is estimated at \$232,000, an increase of \$36,000 over last year.

The Services and Supplies budget is \$748,010, which is an increase of \$7,360 over 2018/2019.

The Contributions to Other Agencies is for the District's share of the LAFCO budget which is estimated at \$9,000.

A \$200,000 transfer to the Capital Outlay is budgeted and \$50,000 for Contingencies.

The General Fund Preliminary Budget is balanced by using \$154,739, from the Unassigned Fund Balance.

## **Zone A**

The beginning fund balance is estimated at \$1,084,241. A 4.5% increase in property tax revenue is estimated for this fiscal year. Besides auditing and accounting costs, \$50,000 is budgeted for the Fire Facilities upgrades, \$1,000,000, for future projects and \$152,437, for contingencies.

### **Capital Outlay**

The beginning fund balance is estimated at \$221,199. Revenue consists of a \$200,000, transfer from the General Fund and \$500 in interest.

\$50,500 is budgeted for equipment replacement, \$30,000 for replacement PPE, \$1,500 for Small Tools, \$289,699, for future capital outlay expenses and \$50,000, for Contingencies.

### **SCHMIT**

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team is estimated at \$53,000. Services and Supplies are to support the operating costs of the team in the amount of \$74,800, which includes a \$5,000, charge for management of the program. Personnel costs include \$20,000 for reimbursement to response agencies in the event of an activation and \$140,000, for differential costs for the response agencies.

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY GENERAL FUND BUDGET (685010)  
2019/2020 FY**

<b>Account #</b>	<b>Revenue Description</b>	<b>Revenue Amount</b>	<b>Expense Category</b>	<b>Expense Amount</b>
40100	Prop Tax-Current Secured	7,062,149	Salaries & Benefits	6,556,587
40110	Prop Tax-Current Unsecured	148,735	Services & Supplies	748,010
40150	Supplemental Prop Tax-Current Secured	84,000	Other Charges	335,000
40151	Supplemental Prop Tax-Current Unsecured	2,000	Operating Transfer Out	200,000
40160	Supplemental Prop Tax-Prior Sec, Supplemental	3,000	Fixed Assets	0
40330	Licenses & Permits	45,000	Contingencies	50,000
40430	Interest	3,000		
40440	Rents and Leases	1,200		
40830	St-Homeowners' Property Tax Relief	40,774		
40894	ST-Aid Others	200,000		
41617	ALS Response Contract - Net QA Costs	0		
42010	SCHMIT & B40 Administrative Services	113,000		
42022	Cost Recovery, Other	0		
42047	Other Charges	0		
42055	SCHMIT Reimbursement	22,000		
42384	Other Revenue	10,000		
42462	Operating Transfer In from Cap. Outlay	0		
	<b>Total Revenue</b>	<b>7,734,858</b>	<b>Total Expenditures</b>	<b>7,889,597</b>
	<b>Fund Balance</b>	<b>1,844,145</b>	<b>General Reserves</b>	<b>1,689,406</b>
	<b>Grand Total</b>	<b>9,579,003</b>		<b>9,579,003</b>

**Notes:**

1. Schedule of Revenue: 50% in December, 45% in April and 5% in June
2. Account 40330 - Revenue from Permits, Plan Checks and Inspections
3. Account 40440 - Revenue from the Lease of the Marywood Property
4. Account 40894 - Revenue from Statewide Strike Teams and Overhead Assignments
5. Account 42010 - Revenue of \$4500 for SCHMIT Administration and ~\$108,000 for B40 Admin and Management
6. Account 42055 - Reimbursement for Personnel - Haz Mat Stipends and Training
7. Account 42384 - Revenue from CPR Classes, Donations, South Bay Reimbursement and Misc. Revenue
8. Fund Balance as of July 1, 2019
9. Reserves = Fund Balance minus amount needed to balance the Expenditures Budget.
10. Account 40100 reflect a 4.5% increase as per Santa Cruz County Auditor's Office.

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY GENERAL FUND BUDGET (685010)  
2019/2020 FY**

Expenditure Summary		
Account #	Category	Amount
<b>Salaries and Benefits</b>		
51000	Regular Pay, Perm.	3,348,704
51005	Overtime Pay	270,000
51010	Regular Pay, Extra help	55,280
51025	Regular Call Back Pay	200,000
51040	Differential Pay	157,440
52010	Medicare Tax	54,592
52015	Retirement	1,264,763
53010	Employee Group Insurance	754,351
53015	Unemployment Insurance	7,748
54010	Workers' Compensation Ins	232,000
55020	Misc. Benefits: Sick Leave Reserve	48,496
55021	Misc. Benefits: Vacation Payoff	165,213
	<b>Total Salaries and Benefits</b>	<b>6,556,587</b>
<b>Services and Supplies</b>		
61110	Clothing and Personal Supplies	24,000
61125	Uniforms	24,000
61215	Radio Services and Communications	80,100
61221	Telephone and Telegraph	12,900
61310	Food	6,000
61425	Household Expense	4,000
61535	Insurance	30,000
61720	Maintenance, Mobile Equipment	80,000
61725	Maintenance, Office Equipment	23,000
61730	Maintenance, Other Equipment	19,500
61845	Maintenance, Structure/Grounds	19,700
61920	Medical Supplies	9,000
62020	Memberships	4,035
62111	Miscellaneous Expense	12,500
62219	Computer Software	15,750
62223	Office Expense	19,400
62301	Accounting & Auditing Fees	74,400
62327	Directors Fees	8,900
62358	Laundry Service	1,800
62367	Medical Services	22,000
62381	Professional/Special Services	84,000
62420	Publications and Legal Notices	2,000
62500	Rents and Leases, Equipment	1,000
62715	Small Tools and Instruments	16,000
62888	Special District Expense	18,000
62890	Subscriptions	3,725
62914	Education & Training	52,900
62920	Gas, Oil and Fuel	37,400
62930	Conference Tuition - Registrations	15,000
63070	Utilities	27,000
	<b>Total Services &amp; Supplies</b>	<b>748,010</b>
<b>Other Charges</b>		
74110	Principal on Long Term Debt	229,000
74425	Interest on Long Term Debt	97,000
75231	Contributions to Other Government Agencies	9,000
	<b>Total Other Charges</b>	<b>335,000</b>
90000	Operating Transfers Out (To Account 42426)	200,000
<b>Fixed Assets</b>		
	<b>Total Fixed Assets</b>	<b>0</b>
98895	General Reserves	1,689,406
98700	Contingencies	50,000
	<b>TOTAL EXPENDITURES</b>	<b>9,579,003</b>

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY ZONE A BUDGET (685020)  
2019/2020 FY**

<b>Account #</b>	<b>Revenue Description</b>	<b>Revenue Amount</b>	<b>Expense Category</b>	<b>Expense Amount</b>
40100	Prop Tax-Current Secured	111,551	Services and Supplies	1,700
40110	Prop Tax-Current Unsecured	2,345	Fixed Assets	50,000
40150	Supplemental Prop Tax-Current Secured	1,500	Future Projects	1,000,000
40151	Supplemental Prop Tax-Current Unsecured	0	Contingencies	157,437
40430	Interest	9,000		
40830	St-Homeowners' Property Tax Relief	500		
	<b>Total Revenue</b>	<b>124,896</b>		
	<b>Fund Balance</b>	<b>1,084,241</b>		
	<b>Budget Total</b>	<b>1,209,137</b>		<b>1,209,137</b>

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY ZONE A BUDGET (685020)  
2019/2020 FY**

<b>Expenditure Summary</b>		
<b>Account #</b>	<b>Category</b>	<b>Amount</b>
	<b>Services and Supplies</b>	
62301	Accounting & Auditing Fees	1,700
62381	Professional Services	0
	<b>Total Services and Supplies</b>	<b>1,700</b>
90000	<b>Operating Transfer Out</b>	<b>0</b>
	<b>Fixed Assets</b>	
	<b>Total Fixed Assets</b>	<b>50,000</b>
98695	Future Projects	1,000,000
98700	Contingencies	157,437
	<b>Total Expenditures</b>	<b>1,209,137</b>



**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY CAPITAL OUTLAY BUDGET (685030)  
2019/2020 FY**

<b>Account #</b>	<b>Revenue Description</b>	<b>Revenue Amount</b>	<b>Expense Category</b>	<b>Expense Amount</b>
40430	Interest	500	Operating Transfer Out	0
42384	Other Revenue	0	Fixed Assets and Equipment	82,000
42462	Operating Transfer In (General Fund)	200,000	Future Capital Outlay Expenses	289,699
42462	Operating Transfer In (Zone A)	0	Contingency	50,000
42450	Sale of Fixed Assets	0		
	<b>Total Revenue</b>	<b>200,500</b>		
	<b>Fund Balance</b>	<b>221,199</b>		
	<b>Budget Total</b>	<b>421,699</b>		<b>421,699</b>

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY CAPITAL OUTLAY BUDGET (685030)  
2019/2020 FY**

<b>Expenditure Summary</b>		
<b>Account #</b>	<b>Category</b>	<b>Amount</b>
	<b>Equipment</b>	
61110	Clothing and Personal Supplies	30,000
62715	Small Tools	1,500
	<b>Subtotal Equipment</b>	<b>31,500</b>
	<b>Fixed Assets</b>	
86204	Equipment	50,500
	<b>Subtotal Fixed Assets</b>	<b>50,500</b>
98700	Contingencies	50,000
98695	Future Capital Outlay Expenses	289,699
	<b>TOTAL EXPENDITURES</b>	<b>421,699</b>

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY CAPITAL OUTLAY BUDGET (685030)  
SCHEDULE OF FIXED ASSETS FY ENDING JUNE 30, 2020  
2019/2020 FY**

Account #	Description	Amount
86204	Equipment	
	Equipment	35,500
	SCBA Bottles	15,000
	Subtotal Equipment	50,500
	GRAND TOTAL	50,500

Signed: \_\_\_\_\_  
Board Secretary

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY SCHMIT BUDGET (685040)  
2019/2020 FY**

<b>Account #</b>	<b>Revenue Description</b>	<b>Revenue Amount</b>	<b>Expense Category</b>	<b>Expense Amount</b>
40430	Interest	400	Services and Supplies	74,800
40894	Grant Funding	0	Personnel costs	160,000
			Fixed Assets	0
41150	Haz Mat Contract Contributions:			
	Santa Cruz County	87,390		
	City of Santa Cruz	35,628		
	City of Watsonville	30,755	Reserves for Equipment	
	City of Scotts Valley	7,563	Replacement	0
	City of Capitola	6,722		
	UCSC	7,279		
	State Parks	6,063		
	Total Contributions From Other Agencies	181,400		
	<b>Total</b>	<b>181,800</b>		
	<b>Fund Balance</b>	<b>53,000</b>		
	<b>Grand Total</b>	<b>234,800</b>		<b>234,800</b>

**SCOTTS VALLEY FIRE PROTECTION DISTRICT  
PRELIMINARY SCHMIT BUDGET (685040)  
2019/2020 FY**

<b>Expenditure Summary</b>		
<b>Account #</b>	<b>Category</b>	<b>Amount</b>
	<b>Services and Supplies</b>	
61110	Protective Clothing	5,000
61221	Telephone and Telegraph	600
61535	Insurance	2,000
61720	Maintenance, Mobile Equipment	10,000
61725	Maintenance, Office Equipment	2,200
61730	Maintenance, Other Equipment	6,800
61920	Medical Supplies	1,000
62219	Computer Software	2,000
62301	Accounting and Auditing	600
62365	Management Services	5,000
62715	Small Tools and Instruments	21,100
62888	Special District Expense	1,250
62914	Training	16,600
62920	Fuel	650
	<b>Total Services and Supplies</b>	<b>74,800</b>
	<b>Contributions to Agencies</b>	
75268	Reimbursement of Costs to Agencies	140,000
75276	Emergency Response Reimbursement	20,000
	<b>Total Contributions to Agencies</b>	<b>160,000</b>
	<b>Fixed Assets</b>	
	<b>Total Fixed Assets</b>	<b>0</b>
	<b>Total Expenditures</b>	<b>234,800</b>



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

**Steve M. Kovacs**  
**Fire Chief**

Date: May 1, 2019  
To: Board of Directors  
From: Steve M. Kovacs, Fire Chief  
Subject: Agenda Item 5.2

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## **Recommendation**

Board to review the responses to the Request for Proposal (RFP) and authorize the President to enter into an agreement for financial audit services for fiscal years ending in 2019, 2020 and 2021.

## **Discussion**

The following is the cost for the last Audit Contract with Zach Pehling CPA, MBA: 2016- \$8,100, 2017-\$8,424 and 2018- \$8,760.

An RFP for the District's Financial Statements and Audit was posted and mailed to nine firms. The following five responses were received by the March 29, 2019, noon deadline:

Ahmed Badawi, CPA- Oakland	Bloomberg & Griffin Accountancy Corp.-Stockton	David Farnsworth, CPA- Milpitas	Fechter & Company- Sacramento
2019 \$19,935	2019 \$ 5,975	2019 \$ 7,950	2019 \$13,500
2020 \$20,375	2020 \$ 5,975	2020 \$ 8,195	2020 \$13,850
2021 \$20,830	2021 \$ 5,975	2021 \$ 8,395	2021 \$14,250
Total \$61,140	Total \$17,925	Total \$24,540	Total \$41,600

Zach Pehling, CPA, MBA-

Truckee

2019 \$ 8,584  
2020 \$ 8,842  
2021 \$ 9,108  
Total \$26,534

Board of Directors

Robert Campbell Edward Harmon Joseph Parker Russ Patterson Daron Pisciotta

**RECEIVED**

MAR 29 2019

10:43 a.m.

SCOTTS VALLEY FIRE  
PROTECTION DISTRICT

# Scotts Valley Fire Protection District

## TECHNICAL PROPOSAL

***For Professional Auditing Services for  
Scotts Valley Fire Protection District  
For fiscal years ending June 30, 2019 through 2021.***

***March 29, 2019***

**Contact Person:**

Ahmed Badawi, CPA  
Badawi & Associates  
Certified Public Accountants  
180 Grand Avenue, Suite 1500  
Oakland, CA 94612  
Phone: (510) 768-8244  
Fax: (510) 768-8249  
E-mail: [abadawi@b-acpa.com](mailto:abadawi@b-acpa.com)



# Scotts Valley Fire Protection District

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**BADAWI & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

March 29, 2019

Mr. Nick Kurns  
Finance Manager  
Scotts Valley Fire Protection District  
2 Civic Center Drive  
Scotts Valley, CA 95066

Dear Mr. Kurns:

Badawi & Associates (B&A), Certified Public Accountants (the "Firm") is pleased to have the opportunity to respond to your request for a proposal to provide external audit services and to submit its qualifications to perform an independent audit of the financial statements of the Scotts Valley Fire Protection District (the "District") for the fiscal years ending June 30, 2019, through 2021. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the District in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, with the *Minimum Audit Requirements and Reporting Guidelines for California Special Districts* as required by the State Controller's Office and with Generally Accepted auditing Standards (GAAS), as well as any other applicable federal, state, local or programmatic audit requirements.

We will also perform the following as part of our audit:

- Single Audit (if required)

We will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information. In addition, we will prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures.

This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the District.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the District on a timely basis.

As a partner of the Firm, I will be the primary contact for negotiation of the contract. Additionally, I have been authorized to legally bind the Firm. You may contact me at the following address and phone number:

Mr. Ahmed Badawi, CPA  
Badawi & Associates  
Certified Public Accountants  
180 Grand Ave. Suite 1500  
Oakland, CA 94612  
Telephone: (510)768-8244  
E-mail: [abadawi@b-acpa.com](mailto:abadawi@b-acpa.com)

We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in municipal auditing and reporting requirements. We have performed auditing and consulting engagements for numerous cities throughout California. We will be responsive to the needs of the District, we understand the District's operational environment, and pledge to you our complete commitment to providing a quality product that meets the District's requirements.

Mr. Nick Kurns  
Finance Manager  
Scotts Valley Fire Protection District  
Page 2

The approach to the audit has been designed to meet the audit requirements of the various District's with the least disruption to the District's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of District operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and District Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies and disruptions are kept to a minimum. In addition, we perform almost half of the audit tasks during the interim phase to minimize any unforeseen delays during the year-end phase and to ensure a smooth and timely audit process.

The Firm maintains liability insurance coverage for professional liability, Workers' Compensation, Comprehensive General Liability and Auto as part of our comprehensive insurance policy.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

This proposal is a firm and irrevocable offer for 180 days.

We are confident that you will find our organization offers the required expertise, technical knowledge, and business understanding to perform an audit of the District. Our past experience provides us with a thorough understanding of the needs and requirements of the District, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,



Ahmed Badawi  
Partner  
Badawi & Associates  
Certified Public Accountants

**Independence****Independence**

The Firm is independent of the Scotts Valley Fire Protection District as defined by the GAO's Standards for Audit of Governmental Organizations, Programs, Activities and Functions, and the AICPA and California State Society of Certified Public Accountants as promulgated in various auditing and professional standards.

**Firm  
Qualifications  
and  
Experience****Insurance**

The Firm maintains professional liability insurance and other coverage as part of our comprehensive insurance policy. Upon selection as District's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to District which shows the minimum requirements identified by District have been met.

**License to Practice in California**

The Firm and all key professional staff assigned to District's audit are properly licensed to practice as Certified Public Accountants in the State of California and comply with GAO Government Auditing Standards.

The Firm is registered with the California State Board of Accountancy. Its State number is COR6823.

The Firm has met all required State and local laws, rules, and regulations.

**Firm Qualifications**

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 20 years of experience working with state and local government. Prior to founding B&A, Mr. Badawi was a partner with several local and national firms, where he headed their government practice in Northern California. Mr. Badawi founded Badawi & Associates to serve the fast-paced needs of California's local governments. The goal is to build a proactive, client-focused culture from the ground up and to eliminate the entrenched bureaucratic culture and intrinsic limitations of the big audit firms.

Located in Oakland, CA, the Firm serves a variety of cities throughout California as well as conducting financial related services for numerous special districts and authorities. The Firm staff level fluctuates throughout the year, the firm has up to 12 professional staff, a quality control reviewer, and an I.T. specialist during the busy season. Names and phone numbers of several of our current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and the ability of the audit staff.

Our Oakland office will be the Engagement Office assigned to the District.

In addition to specific district financial statements, the Firm members have also audited numerous redevelopment agencies, public financing authorities, hospitals, housing authorities, transportation authorities, special districts, water districts, OCJP grants, self-insurance pools, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act, childcare regulations, TOT regulations, AQMD regulations, franchise requirements, RDA compliance, and other special projects. Additionally, the Firm has significant experience in bond offerings, post closure landfill costs, and recent changes to redevelopment District reporting requirements.

The Engagement Partner assigned to the District, Mr. Ahmed Badawi. Mr. Badawi has over 20 years of government audit and accounting experience. He is a member of various governmental committees, has actively participated in the development of accounting and audit guidelines for the governmental sector, and is an instructor for the California Society of Municipal Finance Officers.

The professional staffs assigned to the Engagement are qualified and experienced. Each individual of the Engagement Team has several years of experience and has conducted or participated in numerous municipal audits of various sizes. Their understanding of governmental operations and the various authoritative guidelines will provide the where-with-all to perform the audit in an efficient and effective manner with minimal disruption to the District's finance department.

#### **Technical Approach**

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the District's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of District operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and District Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

The audit approach will consist of four phases:

1. **Initial Planning Meeting:**

The Engagement Partner and Manager will meet with District Management to discuss the audit approach, identify specific needs of District Management, and familiarize themselves with District policies and practices.

2. **Interim:**

The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, and identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and District Management of the year-end audit responsibilities and assignments. **In addition, we strive to complete many of the year-end audit tasks during the interim phase to ensure a smoother audit process. We will work with the District on providing a list of those tasks that we will target to complete during interim and work with the District on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the District in meeting its goal of issuing the report by the desired deadline.**

3. **Year end:**

The Engagement Team members including the Engagement Team Partner will conduct validation procedures on general ledger account balances, complete confirmation procedures, perform analytical procedures on revenue and expenditures, perform search for unrecorded liabilities, complete compliance work on Federal Assistance, and wrap up audit field work.

4. **Reporting:**

Auditor's reports for all District reporting entities and compliance requirements will be finalized along with the Management Letter comments. The Partner and Manager will be available to make presentations to the Board and/or designated bodies.

#### **Firm Experience**

The Firm is located in Oakland, and provides a full range of accounting services to governmental agencies throughout California, including audit, tax and accounting. The Firm's professional staff members provide the financial background and specific experience to meet the District's operational needs. Additionally, this situation provides the District with an auditing firm that has depth in capabilities to address any financial issue the District may need assistance with, and the quality audit approach that you expect.

Our Oakland office will be the Engagement Office assigned to the District.

Firm policy requires that the Engagement Partner, during the first year of the engagement, be actively involved in the daily fieldwork. This means to the District that Mr. Badawi will actually be on-site during the audit coordinating the audit process, supervising the audit staff, gaining a hands-on understanding of District processes, and benefiting the District with his broad municipal experience. We have found that this effort benefits the District and the Firm through developing a thorough knowledge of the District's practices and issues and establishing a close working relationship with the District's Management. Additionally, continuity of audit personnel is assured because of the hands on involvement of the Partner.

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality end product within the time frames required.

The Firm provides financial and compliance auditing services to governmental agencies throughout California. We are a governmental agency auditing firm and our professional staff members have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- |                       |                    |                     |
|-----------------------|--------------------|---------------------|
| • Cities              | • Waste Management | • Investment        |
| • Redevelopment       | • Authorities and  | • Activities        |
| • Agencies            | • Operations       | • Landfills         |
| • Financing           | • Pension Plans    | • Enterprise Funds  |
| • Authorities         | • Child Care       | • Airports          |
| • Housing Authorities | • Operations       | • Transportation    |
| • Special Districts   | • Joint Power      | • Operations        |
| • Water Districts     | • Authorities      | • Federal and State |
|                       |                    | • Grants            |

#### **Additional Activities**

We offer a full range of accounting and finance services to the governmental sector. These services include:

- |                                                                   |                                                                 |
|-------------------------------------------------------------------|-----------------------------------------------------------------|
| • Financial audits                                                | • Operational reviews                                           |
| • Compliance audits                                               | • Technical guidance on existing and upcoming accounting issues |
| • Tax advice                                                      | • Training seminars                                             |
| • Development of financial and accounting policies and procedures | • Pension/profit-sharing plans                                  |
| • Investment review and compliance evaluation                     | • Performance audits                                            |
|                                                                   | • Business consulting                                           |

Consequently, Firm personnel are well qualified to perform the services expected by the District

---

**Client Training Seminar**

The Firm hosts an annual update on recent technical accounting and finance issues affecting the governmental area. This all day session reviews new and anticipated pronouncements from GASB, discusses future issues under consideration by GASB, reviews accounting treatment of various transactions where issues may arise, and provides a general overview of state and federal compliance issues. All of our clients are invited to attend, free of charge. The one day session qualifies for CPE under the rules of the State Board of Accountancy and is held in locations throughout the Bay Area.

**CSMFO Training**

The Firm provides a one-day training session entitled "Introduction to Governmental Accounting" to members of CSMFO. Firm personnel developed the class materials and teach the sessions. Approximately 10 sessions are held annually at various locations throughout the State. The Firm provides these sessions for only the cost of materials to CSMFO in keeping with its philosophy to support the industry in which it serves.

**GASB 68 Firm Developed Tools and Assistance**

The Firm has developed tools to assist our clients with preparation of GASB 68 journal entries for the CalPERS' Cost Sharing Plans (for which individualized actuarial valuations are no longer prepared) and the CalPERS' Agent Multiple Employer Plans. In addition to providing our clients with these tools and instructions on how to use them, we are available to answer any questions on how to prepare and complete the GASB 68 journal entries.

**Quality Control Review**

According to Government Auditing Standards, firms who perform audits under the Yellow Book are required to have a peer review once every three years. We received a report with a rating of pass with no deficiencies which we attached for your review.





JOHN LERIAS, CPA  
STEPHEN C. WILLIAMS, CPA  
JOSEPH Q. ROMERO, CPA

### System Review Report

Badawi & Associates  
Oakland, California;  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Badawi & Associates (the firm) in effect for the year ended February 29, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 29, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Badawi & Associates has received a peer review rating of *pass*.

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your  
Success  
is our  
DESTINATION

GYL & Decauwer LLP

Ontario, California  
May 20, 2016

CPA AMERICA  
INTERNATIONAL  
Crowe Horwath International

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B&A have policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources. All members of B&A are very familiar with the stringent quality control standards established by the AICPA.

**The Firm is a member of the AICPA Government Audit Quality Center.**

**The Firm is a member of the AICPA Private Companies Practice Section.**

**Federal or State Desk Reviews**

The Firm has had no negative federal or state reviews in the past three (3) years.

**Disciplinary Action**

There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

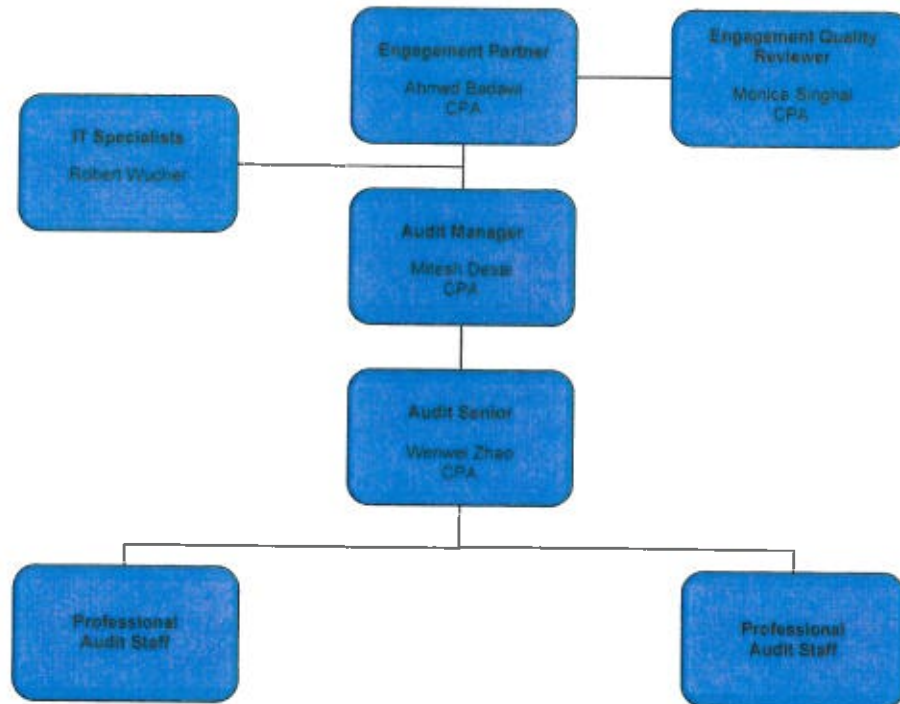
**Litigations:**

The Firm has not experienced any lawsuits or legal actions that have been resolved or are currently pending in the prior five years.



