



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Board of Directors

Agenda

Wednesday, January 8, 2020, 6:00 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

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 December 11, 2019

4.2 Payroll: Approve December Payroll 25 and 26 in the amount of: \$344,123.82

4.3 Expenditures: Approve Expenditures for December in the Amount of:

General Fund:	\$ 95,376.70
SCHMIT:	<u>\$ 95,353.39</u>
TOTAL:	\$190,730.09

5. Action Items

5.1 Approve Resolution 2020-1: Resolution Requesting Transfer of Funds to Purchase SCBA Packs, Discussion/Action

5.2 Approve Resolution 2020-2: Resolution to Report State Mandated Fire Inspections

Scotts Valley Fire Protection District
Board of Directors Meeting for January 8, 2020
Agenda

- 5.3 Accept and File the District's Financial Audit for Fiscal Year Ending June 30, 2019, Discussion/Action
- 5.4 Consider Adding the Interagency Advisory Standing Committee and Revision to Policy 2101: Board Committee Appointments, Discussion/ Action
- 5.5 Board Committee Appointments per Policy 2101, Discussion/Action
Standing Committees:
 - Finance and Planning
 - Organization and Personnel
 - Facilities and Equipment
 - Interagency Advisory (Pending Standing Committee Revision)

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 Confidential Employees Group – Opening of Negotiations Request
- 7.2 Patel Family Thank You Letter
- 7.3 Ventura County Fire Department Thank You Letter
- 7.4 Member of Congress, Anna Eshoo Thank You Letters
- 7.5 Pagoda Technologies Second Harvest Food Bank Donation on Behalf of the SVFPD

8. Request for Future Agenda Items

9. Adjournment

Next Regularly Scheduled Board Meeting:
Wednesday, February 12, 2020 at 6:00 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 December 11, 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, December 11, 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, Battalion Chief McNeil 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 November 13, 2019

4.2 Payroll: Approve November Payroll 23 and 24 in the amount of: \$379,235.88

4.3 Expenditures: Approve Expenditures for November in the Amount of:

<u>General Fund:</u>	\$94,309.74
<u>Capital Outlay/Zone A:</u>	\$ 3,499.74
<u>SCHMIT:</u>	\$ 1,583.58
<u>TOTAL:</u>	\$99,393.06

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

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

5. Action Item

5.1 Consider Changing Regular Board Meeting Time and Revision to Policy 2100: Policy for Conducting Board Meetings, Discussion/Action

SCOTTS VALLEY FIRE PROTECTION DISTRICT
Regular Board Meeting December 11, 2019

The Board discussed changing the Regular Meeting to an earlier time and considered Staff and Board Director schedules and the public.

On motion of Director Harmon seconded by Director Parker to *Change the Start Time to 6:00 p.m. and Amend Policy 2100 to Reflect the New Time* was approved by the following vote:

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

5.2 Adopt Regular Board Meeting Dates for 2020, Discussion/Action

Chief Kovacs stated that the Board Meeting for November 11, 2020 falls on Veterans Day so the Regular Meeting can be held on Veterans Day, rescheduled to a different day or cancelled. In the past, the November Agenda has been light, so cancelling the meeting should not be an issue.

On motion of Director Parker seconded by Director Pisciotta to *Adopt the Regular Board Meeting Dates for 2020 Including No Meeting in November and Revision to the Start Time at 6:00 p.m.* was approved by the following vote:

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

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

None

6.2 Administrative Report – Chief Officers

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

- SCCFAIG will be implementing a quick approval process for common procedures and medications.
- We did not receive the AFG SCBA Grant, but will be applying again. In the meantime, we will need to make an SCBA purchase, which will be on the January Agenda.
- The December Property Tax allocation should be received in the next few days.
- The Santa Cruz County Bank CalPERS Side Fund Loan will be paid off on Tuesday next week.

7. Correspondence

7.1 Scotts Valley High School Thank You Card

The Board received and filed the correspondence.

8. Request for Future Agenda Items

None

9. Election of Board Officers for Calendar Year 2020, Discussion/Action

9.1 President

Director Patterson nominated Director Pisciotta for Board President.

SCOTTS VALLEY FIRE PROTECTION DISTRICT

Regular Board Meeting December 11, 2019

On motion of Director Patterson seconded by Director Harmon to *Elect Director Pisciotta for Board President* was approved by the following vote:

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

9.2 Vice-President

Director Patterson nominated Director Campbell for Board Vice-President.

On motion of Director Patterson seconded by Director Pisciotta to *Elect Director Campbell for Board Vice-President* was approved by the following vote:

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

10. Adjournment

The meeting was adjourned at 6:43 p.m.

ATTEST

Daron Pisciotta
Board President

Steve M. Kovacs
Board Secretary

		Date Range from 11/16/2019 To 12/13/2019	
PAYROLL	ACCT.#	PP	TOTALS
Regular Pay	51000	25	\$127,279.59
		26	\$127,279.59
Overtime	51005	25	\$4,361.89
		26	\$2,532.90
Regular Pay, Extra Help (PCF)	51010	25	\$2,040.00
		26	\$0.00
Regular Pay, Sick Leave	51015	25	\$0.00
		26	\$0.00
Regular Callback Pay	51025	25	\$34,154.64
		26	\$13,723.09
Holiday Pay	51035	25	\$0.00
		26	\$0.00
Differential Pay	51040	25	\$6,717.57
		26	\$6,717.57
Regular Pay, Sick Leave Reserve	55020	25	\$0.00
		26	\$0.00
Misc Benefits, Vacation Payoff	55021	25	\$4,451.81
		26	\$14,865.17
Directors Fees	62327	25	\$0.00
		26	\$0.00
TOTAL PAYROLL			\$344,123.82

CLAIMS BY GL OBJ

01/02/2020

Filter: (Claim Date is between 12/01/2019
and 12/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
GL Key: 685010			
GL Obj: 53010 Group Health - Dental Insurance			
12/11/2019	HEALTH CARE EMPLOYEES/EMPLOYER DENTAL TRUST	Dental Ins.- 12/2019	\$5,435.48
12/18/2019	FDAC EBA	Life & Vision Ins.- 1/2020	\$1,147.21
12/18/2019	MICHAEL MCMURRY	Retiree Health Ins.- 1/2020	\$1,583.36
12/18/2019	TIM THEILEN	Retiree Health Ins. - 1/2020	\$674.35
12/18/2019	MIKE PHINN	Retiree Health Ins.- 1/2020	\$422.96
12/18/2019	SAL LOFRANCO	Retiree Health Ins.- 1/2020	\$542.70
12/18/2019	MIKE BIDDLE	Retiree Health Ins.- 1/2020	\$983.29
12/26/2019	CALPERS RETIREMENT SYSTEM	Health Ins.- 1/2020	\$47,715.61
12/26/2019	HEALTH CARE EMPLOYEES/EMPLOYER DENTAL TRUST	Dental Ins.- 1/2020	\$4,845.42
SubObject Total			\$63,350.38
GL Obj: 61110 Clothing & Personal Supplies			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	LN Curtis- 3x5 Gal Pails of Turnout Cleaner Feld Fire- Station Boots- Laine UPS- PPE Exchange Shipping	\$857.38
SubObject Total			\$857.38
GL Obj: 61125 Uniform Clothing Allowance			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Hook-Fast- Name Tags & Service Awards Hook-Fast- Class A & B Collar Brass	\$567.89
SubObject Total			\$567.89
GL Obj: 61221 Telephone & Telegraph			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Comcast- VF1 Internet & Phones 10/20-11/19/19 Comcast- VF2 Internet & Phones 10/21-11/20/19 Verizon- Cellular 10/5-11/4/19	\$1,114.13
SubObject Total			\$1,114.13
GL Obj: 61310 Food			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Safeway-EMSIA Meeting Refreshments Costco-Water Safeway-Board Workshop Refreshments Golden Locus-CalPERS Conference Dinner Nob Hill-Pre-Positioning ST Meal Pizza My Heart-Pre-Positioning ST Meal	\$852.23
SubObject Total			\$852.23