**Partner,  
Supervisory,  
and Staff  
Qualifications  
and  
Experiences**

The Engagement Team will normally consist of seven individuals who provide a broad business perspective and significant experience in governmental auditing. This team will provide access to a wide range of technical capabilities which will provide the District with not only the technical support necessary to perform the audit, but also the broad business background to interpret findings and observations to offer effective solutions to issues, and the personal involvement of the Engagement and Compliance Partners of the Firm.



The Engagement Team will be led by Ahmed Badawi, CPA. Mr. Badawi's background includes over eighteen years of municipal auditing experience with a special focus on cities. He is the instructor of the CSMFO "Introduction to Governmental Accounting" training classes. Mr. Badawi is a member of the Government Accounting and Auditing Committee of the California Society of Certified Public Accountants. He has participated in the audits of numerous city, county and special district governments, as well as non-profit entities. His diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations.

The second member of the Engagement Team is Mitesh Desai, CPA. Mr. Desai's background includes ten years of experience in municipal auditing. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their CAFRs in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai has also achieved the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Audit Manager.

The third member of the Engagement Team is Wenwei Zhao. Ms. Zhao's background includes four years of accounting and auditing experience. She has participated in the audits of numerous governmental entities and assisted in their efforts to publish their financial statements in compliance with various regulations. Ms. Zhao will be the senior of this engagement.

The fourth member of the Engagement Team is Robert Wucher. Mr. Wucher has 30 years of experience in the field of Information Technology (IT) at the senior and executive management level. He has worked extensively with government agencies, private organizations and public companies. Industry experience includes the public sector, banking, manufacturing, Internet, health care and not-for-profit organizations.

Each member of the Engagement Team participates in continuing education programs offered by the AICPA and California State Society of Certified Public Accountants, and each has met the continuing education requirements for municipalities. In addition, the firm offers at least 60 hours of in-house CPE annually focused mainly on municipal audits.

#### **Professional Development:**

The Firm maintains a comprehensive training program targeted at appropriate professional staff levels. It utilizes in-house developed educational programs, AICPA and California CPA Foundation educational programs, and on-the-job training.

The Firm's annual training schedule which officially begins in April for all professional staff and administrative staff includes comprehensive in-house training sessions on such topics as:

- Review of principles of accounting and financial reporting for state and local governments.
- Review of governmental fund types and account groups.
- Review of newly issued generally accepted auditing standards and GAO auditing standards.
- Review of Internal Control evaluation approaches including COSO principles.
- Updates on recent governmental accounting and reporting guidelines.
- Review of Single Audit requirements and approaches.
- Review of financial audit approaches.
- Overview of audit and internal control work paper techniques.
- Review of GASB reporting requirements.
- Review of current issues facing the governmental community.

During the year, professional staff members are sent to various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices.
- Yellow Book: Government Auditing Standards.
- Financial Accounting Standards: Comprehensive Review.
- Single Audit.
- Governmental Auditing & Accounting Update.
- Governmental Accounting Principles.
- Comprehensive Review of Generally Accepted Auditing Standards

The result of the Firm's training program is the production of a highly educated and competent municipal audit group capable of performing an efficient and effective audit for the District.

The Team members will continue their professional development efforts.

#### **Staff Retention and Continuity:**

The Firm's policy on providing service to our clients includes a commitment to maintaining continuity of audit personnel. We cannot guarantee that our staff will remain with the Firm. However, to encourage our staff to remain with us, we pay competitive wage rates; offer promotional opportunities; provide state-of-the-art equipment and excellent working conditions; and offer various benefits, such as retirement plans, medical plans, profit sharing programs, educational benefits, and other such benefits. Additionally, we will guarantee that any staff member assigned to this engagement will return to the District in subsequent years if he or she is still with the Firm. We can also guarantee that the partner will be involved in

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future years. Continuity of audit staff is of prime concern to us and because of the hands-on involvement of the partner, we can assure you that future years' audits will be conducted in an efficient and effective manner with qualified and experienced professionals.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

Resumes of each member of the Engagement Team follow.

**Ahmed Badawi, Certified Public Accountant – Engagement Partner**Length of Career

- Twenty years' experience in municipal auditing and accounting with a special focus on cities.
- Certified Public Accountant for the State of California.

Professional Experience

- Partial listing of clients served:

	Financial Audit	Single Audit	Services Provided			
			RDA Audit	PFA Audit	Enterprise Fund	Other
Special Districts and Other:						
Aptos/La Selva Fire Protection District	X					
Central County Fire District	X					
Castro Valley Sanitary District	X				X	
Alameda County Water District	X				X	X
Coastside Fire Protection District	X					X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Elk Grove Water District	X				X	
Marin Municipal Water District	X					X
Metropolitan Transportation Commission						X
Sanitary District No. 5	X				X	
South Bayside System Authority	X					X
Stanislaus County Childcare	X					X
West County Wastewater District	X					X
Cities:						
Albany	X	X	X			X
Antioch	X	X		X	X	X
Berkeley	X	X	X		X	X
Burlingame	X				X	X
Dublin	X	X				X
Fremont	X	X	X			X
Pleasanton	X	X		X		X
Richmond	X	X	X	X	X	X
San Bruno	X	X	X		X	X
San Leandro	X	X	X			X
Turlock	X	X	X	X	X	X
Union City	X	X	X		X	X
Walnut Creek	X	X	X		X	X
Counties:						
Santa Cruz County	X	X	X	X	X	X
Contra Costa County	X	X	X	X	X	X

- Has performed numerous financial audits, Single Audits, Transportation Development Act audits, housing audits, electrical utility audits, RDA audits, PFA audits, and Trust Fund audits, and has prepared numerous CAFRs.

Education

- BS Degree in Accounting from the University of Alexandria, Egypt.

Professional Activities

- Instructor, CSMFO's "Introduction to Governmental Accounting" training class.
- Member, CALCPA Government Accounting and Auditing Committee
- Member, American Institute of Certified Public Accountants.
- Member, California Society of Certified Public Accountants.
- Member, Government Finance Officers Association.
- Member, California Society of Municipal Finance Officers.
- Chair, Audit Committee, San Francisco SPCA, a CA nonprofit organization

Continuing Education

- Has met the current CPE educational requirements to perform audits on governmental agencies

**Mitesh Desai, Certified Public Accountant – Professional Audit Manager**Length of Career

- Ten years' experience in municipal auditing with a special focus on cities.
- Certified Public Accountant for the State of California.

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Financial Audit	Single Audit	Services Provided			
			RDA Audit	PFA Audit	Enterprise Fund	Other
Special Districts and Other:						
Coastside Fire Protection District	X					
Aptos/La Selva Fire Protection District	X					X
Central Fire Protection District of Santa Cruz County	X					
Alameda County Water District	X				X	X
Castro Valley Sanitary District	X				X	
Cosumnes Community Services	X					X
East Bay Regional Park District	X	X				X
Elk Grove Water District	X				X	
Marin Municipal Water District	X					X
Metropolitan Transportation						X
Monterey Bay Unified Air Pollution	X					
Stanislaus County Childcare	X					X
West County Wastewater District	X					X
Cities:						
Albany	X	X	X			X
Antioch	X	X		X	X	X
Berkeley	X	X	X		X	X
Burlingame	X				X	X
Dublin	X	X				X
Fremont	X	X	X			X
Pleasanton	X	X		X		X
Richmond	X	X	X		X	X
San Bruno	X	X	X		X	X
San Leandro	X	X	X			X
San Mateo	X	X	X		X	X
Turlock	X	X	X	X	X	X
Union City	X	X	X		X	X
Walnut Creek	X	X	X		X	X
Counties:						
Santa Cruz County	X	X	X	X	X	X
Contra Costa County	X	X	X	X	X	X
County of Lassen	X	X			X	X
Health Care:						
Alameda County Medical Center	X	X				X

Education

- BS Degree in Business Economics with an emphasis in Accounting from University of California, Santa Barbara

Professional Activities

- Member, American Institute of Certified Public Accountants.
- Member, California Society of Certified Public Accountants.
- Volunteer Member, GFOA Special Review Committee.

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
  - Governmental Financial Reporting Standards and Practices
  - Yellow Book: Government Auditing Standards
  - Municipal Accounting
  - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

**Wenwei Zhao, Certified Public Accountant – Professional Audit Senior**Length of Career

- Four years' experience in auditing
- Certified Public Accountant for the State of California.

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Financial Audit	Single Audit	Services Provided			Enterprise Fund	Other
			RDA Audit	PFA Audit			
Special Districts:							
Marin Municipal Water District	X						
Contra Costa County Child Care	X						
Alameda County Single Audit		X					X
Elk Grove Water District	X						
San Mateo County Mosquito and Vector Control District	X						
Hayward Area Recreation and Park District	X						
Cosumnes Services District	X						
Resource Conservation District of Santa Cruz County	X						
Santa Cruz Regional 9-1-1	X						
Cities:							
Menlo Park	X					X	X
San Mateo	X					X	
Union City	X	X				X	X
El Cerrito	X					X	
East Palo Alto	X	X				X	
Town of Yountville	X					X	
Crescent City	X	X				X	X
Susanville	X					X	

Education

- Master of Accounting from University of Pittsburgh, PA

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
  - Governmental Financial Reporting Standards and Practices
  - Yellow Book: Government Auditing Standards
  - Municipal Accounting
  - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

## **Robert Wucher – Information Technology Specialist**

### Length of Career

- Thirty years' experience in information technology (IT)
- Worked extensively with government agencies, private organizations and public companies
- Industry experience includes public sector, banking, manufacturing, internet, healthcare, and not-for profit organizations

### Areas of Expertise

- Systems Auditing and Controls Review (SEC AU-314, SAS-109, SAS-94)
- Sarbanes-Oxley, Section 404 IT Compliance Consulting and Auditing
- Journal Entry Analysis in Support of SAS-99 using IDEA by Caseware
- SSAE-16 (SOC 1, 2 & 3), Type I & II Reporting (Formerly SAS-70)
- ERP/MRP System Reviews and Workflow Analysis
- Software as a Service (SaaS) Cloud Computing Technologies
- International and Multinational Company IT Audit Expertise
- Forensic Data Analysis and Litigation Support in Support of Fraud Auditing
- Systems Selection and Request-for-Proposal (RFP) Development
- Systems Programming and Data Conversion
- Systems Failure Analysis and Quality Improvement
- E-Commerce and EDI Systems
- Information Technology Strategic Planning
- System Process/Procedures Development and Implementation
- Disaster Recovery and Business Continuity Planning

### Publications

- Author, The Top Five Tips Every Technology Executive Needs to Know About Sarbanes-Oxley, Published 2007, Aspatore Books
- Author, Winning Legal Strategies for Technology & E-Business, An Overview of IT Controls Under Sarbanes-Oxley Published 2005, Aspatore Books

### Presentations

- IT Security Trends
- Data Privacy and Cloud Computing
- IT Trends and Red Flag Rule
- IT Controls for NFP Organizations

### Education

- B.S. degree in Business Administration, Finance, Old Dominion University, Norfolk, VA.

### Professional and Civic Associations

- Member, Information Systems Audit and Control Association (IASCA)
- MAS-90 Accounting Application Suite Qualified Installer, SAGE Systems
- Former Board Member, Pets are Wonderful Support (PAWS), San Francisco, CA



### Similar Engagements with Other Governmental Entities

The table below lists all special district engagements (in order of audit hours):

Special District	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	Single Audit	Enterprise Funds
Aptos La Selva Fire District	2016	150	Ahmed Badawi	Ms. Nancy Dannhauser Finance Director 6934 Soquel Drive, Aptos, CA (831)-685-6690	No	N/A		
Central County Fire Department	2012	150	Ahmed Badawi	Ms. Jan Cooke Finance Director (650)375-7408 jcooke@hillsborough.net	Yes	Yes		
Zayante Fire Protection district	2017	150	Ahmed Badawi	John Stipes Fire Chief (831) 335-5100 chief2401@cwncastnet	No	No		
Central Fire Protection District of Santa Cruz County	2016	150	Ahmed Badawi	Ms. Nancy Dannhauser Finance Director 6934 Soquel Drive, Aptos, CA (831)-685-6690	No	N/A		
Cosumnes Community Services District	2008	350	Ahmed Badawi	Mr. Jeremy Edwards Finance Manager (916)405-7187 jeremyedwards@yourcsd.com	Yes	Yes		
Santa Cruz Regional 9 - 1 - 1	2016	150	Ahmed Badawi	Tina Bisgaard Senior Administrative Assistant (831)471-1018 tina@scr911.org	No	No		
Contra Costa County Community Services Bureau Child Development Program Contra Costa, California	2013	414	Ahmed Badawi	Mr. Eric Pormento Fiscal Officer (925)681-4266 epormento@ehsd.cccounty.us	No	No		
Belle Haven Child Development Center (Child Development Center) City of Menlo Park	2014	50	Ahmed Badawi	Dan C. Jacobson Finance and Budget Manager (650)330-6649 DCJacobson@menlopark.org	No	No		
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Ahmed Badawi	Mr. Patrick Lee Finance Manager / Treasurer (916)685-3556 plee@egwd.org	Yes	Yes		X
Hayward Area Recreation and Park District	2017	350	Ahmed Badawi	Paul McCreary General Manager (510) 881-8710 mccp@haywardrec.org	No	No		
Monterey Bay Unified Air Pollution Control District	2016	200	Ahmed Badawi	Ms. Joyce Gluffre Administrative Services Manager (831)-718-8019 jgluffre@mbard.org	No	N/A		
Resource Conservation District of Santa Cruz County	2017	150	Ahmed Badawi	Ms. Sharon Corkrean Director of Finance scorkrean@rdsantacruz.org	No	No		
Port of San Luis Harbor District	2017	150	Ahmed Badawi	Ms. Kristen Stout Business Manager (805)595-5413 kristens@portsanluis.com	Yes	Yes		

The table on the following page lists City engagements that encompassed issuing a Comprehensive Annual Financial Report (resulting in a GFOA award), audit of enterprise activities, or encompassed performance of a Single Audit.



\* Indicates cities with population over 50,000

\*\* Indicates cities with governmental revenues over 100 million and population over 50,000

City	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund
** Berkeley	2008	1800	Ahmed Badawi	Mr. Henry Oyekanmi Finance Director (510)981-7300 hoyekanmi@ci.berkeley.ca.us	X	X	X	X	X		X			X	X
* Union City	2006	600	Ahmed Badawi	Mr. Mark Carlson Finance Director (510)675-5338 mcarlson@unioncity.org	X	X	X	X	X					X	
** Vacaville	2008	600	Ahmed Badawi	Mr. Ken Matsumiya Accounting Manager (707)449-5104 ken.matsumiya@cityofvacaville.com	X	X	X	X	X	X	X		X	X	
Newark	2009	550	Ahmed Badawi	Mrs. Krysten Lee Director of Administrative Services (510)578-4804 krysten.lee@newark.org	X	X	X	X	X						
El Cerrito	2017	540	Ahmed Badawi	Mr. Mark Rasiah Finance Director (510)215-4312 mrasiat@ci.el-cerrito.ca.us	X	X	X							X	X
Azusa	2017	530	Ahmed Badawi	Ms. Talika Johnson Finance Director (626)812-5203 Tjohnson@ci.azusa.ca.us	X	X	X	X		X	X			X	
* Buena Park	2013	500	Ahmed Badawi	Mr. Sung Hyun Finance Director (714)562-3717 shuyn@buenapark.com	X	X	X	X		X	X			X	
** San Mateo	2004	500	Ahmed Badawi	Mr. Drew Corbett Finance Director (650)522-7104 dcorbett@cityofsanmateo.org	X	X	X	X	X		X			X	
* Antioch	2005	470	Ahmed Badawi	Ms. Dawn Merchant Finance Director (925)779-6135 dmerchant@ci.antioch.ca.us	X	X	X	X	X	X	X			X	
East Palo Alto	2014	450	Ahmed Badawi	Ms. Brenda Olwin Finance Director (650)853-3122 bolwin@cityofepa.org	X	X	X	X		X				X	
Susanville	2013	450	Ahmed Badawi	Ms. Deborah Savage Finance Manager (530)252-5112 dsavage@cityofsusanville.org	X	X				X	X			X	
* Yuba City	2017	450	Ahmed Badawi	Ms. Robin Bertagna Finance Director (530)822-4615 rbertagn@yubacity.net	X	X	X	X		X	X			X	

City	Client Since	Hours	Engagement Partner	Principal Contact	CAFR	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund
Dublin	2018	440	Ahmed Badawi	Mrs. Colleen Tribby Director of Finance & Admin. Services (925)833-6640 colleen.tribby@dublin.ca.gov	X	X									
Pinole	2018	420	Ahmed Badawi	Mrs. Andrea Miller Finance Director (510)724-9823 amiller@ci.pinole.ca.us			X				X			X	
Milbrae	2015	400	Ahmed Badawi	Ms. DeAnna Hilbrants Finance Director (650)259-2350 dhilbrants@ci.milbrae.ca.us	X		X			X	X			X	
Albany	2008	380	Ahmed Badawi	Ms. Heather Rowden Finance Director (510)528-5730 hrowden@albanyca.org	X	X	X		X		X			X	X
Merced	2016	360	Ahmed Badawi	Ms. Venus Rodriguez Finance Director rodriguezv@cityofmerced.org				X		X	X			X	
Calimesa	2013	350	Ahmed Badawi	Ms. Bonnie Johnson Finance Director (909)795-9801 ext 231 bjohnson@cityofcalimesa.net			X								
Lindsay	2017	350	Ahmed Badawi	Mr. Bret Harmon Finance Director (559)562-7102 ext. 8020 bharmon@lindsay.ca.us						X	X			X	
Los Gatos	2017	340	Ahmed Badawi	Mr. Stephen Conway Finance and Admin. Services Director (408)354-6828 sconway@losgatosca.gov	X	X									X
Crescent City	2014	300	Ahmed Badawi	Ms. Linda Leaver Finance Director (707)464-7483 x224 lleaver@crescentcity.org			X	X		X	X			X	X
Guadalupe	2017	300	Ahmed Badawi	Mrs. Carolyn Cooper Finance Director (805)356-3895 ccooper@ci.guadalupe.ca.us			X			X	X			X	
Waterford	2018	300	Ahmed Badawi	Mrs. Tina Envia Finance Manager (209)874-2328 Ext: 104 tenvia@cityofwaterford.org			X			X	X			X	
Yountville	2015	300	Ahmed Badawi	Mrs. Maria Ojeda Finance Director (707)944-8851 marrow@yville.com	X	X		X	X	X	X			X	
Oakdale	2016	290	Ahmed Badawi	Mr. Albert Avila Finance Director (209)845-3584 aavila@ci.oakdale.ca.us			X	X	X	X	X			X	
Sebastopol	2017	240	Ahmed Badawi	Mrs. Ana Kwong Finance Director (707)824-4879 akwong@cityofsebastopol.org	X	X	X			X	X			X	

## Understanding of Services to be Provided

The District desires an audit of the financial records for the District and an expression of an opinion in accordance with generally accepted accounting principles on the fairness of presentation of financial statements for the fiscal years ending June 30, 2019 through 2021.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statement in conformity with generally accepted accounting principles in the United States of America.
- Express an opinion on the fair presentation of any supplementary information in conformity with generally accepted accounting principles. The Firm will provide an "in-relation-to" report on the supporting schedules contained in the comprehensive annual financial report based on the auditing procedures applied during the audit of the basic financial statements and schedules.
- Express an opinion on the fair presentation of the schedule of expenditures of federal awards in relation to the basic financial statements.
- Perform limited procedures on supplementary information required by the Government Accounting Standards Board.
- Issue the following reports, following the completion of the audit of the fiscal year's financial statements:
  - Independent Auditor's Report on Financial Statements.
  - Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*.
  - Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
  - Schedule of findings and questioned costs
  - Auditor's Communication with Those Charged with Governance
- Provide special assistance to the District as needed.
- Retain all working papers and reports at the audit firm's expense for a minimum of 7 years. In addition, make working papers available to the District and/or any government agency as appropriate.

## Specific Audit Approach

Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution.

The Firm will submit a report to the District Board and management detailing auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to District management.

The Firm will be available to provide advice and counsel regarding significant matters during the year.

The Firm's Partner and Staff welcome the opportunity to make presentations to the Board and will be ready to respond to questions from the Board and any other interested parties.

### Objectives of Our Services

The basic objective of our audit of the District is to conduct an examination of the financial statements in accordance with generally accepted auditing standards and to express our opinion on the fairness of presentation of such financial statements in conformity with generally accepted accounting principles.

Additionally, we believe that another real value of our audit lies in meeting other objectives at no additional cost. The following are other objectives of our services that have important benefits to the District:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures.
- To identify opportunities for operating efficiencies and isolate candidate activities for cost reduction opportunities.
- To perform a professional audit in an efficient and effective way to minimize disruption to the office operations.
- To offer ongoing advisory services to assist in the running of the operation and implementation of improved operating procedures.

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation & documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

### Audit Approach

The specific audit approach has been designed to efficiently and effectively address the audit requirements of the District, to perform the audit of the District's financial records in a timely manner with minimal disruptions to office operations, and to meet the District's timeline.

The audit will be conducted in accordance with:

- 1) Generally accepted auditing standards established by the AICPA.
- 2) The standards contained in Government Auditing Standards issued by the GAO.
- 3) Provisions of the Single Audit Act and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). (if required)
- 4) Requirements issued by the California State Controller's office.
- 5) Other requirements as required.

We will conduct the necessary audit steps to perform:

- Planning of the engagement.
- Evaluation of the existing internal control environment to determine degree of risk of material misstatement.
- Determination of degree of compliance with laws, regulations, grant provisions, and District approved policies.
- Assessment of potential fraudulent issues.
- Validation of account balances.
- Verification of reasonableness of management estimates.

#### **Technical Approach**

We use an industry specific audit approach tailored to governmental entities. Our governmental audit approach addresses the special risks and circumstances of local governments. As a result, the audit is conducted efficiently and effectively with minimal disruption to your staff.

The core of our governmental technical audit approach can be summarized as follows:

1. **Planning, Understanding and Communication:**

Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments work, we will obtain an insight to the specific concerns and sensitivities of the District. Our understanding is updated continuously through our year-round contact and communication efforts. We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback.

2. **In-Depth Review of Systems and Controls:**

We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge of the District and understanding and experience with the District's accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the District's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

3. **Risk-Based Customized Testing Program:**

Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the:

- Balance Sheets/ Statement of Net Position
- Statement of Revenues and Expenditures / Statement of Activities
- Presentation
- Disclosure

Our audit procedures will then be developed to address these risk areas.

4. **Expanded Interim Fieldwork:**

Timeliness and audit efficiency is enhanced by performing extensive interim work. Partners, managers and senior staff work with District staff to identify and resolve potential audit issues early. Accordingly, the amount of audit work to perform at year end is minimized. Because our audit staff is familiar with the operations before year-end fieldwork begins, disruption of accounting staff is minimized.

**5. Smooth Transition:**

Our testing program focuses on audit risks identified by our understanding of the District's operations. We will work with the accounting staff to identify the most effective ways to address our objectives. Communication between the members of the audit engagement team and District staff will be fluid and continuous.

**6. Sample Size and Sampling Techniques:**

Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. Our sample size will range normally from 25 to 60 items.

**7. Automated Systems:**

We will evaluate controls over the IT functions to assess control risk. We intend to test controls for purposes of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning

In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

Our Information Technology Specialists Group will evaluate the IT operating control environment.

**8. Analytical Procedures:**

We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our staff possesses the appropriate experience and knowledge for the District to benefit from these procedures.

**9. Approach to be Taken In Determining Laws and Regulations Subject to Audit Test Work:**

We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the District are the requirements of the California Public Utilities Commission, Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, requirements of local measures, etc.

**10. Report Format:**

We will meet with District Management to review report formats. Any report format changes will be made in conjunction with approval from the District's management.

**11. Work Plans:**

The detailed work plans will be designed to efficiently and effectively address the audit requirements of the District in accordance with generally accepted auditing standards, to perform the audit of the District's financial records in a timely manner with minimal disruptions to office operations, and to meet the District's timeline.



**12. Adjusting Journal Entries:**

We will discuss and explain proposed audit adjusting entries with the District's designated Finance Department personnel prior to recording. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the District's general ledger system.

**13. Listing of Schedules and Tables (anticipated to be prepared by the District):**

Based on preliminary inquiries made with management and District staff and review of documents, we will tailor a list of schedules, tables, and other reconciliations required for the audit. We will take into account as much as possible reconciliations already prepared by the District for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional District staff hours.

The following is a listing of significant reconciliations that we would normally expect the District to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- CAFR/BFS and Account Roll Up Schedule
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the District
- Capital Asset Schedules
- Long Term Debt Schedules
- Debt amortization schedules & Calculations of deferred amounts
- Calculations of any debt covenants amounts or percentages
- Schedule of Operating Leases
- Analysis of Deferred Inflows of Resources and Deferred Outflows of Resources
- Reconciliation of Receivables to subsidiary ledgers
- Calculations for estimate of allowance for uncollectible accounts
- Loans Receivable Schedules
- Reconciliation of Significant Revenue Accounts
- Fee schedules
- Compensated Absences and Early Retirement Obligation Schedules and Copies of Related Policies
- Claims Payable schedules
- Pension and OPEB Roll Forward & Supporting Schedules
- Supporting schedules for the District's significant cost allocations
- Interfund Transaction Schedules

**14. Computer Software:**

The firm maintains a variety of software packages in the audit and financial statement compilation process, which include MS Office (Word, Excel, etc.), Prosystem fx Engagement, PPC Checkpoint and Checkpoint Tools, and Single Audit SMART Tool. Our I.T. Specialist also has the ability to run reports using IDEA (data analysis software).