CLAIMS BY GL OBJ

01/02/2020

Filter: (Claim Date is between 12/01/2019
and 12/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
GL Obj: 61425 Household Expense			
12/11/2019	MID VALLEY SUPPLY	Station Supplies	\$154.19
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Costco- Station Supplies	\$287.29
		Amazon- 409 Refill and Windex	
		Amazon- Portable Generator, Batteries	
		Amazon- Mattress Pad	
SubObject Total			\$441.48
GL Obj: 61720 Maintenance - Mobile Equipment			
12/05/2019	SCARBOROUGH LUMBER & BUILDING	Screws, Car Wash	\$33.87
12/11/2019	L.N. CURTIS & SONS	Hose Gaskets and Pump Ball Valve Kit	\$220.16
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Amsoil- Oil for E2510,2511,2512,2594	\$1,343.48
		Lloyds Tire- 2591 Right Tire Replacement	
		LN Curtis- TIC Lanyard	
		Fire Penny- 2512 Replacement Kussmaul Cover	
		Larry Auto Care- U2593 Smog	
12/18/2019	GOLDEN STATE FIRE APPARATUS	Husky 3 Foam Pump Seal Kit, Husky 3 Oil Filter, Y Strainers	\$806.54
12/26/2019	ALLSTAR FIRE EQUIPMENT, INC.	Roll Pin and Handle for Gated Wye	\$41.37
12/26/2019	NAPA AUTO PARTS	Air Filters, Oil Filters, Anti Freeze, Blades	\$1,252.86
SubObject Total			\$3,698.28
GL Obj: 61725 Maintenance - Office Equipment			
12/05/2019	PAGODA TECHNOLOGIES INC.	Computer Management- 12/2019	\$1,122.12
12/05/2019	PAGODA TECHNOLOGIES INC.	Glenwood Printer Set Up	\$50.00
SubObject Total			\$1,172.12
GL Obj: 61730 Maintenance - Other Equipment			
12/05/2019	SCARBOROUGH LUMBER & BUILDING	Masking Tape, Screws, Chain Saw Sharpener	\$127.82
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Costco- Batteries	\$239.94
		AGT Battery Supply- Mortorola Minitor 5&6 Batteries	
		Amazon- Flashlight Batteries	
12/18/2019	TRI AIR TESTING, INC.	NFPA 1989 2019 Edition Air Analysis, TTKM89	\$471.44
		Tri Test Kit Media Moisture	
12/26/2019	SANTA CRUZ FIRE EQUIPMENT	Test SCBA Cylinders	\$324.00
SubObject Total			\$1,163.20
GL Obj: 61845 Maintenance - Buildings & Grounds			
12/05/2019	AIR EXCHANGE	Plymovent Repair	\$1,413.74
12/05/2019	AIR EXCHANGE	Grabber & Sensor Replaced	\$414.20
12/05/2019	GREG BELLOWS PLUMBING INC	Urinal Repair	\$149.00
12/05/2019	SCARBOROUGH LUMBER & BUILDING	Garbage Disposer Gasket, Flat Vent, Caulk, Sealer	\$308.54
12/11/2019	AIR EXCHANGE	VF1 Plymovent Service Call	\$791.34
12/11/2019	AIR EXCHANGE	VF2 Plymovent Service Call	\$198.38

CLAIMS BY GL OBJ

01/02/2020

*Filter: (Claim Date is between 12/01/2019
and 12/31/2019)(Pre-Approved Excluded)*

Claim Date	Vendor	Message	Amount
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Home Depot- VF1 Sink Faucet Amazon- Admin Office Light Bulbs Amazon- Replacement Caster Wheels Bay Plumbing- VF1 Toilet Repair Conner Water Systems- VF1 Monthly Water Softener	\$500.55
12/18/2019	WESTERN EXTERMINATOR COMPANY	VF2 Bug Service- 11/2019	\$57.50
12/18/2019	WESTERN EXTERMINATOR COMPANY	VF1 Bug Service- 1/2020	\$57.50
12/26/2019	GREG BELLOWS PLUMBING INC	VF1 Preventative Maintenance	\$400.07
12/26/2019	GREG BELLOWS PLUMBING INC	VF2 Preventative Maintenance	\$277.00
SubObject Total			\$4,567.82
GL Obj: 61920 Medical Supplies			
12/26/2019	BOUND TREE MEDICAL, LLC	Gloves, Glucometer Strips, Suction Unit	\$892.29
SubObject Total			\$892.29
GL Obj: 62020 Memberships			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	SafetyBeltSafe USA- Tech Membership- Bridges	\$135.00
SubObject Total			\$135.00
GL Obj: 62223 Office Supplies			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Amazon- Admin Bell Amazon- Printable Business Cards UPS- Motorola Pager Repair Shipping Amazon- VF2 Printer/Scanner/Fax UPS- TIC Camera Return Shipping Amazon- Command Hooks	\$618.20
SubObject Total			\$618.20
GL Obj: 62301 Accounting & Auditing Fees			
12/11/2019	PEHLING & PEHLING CPAS, AN ACCOUNTANCY CORPORATION	Audit 2018/2019 Final Payment	\$4,292.00
SubObject Total			\$4,292.00
GL Obj: 62358 Laundry Service			
12/18/2019	SCOTTS VALLEY CLEANERS	Dry Cleaning- Aug-Nov 2019	\$177.00
SubObject Total			\$177.00
GL Obj: 62381 Professional & Specialized Services			
12/18/2019	GENE MICHALAK	BRD Video- 12/11/19	\$125.00
12/26/2019	CSG CONSULTANTS, INC.	Fire Plan Review- 22 Blake Ln., 5011 SV Drive, 1 Wells Rd., 3650 Graham Hill Rd., 155 Michael Lane.	\$350.00
SubObject Total			\$475.00