Our audit software enables us to link our audit trial balance to the financial statements, for efficient financial statement compilation. It also allows us to create various analytical reports easily (e.g. year to year comparisons, budget to actual comparisons, trend analysis, ratio analysis, etc.).

Our research tools are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resource for us to provide guidance to our clients.

We also use Prosystem electronic portal, which allows our clients to easily upload requested audit schedules and testing selections. The portal is very helpful in the audit process as it reduces duplicated audit requests, and allows our engagement team to review uploaded schedules prior to beginning audit fieldwork.

**Audit Schedule****2019  
Period****Audit Tasks****Award of Contract****Interim Audit Procedures****April****- Planning and Administration**

- ▶ Review and obtain copies of key work papers of prior audit firm
- ▶ Entrance conference with District Management to discuss audit approach, timing, assistance, and issues
- ▶ Review and evaluate the District's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements.
- ▶ Prepare overall memo to District confirming audit procedures, timing, and assistance.
- ▶ Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by District staff, and provide it to District Management.

**May****- Internal Control Evaluation**

- ▶ Meeting with key Finance Division personnel.
- ▶ Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation
  - General ledger system
  - Budgeting system.
  - Revenue, accounts receivable, and cash collections
  - Purchasing, expenditures, accounts payable, and cash disbursements
  - Payroll
  - Federal Financial Assistance
  - Other systems
- ▶ Identify control risks
- ▶ Evaluate IT control environment
- ▶ Perform testing of the internal control system and evaluate the effectiveness of the District's systems. Select large dollar and random samples of transactions in key operating systems. Sample size to meet required level for determined degree of risk. Review supporting documentation of selected transactions, evaluate adequacy of support and approvals, and conclude on degree of adherence to accuracy and compliance with District policies
- ▶ Conduct fraud assessment procedures
- ▶ Assess degree of risk for material misstatement
- ▶ Provide to the District's management a memo concerning management letter points and identify issues, if any



2019 Period	Audit Tasks
May	<p><b>- Other Tasks</b></p> <ul style="list-style-type: none"> <li>▶ Review minutes of Board meetings and other key committees.</li> <li>▶ Preliminary testing, verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required.</li> <li>▶ Coordinate with District staff and prepare of all appropriate confirmation requests including:                         <ul style="list-style-type: none"> <li>Bank accounts.</li> <li>Investment pool accounts.</li> <li>Accounts receivable.</li> <li>Federal grants.</li> <li>Revenue from governmental agencies.</li> <li>Bond and other debts.</li> <li>Pension plan.</li> <li>Attorney letters.</li> <li>Others, as required.</li> </ul> </li> </ul>
August- September	<p><b>- Final Field work</b></p> <ul style="list-style-type: none"> <li>▶ Entrance conference with District Management.</li> <li>▶ Follow-up on all outstanding confirmations.</li> <li>▶ Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, board resolutions, minutes, and other documents, as required.</li> <li>▶ Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual.</li> <li>▶ Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing District staff.</li> <li>▶ Perform review of subsequent events by discussions with District Management and update all minutes of District Board and key committees</li> </ul>
October	<p><b>- Audit Reports</b></p> <ul style="list-style-type: none"> <li>▶ Review preliminary drafts of financial statements</li> <li>▶ Prepare other reports as required</li> <li>▶ Provide drafts of reports to District Management for review</li> </ul>
November	<p><b>- Provide revised final drafts of all required reports to the District for approval</b></p>
December	<p><b>- Final Audit Reports, Financial Statements delivered</b></p>

## Discussion of Relevant Accounting Issues

### Identification of Anticipated Potential Audit Problems

We do not anticipate that there will be any audit problems at the District. However, the following are some areas that we will carefully investigate and monitor during our audit procedures:

- Financial Reporting:
  - Review and evaluate that the District's Annual Financial Reports are in compliance with current reporting and disclosures requirements issued by the GASB and GFOA.
  - Review Annual Financial Reports for financial reporting conformance awards issued by CSMFO and GFOA.
  - Review and evaluate degree of compliance with the various GASBs in effect.
  - Review degree of compliance with infrastructure obligations and regulatory provisions.
- Internal Control Structure:
  - Review and evaluate the District's internal control functions and ascertain compliance with proper internal control philosophies.
  - Review computer system processes and controls and evaluate adequacy of the control environment.

Several new GASB pronouncements will become effective over the time period of this proposal. As such, specific attention will be provided to determine the proper implementation of these new pronouncements. A list of known new pronouncements with implementation dates that fall within this proposal period are as follows:

#### 2019

- Statement 83 – Certain Asset Retirement Obligations

#### 2020

- Statement 84 – Fiduciary Activities
- Statement 88 – Certain Disclosures Related To Debt, Including Direct Borrowings and Direct Placements
- Statement 90 – Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

#### 2021

- Statement 87 – Leases
- Statement 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

## Comprehensive Cost Bid

### Schedule of Professional Fee

Service	2019	2020	2021
Financial Statement Audit	\$ 19,935	\$ 20,375	\$ 20,830
Total	\$ 19,935	\$ 20,375	\$ 20,830

Position	2019		2020		2021	
Partner	21	\$ 150	20	\$ 155	20	\$ 160
Audit Manager	42	120	41	125	40	130
Audit Senior	63	85	61	90	59	95
Professional Audit Staff	78	75	76	80	73	85
IT Specialists	1	120	1	125	1	130
Administrative Assistant	7	60	7	65	7	70

### Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

Position	Rate
Partner	\$ 200
EQR	200
Manager	150
Senior	125
Staff	100
IT	150
Admin.	75

## Conclusion

A client relationship with the District will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the District. We are committed to:

- Rendering the highest standard of service.
- Developing a long-term working relationship dedicated to meeting the needs of the District.
- Assisting the District in operational issues.
- Producing a quality end-product.

We have the technical qualifications and experience to provide the level of service desired and expected by the District and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the District and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

\*\*\*\*\*

## Appendix A

### References

- 1) Aptos La Selva Fire District
  - Scope of Work: Financial Statements
  - Date of Service: Fiscal years ended June 30, 2016-Present
  - Engagement Partner: Ahmed Badawi
  - Principal Contact:  
Ms. Nancy Dannhauser  
Finance Director  
(831)-685-6690  
[nancyd@centralfpd.com](mailto:nancyd@centralfpd.com)
- 2) Central County Fire Department
  - Scope of Work: Financial Statements
  - Date of Service: Fiscal years ended June 30, 2012-Present
  - Engagement Partner: Ahmed Badawi
  - Principal Contact:  
Ms. Jan Cooke  
Finance Director  
(650)375-7408  
[jcooke@hillsborough.net](mailto:jcooke@hillsborough.net)
- 3) Central Fire Protection District of Santa Cruz County
  - Scope of Work: Financial Statements
  - Date of Service: Fiscal years ended June 30, 2018-Present
  - Engagement Partner: Ahmed Badawi
  - Principal Contact:  
Finance Director  
(831)-685-6690  
[nancyd@centralfpd.com](mailto:nancyd@centralfpd.com)
- 4) Cosumnes Community Services District
  - Scope of Work: Financial Statements
  - Date of Service: Fiscal years ended June 30, 2008-Present
  - Engagement Partner: Ahmed Badawi
  - Principal Contact:  
Mr. Jeremy Edwards  
Finance Manager  
Phone: (916)405-7187  
[jeremyedwards@yourcsd.com](mailto:jeremyedwards@yourcsd.com)
- 5) Zayante Fire Protection district
  - Scope of Work: Financial Statements
  - Date of Service: Fiscal years ended June 30, 2017-Present
  - Engagement Partner: Ahmed Badawi
  - Principal Contact:  
Mr. John Stipes  
Fire Chief  
(831) 335-5100  
[chief2401@cwncast.net](mailto:chief2401@cwncast.net)



Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant



## INDEPENDENT AUDIT PROPOSAL

To The Board of Directors  
Scotts Valley Fire Protection District  
7 Erba Lane  
Scotts Valley, CA 95066

March 22, 2019

Re: Audit Proposal Years ended June 30, 2019, 2020, and 2021

Dear Directors:

Thank you for the opportunity to submit the following proposal to serve as independent auditor for the Scotts Valley Fire Protection District.

We propose to conduct an audit of the financial statements of the Scotts Valley Fire Protection District for the years ended June 30, 2019, 2020, and 2021.

We will plan and perform the audit in accordance with generally accepted auditing standards and California State Controller's audit requirements will include tests of the accounting records and other procedures considered necessary under the circumstances. If our audit report is other than unmodified, we will fully discuss the reason with the District's manager prior to presentation of the report. If during the audit we become aware of significant deficiencies in the design or operation of internal controls or of ways management practices can be improved, we will communicate such information to the District Board of Directors in a separate letter. Our audits will include all budget units including the fiduciary fund for the Santa Cruz Hazardous Material Interagency Team.

We propose to begin the audits for the years ended June 30, 2019, 2020 and 2021 as soon as the District records are available. Setup, pre-list and certain other procedures would begin on notification of the contract. Fieldwork would begin soon after District personnel complete the trial balance. An entry and exit conference will be held with District Management. Completed audit reports to be provided by January 1 of each year.

Our fee for the above services is based on hourly rates ranging from \$40 to \$95 per hour with maximum fee not to exceed \$5,975 for each audit year ended June 30, 2019, 2020 and 2021.

Scotts Valley Fire Protection District- Audit Proposal – Page 2

This audit proposal is for a financial audit and the above fees include our entire out of pocket expenses including up to 7 bound copies of the audit report including an electronic PDF version. Additional copies are available at \$5 each.

We will need the cooperation and assistance of District personnel to successfully complete the audit. Such assistance will include obtaining copies of documents, contracts, invoices, etc., various audit inquiries and assistance with preparation of the audit confirmations and other standard auditing procedures.

Our firm has over 35 years of experience auditing California Special Districts including Fire Districts. Firm personnel include two certified public accountants and five support staff. Principal Auditor assigned will be John E. Blomberg, CPA. List of references and resume are attached. Should you need any additional information regarding this proposal please call John direct at (209) 466-3894.

Respectfully Submitted,



John E. Blomberg, CPA  
Blomberg & Griffin Accountancy Corporation

Approved By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Dated

## References

Below shows a partial list of current audit clients of Blomberg & Griffin A.C.:

	<u>Audit Client</u>	<u>Contact</u>	<u>Phone Number</u>	<u>Service Provided</u>
1)	Woodside Fire Protection District	Kate Edwards	(650) 851-6205	Financial Audit
2)	Patterson Irrigation District	Toni Russel	(209) 892-6233	Single Audit
3)	North Yuba Water District	Heidi Naether	(530) 675-2567	Financial Audit
4)	Twain Harte Community Services District	Carolyn Higgins	(209) 586-3172	Financial Audit
5)	Eastside Fire Protection District	Ginger Root	(209) 956-3516	Financial Audit
6)	Collegedale Fire Protection District	Betty Pettit	(209) 941-2339	Financial Audit
7)	Lockeford Community Services District	Joseph Salzman	(209) 727-5035	Financial Audit
8)	Forestville Fire Protection District	Heidi Flowers	(707) 887-2212	Financial Audit
9)	Geyserville Fire Protection District	Anneke Turbeville	(707) 857-3535	Financial Audit
10)	Cloverdale Fire Protection District	Michelle Black	(707) 894-2014	Financial Audit
11)	Russian River Fire Protection Dist.	Heidi Flowers	(707) 887-2212	Financial Audit
12)	Windsor Fire Protection District	Joe Valenti	(707) 838-1170	Financial Audit
13)	Mountain Gate CSD	Janice Heck	(530) 275-3002	Financial Audit
14)	Rincon Valley Fire Protection Dist.	Joe Valenti	(707) 838-1170	Financial Audit
15)	Cloverdale Health Care District	Thomas Hendricks	(707) 894-5862	Financial Audit



# Resume of John E. Blomberg, C.P.A

1013 N. California St.  
Stockton, CA 95202



## **EDUCATION/LICENSE/MEMBERSHIP**

- Certified Public Accountant, California – 1977
- **San Diego State University**, Bachelor of Science degrees in Accounting and Economics – 1974.
- Honorary Lifetime Member of California Society of Certified Public Accountants.

## **EXPERIENCE**

### **Blomberg & Griffin Accountancy Corporation**

#### ***President***

1981-Present

- Conduct audit services to various organizations such as Special District, Non Profit, and Professional Health Care Organizations.
- Conduct Water Rate Study to Special District
- Prepare tax returns for clients of diverse situations.
- Financial Planner
- Manage the company's employees, finances, and marketing.
- Meet with audit and tax clients

### **Steelgard, Inc.**

1988-1990

#### **Chief Financial Officer**

- Managed all financial functions of 30 million dollar manufacturing organization.

### **Keller, Blomberg, Griffin, & Co.**

#### **Partner**

1978-1981

- Perform audits of Special Districts, Non -Profit, and Professional Health Care Organizations.
- Prepare tax returns for clients which own rental properties, companies, conduct business in other states and countries, and sell stocks and bonds.

### **Blomberg & Bott**

1974-1978

#### **Staff Accountant**

- Perform audits of Special District, Non-Profit, and Professional Health Care Organizations.
- Prepare tax returns
- Write letters

## **COMPUTER SKILLS**

- Microsoft Office 2010, Lacerte Tax Program, Thomson Reuters Audit Program, various accounting and bookkeeping programs, and ten key.

# PROFESSIONAL AUDIT SERVICES PROPOSAL



## SCOTTS VALLEY FIRE PROTECTION DISTRICT

**CONTACT: DAVID FARNSWORTH, CPA**

**March 25, 2019**

**231 Dixon Landing, #313 ♦ Milpitas, CA 95035 ♦ 408.780.2236 ♦ david@dfarnsworthcpa.com**

**PROFESSIONAL AUDIT SERVICES PROPOSAL  
SCOTTS VALLEY FIRE PROTECTION DISTRICT**

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**MESSAGE**  
*from the*  
**CPA**

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March 25, 2019

Scotts Valley Fire Protection District  
7 Erba Lane  
Scotts Valley, CA 95066

Dear Board of Directors:

Thank you for considering us to provide professional auditing services to the Scotts Valley Fire Protection District. david farnsworth, cpa is pleased to present our proposal to provide auditing professional services to the Scotts Valley Fire Protection District for the fiscal years ending June 30, 2019 2020, and 2021. Our goal is to audit and express an opinion on the financial statements of the District in accordance with GAAS in the United States.

We believe our combination of technical expertise, combined with our firm philosophy of total client commitment throughout all phases of the audit engagement provides our clients the highest quality service and products available. Our Firm specializes and performs financial audits of local governments with a forward thinking mindset and provides a unique service offering. We'll educate you while performing the financial audit in order to empower you to make key strategic decisions on government management, budgeting & finance, and government operations.

As the owner of david farnsworth, cpa, I am authorized to make representations for and to bind our firm. I am looking forward to discussing and reviewing its content with you. Should you have any questions, please feel free to contact me via email at [david@dfarnsworthcpa.com](mailto:david@dfarnsworthcpa.com) or via phone at (408) 780-2236. Our mailing address is 231 Dixon Landing Rd, #313, Milpitas, CA 95035.

Sincerely,

  
David Farnsworth, CPA

# ABOUT *our* COMPANY

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## FIRM PROFILE

david farnsworth, cpa is a locally established accounting and auditing firm. We specialize in providing financial statement audits to local governments located in Central and Northern California. We require our audit personnel to take 40 CPE pertaining to government accounting, audit, and fraud. Our Firm started in 2018 but the Owner of the Firm has been auditing the financial statements of special districts since 2010. The Firm has two employees but the Audit Practice of the Firm consists of the owner, David Farnsworth, CPA.

Our industry specialization enables us to keep up to date with all GASB pronouncements, GAAS, GAGAS, and AICPA standard changes. We provide monthly white papers (special reports) and you have the opportunity to choose the subjects. The topics range from best practice techniques of business operations, update of GASB pronouncements, fraud risk management, etc. Our Firm runs on Cloud Software and uses Google Gsuite to upload and save audit working papers. You can be rest assured that your data will be protected by one of the largest global tech companies in the world and it leads with a security-first mindset. Furthermore, your data will be saved for 7 years.

We believe our unique service offering gives our clients a value-added financial audit service. When we present the results of the financial audit, we'll provide a deep dive of the financial analytics of the financial statements comparing multiple years, fraud prevention presentation, and explain our recommendations.

We are different because:

- ▶ Fraud risk management package provided as an additional benefit (Package is educational in nature)
- ▶ You will receive monthly white paper on relevant government topics (ie fraud management, business operations, etc), and you will have the opportunity to choose the topics
- ▶ Presentation of audit will include multi-year comparison of current year to prior years to see the District financial information over a long-term period of time and other financial metrics
- ▶ Working on Cloud software saves paper
- ▶ Available for GASB pronouncement guidance
- ▶ Timeliness of communication
- ▶ Follow-up periodic phone calls after engagement ends just in case you have questions

## **SCOPE OF SERVICES**

The period covered will be for the fiscal years ending June 30, 2019, 2020, and 2021. It is our understanding the scope of the services will be the following:

1. Audit, the financial statements and submit the audit report to the Scotts Valley Fire Protection District by January 1, following the close of the fiscal year.
2. Assist, review and provide recommendations to the District.
3. Prepare management letter, to include a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, and any instances of non-compliance with laws and regulations and any other material matters
4. Prepare Special District's Annual Report
5. Have an entry and exit meeting with District management
6. Send an electronic PDF form version of the audit report for posting on the District's website

The financial audit will be performed in accordance with generally accepted accounting standards; generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; and the Basic Audit Program and Reporting Guidelines for California District, as prescribed by the State Controller.

### **License**

The firm and all key personnel are properly licensed to practice in California.

### **Independence**

david farnsworth, cpa is independent of the Scotts Valley Fire Protection District as defined by GAAS. david farnsworth, cpa has not had any professional relationships with the District or its staff.

### **Insurance Requirements**

We will maintain insurance coverage throughout the course of the professional service agreement. Proof of coverage will be sent to the District if desired.

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## AUDIT APPROACH

Our engagements are supervised and managed by our owner. We believe on-going communication is key to understanding your expectations and in return you'll know what to expect. We always provide a prelist to start the audit process.

### Audit Planning

We take a risk-based approach and assess the risk of the Scotts Valley Fire Protection District. This audit approach focuses on the combined impact of the environment in which the District operates (Management information, financial results, and the effectiveness of internal controls). It is based upon a thorough understanding of the District. This understanding is obtained through a comprehensive analysis of internal business operations and the District's external environment. It enables us to design an audit program that includes the most effective & efficient combination of audit sampling and audit testing to the District's unique circumstances. In addition, this method provides a uniform method for developing & documenting the basis of our audit program.

### Substantive Procedures

Substantive procedures are designed based upon the results of the risk assessment process. Complex and high risk accounts will be identified early in the audit process. Some of our substantive audit procedures will include the following:

- ▶ Test of account details
- ▶ Analytical procedures
- ▶ Unpredictability tests
- ▶ Review of management's estimates
- ▶ Review of subsequent events and contingencies

In addition, our procedures test the validity and accuracy of various management assertions. We group these assertions as part of the process in three basic categories:

1. Transaction-level
2. Account balances
3. Presentation and disclosure

The management assertions include the following:

- Accuracy. Transaction amounts are free from error.
- Classification. Transactions are recorded in the correct general ledger account.
- Cutoff. Transactions are recorded in the correct period.
- Occurrence. Transactions actually took place.
- Completeness. All transactions were recorded in the general ledger.
- Existence. Transactions recorded actually exist.
- Rights & Obligations. The District has the rights to the assets and is obligated to pay its reported liabilities.
- Valuation. All assets, liabilities, and net position have been recorded at their proper valuation.

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## **AUDIT APPROACH (Continued)**

### **Audit Sampling**

Audit sampling provides the auditor reasonable assurance to reach the appropriate conclusion. We utilize statistical and non-statistical sampling techniques as describe in the AICPA's Audit Sampling Guide, depending on type of testing being performed. Based upon the risk assessment, we will either increase or decrease the sample size accordingly.

### **Preparation of the Audit Report and Review**

The audit working papers are reviewed in each phase of the audit. The signing CPA (David Farnsworth) will review the working papers prior to the release of the audit report. In addition, we also provide a preliminary audit report for your review prior to the release of the audit report.

Upon approval, we'll create bound copies of the audit reports based upon an agreed upon amount and send an electronic copy of the report .

### **Utilization of Advanced Technology**

We use Cloud Software and an online library to provide us with the most up-to-date information to better serve you. We store and house all working papers in the Cloud (Google). We utilize technology to save actual paper and expedite the audit process.

### **Work Paper Retention**

Audit programs, work papers and reports will be retained for a period of seven (7) years after the completion of the audit and make available for inspection by the Scotts Valley Fire Protection District, oversight or cognizant agencies, parties designated by the federal and state governments, auditors of entities of which the Scotts Valley Fire Protection District is a sub recipient of grant funds or component unit, and additional auditors, if requested by them.





**david farnsworth cpa**

ACCOUNTING • ADVISORY • ASSURANCE

David Farnsworth, CPA

PHONE 408-780-2236

EMAIL david@dfarnsworthcpa.com

## SUMMARY

Adaptive auditor & accountant in financial audits of local governments, accounting operations, program management, process design, documentation, and implementation. Strong accounting and interpersonal skills. Proven success in building a shared vision, defining and delivering effective initiatives, and aligning with cross-functional teams to meet organization goals.

## SELECTED ACCOMPLISHMENTS

- ▶ Presented financial audit reports and findings to multiple local government Board of Directors
- ▶ Audited financial statements of local governments including fire, cemetery, water, sewer, etc
- ▶ **Analyzed, prepared reports, and communicated embezzlement within a fire district**
- ▶ Improved internal controls of client by recommending adding the account numbers to the invoice prior to payment along with signature of authorization
- ▶ Recommendations to improve internal controls and fraud prevention secured capital assets and assisted the District in savings thousands of dollars of stolen equipment

## EXPERIENCE

**david farnsworth, cpa**

Sole Proprietor

- Performed financial audits of special districts
- Provided fraud awareness and internal control training to local governments
- Recommendations of audit client secured capital assets and saved client thousands of dollars
- Installation of accounting software to improve financial reporting
- Provided key financial metrics to improve financial reporting of audit clients and review financial statements over a period of five years.

Accenture @ Google

Finance Manager

- Prepared financial reports to finalize and finish external audit
- Reviewed revenue accounting standards to properly record revenue
- Created framework of month end close analytical process
- Created new processes of reconciliations and analyzing Google revenue products after >30 new products were migrated to AR Google subledger

Arvato Financial Solutions, F&A @ Google

Finance Team Lead

- Part of cross-functional team that mapped Google in-house built financial customer database with monthly +17B line items
- Consulted financial operations department on how to create a report to review the full-cycle of AR
- Stabilized and handed-over subledger operations to a team in Ireland.



# david farnsworth cpa

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## David Farnsworth, CPA

PHONE 408-780-2236

EMAIL david@dfarnsworthcpa.com

### Arvato Financial Solutions, F&A @ Google

Senior Financial Analyst

- Created month end processes for +5B USD of revenues, AR, cash, and cost of sales
- Presented business operation walk-through of Google Play applications to Google internal auditors
- Owned 8 entities for month end and responsible for month end close
- Traveled to Ireland to train financial analysts on triaging and understanding a financial customer accounting database

### Blomberg & Griffin Accountancy Corporation

Auditor / Accountant

- Performed and managed financial audits of local governments and not-for-profit organization. The Districts audited ranged from 30M in revenue to as low as 100K in revenue. ie cemetery, water, fire, park & rec
- Reconciled A/R, A/P, prepaid assets, and other accounts
- Proposed adjusting journal entries to tax and audit clients
- Analyzed, prepared reports, and communicated embezzlement within a local government.
- Presented audit reports to Board of Directors
- Prepared financial statements for tax / audit clients

## EDUCATION

CSU - Stanislaus, 2010

Bachelors of Science - Accounting

## CERTIFICATION

Certified Public Accountant, 2012

CA License 116727

## SKILLS

- GASB
- GAAP
- GAAS
- GAGAS
- Business process improvement
- Microsoft Office (Excel, word, etc)
- QuickBooks Accounting Software
- Xero Accounting Software

## CLIENT REFERENCES

Below are current relevant clients who can attest to our services and work performed on their behalf. We welcome the Scotts Valley Fire Protection District to contact any of our references listed below.

<b>Clients</b>	<b>Name and Position</b>	<b>Contact Info</b>	<b>Service</b>	<b>Engagement Partner</b>	<b>Year</b>
Elk Grove Cosumnes Cemetery District	Johnathan Lambdin ♦ District Manager	(916) 686-5170	Financial Audit	David Farnsworth, CPA	2018
Gonzales Rural Fire Protection District	Victor Lanini ♦ Board President	(831) 594-8007	Financial Audit	David Farnsworth, CPA	2018
Santa Clara Valley Habitat Agency	Jill Mross ♦ Management Budget Analyst	(408) 779-7266	Financial Audit	David Farnsworth, CPA	2018
Reclamation District No. 2064	Diane Dias ♦ Board Secretary	(209) 946-9675	Financial Audit	David Farnsworth, CPA	2018

## COST PROPOSAL

In accordance with the request for proposal for audit services issued by Scotts Valley Fire Protection District. We hereby submit the following cost proposal:

<b>Service</b>	<b>June 30, 2019</b>	<b>June 30, 2021</b>	<b>June 30, 2021</b>
Financial Audit	\$7,975	\$8,195	\$8,395
Fraud Prevention Package	-	-	-
Monthly White Paper Reports	-	-	-
<b>Total for Fiscal Year (not-to exceed)</b>	<b>\$7,975</b>	<b>\$8,195</b>	<b>\$8,395</b>

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## **COST PROPOSAL (Continued)**

<b>Phase of Financial Audit</b>	<b>Estimated Hours</b>	<b>Hourly Rate</b>	<b>Total cost not to exceed</b>
Planning	7	\$125	\$875
Field-work	40	\$150	\$6,000
Review	4	\$125	\$500
Report Binding / Presentation	8	\$75	\$600
<b>Total not to exceed for financial audit fee*</b>			<b>\$7,975</b>

\*Each subsequent year, an increase of approximately 3% will be added as an additional charge.

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## **ENGAGEMENT LETTER**

March 25, 2019

Scotts Valley Fire Protection District  
7 Erba Lane  
Scotts Valley, CA 95066

Dear Board of Directors:

We are pleased to confirm our understanding of our engagement to provide services for Scotts Valley Fire Protection District.

### **Scope of Work**

We propose to conduct the audit of the Scotts Valley Fire Protection District financial statements of government activities, which collectively comprise Scotts Valley Fire Protection District's basic financial statements as of the end of the fiscal years ending June 30, 2019, 2020, and 2021 and the related notes to the financial statements. We require agreement of both management and others responsible for the governance of Scotts Valley Fire Protection District. Kindly signify agreement by signing and returning one copy of this engagement letter.

We will plan and conduct the audit in accordance with generally accepted auditing standards, and the audit will include tests of the accounting records and other procedures considered necessary under the circumstances. The audit report shall include management's discussion and analysis and other required information (RSI) that will be subjected to the limited auditing procedures generally accepted in the United States of America. We shall provide a report, which does not include an opinion, on internal control related to the financial statements and compliance with the provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements as required by generally accepted auditing standards.

If our audit report is other than unqualified, we will fully discuss the reason with the District prior to presentation of the report. If during the audit we become aware of significant deficiencies in the design or operation of internal controls or of ways management practices can be improved, we will communicate such information to the Board of Directors in a separate letter.

We propose to begin the financial audit for the fiscal years ending June 30, 2019, 2020, and 2021 soon after the accounting records are finalized for each fiscal year. Set-up, pre-list and certain other procedures will begin on notification of the contract. We will complete the financial audit by January 1 following the close of each fiscal year.

---

## **ENGAGEMENT LETTER (Continued)**

### **Management Responsibilities**

In accordance with our profession's professional standards, we must obtain your agreement as to the scope of your responsibilities in connection with this engagement. It is the District's responsibility to provide an internal control structure, including a control environment, an accounting system and control procedures, which will result in the production of financial statements that fairly present financial position and results of operations in conformity with an acceptable financial reporting framework; in this case Generally Accepted Accounting Principles.

The District is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. It is the District's responsibility to adjust financial statements to correct material misstatements, and for ensuring that the District complies with the laws and regulations applicable to its activities.

It is equally the District's responsibility to provide us with (1) access to all information of which District's management is aware and is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within District's organization or otherwise within District's control from whom we determine it is necessary to obtain audit evidence. It is management's responsibility to make all financial records and related information available to the auditor in a timely fashion. It is also management's responsibility to advise us of events occurring or facts discovered after the date of the financial statements of which management may be aware that may affect financial statements.

Our responsibility is to audit your financial statements in accordance with professional standards. Even though we may produce your financial statements, present you with draft financial statements, assemble your financial statements, and print them on our printers or forward them to you electronically or otherwise assist in preparing them, District's financial statements are inherently District's, since they summarize the transactions recorded in the District's business records.

### **Character and Limitations of an Audit**

Our audit will be performed in accordance with generally accepted auditing standards. Those standards require that we initially assess the risk that errors, irregularities and illegal acts may cause the financial statements to contain a material misstatement. If in the situation there are errors, we will propose adjusting journal entries to correct the material misstatement.

### **Billing**

Our fee for providing financial audit services is based on hourly rates ranging from \$75/hr to \$150/hr with a fee not to exceed \$7,950, \$8,195, and \$8,395 for the fiscal years ending June 30, 2019, 2020, and 2021.

---

## ENGAGEMENT LETTER (Continued)

### Additional Services

david farnsworth, cpa may also provide services as requested by the District. If it should become necessary for david farnsworth, cpa to render additional services, then such additional services shall be performed only if set forth in an addendum to the contract between the District and david farnsworth, cpa. Any such work agreed to between the District and david farnsworth, cpa shall be performed at \$150 / hr.

Should you need additional information regarding this engagement letter, please call us or email us at (408) 780-2236 or david@dfarnsworthcpa.com.

Respectfully Submitted,



David Farnsworth, CPA

### SCOTTS VALLEY FIRE PROTECTION DISTRICT

---

[First Name]

---

[Last Name]

---

[Title]

---

Signature

---

Date

---

## **FRAUD PREVENTION PACKAGE OUTLINE**

The following outline provides the high level topics of the fraud prevention package. The fraud prevention package is presented to the Board and Management after the financial audit is complete. It provides background information on the most recent fraud study conducted by the Association of Certified Fraud Examiners, defines fraud, and gives a general framework on how to fight against fraud within a small to medium sized Special District.

### **OUTLINE**

ACFE Fraud Study 2018	Prevention
Fraud Definition	Detection
Fraud Triangle	Investigation
Planning Phase	Final Thoughts

## **FINANCIAL ANALYTICS**

The financial analytics consist of presenting the audited financial statements in a way where the Board and Management can review the financial position over a period of many years. The financial analytics provide and give the Board and management insight into District liquidity, solvency, break-down of revenues and expenses, and its liabilities.

## **WHITE PAPER REPORTS**

Our firm writes white papers on various subjects such as internal controls, fraud prevention, etc. These white papers are included in the services we provide. Each publication can be reviewed as they are released at [www.dfarnsworthcpa.com/resource-library/](http://www.dfarnsworthcpa.com/resource-library/)





david **farnsworth** cpa

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# White Paper

Education Based Literature

## FRAUD FIGHTING STRATEGIES

Have you ever thought, can fraud happen to me or if it does, what should I do? You're not alone. Fraud is prevalent among all types of organizations. Fraud is a world-wide problem, and it can also be the downfall of an entire organization. Fraudulent behavior by senior management has negatively impacted brands, images, and reputations. Don't let that happen to you. There are controls and governance policies organizations can implement to mitigate the likelihood of fraud. Of course every organization varies in size, product offering, industry, company culture, etc, but there are 5 basic principles any organization can follow to mitigate fraud.



### PRINCIPLE 1: FRAUD RISK MANAGEMENT PROGRAM

#### Written Policy

A fraud risk management program should be in place, including a written policy (or policies) to understand the expectations of senior management and the Board of Directors. This policy or policies are part of your business's corporate governance. Corporate governance can be defined as "the system by which companies are directed and controlled" and "The process by which corporations are made responsive to the rights and wishes of stakeholders." A written policy also provides a clear definition of what is classified as acceptable and unacceptable behavior.





**david farnsworth cpa**

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# Principle 1: Fraud Risk Management Program

## **Fraud Communication**

An ongoing awareness program is essential to deliver and communicate the fraud risk management program throughout your organization. An awareness program will convey fraud risk management expectations, and is one key preventive measure to deter fraud from ever occurring.

## **Roles and Responsibilities**

Fraud risk management responsibility should be taken on by every employee, vendor, and stakeholder. The role and responsibility will determine how involved is the person with the program. At

a high level, the board of directors /executives should communicate the importance of the new or ongoing fraud risk policy (or policies). If the board and/or upper management don't think the program is important, the rest of the organization will view it in like manner. Management is responsible for the design and implementation of the program. Staff needs to understand the importance and have a basic understanding of fraud and be aware of 'red flags'. The board and senior management should embed this fraud risk management program to the organization's values and

code of conduct. The organization may consider issuing documents (i.e. letter) to all employees, vendors, and customers. The document should stress the importance of fraud mitigation, vulnerability to fraud, and all stakeholders have the responsibility to support fraud risk management. All stakeholders should be reminded periodically the importance of fraud risk management.

An effective Fraud Risk Management Program serves as an excellent fraud prevention tool. Now that you have a written policy, the next step is to assess fraud exposure.





## PRINCIPLE 2: PERIODIC FRAUD RISK ASSESSMENT

### Key Elements

Generally, an assessment of fraud risk will include the following:

- Identify inherent fraud risk
- Assess likelihood and significance of inherent fraud risk

Respond to reasonably likely & significant inherent and residual fraud risks.



Prior to assessing a fraud risk assessment, choose personnel across multiple departments and have this 'Risk Assessment Team' create the assessment. The team's 1st step is to put themselves in the footsteps of the perpetrator. Try to think of all the various types of fraud from stealing cash and equipment to financial reporting fraud. 2nd step is to think of the chances or the likelihood that the different fraud types can impact your organization. Always remember the fraud triangle, when you are assessing the risk.

The fraud triangle is a concept that fraud perpetrators need an incentive, pressure, and opportunity to commit fraud.

### General Fraud Types

Look out for three general types of fraud: Financial reporting, misappropriation of assets, and corruption. An example of financial reporting fraud can be revenues of a company were recorded too high to reach estimates or inventory was recorded too high to reduce cost of goods sold. Misappropriation of assets is where the employee, vendor, etc steals an intangible/tangible good (i.e. cash, equipment) or when an employee submits a fake invoice for a non-existent vendor. Corruption is defined as the misuse of entrusted power for private gain. Many countries have laws in place to mitigate any private organization or person to influence a politician for their private gain. After you have assessed the risks and the chances of them occurring, you can go onto principle 3.

### DEFINITIONS:

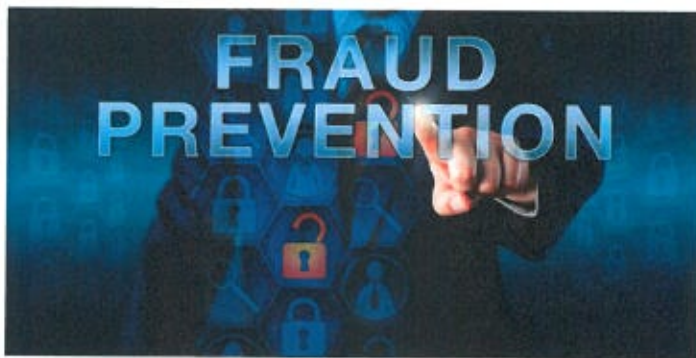
**Inherent Fraud Risk:** The risk fraud will occur when no controls are in place to prevent or detect fraud

**Residual Fraud Risk:** After controls are in place to prevent and detect fraud what is the risk of fraud occurring in the organization.



## PRINCIPLE 3: FRAUD PREVENTION TECHNIQUES

Fraud prevention is the most proactive fraud-fighting measure. Given a well implemented fraud prevention control system cannot mitigate 100% chance of fraud, but it does give you a better chance you do not fall victim to fraud.



### Healthy Company Culture

One way to implement prevention controls is a healthy work culture. Have your HR department implement anti-fraud trainings. Proper and fair compensation is also critical. If employees are happy with their wages, how they are treated, and succeeding in the workplace, they are less prone (generally speaking) from committing fraud. In addition, exit interviews are a way to help the company determine issues regarding management's integrity or even information regarding conditions conducive to fraud.

### Authority / Responsibility

Each employee's authority should be aligned with her/his responsibility. For example, not every employee should have a company credit card, and those that do should have limits which are governed by their job related tasks. Staff level should not be given the authority to spend thousands or even hundreds of dollars without management approval. If your company does not have any controls in place, you may consider implementing a spending policy.

### Policies & Continuous Monitoring

A good prevention control system will not be effective unless the organization writes the policy and educates the employees. Also, make sure you are assessing the prevention controls periodically to ensure the controls are still appropriate. Its upper management's and the board of directors' responsibility to monitor & implement any changes to the prevention controls. Monitoring will give the organization insight as to which controls are effective and which need to change.

Prevention techniques are good at fighting against fraud, but fraud prevention techniques alone won't help you too much if fraud does occur. This leads us to principle 4.

"Its upper management and the board of directors job to monitor & implement any changes to the prevention controls"





## PRINCIPLE 4: FRAUD DETECTION TECHNIQUES

Fraud detection is one of the best ways to deter fraud from ever occurring. There are many controls your organization can implement. However, the fraud risk tolerance of an organization will guide upper management on which types and how many controls do they wish to implement.

### Whistle-blower Hot-line

Consider using a 'Whistle-blower hot-line' as a control measure. The whistle-blower hotline is the number one control measure to detect fraud. Given, the whistle-blower hotline should be anonymous. The program should be open for vendors and the public to call and report fraudulent activity. The program should have controls in place to compare the information received and compare results to norms for similar organizations to yours. Also, consider having a third-party independent of the organization to review the effectiveness and compliance with established protocols of the program and law.

### Internal Controls & Technology



When an organization implements internal controls and segregates duties, fraud can be more easily detected. It is much more difficult for the perpetrator to steal, when the posting of accounting records, cash management, and the reconciliation of accounting records of the whole process is completed by different personnel.

Technology tools are available to detect fraud. These tools compare the 'norms' to actual activity. They can

identify the following:

- Hidden relationships among, people, events, and organizations
- Suspicious transactions
- Assess effectiveness of internal controls

As always remember to document your fraud detection techniques, educate the whole organization, and monitor them for effectiveness. Thus, far we have learned a well-rounded fraud risk program needs to be documented and part of the company values/code of conduct, periodic assessment of risks of fraud need to be performed, fraud preventive techniques fight against fraud, and fraud detective techniques tell us when fraud is prevalent in the organization. But what should you do, if you suspect fraud or have evidence of fraud? This question leads us to principle 5.

"Whistle-blower hotline is the number one control measure to detect fraud"



## PRINCIPLE 5: FRAUD INVESTIGATION

### Key Process Topics

If indeed you find someone that has committed fraud or suspect someone of committing fraud, you should have a policy already in place to guide the organization on how to investigate and what should be done. According to the ACFE, each investigation and response system should include a process for the following:



- Categorizing issues
- Confirming the validity of the allegation
- Defining the severity of the allegation
- Escalating the issue or investigation when appropriate
- Referring issues outside the scope of the program
- Conducting the investigation and fact-finding
- Resolving or closing the investigation
- Listing types of confidential information
- Defining how the investigation will be documented

- Managing and retaining documents and information

### Outsource Professional Expertise

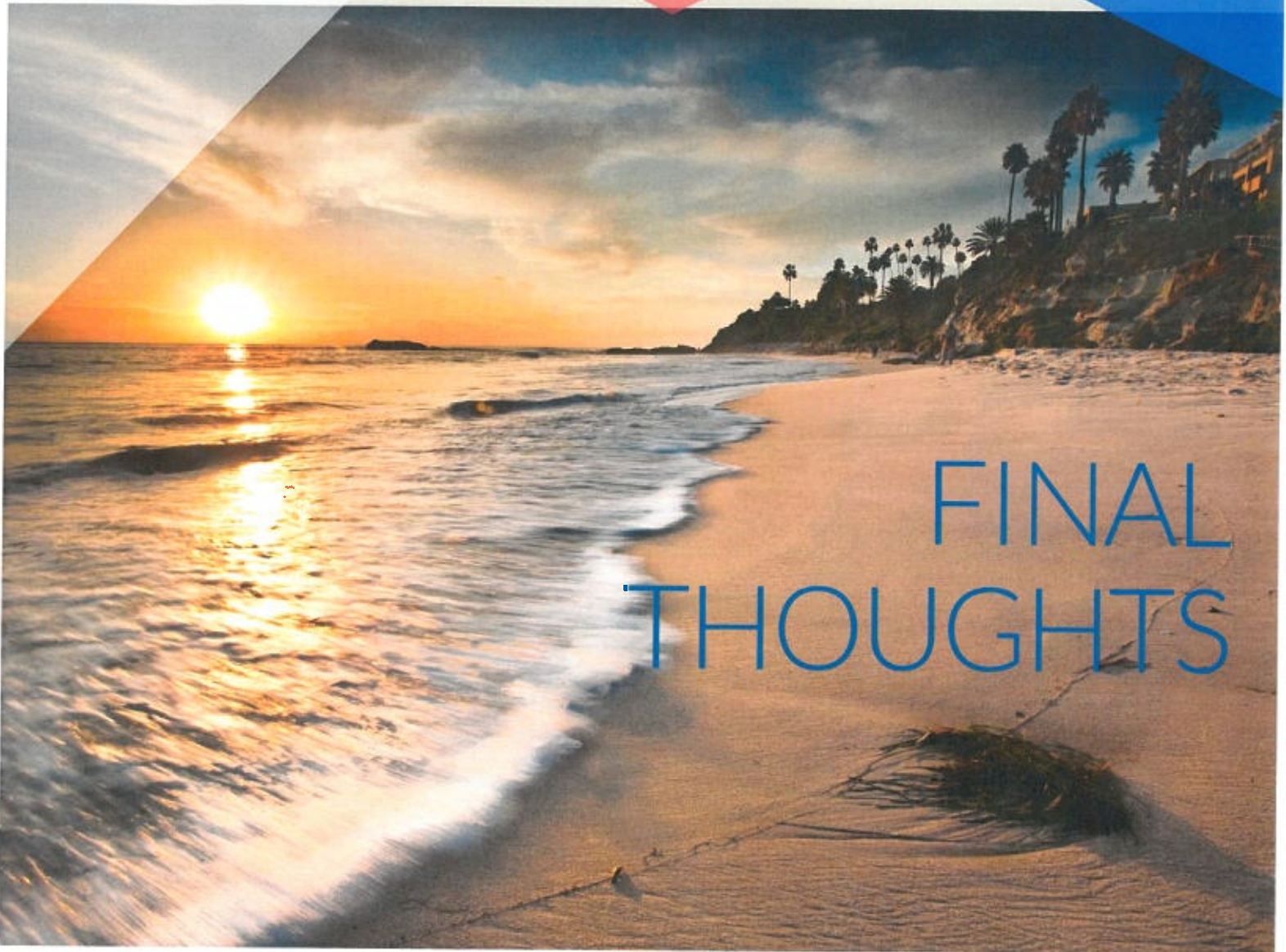
Consider when appropriate to reach-out to professionals outside of the organization including lawyers, accountants, fraud investigators, computer forensic specialists, etc. These outside professionals will assist the organization on how to proceed and what the corrective action should be from a legal standpoint or even from a financial standpoint. At the conclusion of the investigation, record the results and implement new controls (preventive & detective) to mitigate the likelihood that the same type of fraud will never victimize your organization ever again.

"You should have a policy already in place to guide the organization on how to investigate and what should be done"





**david farnsworth cpa**  
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# FINAL THOUGHTS

Fraud may not be a subject anyone wants to deal with, but the fact is most organizations experience fraud at some level. It's important to note preparing and creating a fraud risk management policy is constructive and forward-thinking. Strong organizations exist because management anticipates issues prior to them occurring, and take action to avoid unwanted results. Implementation of a fraud risk man-

agement program should bring a climate where clear, definite, and positive steps are taken to protect employees, management and ensure a positive company culture.

If you would like a more detailed way on how to implement a fraud risk management program, there is much written on the subject. I recommend you start with the book '[Managing the Business Risk of Fraud: A Practical Guide](#)' sponsored by The Institute of Internal

Auditors, The American Institute of Certified Public Accountants, and Association of Certified Fraud Examiners. This book will give you a step by step process and reference material on how to create a fraud risk management program in great detail.

If you would like to discuss further on how we can help, please call us at (408) 780-2236 or email us at [david@dfarnsworthcpa.com](mailto:david@dfarnsworthcpa.com). Good luck!





**Fechter & Company**  
Certified Public Accountants

3445 American River Drive, Suite A  
Sacramento, California 95864  
(T) 916.333.5360 (F) 916.333-5370

**Company Representative:**  
Craig R. Fechter, CPA MST  
CFechter@FecherCPA.com  
www.FechterCPA.com

**RECEIVED**

MAR 27 2019

SCOTTS VALLEY FIRE  
PROTECTION DISTRICT



# Scotts Valley Fire Protection District

**March 29, 2019**

## Proposal for Fiscal Auditing Services

For the Years Ending  
June 30, 2019, 2020, and 2021,

### Statement of Confidentiality

This proposal and supporting materials contain confidential and proprietary business information of Fechter & Company. These materials may be printed or photocopied for use in evaluating the proposed project but are not to be shared with other parties.



<b>TRANSMITTAL LETTER</b>	<b>1</b>
<b>OVERVIEW OF PROPOSAL</b>	<b>2</b>
<b>INDEPENDENCE, LICENSE STATUS AND INSURANCE</b>	<b>3</b>
<b>FIRM QUALIFICATIONS AND EXPERIENCE</b>	<b>4-5</b>
<b>PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE</b>	<b>6-15</b>
<b>SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES</b>	<b>16</b>
<b>AUDIT APPROACH</b>	<b>17-24</b>
<b>DOLLAR COST BID</b>	<b>25</b>
<b>ATTACHMENTS</b>	<b>26-28</b>
A: Certificate of Liability Coverage	
B: Additional References	

March 29, 2019

Steve M. Kovacs  
Fire Chief

Scotts Valley Fire  
Protection District  
7 Erba Lane  
Scotts Valley, CA 95066

Dear Mr. Kovacs:

Fechter & Company, Certified Public Accountants, is pleased to present our proposal to provide audit services to the Scotts Valley Fire Protection District (the District). Specifically, we will:

- Audit the general purpose financial statements following the applicable requirements of Generally Accepted Auditing Standards, Comptroller General of the United States and State Controller's Minimum Audit Requirements.
- Review and make appropriate recommendations for improvement in the District's CAFR.
- Serve as a resource for GASB changes as they occur and
- Perform Single Audits as required.

While we believe you will receive many competent offers, we *know* that Fechter & Company Certified Public Accountants' proposal meets or exceeds your requirements in our:

- Understanding of your audit requirements;
- Ability to provide an *entire team* of experienced auditors;
- Firm commitment to meeting your strict deadlines.

This proposal is an irrevocable offer valid for 60 days after the date of the proposal due date.

Thank you for considering our proposal. We look forward to a long and successful working relationship with the District.

Very Truly Yours,



Craig R. Fechter, CPA, MST  
President  
Fechter & Company  
Certified Public Accountants  
3445 American River Drive, Suite A  
Sacramento, CA 95864  
(T) 916.333.5360 (F) 916.333.5370  
CFechter@FechterCPA.com

## Overview of Our Proposal

Fechter & Company, Certified Public Accountants is a professional corporation based in Sacramento, California. Since April 2005 we have built a practice providing audit, tax, and business consulting to government agencies, non-profit organizations, and small business with annual budgets of less than \$25 million.



### LICENSED AND INDEPENDENT

Fechter & Company has maintained our license uninterrupted since 2005. This has required us to maintain independence of existing clients and passing all of our peer reviews, all of which have included reviews of specific government engagements.



### EXPERIENCED AUDITORS

From our staff of 4 CPA's and 5 experienced staff, 3-4 full time staff will be assigned to perform all audit procedures. From initial planning through fieldwork to financial statement preparation, our depth of experience will be evident



### QUALIFIED & EXPERIENCED

The staff we anticipate working on your engagement have an average of 21 years of experience and all of our staff work extensively on special district audits



### STAFF CONTINUITY

Our staff turnover is very low as a result you will have the same staff from year to year resulting in a more efficient and effective use of your staff.

## Independence, License Status and Insurance

### INDEPENDENCE

---

- Our firm is independent of the Fairfield-Suisun Sewer District as defined by generally accepted auditing standards and the US General Accounting Office's Government Auditing Standards.
- All professional staff in our firm meet the independence requirements of the American Institute of Certified Public Accountants and the Government Auditing Standards, 2003 revision, published by the U.S. General Accounting Office.
- Our firm has no history or professional relationships with the District or its personnel.

### INSURANCE

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We carry the insurance coverage required by the District. A Certificate of Insurance is provided as Attachment A to this proposal.

### LICENSE

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- Our firm is licensed as a certified public accounting firm by the California State Board of Accountancy.
- All professional staff are properly licensed to practice Public Accountancy in the State of California.
- Our firm has had no disciplinary actions taken against it since its inception in 2005.
- We have no prior substandard audit work or unsatisfactory performance claims with the State Board of Accountancy or other related professional organizations.
- We received an unmodified opinion in our 2017 which has been submitted to the California State Society of CPAs for approval.
- We will notify you with any changes that occur with our peer review or license status.

## Firm Qualifications and Experience

Fechter & Company, Certified Public Accountants is a professional corporation based in Sacramento, California. Since April 2005 we have built a practice providing audit, tax, and business consulting to government agencies, non-profit organizations, and small business with annual budgets of less than \$25 million.



### LOCAL STAFFING

All of your audit staff will work from our Sacramento California office.



### EXPERIENCED AUDITORS

From our staff of 4 CPA's and 5 seasoned staff, 3-4 full time staff will be assigned to perform all audit procedures. From initial planning through fieldwork to financial statement preparation, our depth of experience will be evident.



### FOCUS ON GOVERNMENT

Over 50% of our existing assurance clients are local government agencies. These include Water, Water & Sewer, Cemetery, Park, Recreation, Fire and others.



### FEDERAL AND STATE DESK REVIEWS

Our Firm has not been subjected to a desk review by either Federal or State Authorities.



## Peer Review

Fechter & Company has never failed a peer review and has fully implemented all required quality control procedures, our next peer review is due in 2020.

### Contact information:

Grant Bennett Associates  
David C. Wilson, CPA, CVA  
1375 Exposition Boulevard  
Suite 230  
Sacramento, California 95815  
916-922-5109

### Grant Bennett Associates

A PROFESSIONAL CORPORATION

#### Report on the Firm's System of Quality Control

September 27, 2018

To the Owner of Fechter & Company and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Fechter & Company (the firm) in effect for the year ended March 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Fechter & Company in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Fechter & Company has received a peer review rating of pass.

*Grant Bennett Associates*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



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P.O. Box 223096  
Princeville, HI 96722  
888/769-7323

## Partner, Supervisory and Staff Qualifications and Experience

The following pages provide an overview of our staffing and specifically who will be working on your audit. Our flexible, progressive work arrangements translate to long-term employees with little staff turnover.



### PRINCIPAL STAFF

We anticipate your engagement will be staffed as follows:

- Craig R Fechter, CPA, MST – Partner
- Sandy Sup, CPA – Engagement Manager
- Lamar Edwards – Single Audit
- Scott German, CPA – Independent Review
- Michael Fink – Staff
- Karen Radogna - Staff

The above staffing may be supplemented by other staff that are listed in the following pages.