CLAIMS BY GL OBJ

01/02/2020

Filter: (Claim Date is between 12/01/2019
and 12/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
GL Obj: 62715 Small Tools & Equipment			
12/05/2019	SCARBOROUGH LUMBER & BUILDING	Stripping Pad, Bulb, Key Krafter, Key Case, Screws, O-Rings	\$41.74
SubObject Total			\$41.74
GL Obj: 62888 District Special Expense			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Fire Safety Education- Pub Ed Fire Hats	\$900.00
SubObject Total			\$900.00
GL Obj: 62914 Education & Training			
12/05/2019	JOSH NEHF	DMV-Class B Permit Charge	\$78.00
12/05/2019	SCARBOROUGH LUMBER & BUILDING	Training Prop Supplies	\$116.42
12/11/2019	ACTIVE WELLNESS LLC	Yoga 11/2019	\$900.00
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Marriott-CalPERS Conference-Walton Fire Nuggets-Nozzle Forward -Pedemonte, Crivello, Post, Rothweiler, Post, Nehf , Sundermier, Todd Marriott-FDAC Lodging-Todd, Vandervoort, Pedemonte, Kovacs , Petteys	\$4,733.10
SubObject Total			\$5,827.52
GL Obj: 62920 Gas, Oil & Fuel			
12/05/2019	FLYERS ENERGY LLC	Fuel/Diesel	\$643.27
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Summit Gas- Strike Team XCZ2327C Fuel Summit Gas- Strike Team XCZ2327C Fuel Chevron- Cal Chiefs Training Fuel Loves Fuel- Fresno Symposium Fuel Valero- U2591 Fuel for Conference	\$432.85
SubObject Total			\$1,076.12
GL Obj: 63070 Utilities			
12/05/2019	CITY OF SCOTTS VALLEY	Sewer- VF2 Sewer 9/15-11/15/19	\$114.42
12/05/2019	CITY OF SCOTTS VALLEY	Sewer- VF1 9/16-11/15/19	\$162.58
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	SV Water District- VF2 Recycle Water/RW 10/1-10/31/19 SV Water District- VF2 Water 8/9-10/7/19 SV Water District- VF1 Water 8/6-10/4/19 Greenwaste- VF1 Trash & Recycle 10/1-10/31/19	\$1,270.24
12/18/2019	PG&E	VF1 Gas 11/6-12/6/19	\$199.44
12/18/2019	PG&E	VF2 Gas 11/6-12/6/19	\$198.61
12/18/2019	COUNTY OF SANTA CRUZ - PUBLIC WORKS DEPARTMENT	Woodwaste Disposal	\$16.00
12/26/2019	PG&E	VF1 Electric 11/5-12/5/19	\$704.88
12/26/2019	PG&E	VF2 Electric 11/5-12/5/19	\$490.75

CLAIMS BY GL OBJ

01/02/2020

Filter: (Claim Date is between 12/01/2019
and 12/31/2019)(Pre-Approved Excluded)

Claim Date	Vendor	Message	Amount
SubObject Total			\$3,156.92
Index Total			\$95,376.70

CLAIMS BY GL OBJ

01/02/2020

*Filter: (Claim Date is between 12/01/2019
and 12/31/2019)(Pre-Approved Excluded)*

Claim Date	Vendor	Message	Amount
GL Key: 685040			
GL Obj: 61221 Telephone & Telegraph			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Verizon- SCHMIT Cellular 10/5-11/4/19	\$38.17
SubObject Total			\$38.17
GL Obj: 61725 Maintenance - Office Equipment			
12/18/2019	WILKINS CONSULTING	Replace Cracked Laptop Screen	\$210.00
SubObject Total			\$210.00
GL Obj: 62365 Management Services			
12/27/2019	SCOTTS VALLEY FIRE DISTRICT	19/20 SCHMIT Differential Reimbursement - Management	\$5,000.00
SubObject Total			\$5,000.00
GL Obj: 62715 Small Tools & Equipment			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Amazon- Tempanic Themometer and Cover	\$58.84
SubObject Total			\$58.84
GL Obj: 62920 Fuel			
12/13/2019	U.S. BANK CORPORATE PAYMENT SYSTEM	Valero- Fuel for HM2560	\$46.38
SubObject Total			\$46.38
GL Obj: 75268 Reimb of Costs to Agencies			
12/27/2019	SCOTTS VALLEY FIRE DISTRICT	19/20 SCHMIT Differential Reimbursement	\$20,000.00
12/27/2019	APTOS/LA SELVA FIRE DISTRICT	19/20 SCHMIT Differential Reimbursement	\$5,000.00
12/27/2019	SANTA CRUZ FIRE DEPARTMENT	19/20 SCHMIT Differential Reimbursement	\$35,000.00
12/27/2019	WATSONVILLE FIRE DEPARTMENT	19/20 SCHMIT Differential Reimbursement	\$30,000.00
SubObject Total			\$90,000.00
Index Total			\$95,353.39
Grand Total			\$190,730.09

SCOTTS VALLEY FIRE PROTECTION DISTRICT

RESOLUTION NO. 2020-1

RESOLUTION REQUESTING TRANSFER OF FUNDS

WHEREAS, the Scotts Valley Fire Protection District is in need of a transfer of funds from the Capital Outlay/Zone A Fund Contingencies Account (98700) to the Capital Outlay/Zone A Account (86204); and

WHEREAS, such funds are set forth in the 2019/2020 FY budget;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller transfers funds in the amount of \$100,000.00 as follows:

Funds hereby transferred from:

<u>Index Number</u>	<u>Subobject Number</u>	<u>Account Name</u>	<u>Amount</u>
685030	98700	Contingencies	\$100,000.00

And that such funds be and are hereby transferred to:

<u>Index Number</u>	<u>Subobject Number</u>	<u>Account Name</u>	<u>Amount</u>
685030	86204	Equipment – SCBA Packs	\$100,000.00

PASSED AND ADOPTED by the Board of Directors of the Scotts Valley Fire Protection District, County of Santa Cruz, State of California, this 8th day of January 2020, by the following vote:

	<u>AYES</u>	<u>NOES</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Director Robert Campbell				
Director Edward Harmon				
Director Joseph Parker				
Director Russ Patterson				
Director Daron Pisciotta				

ATTEST:

Steve M. Kovacs
Board Secretary

Daron Pisciotta
Board President

cc: County Auditor/Controller

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

Expenditure Summary		
Account #	Category	Amount
	Services and Supplies	
61110	Clothing & Personal Supplies	30,000
61845	Maintenance Structure & Grounds	55,000
62223	Office Supplies	4,000
62301	Accounting & Auditing Fees	1,700
62381	Professional Services	75,000
62715	Small Tool	1,500
	Total Services and Supplies	167,200
	Fixed Assets	
86110	Structures and Improvements	45,000
86204	Equipment	75,500
	Total Fixed Assets	120,500
	Operating Transfer Out	
90000	Transfer to General Fund (685010)	
	Total Operating Transfer Out	225,479
	Appropriation for Contingencies	
98695	General Reserves	966,170
98700	Contingencies	100,000
	Total Appropriation for Contingencies	1,066,170
	Total Expenditures	1,579,349

SCOTTS VALLEY FIRE PROTECTION DISTRICT

RESOLUTION NO. 2020-2

RESOLUTION TO REPORT STATE MANDATED FIRE INSPECTIONS

WHEREAS, in accordance with Senate Bill 1205 (SB 1205), it is the responsibility of the Fire District to report to Board of Directors the state mandated inspections identified, assigned to and completed by Fire District personnel; and

WHEREAS, the current state mandated total within the Scotts Valley Fire Protection District is identified as 22. These are comprised of E (Educational), I (Institutional), R1 (Hotels and Motels), R2 (Apartments);

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that as of the date on this resolution, a total of 22 inspections have been completed for 2019. The Fire District is resolved to complete 100% of known state mandated inspections on an annual basis in accordance with SB 1205.