### EXPERIENCED AUDITORS

The staff we anticipate working on your engagement have an ***average of 21 years*** of experience and all of our staff work extensively on special district audits

## Craig Fechter, CPA

Classification: President, Engagement Partner

Years of Experience: 18

Master of Science in Taxation at Golden Gate University, 2012

BS in Business Administration, Accountancy at CSUS, 2001



### PROFESSIONAL CERTIFICATIONS AND AFFILIATIONS

Certified Public Accountant
Member California Society of Certified Public Accountants
Member American Institute of Certified Public Accountants
Adjunct Professor of Accounting, University of California, Davis Extension
Executive Committee, Big Brothers Big Sisters of the Greater Sacramento Area
Scoutmaster, Boy Scouts of America, Troop 320
Facilities, Transportation & Finance Committee, San Juan Unified School District
Past Finance Committee Chair, San Juan Education Foundation

### Background

During college, Mr. Fechter worked for a local sole practitioner. Following graduation from Sacramento State in 2001, he gained valuable experience at two regional CPA firms. In 2005, he struck out on his own and Fechter & Company was born.

Throughout his professional career, Mr. Fechter has performed financial statement audits of numerous counties, local government agencies, and non-profit agencies.

In 2012, Mr. Fechter earned his Masters of Science in Taxation from Golden Gate University.

Mr. Fechter oversees the Firms Tax and Audit practice, providing tax and business consulting to a wide range of professional corporations, not-for-profits, and small businesses.



## Craig Fechter, CPA

Engagement Partner



### FINANCIAL STATEMENT AUDITS

#### Participated as Engagement Partner

California Society of Health System Pharmacists
Associated Building Materials of America (business association)
Lakeside Fire Protection District
Borrego Springs Fire Protection District
Bonita-Sunnyside Fire Protection District
Carpinteria-Summerland Fire Protection District
South Lake County Fire Protection District
Stanislaus Consolidated Fire Protection

### CONTINUING PROFESSIONAL EDUCATION

Mr. Fechter takes annual courses on the Governmental Accounting & Audit Update. He has recently completed a course in the implementation of the new Auditing Standards (SAS 108-114). He also serves on the accounting advisory board for UC Davis Extension and teaches a course, which serves as a source of CPE for Mr. Fechter.

Mr. Fechter is an accomplished public speaker and published author. He has taught CPE courses for the American Society of Women Accountants (Sacramento chapter). He is also the author of accounting-related articles published by Comstock's Magazine and The Nugget, the journal of the Sacramento District Dental Society.

*References for the above clients, who worked exclusively with Mr. Fechter, are available upon request.*

## Scott German, CPA

Classification: Independent Reviewer

Years of Experience: 34

BS California State University,  
Sacramento



### RELEVANT EXPERIENCE

Following his graduation from California State University, Sacramento, Mr. German began his career at Main Hurdman, a predecessor firm of KPMG. While there he was responsible for providing audits to large not-for-profit organizations, construction, auto dealers and healthcare organizations.

Following KPMG, he moved into the private sector with a large trade association in Sacramento where he served as the Director of Finance for 5 years. He was responsible for managing the entities investment in a for profit subsidiary, information systems and budgeting.

Mr. German continued his career with the California subsidiary of the international drilling company, Major Drilling, Inc. In his capacity as controller he was responsible for cash management, insurance, bonding and financial reporting.

### Volunteer

St Francis High School, Patron's of the Arts

Sacramento Theatre Company

Mr. German develops and oversees the Firm's Quality Control program acting as the Independent Review "Partner" on all engagement he does not manage. In addition, he oversees all of the Firm's technology resources.

His extensive experience in the private sector is a great resource for our clients and allows us to focus appropriately on audit risk.



## Scott German, CPA

Independent Review



### FINANCIAL STATEMENT AUDITS

#### Fechter & Company

E. Claire Raley Center for the Performing Arts	Marys Gone Crackers
EMSTA College	Creative Solutions 4 Autism.
Sylvan Cemetery District	North Coast County Water District
Fair Oaks Cemetery District	Sunrise Recreation & Park District
Syngen	Olivehurst Public Utility District

### FINANCIAL STATEMENT AUDITS

#### With former firms

California Dental Association	Teichert Construction
California Manufacturers Association	American Red Cross, Sacramento
United Way Sacramento	The Dentists Company, Insurance Services

### INDUSTRY EXPERIENCE

California Optometric Association Director of Finance
PC Exploration, Inc. Controller

## Sandy Sup, CPA, MBA

Classification: Audit Manager

Years of Experience: 25

BS University of New Hampshire

MBA at CSUS



### RELEVANT EXPERIENCE

Sandy has been auditing government entities for more than 18 years. She has audited 28 of the 58 counties in California as well as numerous cities and districts in California and Nevada. This work included primary responsibility for the preparation of Comprehensive Annual Financial Reports as well as many other financial reports, including single audit reports.

All the Comprehensive Annual Financial Reports for which Sandy served as the primary preparer were considered for, and awarded, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

Sandy served as a reviewer on the Special Review Committee of the Government Finance Officers Association that is responsible for awarding the Certificate of Achievement for Excellence in Financial Reporting for more than four years.

### PROFESSIONAL ASSOCIATIONS

American Institute of Certified Public Accountants (AICPA)

California Society of Certified Public Accountants (CalCPA)

Government Finance Officers Association (GFOA)

Sandy meets the continuing professional education requirements for performing audits in accordance with Government Auditing Standards, which require that she receive 80 credit hours of continuing professional education every two years with at least 24 of those hours being specifically related to the governmental accounting and auditing.

**Sandy Sup, CPA, MBA**

Audit Manager



## FINANCIAL STATEMENT AUDITS

### With Fechter & Company

Granada Community Services District	East Stanislaus Resource Conservation District
Rio Linda/Elverta Water District	Amador Air District
Sites Project Authority	North Coast County Water District
Thermalito Water and Sewer District	Markleeville Public Utility District
Sewage Commission Oroville Region	Olivehurst Public Utility District
Banta-Carbona Irrigation District	Nevada LAFCO

## FINANCIAL STATEMENT AUDITS

### With former firm

Amador County	Napa Sanitation District
Butte County	Nevada County
El Dorado County	City of Porterville, CA
Inyo County	Citrus Heights Water District
Lake County	Sierra County
Marin County	Siskiyou County
Mono County	Sutter County
Monterey County	City of Reno, Nevada



## Lamar Edwards

Classification: Single Audit

Years of Experience: 16

BS California State University - Sacramento



### RELEVANT EXPERIENCE

Lamar started his career with Bartig, Basler & Ray CPAs. Which was absorbed by Gallina, LLP. During his tenure with the firm he performed financial statement, single audit and compliance audits of local governments, childcare and development programs throughout California.

Lamar continues to work toward certification as a CPA and maintains his continuing education at a level required for that certification in the state of California. Because of his speciality in Single Audits he focuses his continuing education in that area.

Lamar has performed audits under OMB Circular A 133 in the capacity of lead auditor in the following Counties

Alpine County
Colusa County
El Dorado County
Glenn County
Lake County
Lassen County
Mendocino County
Merced County
Napa County

Placer County
San Benito County
Santa Cruz County
Shasta County
Sierra County
Stanislaus County
Tehama County
Trinity County
Yolo County

## Joanne Berry, CPA

Classification: Back-up Audit Manager

Years of Experience: 16

BS in Business Administration, Accounting from California

Polytechnic Institution, 1997



### RELEVANT EXPERIENCE

Mrs. Berry started her public accounting career in 1998 with the international accounting firm Ernst & Young, LLP and continued with successful financial management positions in biotech and energy organizations.

Her experience includes the following:

- Month end close and reporting
- Construction and development
- Compliance with regulatory requirements
- Project management of various accounting projects including software implementations and internal control rework

As Audit Manager at Fechter & Company, Joanne has conducted a variety of audits in accordance with the Yellow Book and governmental auditing standards.

### FINANCIAL STATEMENT AUDITS

#### With Fechter & Company

Olivehurst Public Utility District
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Rio Linda/Elverta Community Water District
--------------------------------------------

Progressive Employment Concepts
---------------------------------

Bradshaw Christian School
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California Society of Health-System Pharmacists
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Community Living Options
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Sacramento Ballet
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International Christian Adoptions
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Greater Yosemite Council – Boy Scouts of America
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## Other Staff

The following individuals may provide support and specific procedures on your audit engagement under the supervision of one or more of our highly experienced staff introduced previously.

### Michael S. Fink

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Michael is a CPA candidate with two years of public accounting experience. Since graduating from California State University, Long Beach, with a degree in finance. Michael has worked in accounting with the last two in public accounting.

### Karen Radogna

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Karen is a CPA candidate with 25 years of business experience. Most of Karen's experience is in administration at public accounting firms during which time she went to college at Franklin University and graduated with a BS in Forensic Accounting.

All professional staff are required to meet the State of California State Board of Accountancy continuing education requirements. In addition, all staff meet the 24-hour government specific requirement.



## SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES



### THERMALITO WATER & SEWER DISTRICT

Oroville, California

**Contact information:**

Jayne Boucher,  
General Manager

530-533-0740

JBoucher@twسد.info

**Scope of audit work:**

Audit of the District's financial statements, management letter and report on internal control structure.



### NORTH COAST COUNTY WATER DISTRICT

Pacifica, California

**Contact information:**

Connie Hsu,  
Accountant

650-355-3462

CHsu@nccwd.com

**Scope of audit work:**

Audit of the District's financial statements, management letter and report on internal control structure, and preparation of annual report of financial transactions of special districts.



### EAST CONTRA COSTA IRRIGATION DISTRICT

Brentwood, California

**Contact information:**

Pat Corey, District  
Manager

925-634-3544

PatCorey@cwo.com

**Scope of audit work:**

Audit of the GASB 34 financial statements, management letter and report on internal control structure, and preparation of annual report of financial transactions of special districts.



### OLIVEHURTS PUBLIC UTILITY DISTRICT

Olivehurst California

**Contact information:**

Karen Helvey, Financial  
Manager

530-746-4657

KHelvey@opud.org

**Scope of audit work:**

Audit of the GASB 34 financial statements, single audit, management letter and report on internal control structure.

See Attachment B for additional references

## Audit Approach

How we do the audit is as important as the results. The choices we make will affect you and your staff. As a result, our goal is to concentrate our efforts on the risks unique to your sewer district.



### RISK BASED

A risk-based approach to auditing involves assessing the risks of material misstatement, which may be inherent to the entity or its environment. Risks that any business may encounter may lead to a misstatement of the financial statements and therefore we look at the environment in which the District operates as part of our process.



### SUBSTANTIVE BALANCE SHEET

Detail testing of balances and material transactions, providing a focus on the balance sheet and its overall effect on the determination of income. Testing may be accomplished through:

- Analytical Procedures
- Sampling, either statistical or haphazard
- Observation

Based on our experience with California Special Districts, Fechter & Company believes that a risk based, substantive balance sheet approach provides the most efficient use of your staffs' time and our audit resources.

This audit approach utilizes a risk analysis methodology that focuses on the combined impact of the environment in which Fairfield-Suisun Sewer District operates and your management information technology and financial results, supported by substantive testing of a sample of transactions focused on the balance sheet.



## Segmentation

The following summarizes the segmentation of the audit process for Scotts Valley Fire Protection District. The following pages provide more details of procedures that we expect will be performed in each segment

### PLANNING AND RISK ASSESSMENT

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This segment is focused on defining our understanding of the District's operations, testing internal controls and selecting items for confirmation. All fieldwork needs will be addressed during this segment.

### FIELDWORK

---

This segment is focused in the detail testing that requires access to the District's accounting records and personnel.

The District has informed us that previous fieldwork was three days. For our first year, we will be on site for three days

### WRAP-UP

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This segment is the period immediately following fieldwork through the delivery of the fully executed Independent Auditor's Report on January 1 of each year of the contract. We anticipate that this segment will be completed remotely.

The suggested segmentation of the audit as outlined above and in the following pages is subject to modification based on changes in the calendar each year of the contract, the District's activities and our staffing needs.

## Segment – Planning and Risk Assessment

This segment is designed to meet or exceed the standards of fieldwork by adequately planning our final procedures and adequately understanding the District and the environment in which you operate.

### Planning

The most important procedure in any audit is the planning. During the planning phase, we will complete the following:

- Prepare required communication to the Executive Committee.
- Contact prior auditor and obtain workpapers needed for continuity.
- Document our testing of opening balances.
- Establish timelines, schedule fieldwork.
- Clarify responsibilities.
- Document and test internal control systems.
- Gather preliminary information and document our planning assessments.
- Arrange for confirmation preparation.
- Analyse legal issues.
- Document banking and investment relationships.

Based on our preliminary review of the June 30, 2019 financial statements we believe the following risks will need to be addressed through our audit:

- Compliance with investment policy.
- Compliance with asset restrictions for capital projects, debt service and EPA compliance.
- Compliance with debt covenants.
- Availability of sufficient evidence supporting the GASB 68 and 75 calculations.
- Revenue completeness.
- Infrastructure completeness, existence and valuation.

### Risk Assessment

Based on our discussions, research and observation we will assess the specific business, environmental, regulatory and other risks and review the District's process for evaluating and monitoring these risks as we look to the control environment promoted by the District's management which will form the basis for our determination of the risk of misstatement in significant audit areas.



## Segment – Planning and Risk Assessment

### Other considerations

#### Sampling

Sampling is an inherent component of any efficient audit process. We anticipate using sampling in the following manner:

##### Revenues, Disbursements

- Compliance Tests of Controls – We will select non-statistical, haphazardly selected sample of 25-60 items from revenues and disbursements.
- Revenue tests will be combined with the accounts receivable balance testing

##### Balance Testing

- Statistical Samples of accounts receivable – We will select a sample of 20-120 items that will be calculated based on the dollar amount of the individual items, total population at the time of testing and our assessment of internal control and inherent risk.
- Asset balances will be tested by haphazardly selecting items that total up to a minimum of 70% of the total, with additional items selected should we find errors.

##### Balance that will not be subject to sampling

- Cash
- OPEB
- Pension
- Debt

#### Electronic Data Processing

All of our audits are processed using Thomson Reuters *Engagement CS* which is deeply integrated with Microsoft Office products. We will utilize these tools to analyse data extracted from the District's accounting software and payroll system. Should we see the opportunity for additional use of data mining we will make the investment in appropriate tools that work with the District's software.

## Segment – Planning and Risk Assessment Other Considerations

### Analytical Procedures

All financial statements balances will be subjected to various analytical procedures. Fechter & Company, uses analytical procedures in the following manner:

- General overview

This type of analytical procedure is used in planning to identify areas that have changed significantly and unexpectedly from the previous year.

For example: Effluent discharge increases by 20% and payroll decreases by 30% may indicate that the payroll expense is understated.

- Substantive

These procedures assist us in determining if the balance is materially correct.

- Reasonableness of the final product

Prior to finalisation we re-run all comparative analytical procedures to see if we have tested all of the unexpected and unusual fluctuations.

### Understanding Internal Control Structure

We submit questionnaires to management and staff to outline the internal control processes. These forms provide a starting point for interviews and walkthroughs of the processes. Our goal is to determine if the internal control processes are sufficient given the size of the organization and that if functioning as described they would provide reasonable assurance that the financial records are not materially misstated. *We do not anticipate testing for reliance to reduce other substantive testing.*



## Segment – Planning and Risk Assessment Other Considerations

### Compliance with Laws and Regulations

The District is subject to a wide variety of laws and regulations that, if not followed, can expose them to large liabilities. As a result, we perform the following procedures:

- Inquire of management, Board members and staff if they are aware of any breeches that may require disclosure or additional investigation.
- Review local papers and the internet for news stories that may indicate the need to additional investigation.
- Inquire of legal counsel of any potential issue that would require additional investigation or disclosure.

### Anticipated Problems

While we hope that problems will not be encountered, based on our review of the previous year financial statements, board minutes, CAFR and the Request for Proposal we have identified the following potential issues with our approach to resolution:

- Pension and OPEB – These reports are routinely delayed and may not be available on a schedule that allows us to comply with the timeline in the proposal.
  - We will communicate with staff and work the schedule as necessary.
- The timeline in the proposal appears to be very aggressive.
  - Based on our review of the current year financial statements and board minutes it appears that the schedule was achieved in the past year. Given that there is no indicated staff turnover, we will maintain vigilance over the schedule and notify management immediately of any District caused delays.

### Planning and Risk Assessments Staffing and Hours

We anticipate that we will incur approximately 25 hours of staff time in this segment as follows:

Partner	2
Manager	12
Staff	11
<b>Total planning and risk assessment segment</b>	<b>25</b>

## Segment – Fieldwork

During this segment, we will test the details of asset and liability financial statements balances and assure that we have minimized audit risk to an acceptable level.

### Audit Procedures

We will complete all open items that remain from our time at interim. In addition, we will specifically:

- Reconcile all June 30 confirmations.
- Test the valuation of:
  - Investments
  - Accounts receivable
- Test cut-off of revenues.
- Test cut-off of expenses.
- Test calculations of the OPEB accounts.
- Test calculation of the Pension accounts.
- Finalize all audit documentation.

### Financial Statement Review

While the District is preparing all financial statements, management's discussion and analysis and the CAFR, our professional standards will require that we perform the following tests:

- Agree the numbers to our audit workpapers and underlying calculations.
- Complete disclosure and reporting checklists
- Read the materials and determine their overall fair presentation based on our understanding of the District's operations.

### Fieldwork Staffing and Hours

We anticipate that we will incur approximately 45 hours of staff time in this segment as follows:

Partner	3
Manager	15
Staff	27
Total fieldwork	
assessment segment	45



## Segment – Wrap-Up

This is the period from the last day of fieldwork to January 1

The wrap up segment will be performed from our offices in Sacramento. Based on our impression of your processes and staff commitment we anticipate this to transition seamlessly from fieldwork. In addition to finalizing all audit work we will perform these specific procedures:

- Obtain representation from staff, management and the Board document issues discussed during the audit.
- Prepare the required communication letters.

### Quality Control Processes

Prior to our issuance of the independent auditor's report, we perform the following quality compliance reviews:

- All workpapers are reviewed by the engagement manager
- All significant workpapers are reviewed by the engagement partner.
- We submit all reports to our proofreading staff.
- Finally, we will submit our workpapers, the financial statements and CAFR to our independent review "partner". This review is our final check for compliance with audit standards, generally accepted accounting principles and compliance with our internal quality control processes.

### Wrap-up Staffing and Hours

We anticipate that we will incur approximately 37 hours of staff time in this segment as follows:

Partner	3
Manager	13
Staff	21
Total fieldwork	
assessment segment	37

## Dollar Cost Bid

### PROPOSED FEE SCHEDULE

	2018-2019	2019-2020	2020-2021
<b>Audit fee</b>	\$12,000	\$12,350	\$12,750
<b>Direct Expenses (travel, printing, etc.)</b>	\$1,500	\$1,500	\$1,500
<b>Total Proposed Audit Fee</b>	\$13,500	\$13,850	\$14,250

We propose a fee increase of 3% for subsequent audits.

The above fee quote is a fixed price to be charged for all services rendered in connection with the audit. Our best understanding is that the following must be performed – performing auditing standards under GAAP standards, preparing the financial statements, and annual tax returns as requested.

### STANDARD BILLING RATES FOR CLASSES OF PROFESSIONAL PERSONNEL EXPECTED TO WORK ON THE ENGAGEMENT:

	Hourly Rate FY 2018
<b>Partner</b>	\$225
<b>Manager</b>	150
<b>Professional Staff</b>	75
<b>Clerical/Support Staff</b>	50



The certificate provides an overview of coverage in force as of the date of this proposal and will be updated as requested



## Attachment B: Additional References

This is a representative list of California governmental agencies for which our firm has provided audit services.

### MUNICIPAL UTILITY AGENCIES

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- Thermalito Water and Sewer District
- Sewerage Commission - Oroville Region
- North Coast County Water District
- Olivehurst Public Utility District
- Georgetown Divide Public Utility District
- Markleeville Public Utility District
- Rio Linda-Elverta Community Water District
- Banta-Carbona Irrigation District
- Washington County Water District
- East Contra Costa Irrigation District
- Sites Project Authority
- Fox Canyon Groundwater Mgmt Agency
- Granada Community Services District
- Bayshore Sanitary District proposal

### OTHER SPECIAL DISTRICTS AND AGENCIES

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- E. Stanislaus Resource Conservation District
- W. Stanislaus Resource Conservation District
- Springlake Fire Protection District
- Pioneer Fire Protection District
- Truckee Fire Protection District
- North Tahoe Fire Protection District
- Stanislaus Consolidated Fire
- North County Fire Protection District
- Julian-Cuyamaca Fire Protection District
- Borrego Springs Fire Protection District
- Eastside Mosquito Abatement District
- Turlock Mosquito Abatement District
- Bonita-Sunnyside Fire Protection District
- Solano County Mosquito Abatement District

## Attachment B: Additional References - Continued

### References

#### OTHER SPECIAL DISTRICTS AND AGENCIES

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- Alpine Fire Protection District
- Kensington Fire Protection District
- Courtland Fire Protection District
- Los Medanos Community Healthcare District
- Georgetown Divide Public Utility District
- Markleeville Public Utility District
- Eastern Sierra Transit Authority
- Emerald Bay Services District
- Mono County Local Transportation District
- Boulder Creek Recreation and Park District
- Pleasant Hill Recreation and Park District
- Lakeside Fire Protection District
- Fulton El Camino Rec and Park District
- Ambrose Recreation and Park District
- Sylvan Cemetery District
- Fair Oaks Cemetery District
- Roseville Cemetery District
- Montecito Fire Protection District
- Fair Oaks Recreation and Park District
- Carpinteria Fire Protection District
- El Dorado Fire Protection District
- Greenfield Fire Protection District
- Sunrise Recreation and Park District
- Arden Manor Recreation and Park District
- North County Recreation and Park District
- North County Fire Protection District
- South Lake County Fire Protection District
- Garden Valley Fire Protection District
- Pioneer Fire Protection District
- Carmichael Recreation and Park District
- Dixon Public Library
- Greater Vallejo Recreation District
- Mission Oaks Recreation and Park District
- Mokelumne Fire Protection District
- Woodland Avenue Fire Protection District
- Bridgeport Fire Protection District
- Nevada County LAFCo
- Colusa Basin Drainage District



# Proposal for Annual Independent Audit Services

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*For Fiscal Years Ending June 30, 2019, June 30, 2020, and June 30, 2021*

**From: Zach Pehling, CPA, MBA**  
**12667 Granite Dr**  
**Truckee, CA 96161**  
**(707) 279-4259**  
**Zach@PehlingCPA.com**  
**March 29, 2019**

# Proposal for Financial Audit Services

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*For Fiscal Years Ending June 30, 2019, June 30, 2020, and June 30, 2021*

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# Letter of Transmittal

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*For Fiscal Years Ending June 30, 2019, June 30, 2020, and June 30, 2021*

## **Audit Services to be Performed**

The objective of our audit services to be performed is the expression of our opinion as to whether the financial statements of your activities and the aggregate remaining fund information, which collectively comprise Scotts Valley Fire District's basic financial statements, are fairly presented in all material respects: the respective financial position at year end and respective changes in the financial position for the year then ended are in conformity with accounting principles generally accepted in the United States of America; as well as reporting on the fairness of the additional information when considered in relation to the basic financial statements taken as a whole.

We will conduct our audit in accordance with Governmental Auditing Standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our Audit will also include assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our approach to auditing starts with gaining an intricate understanding of the internal controls, policies and procedures of the District. This is done with interviews of District staff and observations of the various financial functions of the District. Once a thorough understanding is achieved we can tailor our audit program to support our opinion and look for areas where improvements can be found.

We maximize both efficiency and security using technology. We use the CCH Pro System paperless auditing system to cut processing time and costs. Pro System allows import of the Trial Balance for integration into the financial statements.

## **Positive Commitment to Perform**

Throughout our practice, we have earned a reputation of providing client centered service. We consistently exceed our client's expectations. We are willing to go the extra mile to ensure that our clients are satisfied and well represented. We have the experience and commitment to perform the requested services in a timely fashion. We are independent in regards to the Organization.

## **History and Organization**

Zach Pehling, CPA, is located in Truckee, California. The office of Pehling & Pehling CPA's is located at 12667 Granite Dr, Truckee, CA 96161. Our firm has liability insurance in the amount of \$500,000/\$1,000,000.

# Proposal for Financial Audit Services

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*For Fiscal Years Ending June 30, 2019, June 30, 2020, and June 30, 2021*

## **Profile of the Independent Auditor**

Many firms showcase the qualifications of their most experienced partners, but few have the onsite presence of the firm owners. We are small local firm that is dedicated to helping organizations like yours. We always strive to provide the highest level of service to our clients. We provide unparalleled flexibility in meeting your needs and expectations. We are proud of the responsive service we provide to our clientele. As a client, you will benefit from our concern, dedication, timeliness and consistency.

We are focused on providing audit services to non-profits and local government agencies in Northern California. Our clientele is comprised solely of these agencies. Here we have dedicated 100% of our time to assisting non-profits and local government with their auditing needs. We feel with this kind of focus we are better able to serve our clients' needs.

We invest heavily in training and education. We focus our training on government, non-profit, and fraud CPE that is comprised of seminars and classes given by the California Society of CPA's and other qualified continuing professional education organizations.

The firm is comprised of two licensed Certified Public Accountants in the State of California. Our small practice offers several advantages to you:

- You will have year-round access to the principle partner who will be your primary contact point.
- You receive a high level of personal service.
- We do not charge our clients for contacting us throughout the year with questions regarding accounting or financial matters. We do this to show our commitment to building a strong and beneficial relationship with our clients.
- Working with the same auditors from year to year greatly reduces the time your staff spends familiarizing us with your business.

## **Specific Audit Approach**

Our approach is designed to avoid disruption of the smooth functioning of your offices. To provide your District with the quality professional services it deserves, it is imperative that we thoroughly understand your organization. Our previous experience with governmental and not-for-profit organizations provides us with a sound foundation from which to plan our audit procedures. however, we must acquaint ourselves with specific aspects of your operations to ensure that our procedures are both comprehensive and efficient.

The planning phase of the engagement will lay the foundation for the direction of our audit and is key to cost-effective completion. Our planning will focus on preliminary analysis, information gathering, identifying significant issues and evaluating internal controls.

During the fieldwork stage we will test asset and liability accounts based on our understanding of your financials that was obtained during the planning stage. We will test revenues and disbursements using sampling. Our disbursement sampling has two purposes. We see whether the amounts posted to the

# Proposal for Financial Audit Services

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*For Fiscal Years Ending June 30, 2019, June 30, 2020, and June 30, 2021*

General Ledger agree with invoices and cancelled checks. Furthermore, we examine to make sure the transactions were approved by management and follows proper internal control procedures. Our sample is chosen by a random number generator and by on scanning the detailed ledger utilizing our experience and knowledge.