PASSED AND ADOPTED by the Board of Directors of the Scotts Valley Fire Protection District, County of Santa Cruz, State of California, this 8th day of January 2020, by the following vote:

<u>AYES</u>	<u>NOES</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
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Director Robert Campbell
Director Edward Harmon
Director Joseph Parker
Director Russ Patterson
Director Daron Pisciotta

ATTEST:

Steve M. Kovacs
Board Secretary

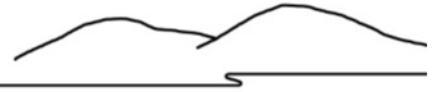
Daron Pisciotta
Board President

Scotts Valley Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2019



September 9, 2019

Scotts Valley Fire Protection District

Scotts Valley, CA

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Scotts Valley Fire Protection District as of and for the year-ended June 30, 2019, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

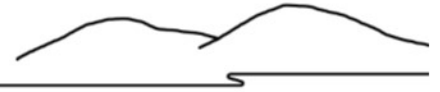
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scotts Valley Fire Protection District as of June 30, 2019, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

Zach Pehling, CPA

Scotts Valley Fire Protection District

**Audit Report
June 30, 2019**

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SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Steve M. Kovacs
Fire Chief

September 9, 2019

The Scotts Valley Fire Protection District (District) provides fire protection services to a twenty-two and one-half square mile area of Santa Cruz County from the Santa Cruz city limits to Spanish Oaks and from Henry Cowell State Park to Glen Canyon/Vine Hill Roads and includes all of the City of Scotts Valley. The population of the District is approximately eighteen thousand six hundred, including about eleven thousand within the city limits. The District is a separate government body, not part of the City of Scotts Valley, known as a California Special District and is governed by an elected board of five citizens. This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management's discussion and analysis; the basic financial statements consisting of government-wide financial statements, and fund financial statements (governmental and fiduciary); notes to the financial statements; and required supplementary information.

The basic government-wide and fund financial statements present the financial results on different methods of accounting. Included in the financial statements are reconciliations that explain the difference between the two methods.

Government-wide financial statements are prepared on the modified accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Net Position (Statement A) and Statement of Activities. The Statement of Net Position reports all assets and liabilities, both financial and capital, and short-term and long-term, of the District. The Statement of Activities reports all revenue and expenses during the year, regardless of when cash was received or paid.

Governmental Funds financial statements are prepared on the modified accrual basis of accounting and current financial resources focus. This is the traditional form for our financial statements. The required financial statements are Balance Sheet, and Statement of Revenues, Expenditures, and Changes in Fund Balances. The Balance Sheet shows only assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during or soon after the end of the year.

Board of Directors

Robert Campbell Ed Harmon Joe Parker Russ Patterson Daron Pisciotta

Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position explains the differences between the two balance sheets. Reconciliation of the Statement Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities traces the change in fund balances to the change in net position.

Governmental Fiduciary financial statements for the Hazardous Materials Interagency Team are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Fiduciary Net Position and Statement of Activities and Changes in Fiduciary Net Position. The Statement of Net Position reports all assets and liabilities, both financial and capital, and short-term and long-term of the fund. The Statement of Activities reports all revenue and expenses of the fund during the year, regardless of when the cash is received or paid.

The Government-Wide and Governmental Funds financial statements show the results of the following funds:

General Fund - This fund is used to finance the operations of the District. Tax revenues are placed in the General Fund and regular operating expenses are charged here. Funds to be used for capital equipment, buildings and projects are transferred from the General Fund to the Capital Outlay Fund.

Zone A - A legally formed zone of benefits established in 1969 that receives revenues and makes expenditures designated for capital projects that benefit a specific zone in the southern portion of the District. Zone A's Board of Directors is the same as the board of Directors of the Fire District.

Capital Outlay Fund - Used to separate funds for capital equipment, building and projects. All capital expenditures are taken from this fund. Funds in this account come from revenue transferred from the General Fund to be used for capital improvements, the sale of existing assets (such as land), grants, and interest received on the balance of the fund.

The fiduciary fund financial statements show the results of the following:

Santa Cruz Hazardous Materials Interagency Team (SCHMIT) - The District reports the resources held and administered by the District in acting in a fiduciary capacity for other agencies involved in the Team. Operational funding is received through a memorandum of understanding with Santa Cruz County, UCSC, City of Scotts Valley, City of Capitola, City of Santa Cruz, City of Watsonville, and the California State Parks. Additional funding had been received from grants.

Financial Analysis of the District as a Whole

Net Position - The District's net change in net position was \$1,086,877 for the fiscal year ended June 30, 2019. The adoption of GASB 68 put the district in a negative net position with further negative net position from the adoption of GASB 74/75. The negative net position will not adversely effect the District as the positive fund balance will allow the District to continue to offer services to the public. Approximately 50 percent of the \$7,852,065 in assets, \$3,889,672 are invested in capital assets (net of accumulated depreciation and related debt).

Financial Analysis of the District's Funds

Governmental fund balances increased by \$750,081. The main reason for the difference between the \$1,086,877 increase in District net position and the \$750,081 increase in fund balances is timing differences in accounting for expenditures, principal payments made on long-term liabilities, and the difference in accounting for fixed asset purchases and depreciation.

Budgetary Highlights

General Fund revenue was 9.72% better than the budgeted \$714,649, with tax revenue 2.79% better, at \$184,236.

Salaries and benefits were \$6,482 (.10%) under budget. Services and supplies were \$39,892 (5.29%) under budget. This was due to small differences both favorable and unfavorable between budgeted and actual expenditures in the thirty separate accounts that make up this category.

Total General Fund expenditures were \$96,683 (1.26%) less than the amount budgeted, including contingency appropriation, which did not need to be used during the year.

Capital expenditures were under budget by \$30,808.

Capital Assets

As of June 30, 2019, the District had invested \$6,999,351 in a broad range of capital assets including land, structures and improvements, equipment, and construction in progress.

Long-Term Liabilities

At June 30, 2019 the District had \$14,169,728 in long-term liabilities which consists of postemployment benefits obligation and the loan obtained for the payment of the CalPERS Side Fund Liability and the Net Pension Liability. The other postemployment benefits obligation is a result of the implementation of GASB 74/75. Detailed information can be found in Note 6 to the financial statements.

During the year ended June 30, 2011, the District paid off the CalPERS Side Fund Liability and obtained funding for the payment from Santa Cruz County Bank. The outstanding loan balance was \$1,497,870 as of June 30, 2019.

Economic Factors and Next Year's Budget

The District's main source of revenue is property tax. Estimates from the Santa Cruz County Auditor project a 4.5% growth in the secured property tax (real estate). The District has budgeted the 4.5% growth in the property tax elements for the General Fund and Capital Outlay/Zone A. Other non-tax elements of revenue are projected using past trends. There is potential for variances due to re-assessments of real property values and new construction within the District.

Total budgeted General Fund expenditures for fiscal year 2019/2020, is \$10,225,463, which includes reserve funds. Salaries and Benefits budget includes a 3% salary increase. All authorized positions are funded this year. The District's contribution to the CalPERS retirement program is 20.073% of payroll plus an annual Unfunded Accrued Liability payment of \$636,480 for the Safety plan and 10.221% of payroll plus an annual Unfunded Accrued

Liability payment of \$15,909 for the Miscellaneous Employee plan. Safety members contribute an additional 9% of salary to CalPERS for retirement and the miscellaneous members contribute 7% of salary.

The employer rate for new CalPERS safety employees hired after January 1, 2013, is 13.034% of payroll and non-safety employees are 6.985% of payroll.

This represents a budgeted amount of \$1,264,763, which is an increase of \$170,527 over 2018/2019 payable to CalPERS. In addition, \$1,792,000 has been budgeted to pay off the side fund loan with Santa Cruz County Bank.

Health insurance is budgeted for an increase effective January 1, 2020. Retiree health insurance is budgeted at \$76,256, a decrease of \$1,549 over last year due to a slight decrease in the maximum allowable plan.

Workers compensation insurance is \$232,462, an increase of \$37,617 over last year.

The Services and Supplies budget is \$765,060, an increase of \$40,660 over last year.

The Contributions to Other Agencies are for the District's share of the LAFCO budget at \$9,500, an increase of \$500 over last year.

The Capital Outlay and Zone A Budgets have been combined due to the County Auditor's Office advising the District that the current Zone A Budget account is only a Revenue Account and expenditures are not allowed to be taken from that Fund. The solution to rectify this, was to combine the Zone A and Capital Outlay Budgets into one, which allows for revenue to be received and expenditures to be paid from the same budget. This also reduces the number of budgets required to be managed by the District and County, from four to three.

The beginning balance of the Capital Outlay/Zone A fund is \$1,444,071. A 4.5% increase in property tax revenue is estimated for this fiscal year. The Service and Supplies Budget is \$167,200, Fixed Assets for Fire Facilities upgrades and Equipment is \$120,500, a Transfer to the General Fund in the amount of \$225,479 for the Side Fund Loan Payoff, \$966,170 in Reserves for future expenditures and \$100,000 for contingencies.

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) is \$52,188. Services and supplies are to support the operating costs of the team in the amount of \$75,000, 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, which accounts for 28 total members.

Contacting the Districts Financial Management

This financial statement is designed to provide a general overview of the District's finances. If you have questions about these financial statements or need additional financial information, contact the District's office at 7 Erba Lane, Scotts Valley, California 95066. Financial statements from previous fiscal years may be found on the District's website at www.scottsvalleyfire.com.

GOVERNMENT FUNDS FINANCIAL STATEMENTS

Scotts Valley Fire Protection District

**Balance Sheet
June 30, 2019**

	<u>General Fund</u>	<u>Zone A</u>	<u>Capital</u>
<u>ASSETS</u>			
<u>Assets:</u>			
Cash	\$ 2,518,321	\$ 1,218,592	\$ 225,479
Accounts Receivable	-	-	-
Deposits & Prepaid Expenses	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>2,518,321</u>	<u>1,218,592</u>	<u>225,479</u>
 <u>LIABILITIES & FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	800	-	-
Accrued Payroll	166,295	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>167,095</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances:</u>			
Unassigned	2,351,126	-	-
Unspendable	100	-	-
Committed	-	1,218,592	225,479
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>2,351,226</u>	<u>1,218,592</u>	<u>225,479</u>
 <u>TOTAL LIABILITIES & FUND BALANCE</u>			
	<u><u>\$ 2,518,321</u></u>	<u><u>\$ 1,218,592</u></u>	<u><u>\$ 225,479</u></u>

The accompanying notes are an integral part of these financial statements.

Scotts Valley Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance For the Year Ended June 30, 2019

<u>REVENUE</u>	<u>General Fund</u>	<u>Zone A</u>	<u>Capital</u>
Tax Revenue	\$ 7,179,523	\$ 120,106	\$ -
Charges for Service	814,643	-	-
Interest & Investment Earnings	21,639	22,843	2,009
License & Permits	44,347	-	-
Grants & Contributions	-	-	-
Miscellaneous	8,617	-	3,931
TOTAL REVENUE	8,068,769	142,949	5,940
<u>EXPENDITURES</u>			
Capital Assets	-	-	97,192
Debt Service:			
Principle	216,195	-	-
Interest	108,040	-	-
Professional Fees	169,142	8,598	-
Salaries and Employee Benefits	6,314,347	-	-
Repairs and Maintenance	158,537	-	-
Insurance	28,660	-	-
Services, Supplies and Refunds	366,867	-	-
TOTAL EXPENDITURES	7,361,788	8,598	97,192
Excess (Deficit) Revenues over Expenditures	706,981	134,351	(91,252)
Transfer In/(Out)	(200,000)	-	200,000
CHANGE IN FUND BALANCE	506,981	134,351	108,748
FUND BALANCE, BEGINNING OF YEAR	1,844,245	1,084,241	116,731
FUND BALANCE, END OF YEAR	\$ 2,351,226	\$ 1,218,592	\$ 225,479

The accompanying notes are an integral part of these financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Scotts Valley Fire Protection District

Statement of Net Position June 30, 2019

<u>ASSETS</u>	<u>2019</u>
<u>Current Assets:</u>	
Cash	\$ 3,962,393
Accounts Receivable	-
Deposits & Prepaid Expenses	-
Total Current Assets	<u>3,962,393</u>
<u>Capital Assets:</u>	
Land	820,843
Buildings & Improvements	2,052,641
Firefighting Equipment	3,655,653
Construction in Progress	470,214
Less: Accumulated Depreciation	<u>(3,109,679)</u>
Total Capital Assets	<u>3,889,672</u>
TOTAL ASSETS	<u>7,852,065</u>
<u>DEFERRED OUTFLOW</u>	
GASB 68 Pension	<u>2,686,139</u>
TOTAL DEFERRED OUTFLOW	<u>2,686,139</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>10,538,204</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	800
Accrued Payroll Liabilities	166,295
Current Portion	228,274
Accrued Compensated Absences	<u>245,134</u>
Total Current Liabilities	<u>640,503</u>
<u>Long-term Liabilities:</u>	
OPEB	2,360,718
Note Payable	1,497,870
Net Pension Liability	<u>10,311,140</u>
Total Long-term Liabilities	<u>14,169,728</u>
TOTAL LIABILITIES	<u>14,810,231</u>
<u>DEFERRED INFLOWS</u>	
GASB 68 Pension	<u>465,579</u>
TOTAL DEFERRED INFLOWS	<u>465,579</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>15,275,810</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	3,889,672
Unrestricted	<u>(8,627,278)</u>
TOTAL NET POSITION	<u>\$ (4,737,606)</u>

The accompanying notes are an integral part of these financial statements.

**SCOTTS VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

	<u>June 30, 2019</u>
Total Fund Balances - Governmental Funds	\$ 3,795,297
Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.	
Total Historical Cost of Capital Assets	6,999,352
Less: Accumulated Depreciation	(3,109,679)
Compensated Absences are reported in the Government-Wide Statement of Net Assets, but they do not require the use of current financial resources. Therefore, the liability is not reported in Governmental Funds.	(245,134)
Deferred Outflows not due and receivable in the current period and therefore are not reported as an asset in the governmental funds. This is comprised of GASB 68 Pension Outflows. Deferred Outflows at June 30 was:	2,686,139
Deferred Inflows are not due in the current period and therefore, are not reported as liabilities in the governmental funds. This is comprised of GASB 68 Pension Inflows. Deferred Inflows at June 30 was:	(465,579)
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	<u>(14,398,002)</u>
Net Position	<u><u>\$ (4,737,606)</u></u>

The accompanying notes are an integral part of these financial statements

Scotts Valley Fire Protection District
Statement of Activities
For the Year-Ended
June 30, 2019

2019				
		<u>Operating Revenues</u>		
	Expenses	Charges for Services	Grants and Contributions	Excess of Revenues/(Expenses)
<u>Governmental Activities</u>				
Public Protection	\$ 9,075,867	\$ 814,643	\$ -	\$ (8,261,224)
Depreciation (Unallocated)	228,666	-	-	(228,666)
Total Governmental Activities				<u>(8,489,890)</u>
General Revenues:				
Tax Revenue				7,299,628
Interest & Investment Earnings				46,490
License, Permits & Rents				44,347
Miscellaneous				12,548
Total General Revenues				<u>7,403,013</u>
NET CHANGE IN NET POSITION				<u>(1,086,877)</u>
NET POSITION, BEGINNING OF YEAR				<u>(3,650,729)</u>
NET POSITION, END OF YEAR				<u><u>\$ (4,737,606)</u></u>

The accompanying notes are an integral part of these financial statements.