At the completion of the fieldwork we will conduct an exit interview to review with management our findings and suggestions.

We will assist the organization with preparation of the financial statements, including all new and past GASB pronouncements. We have helped numerous small organizations implement various GASB pronouncements.

We are able to present the report to the Board of Directors at a meeting. Our aim is to create an open line of communication between our firm and your organization, so that the Board feels comfortable asking for help with any questions or issues that may arise during the year.

## References

Jacinda, District Bookkeeper  
Lake County Vector Control -  
PO Box 310  
Lakeport, CA 95453  
707-263-4770

Dianna, District Bookkeeper  
Clearlake Oaks County Water District  
PO Box 709  
Clearlake Oaks, CA 95423  
707-263-4770

Additional references available upon request.

## Bid for Audit Services

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Our fee for audit services for the Fiscal-Year are based on our standard hourly rate of \$125 per for Zach Pehling and Carlie Pehling, plus out-of-pocket costs (such as report reproduction, work processing, postage, copies, telephone, etc.) Based on the information provided to us, the fee will not exceed \$8,584 for 2019. The fee for 2020 will be \$8,842 and \$9,108 for 2021. This is an all inclusive fee that includes performing the audit, and all associated incidentals.

If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will

## Bid for Financial Audit Services

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*For Fiscal Years Ending June 30, 2019, June 30, 2020, and June 30, 2021*

be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

Very truly yours,

Zach Pehling, CPA



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

**Steve M. Kovacs**  
**Fire Chief**

Date: May 8, 2019  
To: Board of Directors  
From: Steve M. Kovacs, Fire Chief  
Subject: Agenda Item 5.3

---

## **Recommendation**

Declare the Public Education Trailer Surplus and Authorize the Fire Chief to locate a smaller organization that is in need and cannot afford a new one.

## **Discussion**

The District has had a long standing history of providing excellent public education training in our elementary schools. One of the tools we have used over the years has been a 5<sup>th</sup> wheel style trailer that we made the interior to resemble a child's bedroom. Each October we would tow the trailer to each of the elementary schools and teach children to crawl out of bed, feel their bedroom door for heat, and then escape out the window to a waiting firefighter. The trailer was also outfitted with a TV and VCR to show various public education videos.

Our school program has now evolved into utilizing the classrooms for the AV portion and the simulation training for the elementary school kids. We have found that the classroom instruction is just as effective for the kids, and logistically more efficient for the crews. We are in the process of updating our curriculum and props for classroom instruction.

The public education trailer was purchased by the district in 1989 and is in need of some updating. Since the District is no longer using the trailer in our Public Education Programs, the recommendation is to declare it surplus equipment.

Board of Directors  
Robert Campbell   Edward Harmon   Joe Parker   Russ Patterson   Daron Pisciotta





Santa Cruz Local Agency  
Formation Commission  
701 Ocean Street, Room 318-D  
Santa Cruz, California 95060  
Phone: (831) 454-2055

Email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)  
Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

April 24, 2019  
Certified Mail

Chair  
Scotts Valley Fire Protection District  
7 Erba Lane  
Scotts Valley CA 95066



**SUBJECT: CALL FOR NOMINATIONS FOR THE SPECIAL DISTRICT ALTERNATE MEMBER SEAT ON LAFCO**

Dear Board Chairperson:

The independent special districts in Santa Cruz County have three positions on the LAFCO board. The current Special District representatives are Jim Anderson (Felton Fire Protection District) and Rachél Lather (Soquel Creek Water District).

Commissioner Lather, previously LAFCO's Alternate Special District Member, was recently elected to be the new Regular Special District Member following the departure of Tom LaHue. As a result, the Special District Alternate Member seat on LAFCO is now vacant. The purpose of this letter is to solicit nominations for the alternate member position.

The term of the alternate position ends on May 3, 2021. The pool of people eligible to apply is anyone who is on the board of any independent special district in Santa Cruz County. I have attached a form by which a board member may apply for the position. An electronic format of the form can be accessed at the LAFCO website: <https://www.santacruzlafco.org>. The selection process rules are also posted on the LAFCO website (refer to the Policies & Rules webpage).

Please share this memo with other members of your board. **The deadline for returning completed nominations is 5:00 p.m. on June 7, 2019.**

Also, if you have any preferences whether to conduct the election by mail or by a meeting in person, please let me know no later than Friday, June 7<sup>th</sup>.

LAFCO staff is available to answer any questions about the selection process. After June 7, each district's presiding officer will be sent the nominations, along with an explanation of the voting process.

Sincerely,

Joe A. Serrano  
Executive Officer

Enclosure: Nomination Form

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY



CALL FOR:  
SPECIAL DISTRICT ALTERNATE MEMBER  
NOMINATION PERIOD CLOSES JUNE 7, 2019

**INSTRUCTIONS:**

If you are interested in serving as a special district alternate member on LAFCO, please complete and sign the following application and either mail, hand deliver, or email form to:

Mailing address:

LAFCO  
701 Ocean Street, Room 318-D Santa Cruz CA 95060

Email:

Debra Means, Commission Clerk  
debra@santacruzlafco.org

Applications must be received in the LAFCO office no later than **5:00 p.m. on Friday, June 7, 2019.**

Thank you for your interest in the Local Agency Formation Commission.

**NOMINEE INFORMATION:**

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone(s): Home: \_\_\_\_\_

Cell: \_\_\_\_\_

Business: \_\_\_\_\_

Email Address: \_\_\_\_\_

District Board on which you currently serve on: \_\_\_\_\_

Previous Board, Commission, or Committee served:

Organization: \_\_\_\_\_

Term: \_\_\_\_\_

Organization: \_\_\_\_\_

Term: \_\_\_\_\_

Organization: \_\_\_\_\_

Term: \_\_\_\_\_

**STATEMENT OF INTEREST:**

You may attach separate documents, including a brief resumé, to present additional qualifications or provide a Statement of Interest in serving on LAFCO.

**CERTIFICATION:**

I certify that the information provided is true and correct, and I authorize the verification of the information in the application.

\_\_\_\_\_  
Printed Name of Board Member Interested in Serving on LAFCO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**AGREEMENT BETWEEN SANTA CRUZ CONSOLIDATED EMERGENCY  
COMMUNICATIONS CENTER AND  
SCOTTS VALLEY FIRE PROTECTION DISTRICT  
FOR COMMUNICATIONS SERVICES**

This Agreement is entered into on \_\_\_\_\_, 2019, between the SANTA CRUZ REGIONAL 9-1-1, a joint exercise of powers agency organized and existing under the laws of the State of California by the County of Santa Cruz and the Cities of Capitola, Santa Cruz and Watsonville, hereinafter referred to as "Authority" and SCOTTS VALLEY FIRE PROTECTION DISTRICT, hereinafter referred to as "District".

**W I T N E S E T H**

WHEREAS, it is beneficial for the Authority to provide consolidated communications services to all County Fire Agencies which includes all Fire Districts and Departments within Santa Cruz County; and

WHEREAS, District has requested Authority to provide communications services to District; and

WHEREAS, Authority is willing to provide such services provided that District reimburses Authority for all costs incurred in providing such services; and

WHEREAS, it is necessary and desirable that the parties enter into the Agreement as set forth below;

NOW, THEREFORE, IT IS HEREBY AGREED between the Authority and the District as follows:

1. Term. The term of this Agreement shall be from July 1, 2019 through June 30, 2020, and shall be automatically renewed for two (2) successive one (1) year periods unless terminated in accordance with the terms of Paragraph 4. Renewal shall be upon the same terms and conditions as set forth herein, except that the annual Basic Service payments by District as required by Paragraph 3 (a) shall be modified each year in accordance with the provisions of EXHIBIT C and EXHIBIT E (Authority Policy No. 332, Revenue) and Fire Radio Network Maintenance and GIS Services reimbursements shall be modified each year in accordance with the provisions of EXHIBIT D and EXHIBIT E (Authority Policy No. 332, Revenue).

## 2. Obligations of the Parties.

(a) Authority will provide communications services to District as set forth in EXHIBIT A, attached hereto and incorporated herein by reference.

(b) In consideration for the services provided by Authority, District shall provide personnel and facilities as set forth in EXHIBIT B, attached hereto and incorporated herein by reference.

3. Payment. District shall make payments as set forth in EXHIBIT C, attached hereto and incorporated herein by reference. The payments identified in EXHIBIT C have been calculated as follows:

(a) Basic Services. District shall pay Authority the amount as derived from the application of the Fire District Cost Sharing Plan to the Authority's Total Annual Budget for each fiscal year during which this Agreement is in effect. The total percentage of the Authority's Annual Budget which is the collective responsibility of all participating Fire Districts is set forth by Authority Policy No. 332, Revenue, attached hereto as EXHIBIT E and incorporated herein by reference. The Fire District Cost Sharing Plan, by which each participating Fire District is charged for their proportionate share of the total Fire District responsibility is set forth in EXHIBIT C.

(b) Discretionary Services. District shall reimburse Authority for such discretionary services as described in EXHIBIT A and EXHIBIT B.

(c) Geographical Information System (GIS) Services. District shall reimburse Authority for District's proportionate share of the Authority's actual costs associated with providing specialize GIS and mapping services for Santa Cruz County fire and emergency medical services agencies as described in EXHIBIT A and EXHIBIT B. Such amount is determined for all participating County Fire Agencies as specified in the schedule in EXHIBIT D, attached hereto and incorporated herein by reference.

(d) Schedule. In April of each year, Authority shall provide District with a detailed statement of service charges for the upcoming fiscal year. District shall make semi-annual payments to the Authority for one-half of the amount owed for each fiscal year, including reimbursement amounts and other charges as described herein. District's semi-annual payments will be billed each July and January and will be due within thirty (30) days of receiving a billing statement from the Authority.

(e) Changes in Participation. District and Authority understand and agree that the cost sharing percentages set forth in Policy No. 332 (Revenue), the Fire District Cost Sharing Plan as set forth within EXHIBIT C and GIS Service Reimbursement Costs as set forth in EXHIBIT D are developed and based upon the anticipated participation of certain agencies including the fire districts listed in EXHIBIT C, Paragraph 3 and the fire agencies listed in EXHIBIT D, Paragraph 2. In the event that a change of participation should occur during the life of this Agreement, the Authority Board of Directors reserves the right to revise any or all of the cost sharing percentages in accordance with the formula elements identified within Policy No. 332 (Revenue) to account for such a change. Should the Authority exercise its right in this regard, an official who represents the interests of all contracted fire districts will be consulted regarding any proposed revisions to the cost sharing percentage(s). District shall be notified at least thirty (30) days in advance of any change in cost sharing percentage and its corresponding effect upon the District's payments.

4. Termination. This Agreement shall automatically be renewed for two (2) successive one (1) year periods in accordance with Paragraph 1, unless either party notifies the other in writing of its intent to terminate this Agreement at least sixty (60) days prior to the expiration of the then current annual term.

5. Notice. All notices, demands, requests, consents, approvals, waivers, or communications ("notices") that either party desires or is required to give to the other party or any other person shall be in writing and either personally serviced or sent by prepaid postage, first class mail. Notices shall be addressed as appears below for each party, provided that if either party gives notice of a change of name or address, notices to the giver of that notice shall thereafter be given as demanded in that notice.

Authority:      General Manager  
                     Santa Cruz Regional 9-1-1  
                     Communications Center, JPA  
                     495 Upper Park Road, Santa Cruz, CA 95065

District:        As specified

6. Mutual Indemnification. It is agreed that the Authority shall defend, hold harmless, and indemnify District, its officers and employees, from any and all claims for injuries or damages to persons and/or property, which arises out of the terms and conditions of this Agreement and which results from the negligent act or omissions of the Authority, its officers, and/or employees.



It is further agreed that the District shall defend, hold harmless, and indemnify Authority, its officers and employees, from any and all claims for injuries or damages to persons and/or property, which arises out of the terms and conditions of this Agreement and which results from the negligent act or omissions of the District, its officers, and/or employees.

In the event of concurrent negligence of the Authority, its officers and/or employees, and District, its officers and/or employees, then the liability for any and all claims for injuries or damages to persons and/or property, which arises out of the terms and conditions of this Agreement shall be apportioned according to the California theories of comparative negligence and/or equitable indemnity, as applicable.

In the event of a dispute as to indemnification, the payment of monies or apportionment of fault, as specified herein, the parties agree to select an arbitrator and be bound by the determination of the arbitrator. If the parties cannot agree on the selection of an arbitrator, they shall contact the Santa Cruz County Arbitration Administrator pursuant to Cal. Rules of Court 3.830, and select an arbitrator from the randomly selected list of names provided, and shall be entitled to preemptory challenges as specified in Cal. Rules of Court 3.815.

The arbitration shall be conducted according to Cal. Rules of Court 3.810 et. seq., which governs Judicial Arbitration Rules for Civil Cases. The findings of the arbitrator shall be binding on all parties to the arbitration.

The duty of the Authority and District to indemnify and save harmless as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

## 7. Insurance.

(a) Each party shall furnish the other with certificates of insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending coverage to include the contractual liability assumed by this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the other party of any pending change in the limits of liability or of any cancellation or modification of the policy.

(b) Each party shall have in effect, during the entire life of this Agreement, Workers' Compensation and employer liability insurance providing full statutory coverage. Each party certifies that it is aware of the provisions of Labor Code Section 3700 which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the code.

(c) Each Party shall take out and maintain during the entire life of this Agreement such bodily injury liability and property damage liability insurance as shall protect it from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from the performance of services under the Agreement. Such insurance shall be combined single-limit bodily injury and property damage for each occurrence and shall include comprehensive liability of at least \$1,000,000.00.

(d) In the event of a breach of any provisions of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the non-breaching party at its option may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work or obligations pursuant to this Agreement.

8. Inspection of Records. All records, books, reports, and documentation maintained by Authority related to performance under the Agreement shall be open for inspection by District upon demand at reasonable times.

9. Merger Clause. This Agreement, including the attached EXHIBITS "A", "B", "C", "D", and "E" sets forth the entire Agreement between the parties. No subsequent alteration or variations shall be valid unless made in writing and signed by the parties hereto.

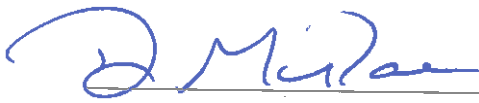
IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have affixed their hands on the day and year in the Agreement first above written.

Dated: \_\_\_\_\_

3/28/19

  
\_\_\_\_\_  
Board Chairperson  
Santa Cruz Regional 9-1-1

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Attorney for the Authority

Dated: \_\_\_\_\_

\_\_\_\_\_  
President, Board of Directors  
Scotts Valley Fire Protection District

APPROVED AS TO FORM:

\_\_\_\_\_  
Attorney for the District

## **EXHIBIT A**

### **AUTHORITY PROVISION OF SERVICES**

1. Basic Communications Services are described as:
  - (a) Complete radio transmitting and receiving services required for rapid and efficient dispatch of fire resources.
  - (b) Telephone and 9-1-1 answering services for emergency calls 24 hours per day, 7 days per week; answering for other fire related matters during non-business hours.
  - (c) The beneficial use of a Computer Aided Dispatch System (CAD) consisting of hardware and specialized software components that provide automatic status keeping, geographical referencing, unit recommendations, and other significant public safety capabilities including a Management Reporting System (MIS). Specialized fire reporting (i.e. CFIRS) is not included as a basic service.
  - (d) Common computer network support services associated with devices directly connected to the CAD system and the maintenance coordination thereof.
  - (e) Provisions for a standard, automated file of closed incident dispatch data.
2. Discretionary Communications Services are described as:
  - (a) At the discretion of the District, certain devices may be directly connected to the CAD system. These devices may include (but are not limited to) leased phone lines, terminals, PC's, printers, modems, multi-plex devices, etc. All costs associated with these devices are the responsibility of the District. Authority shall provide and coordinate services for these devices and the District shall reimburse such costs to the Authority.
  - (b) District and Authority shall equally share in the costs of installing and maintaining dedicated voice telephone lines, which are deemed necessary by mutual agreement of the parties, to the District Fire station(s). Authority shall provide and coordinate these discretionary services and the District shall reimburse the costs to the Authority for their equal share.

(c) At the discretion of the District, closed incident dispatch data residing in a standard, automated file, will be made available for periodic (automated or manual) transfer to the District at the District expense. In the event that the District elects to transfer such data in automated and/or electronic fashion, the District shall be responsible for all costs associated with the development and/or purchase of any specialized software interface(s) and/or specialized equipment necessary.

3. Geographical Information System and Mapping Services are described as:

- (a) Serving as the GIS technical resource to all County Fire Agencies and the County contracted Paramedic Transport Provider.
- (b) Identifying, designing and developing GIS applications and databases.
- (c) Recommending, installing, troubleshooting and supporting mutually acceptable GIS software, databases and spreadsheets.
- (d) Developing and administering quality control standards for map and data attribute conversion, maintenance and display.
- (e) Producing and distributing electronic maps for pre-planning, reporting, routing (Run Books), and other purposes.
- (f) Coordinating GIS/technical activities on behalf of all County Fire and the County contracted Paramedic Transport Provider with other County and City GIS staff to facilitate information sharing.

4. Changes to Basic and/or Discretionary Services. Upon mutual agreement of both parties, certain changes and modifications to the Basic and/or Discretionary Services may be made. All mutually agreeable modifications or changes shall be reduced to written form and jointly approved by the District Fire Chief and the Authority General Manager. Such changes or modification shall not be construed as altering the general intent of the original Agreement.

5. Future Additional Services. The District and the Authority recognize that a modern, automated and consolidated communications center may offer certain cost-effective opportunities to add related and specialized services on a District, area or regional basis. The parties further understand and agree that any future additional services would be added only upon mutual agreement and would be funded by the District or Districts receiving such service. Examples of future additional services may include, but would not be limited to, specialized fire reporting (CFIRS), Mobile Data Network and Terminals, Automatic Vehicle Location System (Network), etc.

6. In providing communications services, the Authority shall:

- (a) Provide working space and facilities at the Center for the personnel and equipment described in this agreement.
- (b) Provide and maintain telephone equipment to accommodate the District's 9-1-1 and seven digit emergency telephone volume.
- (c) Provide a general business telephone number that can be used for official business of the District to communicate directly with the Fire Dispatcher.
- (d) Provide radio console and control equipment and connections to effect radio transmissions from and between the Center and the District on frequencies which are mutually acceptable.
- (e) Provide recording equipment to log and record incoming and outgoing District related radio and telephone transmissions/incidents.
- (f) Serve as the District's Public Safety Answering Point (PSAP) for 9-1-1 emergency service, in accordance with the rules, policies and regulations of the State of California 9-1-1 program.
- (g) Maintain detailed incident records "on-line" for at least 180 days and permanently for 3 (three) years.
- (h) Jointly share with the District in the responsibility for developing and maintaining the automated geographical file of District response areas and status plans needed for accurate CAD dispatching. Authority shall ensure prompt modification and update of CAD files. District shall ensure prompt, written



notification to the Authority of updated information and/or requests for file modifications.

(i) Ensure that all fire dispatchers have attended and successfully completed a minimum of 40 hours of initial classroom instruction in Fire Communications procedures and that they remain capable of providing service that meets or exceeds established performance standards.

(j) Adhere to the instructions or commands of the Incident Commander or Senior Fire Officer regarding fire incident or operations.

(k) Coordinate the development of a Quality Improvement (QI) Program designed to improve the overall quality of dispatch services provided to the District. Statistical reports based on information obtained from the Management Information System (MIS) will be used to track dispatch performance. District representatives will participate in the QI program by assisting in the development of performance standards and providing performance feedback.

## **EXHIBIT B**

### **OBLIGATIONS OF THE DISTRICT**

1. The District shall:

(a) Provide at its own facility, personnel and/or arrangements to answer and coordinate incoming business and other non-emergency calls during business hours; during after hour periods, the District will provide a recording for its business telephone lines which will inform callers that emergency calls should be directed to 9-1-1 and that non-emergency, business calls should be made on the following business day.

(b) Participate with other County Fire Agencies, the Authority, and other ancillary users, in providing for the installation, modification, maintenance, and operation of the Fire Radio Network of frequencies, which shall include at least a single common frequency shared by all County Fire Agencies for the purpose of consolidated dispatching services.

(c) Participate with other County Fire Agencies, the Authority, and the County contracted Paramedic Transport Provider, in providing guidance and support to the Authority staff assigned to provide specialized geographical information system and mapping services to county fire and emergency medical services agencies. Reimburse the Authority, minus any off-setting revenue contributions collected by the Authority from the County contracted Paramedic Transport Provider, for such services provided on behalf of all County Fire Agencies in accordance with the cost sharing schedule in EXHIBIT D.

(d) Jointly share with the Authority in the responsibility for developing and maintaining the automated geographical file of District response areas and status plans needed for accurate CAD dispatching. District shall give prompt, written notification to the Authority of updated information and/or requests for file modification. Authority shall ensure prompt modification and update of CAD files.

(e) Participate in the Authority developed Quality Improvement (QI) program by assisting in the development of performance standards and providing performance feedback.

(f) Reimburse the Authority on an "as billed" basis for all cost associated with the District's discretionary implementation of devices directly connected to the CAD system. These devices may include (but are not limited to) leased phone lines, terminals, PC's, printers, modems, multi-plex devices, etc.

(g) Be responsible for all costs associated with the discretionary development of any specialized software interface(s) designed to directly and/or electronically transfer CAD data to the District computer system.

(h) Equally share with the Authority in the costs of installing and maintaining dedicated voice telephone lines, which are deemed necessary by mutual agreement of the parties, to the District fire station(s). District shall reimburse the Authority for their equal share on an "as billed" basis.

## EXHIBIT C

### FIRE DISTRICT COST SHARING PLAN

1. The total percentage of the Authority's Annual Budget which is the collective responsibility of all participating Fire Districts is set forth within Policy No. 332, Revenue (attached) and specifically sets such percentages as follows:

(a) Fiscal Year 2019/2020 - 3.15%

(b) Fiscal Year 2020/2021 - 3.15%

(c) Fiscal Year 2021/2022 - 3.15%

2. Annual charges for Basic Communications Services shall be calculated by using the following formula:

TOTAL ANNUAL AUTHORITY OPERATING EXPENDITURES

X

COLLECTIVE FIRE DISTRICT COST SHARING PERCENTAGE  
(for the appropriate Fiscal Year)

+

COST SHARING ADJUSTMENT

X

DISTRICT PERCENTAGE OF TOTAL 2016, 2017, and 2018 FIRE DISTRICT CALLS

EQUALS

DISTRICT'S ANNUAL CHARGE FOR BASIC SERVICES

3. For the purpose of this cost sharing plan, the following tally of fire district calls will be used to determine District Percentage of Total 2016, 2017, and 2018 Fire District Calls:

Fire District	Avg Calls during Counting Period	District %
Aptos/La Selva	2,621	20.92%
Ben Lomond	437	3.49%
Boulder Creek	874	6.98%
Branciforte	152	1.21%
Central	5,473	43.69%
Felton	631	5.04%
Scotts Valley	2,118	16.91%
Zayante	221	1.76%

## **EXHIBIT D**

### **GIS, HIPLINK, AND FIREDISPATCH.COM SERVICES**

#### **REIMBURSEMENT PLAN**

1. The District shall reimburse the Authority, in accordance with the following cost sharing schedule, for its proportionate share of the Authority's actual costs associated with providing specialized geographical information system (GIS) services, 2) providing connections to service providers – Hiplink and website Firedispatch.com..

<b>Fire Agency</b>	<b>Calls (Avg of 2016, 2017, and 2018)</b>	<b>Agency %</b>
<b>Aptos/La Selva</b>	<b>2,621</b>	<b>9.80%</b>
<b>Ben Lomond</b>	<b>437</b>	<b>1.63%</b>
<b>Boulder Creek</b>	<b>874</b>	<b>3.27%</b>
<b>Branciforte</b>	<b>152</b>	<b>0.57%</b>
<b>Central</b>	<b>5,473</b>	<b>20.46%</b>
<b>Felton</b>	<b>631</b>	<b>2.36%</b>
<b>Santa Cruz</b>	<b>9,044</b>	<b>33.81%</b>
<b>Scotts Valley</b>	<b>2,118</b>	<b>7.92%</b>
<b>Watsonville</b>	<b>5,176</b>	<b>19.35%</b>
<b>Zayante</b>	<b>221</b>	<b>0.83%</b>

2. The total annual reimbursement amount will be determined based upon the actual costs associated with 1) staffing one (1) FTE GIS specialist, and 2) providing data and connections and service fee for services Hiplink and Firedispatch.com.



**SANTA CRUZ REGIONAL 9-1-1**  
495 Upper Park Road, Santa Cruz, California 95065  
831.471.1000 Fax 831.471.1010  
Dennis Kidd, General Manager

**COMMUNICATIONS ADMINISTRATIVE  
POLICY/PROCEDURE**

**Policy No. 332**

**Date Issued: March 18, 1993**

**Section: 300 – Fiscal Policies**

**Date Revised: February 28, 2019**

**Accreditation Standards:**

**SUBJECT: REVENUE - GENERAL**

**APPROVED:**

\_\_\_\_\_  
Board Chairperson

- 1.0 Pursuant to Section 6, Sub-section B, paragraph 1 of the Agreement, the Parties to the Agreement shall pay for the entire operation of the Center, with the annual expenditure budget determining the total amount of assessment required from each Party to the Agreement by the formula included.
  - 1.1 The total assessment against each Party to the Agreement will be reduced by expected revenue from executed contracts with associate User Agencies for dispatch and other communications services.
- 2.0 The formula included in the Agreement is based upon the population and the assessed value of each participating political jurisdiction.
  - 2.1 This formula determines the cost sharing of the Parties to the Agreement as follows:

2.1.1	Santa Cruz County	- 59.78%
2.1.2	City of Watsonville	- 14.57%
2.1.3	City of Santa Cruz	- 20.16%
2.1.4	City of Capitola	- 05.49%
  - 2.2 This formula shall be in effect through the Fiscal Year 1994/95.
    - 2.2.1 This formula will also be used to distribute that portion of any bond proceeds necessary to reimburse the Parties to the



Agreement for their capital cost contributions beginning  
July 1, 1993.