SCOTT'S VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	<u>June 30, 2019</u>
Net Change in Fund Balances - Total Governmental Funds	<u>750,081</u>
Amounts reported for governmental activities in the Statement of Activities are different as follows:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year	
Current Year Capital Outlays	87,893
Less: Current Year Depreciation Expense	(228,666)
In the Governmental Funds revenues are measured by the amount of financial resources received. In the Government-Wide Statement of Activities, revenues are measured by the amounts earned during the year	-
In the Governmental Funds CALPers expenditures are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, CALPers expenditures are measured by the amounts expensed during the year	(1,858,711)
In the Governmental Funds OPEB expenditures are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, OPEB expenditures are measured by the amounts expensed during the year	(63,404)
In the Governmental Funds compensated absences (sick pay and vacation) are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, compensated absences are measured by the amounts earned during the year	9,735
Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principle payments made on long-term liabilities during the year consist of:	216,195
Change in Net Position of Governmental Activities	<u><u>\$ (1,086,877)</u></u>

The accompanying notes are an integral part of these financial statements

FIDUCIARY FUNDS FINANCIAL STATEMENTS
SCHMIT

Scotts Valley Fire Protection District

Statement of Fiduciary Net Position

SCHMIT

June 30, 2019

<u>ASSETS</u>	<u>2019</u>
<u>Current Assets:</u>	
Cash	\$ 52,188
Total Current Assets	52,188
<u>Capital Assets:</u>	
Firefighting Equipment	593,895
Computer Equipment	948
Less: Accumulated Depreciation	(475,620)
Total Capital Assets	119,223
TOTAL ASSETS	171,411
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	-
Total Current Liabilities	-
TOTAL LIABILITIES	-
<u>NET POSITION</u>	
SCHMIT Fund	171,411
TOTAL NET POSITION	\$ 171,411

The accompanying notes are an integral part of these financial statements.

Scotts Valley Fire Protection District

**Statement of Activities & Change in Fiduciary Net Position - Fiduciary Funds
SCHMIT
For the Year Ended
June 30, 2019**

	2019
<u>ADDITIONS</u>	<u>Fiduciary Fund</u>
Aid from other government agencies	\$ 149,651
Use of Money and Property (Interest)	<u>1,300</u>
TOTAL ADDITIONS	<u>150,951</u>
<u>DEDUCTIONS</u>	
Depreciation	21,017
Services, Supplies and Refunds	<u>144,668</u>
TOTAL DEDUCTIONS	<u>165,685</u>
<u>CHANGE IN NET POSITION</u>	<u>(14,734)</u>
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>186,145</u>
<u>NET POSITION, END OF YEAR</u>	<u><u>\$ 171,411</u></u>

The accompanying notes are an integral part of these financial statements.

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Organization

The Scotts Valley Fire Protection District was organized July 17, 1956, under the authority of Section 56000 et. seq. of the California Government Code, in conformity with the Health and Safety Code, Sections 14001 et. seq. and was reorganized in September 1987 in conformity with the Health and Safety Code, Sections 13801 et. seq. The District provides fire protection for the City of Scotts Valley and vicinity.

The Special Fire Protection Zone A was organized December 22, 1969, in conformity with the Health and Safety Code, Sections 13991 et. seq. The boundaries of the fire zone fall totally within Scotts Valley Fire Protection District. By Resolution 2003-2 the funding derived from Zone A may be used for capital improvements, where a beneficial relationship to Zone A can be demonstrated as established during the annual budget hearings.

During the fiscal year ended June 30, 2002, the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) was formed. The District has been appointed as the Program Manager for SCHMIT. As program manager, the District is acting as the fiscal agent. The District accounts for all receipts and disbursements for SCHMIT, a separate Fiduciary Fund of the District.

Accounting Records

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

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

Budgetary Procedure

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Note 1 - Significant Accounting Policies

Accounting Principles

The financial statements of the Scotts Valley Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Basis of Accounting and Measurement Focus

The Budget of the District are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Financial Statement Presentation

Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The District's governmental-wide fund balance is classified in the following categories:

Net Investment in Capital Assets - Includes amount of the fund balance that is invested in capital assets net of any related debt.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

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

Committed - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government take the same formal action that imposed the constraint originally.

Assigned - Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.

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

Fiduciary Fund Financial Statements

The District entered into an arrangement whereby the District reports resources held and administered by the District in a fiduciary capacity for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT). Per definition, the resources held under this agreement are not available to support the District's own programs. Fiduciary Fund financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position.

The basic financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Fiduciary Fund's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period the liability is incurred.

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

Budgets and Budgetary Accounting

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Pooled Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily balance of each fund.

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such a collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the yearend was immaterial.

Accounts Receivable

On an accrual basis, revenues are recognized in the fiscal year in which the services are rendered. The District has not established an allowance for uncollectable receivables for Governmental or Grant Funds since prior experience has shown that uncollectable receivables are not significant.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures in the period benefited.

Capital Assets

Capital assets, which include land, buildings, improvements, and equipment are reported in the Government-Wide financial statements. Capital Assets are recorded at historical cost or estimated historical cost, if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District had set capitalization thresholds for reporting capital assets at the following:

Structures	\$3,000
Equipment	5,000
Improvements	5,000 or 20% of cost of existing asset (lesser of)

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Station and Improvements	15-40 years
Equipment	3-40 years
Mobile Equipment	10-20 years

Inventory, Materials, and Supplies

The inventory on hand at any time is small. Accordingly, purchases are charges directly to fixed assets or to maintenance costs, as applicable.

Liability for Compensated Absences

The District is required to recognize a liability for employees' rights to receive compensation for future absences. All vacation and vested sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

District Special Expense

Because fire hose couplings and nozzles are peculiar to fire districts, the manual of the State Controller provides that purchases of such items be charged to the expense account "District Special Expense".

Unrealized Gains and Losses

Governmental Accounting Standards Board (GASB) has established GASB-31 which requires public agencies to report the financial effect of all unrealized gains and losses on invested funds. As of June 30, 2019 the unrealized gains for Scotts Valley Fire Protection District were not considered to be material to the financial statements taken as a whole, and accordingly, has not been reflected in the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred outflow/inflows of resources, represents an acquisition/disposition of net position that applies to future period(s) and will not be recognized as an outflow/inflow of resources until that time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position

Property Taxes

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

under the state authorized method of apportioning taxes whereby all local agencies, including special districts, receive for the County their respective shares of the amount of ad valorem taxes collected.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 – Cash

Summary of Cash

	<u>June 30, 2018</u>	<u>June 30, 2019</u>
County Cash	\$ 3,246,948	\$ 3,962,293
Petty Cash	100	100
Total	<u>\$ 3,247,048</u>	<u>\$ 3,962,393</u>

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The District does not have an investment policy that addresses its interest rate risk, credit risk, and concentration of credit risk.

Investment in the County of Santa Cruz's Investment Pool: The District maintains its cash in County of Santa Cruz's cash and investment pool which is managed by the Santa Cruz County Treasurer. The District's cash balances invested in the Santa Cruz County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. Santa Cruz County does not invest in any derivative financial products. The Santa Cruz County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Santa Cruz County's cash and investment pool. The value of pool shares in Santa Cruz County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value. This investment is not subject to categorization under GASB No. 3.

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2018, the weighted average maturity of the investments contained in the County's investment pool was approximately 614 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County's investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District's deposits were covered by FDIC insurance at June 30, 2018.

Note 3 –Accounts Receivable

On June 30, 2019, the District had \$0 in Accounts Receivable.