3.0 Beginning with Fiscal Year 1995/96 and concluding with Fiscal Year 1998/99, a three year interim formula based upon the following elements will be used to determine service charges for the Member Agencies and associate User Agencies.

3.1 Readiness to Serve or Base Fee (33.33% or 1/3 of the interim formula).

3.1.1 Readiness to Serve is defined as a fee element based upon the notion that similar agencies must be equally prepared, staffed, equipped and trained to receive and handle a Call for Service.

3.1.2 The Readiness to Serve element, equaling 33.33% of the total formula, is distributed as follows:

3.1.2.1 Santa Cruz County	- 15.00%
3.1.2.2 City of Watsonville	- 05.00%
3.1.2.3 City of Santa Cruz	- 05.00%
3.1.2.4 City of Capitola	- 05.00%
3.1.2.5 EMS Provider	- 01.66%
3.1.2.6 Fire Districts	- 01.66%

3.1.3 Readiness to Serve percentages will remain constant and will not be adjusted during the life of this interim formula.

3.2 Calls For Service (33.33% or 1/3 of the interim formula).

3.2.1 Calls for Service are established and defined by Policy No. 260.

3.2.2 Calls for Service, equaling 33.33% of the total formula, are based upon manual calculations performed over comparable time periods resulting in the following distribution:

3.2.2.1 Santa Cruz County	- 14.01%
3.2.2.2 City of Watsonville	- 05.71%
3.2.2.3 City of Santa Cruz	- 09.09%
3.2.2.4 City of Capitola	- 02.29%
3.2.2.5 EMS Provider	- 01.22%
3.2.2.6 Fire Districts	- 01.01%

3.2.3 Calls for Service will not be recalculated or adjusted during the life of this interim formula.

3.3 Previous Year Costs or Moving Average (33.33% or 1/3 of the interim formula).

3.3.1 Previous Year Costs, as an element of the interim formula to be used in Fiscal Year 1995/96, are established as based upon budget analysis performed and percentage comparisons derived from the Budget Year 1993/94.

3.3.2 Previous Year Costs, equaling 33.34% or 1/3 of the total formula, are distributed for the first year of the interim formula (Fiscal Year 1995/96) as follows:

3.3.2.1 Santa Cruz County	- 15.17%
3.3.2.2 City of Watsonville	- 06.38%
3.3.2.3 City of Santa Cruz	- 05.56%
3.3.2.4 City of Capitola	- 03.99%
3.3.2.5 EMS Provider	- 01.03%
3.3.2.6 Fire Districts	- 01.21%

3.3.3 Previous Year Costs will be adjusted annually for use in determining Fiscal Year 1996/97 and Fiscal Year 1997/98 costs based upon the actual percentages of previous year costs as established through the use of the interim formula.

4.0 The interim formula as established and defined by this policy determines cost sharing for the Member Agencies (Parties) and the associate User Agencies as follows:

4.1 Fiscal Year 1995/96

4.1.1 Santa Cruz County	- 44.18%
4.1.2 City of Watsonville	- 17.09%
4.1.3 City of Santa Cruz	- 19.65%
4.1.4 City of Capitola	- 11.28%
4.1.5 EMS Provider	- 03.91%
4.1.6 Fire Districts	- 03.89%

4.2 Fiscal Year 1996/97

4.2.1 Santa Cruz County	- 43.75%
4.2.2 City of Watsonville	- 16.41%
4.2.3 City of Santa Cruz	- 20.64%
4.2.4 City of Capitola	- 11.05%
4.2.5 EMS Provider	- 04.18%
4.2.6 Fire Districts	- 03.97%

4.3 Fiscal Year 1997/98

4.3.1 Santa Cruz County	- 43.58%
-------------------------	----------

4.3.2	City of Watsonville	- 16.18%
4.3.3	City of Santa Cruz	- 20.96%
4.3.4	City of Capitola	- 10.97%
4.3.5	EMS Provider	- 04.28%
4.3.6	Fire Districts	- 04.03%

5.0 Beginning with Fiscal Year 1998/99 and continuing until such time as it is modified by the Board of Directors, a formula based upon the following elements will be used to determine service charges for the Member Agencies and associate User Agencies.

5.1 Readiness to Serve or Base Fee (33.33% or 1/3 of the formula).

5.1.1 Readiness to Serve is defined in paragraph 3.1.1 of this policy.

5.1.2 The Readiness to Serve element, equaling 33.33% of the total formula, is distributed as follows:

5.1.2.1	Santa Cruz County	- 15.00%
5.1.2.2	City of Watsonville	- 05.00%
5.1.2.3	City of Santa Cruz	- 05.00%
5.1.2.4	City of Capitola	- 05.00%
5.1.2.5	EMS Provider	- 01.66%
5.1.2.6	Fire Districts	- 01.66%

5.1.3 Readiness to Serve percentages will remain constant and will not be adjusted during the life of the formula.

5.2 Calls For Service (66.67% or 2/3 of the formula).

5.2.1 Calls for Service are established and defined by Policy No. 260.

5.2.2 Calls for Service, equaling 66.67% of the total formula, will be based upon an automated data analysis of the model year period beginning on September 1, 1996 and concluding on August 30, 1997.

6.0 Beginning with Fiscal Year 2001/02, and continuing until such time as it is modified by the Board of Directors, a formula based upon the following elements will be used to determine service charges for the Member Agencies and Associate User Agencies.

6.1 Readiness to Service or Base Fee (50.00% or 1/2 of the formula).

6.1.1 Readiness to Serve is defined in paragraph 3.1.1 of this policy.

6.1.2 Readiness to Serve element, equaling 50.00% of the total formula, is distributed as follows:

6.1.2.1 Santa Cruz County	- 15.84%
6.1.2.2 City of Watsonville	- 06.58%
6.1.2.3 City of Santa Cruz	- 12.09%
6.1.2.4 City of Capitola	- 05.83%
6.1.2.5 EMS Provider	- 05.83%
6.1.2.6 Fire Districts	- 03.83%

6.1.3 Beginning Fiscal Year 2013/2014, and continuing until such time as it is modified by the Board of Directors, the Readiness to Serve is distributed as follows:

6.1.3.1 Santa Cruz County	- 12.46%
6.1.3.2 City of Watsonville	- 6.32%
6.1.3.3 City of Santa Cruz	- 9.50%
6.1.3.4 City of Capitola	- 4.85%
6.1.3.5 EMS Provider	- 4.04%
6.1.3.6 Fire Districts	- 2.31%
6.1.3.7 City of Hollister	- 7.15%
6.1.3.8 San Benito County	- 3.37%

6.1.4 Beginning Fiscal Year 2017/2018, and continuing until such time as it is modified by the Board of Directors, the Readiness to Serve is distributed as follows:

6.1.4.1 Santa Cruz County	-12.08%
6.1.4.2 City of Watsonville	-6.11%
6.1.4.3 City of Santa Cruz	-10.62%
6.1.4.4 City of Capitola	-4.74%
6.1.4.5 EMS Provider	-3.94%
6.1.4.6 Fire Districts	-2.25%
6.1.4.7 City of Hollister	-6.98%
6.1.4.8 County of San Benito	-3.28%

6.1.5 Readiness to Serve percentages will remain constant and will not be adjusted during the life of the formula.

6.2 Calls for Service (25.00% or 1/4 of the formula).

6.2.1 Calls for Service are established and defined by Policy No. 260.

6.2.2 Calls for Service, equaling 25.00% of the total formula, will be based upon an automated count for the two year period beginning on January 1, 1999 and concluding on December 31, 2000.

6.2.2.1 The General Manager may recommend, and the Board may approve, adjustments to the Calls for Service element of the formula to account for significant operational and/or jurisdictional changes (causing workload shifts among Agencies) during the automated counting period.

6.2.3 Calls for Service will be recalculated every three (3) years thereafter during the life of the formula.

6.3 Weighted Calls for Service (25.00% or 1/4 of the formula).

6.3.1 A process by which to assign differing values to certain Calls for Service to reflect the Center's work effort in support of specific Member and/or Associate Member Agencies shall be recommended by the General Manager and approved by the Board of Directors in advance of each adjustment period.

6.3.2 Weighted Calls for Service, equaling 25.00% of the total formula, will be based upon an automated analysis of the two year period beginning on January 1, 1999 and concluding on December 31, 2000.

6.3.2.1 The General Manager may recommend, and the Board may approve, adjustments to the Weighted Calls for Service element of the formula to account for significant operational and/or jurisdictional changes (causing workload shifts among Agencies) during the analysis period.

6.3.3 Weighted Calls for Service will be re-analyzed and adjusted every three (3) years thereafter during the life of the formula.

7.0 Beginning with Fiscal Year 2019/2020, and continuing until such time as it is modified by the Board of Directors, a formula based upon the following elements will be used to determine service charges for the Member Agencies and Associate User Agencies.

7.1 Post Positions (33.33% or 1/3 of the formula).

7.1.1 Based upon staffing patterns, each agency will be assessed a percentage of the total staff based on how the communications center is staffed.

7.1.2 Beginning Fiscal Year 2019/2020, and continuing until such time as it is modified by the Board of Directors, Post Position percentages are distributed as follows:

7.1.2.1 Santa Cruz County	20.83%
7.1.2.2 City of Watsonville	13.75%
7.1.2.3 City of Santa Cruz	23.55%
7.1.2.4 City of Capitola	9.90%
7.1.2.5 EMS Provider	5.96%
7.1.2.6 Fire Districts	3.09%
7.1.2.7 City of Hollister	18.15%
7.1.2.8 County of San Benito	4.77%

7.1.3 Post Position percentages will remain constant and will not be adjusted during the life of the formula, unless there is a significant change in the staffing patterns.

7.2 Calls for Service (33.33% or 1/3 of the formula).

7.2.1 Calls for Service are established and defined by Policy No. 260.

7.2.2 Calls for Service, equaling 33.33% of the total formula, will be based upon an automated count for the three year period beginning on January 1, 2016 and concluding on December 31, 2018.

7.2.2.1 The General Manager may recommend, and the Board may approve, adjustments to the Calls for Service element of the formula to account for significant operational and/or jurisdictional changes (causing workload shifts among Agencies) during the automated counting period.

7.2.3 Calls for Service will be recalculated every three years thereafter during the life of the formula and will include the previous three years' worth of calls.

7.3 Radio Usage (33.33% or 1/3 of the formula).

7.3.1 Radio Usage is defined as the percentage of radio traffic associated with each agency's radio frequencies as measured by the Authority's voice recording system.

7.3.2 Radio usage, equaling 33% of the total formula, will be based upon a report obtained from the Authority's voice recorder which measures the percentage of the overall use by each channel as compared to all the channels.



- 7.3.3 Radio usage will be based upon the report for the three year period beginning on January 1, 2016 and concluding on December 31, 2018.
  - 7.3.4 Radio usage will be recalculated every three years thereafter during the life of this formula and will include the previous three years' work of radio usage.
- 8.0 The Fire Districts cost sharing percentages as determined through the use of the formula outlined in this policy are based upon the collective total of all districts.
  - 8.1 An independent and standardized formula will be jointly developed and utilized to distribute total Fire District costs among each of the specific participating districts
  - 8.2 The independent Fire District formula, complimented by the particular JPA formula, will be detailed in the agency specific Service Agreement(s).
- 9.0 The cost sharing percentage for each of the Member Agencies (Parties) and associate User Agencies, as derived from the use of the formulas as outlined within this policy, will not increase or decrease more than twenty (20%) percent per adjustment period over/under the previous year percentages.
- 10.0 Each Party to the Agreement shall pay its share of the total operating costs in quarterly installments as described in Section 6, sub-section D of the Agreement
  - 10.1 The Board of Directors may set a different payment scheduled for the purchase of capital items.
- 11.0 Each Associate User Agency shall pay its share as outlined within their agency specific Service Agreement(s).
- 12.0 The General Manager is authorized to accept reimbursements for extra services provided beyond normal, daily operations not exceeding \$10,000 per event.

# **Scotts Valley Fire Protection District Proclamation**



## **RECOGNIZING M. TRAVIS CRIVELLO FOR FIREFIGHTER OF THE YEAR**

WHEREAS, M. TRAVIS CRIVELLO BEGAN HIS FIRE SERVICE CAREER AS A VOLUNTEER FIREFIGHTER ON APRIL 17, 2008; AND

WHEREAS, ON JUNE 6, 2015 M. TRAVIS CRIVELLO BECAME A PAID FIREFIGHTER; AND

WHEREAS, M. TRAVIS CRIVELLO OBTAINED THE RANK OF ENGINEER IN 2018; AND

NOW, THEREFORE BE IT PROCLAIMED, THAT THE BOARD OF DIRECTORS OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT HONOR ENGINEER M. TRAVIS CRIVELLO FOR FIREFIGHTER OF YEAR AND EXCEPTIONAL SERVICE TO THE SCOTTS VALLEY FIRE PROTECTION DISTRICT, THE FIRE SERVICE AND THE COMMUNITY.

ADOPTED AND UNANIMOUSLY APPROVED BY THE BOARD OF DIRECTORS OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT ON THIS EIGHTH DAY OF MAY, 2019.

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ROBERT CAMPBELL

---

EDWARD HARMON

---

RUSS PATTERSON

---

DARON PISCIOTTA

---

JOSEPH PARKER



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

**Steve M. Kovacs**  
**Fire Chief**

Date: May 8, 2019  
To: Board of Directors  
From: Chief Kovacs  
Subject: Administrative Report

Incident Type	January		February		March		Year To Date	
	2018	2019	2018	2019	2018	2019	2018	2019
Fires	1	8	2	1	1	2	4	11
Explosion / Rupture	0	1	0	0	0	0	0	1
EMS	123	101	89	116	105	104	317	321
Hazardous Condition	8	20	5	9	7	6	20	35
Service Calls	18	19	14	14	14	19	46	52
Good Intent	34	37	27	45	41	40	102	122
False Alarms	15	19	5	11	8	8	28	38
Severe Weather	0	1	0	1	0	0	0	2
Totals	199	206	142	197	176	179	517	582

## Operations

- E2538 awaiting new radio replacement
- E2538 should be in service by mid-May
- We have purchased and installed Cradlepoint modems in the three Type 1's and both Type 3 engines. They are all online and connected to CAD.
- A full complement of ballistic PPE has been added to each lead engine and command vehicle.

## Training

- SCHMIT Members participated in the quarterly refresher training at SCO1 consisting of multiple scenarios.
- Type III off-road driver training at Hollister Hill SVRA for all apparatus driver operators.
- Strike Team and single resource overhead refresher training at Zayante Fire
- Crews attended unified response to violent incidents at the old Sears location in the mall and learned about hands-on approach with scenarios and informative ballistic vest information.
- Firefighter Nehf has successfully completed his six month test

Board of Directors

Robert Campbell   Edward Harmon   Joseph Parker   Russ Patterson   Daron Pisciotta

### **Administration**

- Child Passenger Safety Program – Secretary Receptionist Bridges inspected 8 car seats in March.
- Administrative Secretary Walton and Secretary Receptionist Bridges and Mayfield completed personnel file reorganization per Policy 1400.
- Administrative Secretary Walton and Secretary Receptionist Bridges and Mayfield completed the reorganization and consolidation of all pertinent files into the copy room for greater accessibility.
- Secretary Receptionist Mayfield attended a Governmental Social Media Conference and is working on supporting policies and standard operating procedures before launching the District's Social Media Content Strategy.
- Battalion Chief Theilen led the Administrative office remodel to accommodate all three administrative personnel which is now near completion.
- Secretary Receptionists Bridges and Mayfield attended the Administrative Fire Services Section Conference in Paso Robles.

### **Prevention/Community Risk Reduction**

- **Plan Reviews and permit approvals: 10**
- **Inspections completed: 15**
- **Hazard complaints: 5**
- **Meetings: 7**
- Vandervoort attended IAFC Community Risk Reduction and Wildland Urban Interface Conferences
- Vandervoort attended Community Fire Forum.

### **Fire Chief Activities:**

- Presented before the City Council re: Fire Season
- FDAC Meeting
- Legislative Task Force Conference Calls
- Annual Recognition Dinner
- NetCom Users Meetings
- Staff Meetings
- Joint Finance Meeting with SCO/BRN
- Attended Smart Board Training at Central Fire
- Meeting Regarding Ambulance Sub-Contract
- Conducted the Officer Leadership Session
- Attended a Meeting with CalFIRE Director Porter
- Taught a class to the County CERT Leadership
- File Reviews for Workers Comp
- SCCFAIG Board of Director's Meeting
- County Health and Wellness Meeting
- Meeting with Santa Cruz Fire Chief
- Assisted Meals on Wheels with SV Meal Distribution
- Worked on Preliminary Budgets
- Attended the SVWD Seminar
- County Chiefs Meetings
- EMSIA Meeting
- Auxiliary Meetings
- Participated in the Fire Prevention and Response Forum
- Attended the FDAC Annual Conference
- FDAC EBA Meeting
- Meeting with State OES Director Ghilarducci

April 25, 2019

Administrative Report

Page 3 of 2

- SLV District Council Meeting
- BRN finance and Board Meeting
- Attended Annual Strike Team Leader Refresher Training
- Filmed the Annual July 4<sup>th</sup> Safety Message
- Participated in SV EOC Exercise
- Attended a DRiSC Meeting
- Testified at Senate Health and Safety Hearing
- Reviewed Engagement Letter for new Labor Legal Counsel
- Attended the National Day of Prayer in SV

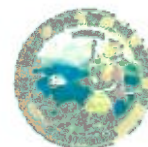


## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944248

SACRAMENTO, CA 94244-2460

(916) 653-7772

Website: [www.fire.ca.gov](http://www.fire.ca.gov)


## California Fire Assistance Agreement Cooperators,

The California Department of Forestry and Fire Protection (CAL FIRE) and the Governor's Office of Emergency Services (Cal OES) would like to express their gratitude to each of the California Fire Assistance Agreement (CFAA) cooperating agencies. Your mobilization and cooperative participation has been invaluable during the past several years of unprecedented emergencies our state has experienced.


The Financial Information System for California (FI\$Cal) is California's new statewide accounting for state government in the areas of budgeting, accounting, contracts, cash management, payment and procurement information technology platform. The State Controller, the State Treasurer, and the Directors of the Department of Finance and General Services signed a Memorandum of Understanding (MOU) in 2007 to formalize the cooperative partnership to support the development of the FI\$Cal system. In July 2016, FI\$Cal was formally recognized as a new department responsible for implementation, maintenance and operation of FI\$Cal. Cal OES transitioned to FI\$Cal in July 2018 while CAL FIRE transitioned January 2019.

The migration to FI\$Cal over the last nine years represents a major shift in state government accounting practices. The days of paper forms and manila folder files for financial processes are coming to an end. Along with other state departments, CAL FIRE and Cal OES are adopting new technology and workflow processes. The system provides increased standardization, transparency, discipline, effectiveness, and efficiency for the state's business processes. Implementation must overcome the technical and business challenges of unifying the different functions of over 2,500 legacy systems and processes encompassing everything from mainframes to desktop spreadsheets.

CAL FIRE expects delays in the CFAA agreement timeframes for payment of the remaining 2018 invoices due to external factors associated with the transition to FI\$CAL. In a collaborative effort to minimize payment delays of CFAA invoices, Cal OES is assisting CAL FIRE personnel validating and rebuilding the vendor / supplier list in FI\$Cal. Both agencies are acutely aware of the hardships this delay may create and remain committed to processing CFAA invoices (F-142) as expeditiously as possible within FI\$Cal. Your continued support and patience are greatly appreciated.

 3.14.19Don Gordon, CAL FIRE  
Assistant Deputy Director

Date

 3/14/19Brian Marshall, Cal OES  
State Fire and Rescue Chief

Date





**SCOTTS VALLEY  
WATER DISTRICT**

2 Civic Center Dr  
Scotts Valley, CA 95066



**April 23, 2019**

**S V FIRE PROTECTION DISTRICT  
ATTN: STEVE KOVACS  
7 ERBA LANE  
SCOTTS VALLEY, CA 95066**

**Notification of Change to Fire Service Bills**

*Fire Service Account #:* 006759-000  
*Potable Water Account #:* 005127-000  
*Service Address:* 251 GLENWOOD DR

As part of our goal to simplify the payment and billing process, Scotts Valley Water District is excited to announce a change to the billing of *Fire Service* accounts. This improvement will eliminate paper waste, increase billing and payment efficiency, and reduce the stress of managing multiple water utility accounts.

In the past, *Fire Service* accounts have been billed separately from *Potable Water* accounts, requiring customers to manage multiple SVWD accounts with separate bills. We are excited to share that this is no longer the case. Over the next few months, all *Fire Service* charges will be shifted to each customer's regular *Potable Water* account. This means that customers will no longer receive separate bills for *Potable Water* and *Fire Service* charges, nor will they require multiple SVWD accounts. Instead, *Fire Service* charges will be displayed as an additional line item on the regular *Potable Water* billing statements.

Please note that rates are not changing, and this will not result in an increase to your bi-monthly bill amount. There is no action required. This change will be fully implemented for all customers by June 30, 2019.

If you have any questions about this change or would like more information on how it will improve your overall customer experience, please give us a call!

Thank You,  
Customer Service Team  
Scotts Valley Water District  
(831) 438-2363



Santa Cruz Local Agency Formation Commission

Agenda  
Item  
No. 4a

RECEIVED

APR 29 2019

SCOTTS VALLEY FIRE  
PROTECTION DISTRICT

Date: May 1, 2019  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: Proposed Final Budget for Fiscal Year Beginning July 1, 2019

### SUMMARY OF RECOMMENDATION

State law requires that LAFCO adopt a final budget no later than June 15. LAFCO staff has noticed a public hearing for May 1, 2019 in order for the Commission to consider the final budget. This report will provide the Commission a final budget, totaling \$662,400, for consideration and approval.

It is recommended that the Commission take the following actions:

1. Receive a report from the Executive Officer; and
2. Adopt the final budget and resolution for Fiscal Year 2019-20

### INTRODUCTION

This is the second of two public hearings to adopt a budget for Fiscal Year 2019-20. The first hearing was held on March 6, 2019. At that time, the Commission adopted a proposed budget totaling \$662,400. Following the adoption, LAFCO staff coordinated with the Auditor-Controller's Office to calculate the estimated contributions for each funding agency. Primary funding is from the County, 4 cities, and 23 special districts. The total contribution amount for the funding agencies is estimated to be \$399,300 (see Attachment 1). The County Auditor sent a letter in April to the funding agencies requesting comments on the calculations. To date, no formal comments were received.

### BUDGET SUMMARY

The recommended budget (\$662,400), as shown in Attachment 2, is a 13% decrease as compared to the current budget (\$759,200)<sup>1</sup>. This represents a decrease of \$96,800. Reasons for the budget decrease are primarily related to a reduction in overall costs in Salaries & Benefits and Professional Services. The majority of the remaining expenses in FY 2019-20 have either been contained or reduced compared to prior year levels. A detailed itemization of each cost component is fully described in Attachment 3.

### Potential Adjustments in Future Budgets

At the March meeting the Commission discussed possible increases in certain expenditure line items, including but not limited to Professional Services, for future budgets. Allocating additional funds to budget line items will affect the Commission's overall fund balance and may also affect the overall contributions of our funding agencies. LAFCO staff will monitor these expenditures in the coming months and will provide the Commission with financial options in preparation of the next annual budget.

<sup>1</sup> An actuarial review of the FY 2018-19 budget is provided in the May 1st mid-year adjustment staff report (refer to Agenda Item No. 5b).

## WORK PROGRAM

The 2019 work program has a goal of completing the current round of state-mandated service and sphere reviews by December 31, 2019. A total of 14 service and sphere reviews are scheduled for completion. LAFCO staff anticipates completion of these reviews as follows:

Local Agency	Anticipated Completion Date
1. County Service Area 3 (Aptos Seascap)	June 30, 2019
2. County Service Area 57 (Woods Cove Drainage)	
3. Bear Creek Estates Sanitation Unit (SLVWD)	December 31, 2019
4. County Service Area 2 (Place de Mer)	
5. County Service Area 5 (Sand Dollar/Canon del Sol)	
6. County Service Area 7 (Boulder Creek)	
7. County Service Area 10 (Rolling Woods/Graham Hill)	
8. County Service Area 20 (Trestle Beach)	
9. Davenport County Sanitation District	
10. Freedom County Sanitation District	
11. Midpeninsula Regional Open Space District	
12. Salsipuedes Sanitary District	
13. Santa Cruz County Sanitation District	
14. Santa Cruz Port District	

## ALTERNATIVES

The Commission should discuss whether the work program and budget meet its goals for FY 2019-20. After conducting the public hearing on May 1, 2019, the Commission may adopt the final budget as recommended, may adopt a final budget with amendments, or may continue the public hearing on the proposed budget to June 5, 2019.

## CONCLUSION

LAFCO staff believes that the work program can be accomplished through a reduced budget and recommends adopting the attached resolution (refer to Attachment 4). While the annual operating costs continue to increase, the Commission's conservative fiscal management has maintained the agencies' contributions at a stagnant level. However, this management practice continues to deplete the Commission's overall fund balance and may not be a long-term solution. Therefore, staff will provide the Commission with periodic updates on LAFCO's operational and financial performance.