Note 4 – Capital Assets

The District believes that sufficient detail of Capital assets balances is provided in the financial statements to avoid obscuring of significant components by aggregation

Note 5 – Compensated Absences

On June 30, 2019, the liability for compensated absences was \$245,134.

Note 6 - Changes in Long-term debt

A summary of long-term debt transactions of Scotts Valley Fire Protection District for the year ended June 30, 2019 is as follows:

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Reductions/ Additions	Reductions/ Additions	Balance June 30, 2019
Accumulated Unpaid Compensated Absences	\$ 254,869	\$ -	\$ 9,735	\$ 245,134
Net Other Post Employment Benefits Obligation	\$ 2,308,483	\$ 52,235	\$ -	\$ 2,360,718
CalPERS Side Fund Liability Payment				
Long-Term Debt	\$ 1,942,339	\$ -	\$ 216,195	\$ 1,726,144

Long-Term Debt Notes Payable consists of the following items as of June 30, 2019:

	2019	2018
Santa Cruz County Bank funded fiscal year June 30, 2011, semi-annual payments of \$148,307, including interest at 5.798% per annum. Initial payment due June 15, 2011, final payment due December 15, 2025.	\$ 1,726,144	\$ 1,942,339
	<u>\$ 1,726,144</u>	<u>\$ 1,942,339</u>

	Principle	Interest
2020	228,274	95,962
2021	281,058	50,883
2022	281,058	50,883
2023	298,502	33,439
2024	317,249	14,692
2025	320,002	11,939
	<u>\$ 1,726,144</u>	<u>\$ 257,798</u>

Note 7 - Public Employees' retirement Plan:

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Scotts Valley Fire Protection District. The Scotts Valley Fire Protection District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPR

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Miscellaneous plan (PEPRA Misc.). The Scotts Valley Fire Protection District's employer rate plans in the safety risk pool include the Safety plan (Safety) and the PEPRA Safety Fire plan (PEPRA Fire).

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

Employer Rate Plans in the Miscellaneous Risk Pool

Employer rate plan	Miscellaneous	PEPRA Misc.
	Prior to January 01, 2013	On or after January 01, 2013
Hire Date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as of % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019 Employer Rate Plans in the Safety Risk Pool

Employer rate plan	Safety	PEPRA Fire
	Prior to January 01, 2013	On or after January 01, 2013
Hire Date		
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as of % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The Scotts Valley Fire Protection District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The Scotts Valley Fire Protection District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2016. Each employer rate plan's fiduciary net position was subtracted from its

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

total pension liability to obtain its net pension liability as of the valuation date. The Scotts Valley Fire Protection District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the Scotts Valley Fire Protection District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The Scotts Valley Fire Protection District's proportionate share of the net pension liability as of June 30, 2018, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2018, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2018, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2018, was calculated by applying Scotts Valley Fire Protection District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2018, to obtain the total pension liability and fiduciary net position as of June 30, 2018. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Pension Expense as of June 30, 2019

1,472,716

At 6/30/2019, proportionate shares of Net Pension Liability/(Asset) by plan(s):

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	182,742
Safety	10,128,398
Total	10,311,140

Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2018 and 6/30/2019:

	Miscellaneous	Safety	Total
Proportion - June 30, 2018	0.00477%	0.16711%	0.10258%
Proportion - June 30, 2019	0.00485%	0.17262%	0.10700%
Change - Increase/(Decrease)	0.00008%	0.00551%	0.00442%

Note: Due to the nature of calculating proportionate share of the Net Pension Liability/(asset), total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %

Other deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2020	\$ 250,672	\$ 661,854	\$ 912,526
2021	244,251	289,960	534,211
2022	184,317	(424,365)	(240,049)
2023	(1,644)	(70,154)	(71,798)
2024	-	-	-
Thereafter	-	-	-
	677,596	457,294	\$ 1,134,891

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Employer's Net Pension Liability/(Asset) - Miscellaneous	288,760	182,742	95,225
Employer's Net Pension Liability/(Asset) - Safety	15,820,039	10,128,398	5,465,117
Employer's Net Pension Liability/(Asset) - Total	16,108,800	10,311,140	5,560,342

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

- ¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of Pension Plan Investment and Administrative Expenses; includes Inflation

⁽³⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2018 based on June 30, 2017 Valuations*, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

In the December 2016 and April 2017 meetings, the CalPERS Board voted to lower the funding discount rates used for the PERF. In making its decision, the CalPERS Board reviewed recommendations from

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

The expected real rates of return by asset class are as followed:

Asset class¹	Assumed asset allocation	Real return years 1–10²	Real return years 11+³
Global equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation assets	—	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	—	(0.92)

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SCHEDULE OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

As of June 30, 2018

LAST TEN YEARS*

<u>SAFETY</u>	2019	2018	2017	2016
Proportion of the net pension liability	0.187210%	0.100686%	0.100810%	0.095210%
Proportionate share of the net pension liability	\$ 10,128,398	\$ 9,985,259	\$ 8,723,472	\$ 6,535,150
Covered - employee payroll - measurement period	\$ 3,089,191	\$ 3,018,958	\$ 2,999,215	\$ 2,844,227
Proportionate share of the net pension liability as a percentage of covered payroll	327.87%	330.75%	290.86%	229.77%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.70%	75.36%	80.72%
	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 1,020,979	\$ 923,886	\$ 851,899	\$ 726,938
Contributions in relation to the actuarially determined contributions	1,020,979	923,886	851,899	726,938
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 3,123,389	\$ 3,089,191	\$ 3,018,958	\$ 2,999,215
Contributions as a percentage of covered - employee payroll	32.69%	29.91%	28.22%	24.24%
Notes to Schedule:				
Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<u>Misc.</u>	2019	2018	2017	2016
Proportion of the net pension liability	0.004640%	0.004620%	0.004600%	0.004611%
Proportionate share of the net pension liability	\$ 182,742	\$ 188,159	\$ 161,983	\$ 123,372
Covered - employee payroll - measurement period	\$ 171,988	\$ 138,063	\$ 107,963	\$ 99,863
Proportionate share of the net pension liability as a percentage of covered payroll	106.25%	136.28%	150.04%	123.54%
Plan fiduciary net position as a percentage of the total pension liability	76.69%	74.57%	75.54%	79.75%
	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 29,320	\$ 19,103	\$ 16,335	\$ 13,592
Contributions in relation to the actuarially determined contributions	29,320	19,103	16,335	13,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 148,089	\$ 171,988	\$ 138,063	\$ 107,963
Contributions as a percentage of covered - employee payroll	19.80%	11.11%	11.83%	12.59%
Notes to Schedule:				
Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Methods and assumptions used to determine contribution rates:				
	Amortized method	Entry age normal		
	Remaining amortization period	Level percentage of payroll, closed		
	Asset valuation method	13 years 14 years		
	Inflation	5-year smoothed market		
	Salary increases	2.75% 2.75%		
	Investment rate of return	Varies by entry age and service		
		7.50%, net of pension plan investment expense, including inflation		

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Notes to Schedule:

Changes of benefit terms – There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in assumptions – In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

* Fiscal Year 2015 was the first year of implementation, therefore only 4 years are shown.

** Valuation year payroll increased by assumed 3% increase.* Fiscal Year 2015 was the first year of implementation, therefore only 4 years are shown.

Note 8 – Post Retirement Benefits:

In addition to the pension benefits described in Note 6, Employees' Retirement Plan, the District provides medical insurance to some retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employee groups.

Plan Description

The District provides contributions for post retirement health, dental, and life to some retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employees.