Respectfully Submitted,

  
Joe A. Serrano  
Executive Officer

### Attachments:

1. Proposed FY 2019-20 LAFCO Contributions per Funding Agency
2. Proposed FY 2019-20 Final Budget
3. Proposed FY 2019-20 Narrative of Line Items
4. Draft Resolution No. 2019-5 Adopting a Final Budget

cc: Contributing Agencies - Cities, Special Districts, County of Santa Cruz

Ref Page #	Description	Operating Revenue	Non-Operating Revenue	Apportionment Basis Revenue latest Published State Controller's Report	Deduct Intergovernmental	Total less Intergov	Calculate Proportionate Share	Fee Percentage Projection	Auditor Administration Costs	Total
	LAFCO Total 2018-2019 Working Budget			399,300					2,500.00	401,800.00
	Allocate 1/3 fee to County of Santa Cruz			133,100			133,100.00	33.3333%	833.33	133,933.33
	Allocate 1/3 fee to all Cities Revenue Factor 2016-2017 Cities Annual Report			133,100						
	City of Capitola			17,788,649	(395,382)	17,393,267	6,964.62	1.744%	43.61	7,008.23
	City of Santa Cruz			192,892,870	(2,828,045)	190,064,825	76,105.87	19.060%	476.50	76,582.37
	City of Scotts Valley			16,898,716	(405,515)	16,493,201	6,604.22	1.654%	41.35	6,645.57
	City of Watsonville			110,344,949	(1,895,774)	108,449,175	43,425.29	10.875%	271.88	43,697.17
				337,925,184	(5,524,716)	332,400,468	133,100.00	33.3333%	833.34	133,933.34
	Allocate 1/3 fee to Independent Districts - Revenue Factor 2016-2017 Special Districts Annual Report			133,100						
	Non-Enterprise			1,180	0	1,180	1.57	0.000%	0.00	1.57
	Alba Park & Rec			11,898,504	(400,956)	11,497,548	15,347.33	3.844%	96.09	15,443.42
	Aplos/La Selva Fire Protection			867,356	(5,200)	862,156	1,150.84	0.288%	7.21	1,158.05
	Ben Lomond Fire Protection			997,579	(5,789)	991,790	1,323.88	0.332%	8.29	1,332.17
	Boulder Creek Fire Protection			352,085	(1,274)	350,811	468.27	0.117%	2.93	471.20
	Branchville Fire Protection			1,049,981	(4,399)	1,045,582	1,395.68	0.350%	8.74	1,404.42
	Central Santa Cruz County Fire Protection			16,906,425	(101,445)	16,804,980	22,431.87	5.618%	140.44	22,572.31
	Felton Fire Protection			773,881	(6,089)	767,792	1,024.88	0.257%	6.42	1,031.30
	La Selva Beach Park & Rec			177,924	(808)	177,116	236.42	0.059%	1.48	237.90
	Opal Cliffs Park & Rec			40,515	(20)	40,495	54.05	0.014%	0.34	54.39
	Pajaro Valley Fire Protection			1,804,575	(10,355)	1,794,220	2,394.99	0.600%	14.99	2,409.98
	Pajaro Valley Water Management Agency			14,183,594	(3,237,582)	10,946,012	14,611.12	3.659%	91.48	14,702.60
	Pajaro Valley Public Cemetery			1,170,428	(4,549)	1,165,879	1,566.26	0.390%	9.74	1,566.00
	Reclamation District 2049			35,817	0	35,817	47.80	0.012%	0.30	48.10
	Santa Cruz County Resource Conserv.			2,562,603	(1,909,757)	652,846	871.44	0.218%	5.46	876.90
	Scotts Valley Fire Protection			7,244,817	(623,568)	6,621,259	8,838.29	2.213%	55.34	8,893.63
	Zayante Fire Protection			611,450	(135,438)	476,012	635.40	0.159%	3.98	639.38
	Non-Enterprise Subtotal			60,678,714	(6,447,219)	54,231,495	72,390.09	18.129%	453.23	72,843.32
	Enterprise - Operating plus Non-Operating Revenue									
	Central Santa Cruz County Water			710,035	(715)	709,320	946.83	0.237%	5.93	952.76
	Salspuedes Sanitary			413,147	(127)	413,020	551.31	0.138%	3.45	554.76
	San Lorenzo Valley County Water*			14,081,834	(6,576)	14,075,258	18,788.15	4.705%	117.63	18,905.78
	Santa Cruz Port District			9,046,904	(464,152)	8,582,752	11,456.56	2.869%	71.73	11,528.29
	Scotts Valley County Water			5,422,460	(2,715)	5,419,745	7,234.46	1.812%	45.29	7,279.75
	Sequel Creek Water District			16,281,117	0	16,281,117	21,732.60	5.443%	136.07	21,868.67
	Enterprise Subtotal			45,955,497	(474,285)	45,481,212	60,709.91	15.204%	380.10	61,090.01
	Special District Total			106,634,211	(6,921,504)	99,712,707	133,100.00	33.3333%	833.33	133,933.33
	Grand total						399,300.00	100.000%	2,500.00	401,800.00

\*Includes SLV Water, SLV Waste, and Lompico Water

FISCAL YEAR 2019-20	FY 18-19 Year-to-Date (as of 4/25/19)	FY 18-19 Adopted Budget	FY 19-20 Final Budget (if approved)
<b>REVENUES</b>			
Interest	\$ 7,589.99	\$ 6,000.00	\$ 6,000.00
Contributions from Other Govt Agencies	\$ 386,397.18	\$ 383,900.00	\$ 399,300.00
LAFC Processing Fees*	\$ 27,145.37	\$ 6,500.00	\$ 6,500.00
Medical Charges-Employee	\$ 2,741.18	\$ 9,500.00	\$ 1,000.00
Copy Charges	\$ 51.52	\$ -	\$ 100.00
Misc. Revenue	\$ 15,073.34	\$ -	\$ -
Re-budget from Fund Balance	\$ 353,300.00	\$ 353,300.00	\$ 249,500.00
<b>TOTAL REVENUES</b>	<b>\$ 792,298.58</b>	<b>\$ 759,200.00</b>	<b>\$ 662,400.00</b>
<b>EXPENDITURES</b>			
Regular Pay**	\$ 179,991.28	\$ 269,700.00	\$ 245,400.00
Overtime Pay	\$ -	\$ 1,000.00	\$ 1,000.00
Extra Help	\$ -	\$ 1,000.00	\$ 1,000.00
Sick Leave	\$ -	\$ 1,000.00	\$ 1,000.00
Holiday Pay	\$ 10,470.64	\$ 9,800.00	\$ 10,100.00
Social Security	\$ 13,732.55	\$ 20,700.00	\$ 18,200.00
PERS	\$ 46,163.86	\$ 65,300.00	\$ 59,800.00
Insurances	\$ 35,892.27	\$ 43,300.00	\$ 50,500.00
Unemployment	\$ 336.01	\$ 400.00	\$ 400.00
Workers Comp	\$ (38.14)	\$ 1,000.00	\$ 1,000.00
<b>Salaries &amp; Benefits Sub-total</b>	<b>\$ 286,548.47</b>	<b>\$ 413,200.00</b>	<b>\$ 388,400.00</b>
Telecom	\$ 1,439.46	\$ 2,100.00	\$ 2,000.00
Office Equipment	\$ 296.40	\$ 200.00	\$ 200.00
Memberships	\$ 1,413.39	\$ 4,400.00	\$ 4,500.00
Hardware	\$ -	\$ -	\$ 300.00
Duplicating	\$ 385.45	\$ 1,200.00	\$ 1,200.00
PC Software	\$ 327.30	\$ 600.00	\$ 600.00
Postage	\$ 1,119.25	\$ 1,400.00	\$ 1,400.00
Subscriptions	\$ 294.36	\$ 800.00	\$ 500.00
Supplies	\$ 1,029.83	\$ 1,700.00	\$ 1,500.00
Accounting	\$ -	\$ 1,200.00	\$ 1,500.00
Attorney	\$ 8,000.00	\$ 150,000.00	\$ 150,000.00
Data Process GIS	\$ 10,533.00	\$ 16,700.00	\$ 16,700.00
Director Fees	\$ 2,200.00	\$ 6,000.00	\$ 6,000.00
Surveyor	\$ -	\$ 1,000.00	\$ 1,000.00
Professional Services**	\$ 24,107.20	\$ 125,000.00	\$ 50,000.00
Legal Notices	\$ 726.23	\$ 1,700.00	\$ 1,700.00
Rents	\$ 8,151.00	\$ 8,400.00	\$ 8,500.00
Misc. Expenses	\$ 1,814.70	\$ 5,900.00	\$ 6,500.00
Books	\$ 39.58	\$ 300.00	\$ 200.00
Air Fare	\$ -	\$ 3,000.00	\$ 3,000.00
Auto Rental	\$ -	\$ 200.00	\$ 200.00
Training	\$ -	\$ 900.00	\$ 1,800.00
Lodging	\$ 2,512.18	\$ 5,200.00	\$ 5,200.00
Meals	\$ 302.09	\$ 600.00	\$ 600.00
Mileage	\$ 1,132.73	\$ 1,600.00	\$ 3,000.00
Travel-Other	\$ 5.00	\$ 500.00	\$ 500.00
Registrations	\$ 930.00	\$ 5,400.00	\$ 5,400.00
<b>Supplies Sub-total</b>	<b>\$ 66,759.15</b>	<b>\$ 346,000.00</b>	<b>\$ 274,000.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 353,307.62</b>	<b>\$ 759,200.00</b>	<b>\$ 662,400.00</b>

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
NARRATIVE BUDGET 2019-20

SALARIES & BENEFITS

Object

51000 Regular Pay \$245,400

Executive Officer - The current salary is \$11,667 per month.

Secretary-Clerk - The current salary is \$6,082 per month.

Salary Reserve - The budgeted amount allows for possible adjustments to staff salaries, cash out of administrative leave, and payment of unused leave upon termination of employment. It is budgeted as a lump sum of \$32,413.

The salaries total:

Executive Officer	\$140,000
Secretary-Clerk	\$72,987
Salary Reserve	\$32,413
<b>Total</b>	<b>\$245,400</b>

51005 Overtime Pay \$1,000

The Secretary-Clerk works overtime during periods of major projects and night meetings.

51010 Extra Help \$ 1,000

These funds will be used if needed for temporary clerical assistance during the Secretary-Clerk's absence. Five days, \$200 per day.

51015 Sick Leave \$1,000

Sick leave is budgeted as a lump sum.

51035 Holiday Pay \$10,100

Holiday pay is budgeted as a lump sum.

52010 Social Security \$18,200

This figure is calculated at the rate of 7.65% of each salary.

52015 PERS \$59,800

This amount covers the Commission's contributions to the Public Employees Retirement System. Effective July 1, 2019, the employer's share of the normal costs will increase from 9.409% of salaries to 10.221%, and the employer's lump sum payment of unfunded liability will increase from \$29,991 to \$35,565 per year.



- 53010      Employee Insurance    \$50,500  
This amount provides for health insurance through PERS and for dental, eye care, life insurance, and limited disability insurance through the County's program. The employees pay part of these costs. The employees' contributions are budgeted as revenue, and reduce the net cost of this benefit to the Commission. The total line item is based upon estimates provided by the vendors, and includes an estimated 5% PERS health insurance premium increase effective January 1, 2020.
- 53015      Unemployment    \$400  
This amount is budgeted at the same amount as the estimated FY 2018-19 amount.
- 54010      Workers' Comp.    \$1,000  
The Commission obtains this coverage from the Special District Risk Management Authority. The FY 2019-20 amount is an estimate of SDRMA dues and premiums, net of any credits.

**SUBTOTAL SALARIES AND BENEFITS** **\$388,400**

SUPPLIES AND SERVICES

- 61220      Telecom    \$2,000  
The telephone cost is estimated at the highest expenditure during the last three years.
- 61725      Maintenance of Office Equipment    \$200  
This amount represents maintenance of other the copier and other office equipment.
- 62020      Memberships    \$4,500  
This amount provides for membership in the California Associations of LAFCOs and the California Special Districts Association.
- 62111      Computer Hardware    \$300  
This amount would provide a second monitor for the Secretary-Clerk.
- 62214      Duplicating    \$1,200  
This amount provides for copying of reports done at the county's duplicating shop or at a local print shop. It is budgeted as a lump sum.

- 62219    Software    \$600  
This is budgeted as a lump sum.
- 62221    Postage    \$1,400  
This is the cost of mailing public notices and regular correspondence. It is budgeted at the highest expenditure during the last three years.
- 62222    Subscriptions    \$800  
It is budgeted at the highest expenditure during the last three years.
- 62223    Supplies    \$1,500  
This amount represents office supplies. It is budgeted at the highest expenditure during the last three years.
- 62310    Accounting and Auditing    \$1,500  
This amount is the cost of accounting services from the County Auditor. It includes payroll, vendor payments, and auditing. It is budgeted as a lump sum.
- 62304    Attorney    \$150,000  
This amount represents routine legal services from County Counsel's office or a private law firm (\$40,000), and a litigation reserve (\$110,000).
- 62325    Data Services    \$16,700  
The County Information Services Department charges LAFCO with its share of the staffing overhead used to support LAFCO's computers, printers, and access to the County's geographic mapping system, accounting, fiscal, and other data bases. The amount is budgeted at the highest expenditure during the last 3 years.
- 62327    Director Fees    \$6,000  
This amount is calculated upon seven commissioners and four alternates being paid a \$50 meeting stipend for eleven meetings per year.
- 62330    Surveyor    \$1,000  
This amount covers map checking by the County Surveyor and map prints from the County Public Works Department.

- 62381 Professional Services \$50,000  
This amount provides outside assistance when preparing sphere of influence reviews, municipal service reviews, reorganization studies, and other special studies. The Local Government Reorganization Act requires LAFCO to prepare municipal service reviews and update all spheres periodically.
- 62420 Legal Notices \$1,700  
This amount is used to pay for public hearing notices and other legal advertising. It is budgeted at the highest expenditure during the last three years.
- 62610 Rents \$8,500  
The County charges LAFCO rent for its office on the third floor of the Governmental Center. The annual rent is \$7,905 with no additional costs. Additionally, the County charges LAFCO to store LAFCO's old records in the County warehouse and to retrieve them when requested. This amount is calculated at the current year costs.
- 62856 Miscellaneous Expenses \$6,500  
This sub-object is used for paying web-hosting costs, State Department of Tax and Fee Administration filing fees, and State Department of Fish and Wildlife environmental fees. It is calculated at 8% over the estimated FY 2018-19 expenses.
- 62890 Books \$200  
This entry is used to purchase books and other written materials. The budgeted amount is estimated at the highest cost over the last three years.
- 62910 Airfare \$3,000  
Airfare is used to attend meetings that are in distant locales in California, usually southern California. The budgeted amount is estimated at ten round trip flights at \$300 per trip.
- 62912 Auto Rental \$200  
This is budgeted as a lump sum.
- 62914 Education and Training \$1,800  
This represents staff development courses and seminars. It is budgeted at three classes at \$400 each, and one at \$600.

- 62922    Lodging    \$5,200  
Lodging is budgeted to allow Commissioners and staff members to attend training sessions and meetings. It is budgeted as a lump sum.
- 62924    Meals    \$600  
The budgeted amount is estimated at the highest cost over the last three years.
- 62926    Mileage    \$3,000  
This includes mileage for staff office errands, and allowance for Commissioners and staff to attend conferences, seminars, CALAFCO Board meetings, and other meetings. It is budgeted as a lump sum.
- 62928    Travel Other    \$500  
These are miscellaneous travel costs such as train fares, bus fares, parking, and bridge tolls. It is budgeted at the highest expenditure over the last three years.
- 62930    Registrations    \$5,400  
Workshop and conference registrations are budgeted to pay for Commissioners and staff members to attend conferences and workshops. It is budgeted at the highest expenditure over the last three years.

**SUBTOTAL SUPPLIES AND SERVICES**

**\$274,000**

**RECAP OF PROPOSED BUDGET:**

SALARIES AND BENEFITS	\$388,400
SUPPLIES AND SERVICES	\$274,000
FIXED ASSETS	\$ <u>0</u>
TOTAL	\$662,400

**May 1, 2019**

LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

RESOLUTION NO. 2019-5

On the motion of Commissioner  
Duly seconded by Commissioner  
The following resolution is adopted:

ADOPTING A FINAL BUDGET  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2019

\*\*\*\*\*

WHEREAS, the Santa Cruz Local Agency Formation Commission wishes to provide for a budget to fulfill its purposes and functions that are set by State law;

NOW, THEREFORE, the Santa Cruz Local Agency Formation Commission does hereby resolve, determine, and order as follows:

1. The Commission has conducted a public hearing on March 6, 2019 and May 1, 2019 in order to review its budget for the fiscal year beginning July 1, 2019.
2. In accordance with Government Code section 56381(a), the Commission adopts a proposed budget for the fiscal year beginning July 1, 2019 in the amount of \$662,400 with the net amount to be funded by the participating agencies of \$399,300 plus the County Auditor-Controller's fee to calculate and collect the participating agencies' contributions.
3. The total budget for the 2019-2020 fiscal year will be funded with \$412,900 of new revenues, plus \$249,500 that will be in the Commission's fund balance on June 30, 2019 and that is re-budgeted into the Commission's budget for the fiscal year beginning July 1, 2019.
4. The budget will allow the Commission to fulfill the programs and purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act because it will allow the Commission to prepare the state-mandated studies in a timely manner.
5. The Commission requests that the County Auditor-Controller apportion and collect the net operating expenses of the Local Agency Formation Commission pursuant to Government Code Section 56381.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this first day of May 2019 by the following vote:

AYES:

NOES:


ABSENT:

\_\_\_\_\_  
JAMES W. ANDERSON, CHAIRPERSON

Attest:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

Approval as to form:

  
\_\_\_\_\_  
T. Brooke Miller  
LAFCO Counsel





**Santa Cruz Local Agency Formation Commission**

Date: May 1, 2019  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Special Districts Regular Member Seat – 2019 Election Results**

**SUMMARY OF RECOMMENDATION**

The independent special districts in Santa Cruz County get three positions on the LAFCO board. One special district regular member seat is scheduled to expire. A recent election was held to select the special district representative.

It is recommended that the Commission adopt the resolution declaring the results of the election to select a Special District Regular Member to serve on LAFCO.

**EXECUTIVE OFFICER'S REPORT:**

On April 19, Rachél Lather was elected to fill a Special District Member (Regular) Commissioner position. Commissioner Lather is a member of the Soquel Creek Water District. Commissioner Lather will fill the Regular seat that had been held by Tom LaHue. The term of this seat will expire on May 6, 2023. Attached is a resolution declaring the results of the election.

**Special District Alternate Member Seat Vacancy**

A second election will be held to fill the Special District Member (Alternate) seat vacated by Commissioner Lather as a result of her recent selection. Call for nominations were sent out on April 24. LAFCO staff anticipates introducing the new Alternate member at the August 7 LAFCO meeting.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Joe A. Serrano".

Joe A. Serrano  
Executive Officer

Attachment: 2019 Special Districts Election Results Resolution (No. 2019-8)

cc: Independent Special District Selection Committee

LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

RESOLUTION NO. 2019-8

On the motion of Commissioner  
Duly seconded by Commissioner  
The following resolution is adopted:

ADOPTING THE INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE -  
LAFCO REGULAR MEMBER SELECTION RESULTS FOR A TERM ENDING ON  
THE FIRST MONDAY IN MAY 2023

\*\*\*\*\*

WHEREAS, a vacancy for the Special District Member (Regular) Commissioner was created by the completion of Tom LaHue's term as LAFCO Commission in May 2019; and

WHEREAS, the Executive Officer determined that a mailed-in election process for the purpose of selecting the Special District Member (Regular) Commissioner was appropriate and consistent with the policies outlined in the Commission's Independent Special District Selection Committee Rules of Procedure; and

WHEREAS, an election of the Special District Member (Regular) Commission to serve a four-year term of office on the Commission was called as required by law, and the election process concluded on April 19, 2019; and

WHEREAS, LAFCO staff received a total of 13 ballots by the April 19, 2019 deadline; and

WHEREAS, the results of the election are hereby declared as follows: Edward Banks (5 votes) and Rachél Lather (8 votes); and

WHEREAS, the Commission's adopted policy states that a candidate for a regular or alternate member of the Commission must receive at least a majority of the votes cast in order to be selected; and

WHEREAS, it is now necessary and appropriate for the Commission to declare the results of the election, and for the newly elected Member take an oath of office and be seated with the Commission.

NOW, THEREFORE, BE IT RESOLVED, that Rachél Lather is hereby declared to be elected to the position of Special District Member (Regular) Commission pursuant to the above declared election results.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this first day of May 2019 by the following vote:

AYES:

NOES:

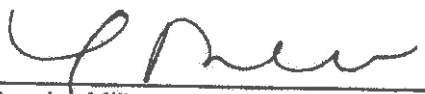
ABSENT:

\_\_\_\_\_  
JAMES W. ANDERSON, CHAIRPERSON

Attest:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

Approval as to form:

  
\_\_\_\_\_  
T. Brooke Miller  
LAFCO Counsel



LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

701 Ocean Street, #318-D

Santa Cruz, CA 95060

Phone Number: (831) 454-2055

Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

Email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)

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REGULAR MEETING AGENDA

Wednesday, May 1, 2019

10:00 a.m.

Board of Supervisors Chambers

701 Ocean Street, Fifth Floor (Room 525)

Santa Cruz, California

1. ROLL CALL

2. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the March 6th LAFCO meeting.

Recommended Action: Approve the minutes as presented with any desired changes.

3. ORAL COMMUNICATIONS

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on an off-agenda item(s) unless authorized by law.

4. PUBLIC HEARING

Public hearing items require expanded public notification per provisions in State law, directives of the Commission, or voluntarily placed by the Executive Officer to facilitate broader discussion.

a. Proposed Final Budget for Fiscal Year 2019-20

The Commission will consider the adoption of the Final Fiscal Year 2019-20 Budget.

Recommended Action:

- 1) Receive a report from the Executive Officer; and
- 2) Adopt the final budget and resolution for Fiscal Year 2019-20.

b. Service and Sphere Review for County Service Area 3

The Commission will consider the adoption of the municipal service review and sphere of influence study for County Service Area 3 (Aptos Seascape).

Recommended Action:

- 1) Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
  - 2) Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence;
  - 3) Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 3, and review and update, as necessary; and
  - 4) Adopt the 2019 Service and Sphere Review for County Service Area 3.
- c. **Service and Sphere Review for County Service Area 57**  
The Commission will consider the adoption of the municipal service review and sphere of influence study for County Service Area 57 (Woods Cove).

Recommended Action:

- 1) Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
- 2) Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence;
- 3) Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 57, and review and update, as necessary; and
- 4) Adopt the 2019 Service and Sphere Review for County Service Area 57.

**5. OTHER BUSINESS**

Other business items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

**a. Special Districts Regular Member Seat – 2019 Election Results**

The Commission will receive an update on the recent election process to select a Special District representative for the regular member seat on LAFCO.

Recommended Action: Adopt a Resolution declaring the results of a selection process.

**b. Mid-Year Adjustment to the Fiscal Year 2018-19 LAFCO Budget**

The Commission will consider approving a one-time fund transfer from Professional Services to Salaries and Benefits.

Recommended Action: Adopt a Resolution transferring funds from Professional Services to Salaries & Benefits.

**c. Status of Active Proposals**

The Commission will receive an update on active proposals as well as other related matters pending before LAFCO.

Recommended Action: Receive and file report.

**6. SPECIAL BUSINESS**

**a. Resolution of Appreciation for Commissioner Lowell Hurst, upon his Retirement from Elected Office, for Distinguished Public Service and Leadership**

The Commission will consider the adoption of a resolution of appreciation for Commissioner Hurst's five years of service on LAFCO.

Recommended Action: Adopt Resolution and receive presentation by Chair Jim Anderson.

**b. Resolution of Appreciation for Commissioner Tom LaHue, upon his Retirement from Elected Office, for Distinguished Public Service and Leadership**

The Commission will consider the adoption of a resolution of appreciation for Commissioner LaHue's four years of service on LAFCO.

Recommended Action: Adopt Resolution and receive presentation by Chair Jim Anderson.

**c. Resolution of Appreciation for Commissioner Donna Lind, upon her Retirement from Elected Office, for Distinguished Public Service and Leadership**

The Commission will consider the adoption of a resolution of appreciation for Commissioner Lind's seven years of service on LAFCO.

Recommended Action: Adopt Resolution and receive presentation by Chair Jim Anderson.

**d. Resolution of Appreciation for Executive Officer Pat McCormick, upon his Retirement from LAFCO, for Distinguished Public Service and Leadership**

The Commission will consider the adoption of a resolution of appreciation for Pat McCormick's 38 years of service as LAFCO's Executive Officer.

Recommended Action: Adopt Resolution and receive presentation by Chair Jim Anderson.

**7. WRITTEN CORRESPONDENCE**

None



## 8. PRESS ARTICLES

LAFCO staff monitors local newspapers, publications, and other media outlets for any news affecting the county, cities, districts, and communities in Santa Cruz County. Articles are presented to the Commission on a periodic basis.

### a. Press Articles during the Months of March and April

The Commission will receive an update on recent news occurring around the county.

Recommended Action: Receive and file report.

## 9. COMMISSIONERS' BUSINESS

This is an opportunity for Commissioners to comment briefly on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken, except to place the item on a future agency if approved by Commission majority. The public may address the Commission on these informational matters.

## 10. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, June 5, 2019 at 10:00 a.m.

### ADDITIONAL NOTICES:

#### Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from an applicant, any financially interested person who actively supports or opposes an application, or an agency (such as an attorney, engineer, or planning consultant) representing an applicant or interested participant. The law also requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding.

The Commission prefers that the disclosure be made on a standard form that is filed with the Commission's Secretary-Clerk at least 24 hours before the LAFCO hearing begins. If this is not possible, a written or oral disclosure can be made at the beginning of the hearing. The law also prohibits an applicant or other participant from making a contribution of \$250 or more to a LAFCO Commissioner while a proceeding is pending or for 3 months afterward. Disclosure forms and further information can be obtained from the LAFCO office at Room 318-D, 701 Ocean Street, Santa Cruz CA 95060 (phone 831-454-2055).

#### Contributions and Expenditures Supporting and Opposing Proposals

Pursuant to Government Code Sections §56100.1, §56300(b), §56700.1, §59009, and §81000 et seq., and Santa Cruz LAFCO's Policies and Procedures for the Disclosures of Contributions and Expenditures in Support of and Opposition to proposals, any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more or expends a total of \$1,000 or more in support of or opposition to a LAFCO Proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Santa Cruz County Elections Department, 701 Ocean Street, Room 210, Santa Cruz CA 95060 (phone 831-454-2060).

More information on the scope of the required disclosures is available at the web site of the Fair Political Practices Commission: [www.fppc.ca.gov](http://www.fppc.ca.gov). Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

#### Accommodating People with Disabilities

The Santa Cruz Local Agency Formation Commission 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 Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 72 hours in advance of the meeting to make arrangements. For TDD service the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

#### Late Agenda Materials

Pursuant to Government Code Section 54957.5 public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be available to the public at Santa Cruz LAFCO offices at 701 Ocean Street, #318D Santa Cruz CA 95060 during regular business hours. These records when possible will also be made available on the LAFCO website at [www.santacruzlafco.org](http://www.santacruzlafco.org). To review written materials submitted after the agenda packet is published, contact the LAFCO Secretary-Clerk at the LAFCO office or in the meeting room before or after the meeting.