Current Accounting and Funding Policy of the Plan

The District finances the plan on a pay-as-you-go basis and the expenditures for post-retirement benefits other than pension benefits are recognized as payments are made. During the year ended June 30, 2019, expenditures of approximately \$82,603 were paid for post-employment benefits other than pension benefit.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. The actuarial assumptions included (a) Demographic assumptions affected by mortality, turnover, disability, and retirement based on the June 30, 2017 valuation.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern on sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective on the calculations.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

APPENDIX E: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Scotts Valley Fire Protection District. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	8
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	29
Total Number of participants	37

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

shown in Appendix C.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Scotts Valley Fire Protection District in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2014 CalPERS Active Mortality for Miscellaneous Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Mortality Table	2014 CalPERS Mortality for Retired safety Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Mortality for Retired safety Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.
Mortality Table	2014 CalPERS Retiree Mortality for Miscellaneous Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Retiree Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2009 CalPERS 2.0%@55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2.0%@55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.
Retirement Table	2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.
Retirement Table	2009 PERS 2%@50 FIRE RX
Disclosure	The retirement assumptions are based on the 2009 PERS 2%@50 FIRE RX table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.
Retirement Table	2009 PERS 3%@55 FIRE RX
Disclosure	The retirement assumptions are based on the 2009 PERS 3%@55 FIRE RX table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Turnover Tables

Turnover Table	2009 CalPERS Rates for Sworn Fire Employees
Disclosure	The turnover assumptions are based on the 2009 CalPERS Rates for Sworn Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Table	2009 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL Using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$2,058,328	\$2,360,718	\$2,721,003

District Service Benefit

Valuation Date	June 30, 2018
Actuarial Cost Method	Projected Unit Credit
Amortization Method	30-year level dollar, open period
Inflation	2.75%
Discount Rate	3.5%

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The following table shows the reconciliation of the June 30, 2018 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2019 NOL.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2018	\$2,137,323	\$0	\$2,137,323
Service Cost / Expected Employer/Employee Contributions	\$52,923	\$0	\$52,923
Interest on Total OPEB Liability	\$80,768	\$0	\$80,768
Expected Employer/Employee Interest Contributions	\$0	\$0	\$0
Expected Excess ADC Contributions	\$0	\$0	\$0
Expected Investment Income	\$0	\$0	\$0
Expected Benefit Payments	(\$76,600)	(\$76,600)	\$0
Roll-Forward Balance at June 30, 2019	\$2,194,414	(\$76,600)	\$2,271,014
Changes in Benefit Terms	\$0	\$0	\$0
Changes in Assumptions	\$100,131	\$0	\$100,131
Experience Gains/Losses	\$66,173	\$8,711	\$57,462
Employer Contributions (Actual less expected)	\$0	\$67,889	(\$67,889)
Employee Contributions	\$0	\$0	\$0
Investment Gains/Losses	\$0	\$0	\$0
Administrative Expense	\$0	\$0	\$0
Other	\$0	\$0	\$0
Net Change during 2018-19	\$223,395	\$0	\$223,395
Balance at June 30, 2019	\$2,360,718	\$0	\$2,360,718

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Scotts Valley Fire Protection District is shown in Appendix F. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2019

	<i>Beginning Balance</i>	<i>Ending Balance</i>
Experience Gains/Losses	\$0	\$56,719
Assumption Changes	(\$84,280)	\$14,715
Investment Gains/Losses	\$0	\$0
Deferred Balances	(\$84,280)	\$71,434

Note 9 – Risk Management

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) and joint powers authority for both primary and excess workers' compensation coverage. In a resolution dated September 20, 2007 the Santa Cruz Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicated on the decision of CSAC-EIA to restructure their bylaws and JPA agreements, discontinuing the operation of CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

renewals. The relationship between the Group and CSAC-EIA ("the JPA") is such that CSAC-EIA is not a component unit of the Group for reporting purposes.

CSAC-EIA is a joint powers agency (JPA formed pursuant to Section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CSAC-EIA only at the end of a policy period and only if a sixty day written advance note is given. However, CSAC-EIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting and annual budget.

Primary Workers' Compensation - The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with purchased stop loss insurance.

Excess Workers' Compensation - CSAC retains responsibility for payment of claims in excess of \$125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on the actuarial estimate of expected ultimate claim cost discounted at 6%.

Property and Liability Insurance coverage as of June 30, 2019 is as follows:

<u>Property</u>	<u>Deductible</u>	<u>Limits</u>
Real Property, Including Code Upgrade and On-site Equipment Breakdown	\$1,000	Guaranteed Replacement Cost Included
Building Contents and Personal Property	\$1,000	
Building and Contents Sublime, Earthquake and Flood	\$1,000	\$1,000,000 Each loss and each location
Electronic Data Processing		
Business - Personal Property Included	\$500	\$250,000
Equipment	\$500	\$250,000
Software	\$500	\$250,000
<u>Emergency Services</u>	<u>Deductible</u>	<u>Limits</u>
Commandeered and Impounded Property		Larger of Actual Value or Liability
Scheduled Equipment Floater:	\$250	Guaranteed Replacement Cost (Unlimited)
Miscellaneous Portable Equipment		\$250,000
Public Employee Dishonesty/Fidelity Bond		\$1,000,000
Employee Benefits Liability		
Automobile Comprehensive	\$250/1,000	Agreed Value or ACV
Automobile Collision	\$250/1,000	Agreed Value or ACV
<u>Liability</u>		
Commercial/General Liability Each Occurrence		\$1,000,000

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

General Aggregate Limit			\$10,000,000
Automobile Coverage -			
Combined Single Limit			\$1,000,000
Uninsured/Underinsured Motorists			\$1,000,000
Excess Liability Coverage -			
Operation, Aggregate, Automobile and Public Offices Errors and Omissions, Occurrence			\$5,000,000 Each Occurrence \$10,000,000 Aggregate
Public Officials Errors and Omissions/Management Liability including Emergency Services Liability - Occurrence, Aggregate - Primary			\$1,000,000 Each Wrongful Act \$10,000,000 Aggregate
Medical Expense (Any one person)			\$5,000
Valuable Papers/Records			\$250,000
Loss of Income - Extra Expense			Actual Cost
Money and Securities		\$250	\$25,000
Uncollected Funds			\$250,000
Personnel:			
Workers' Compensation			Statutory
PERS Health to 12/31/05, FDAC EBA from 1/1/06 to current			Per Policy
Dental			Per Policy
Term Life Insurance			Per Policy

Note 10 – Subsequent Events

The District's management has evaluated events and transactions subsequent to June 30, 2019 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **September 9, 2019**, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after **September 9, 2019**.

Scotts Valley Fire Protection District

Supplemental Information

June 30, 2019

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2019**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 6,863,920	\$ 7,179,523	\$ 315,603
Charges for Service	421,000	814,643	393,643
Interest & Investment Earnings	3,000	21,639	18,639
License & Permits	51,200	44,347	(6,853)
Grants & Contributions	-	-	-
Miscellaneous	15,000	8,617	(6,383)
TOTAL REVENUE	7,354,120	8,068,769	714,649
<u>EXPENDITURES</u>			
Capital Assets	-	-	-
Debt Service:			
Principle	216,198	216,195	3
Interest	108,043	108,040	3
Professional Fees	171,300	169,142	2,158
Salaries and Employee Benefits	6,220,829	6,314,347	(93,518)
Repairs and Maintenance	105,850	158,537	(52,687)
Insurance	29,100	28,660	440
Services, Supplies and Refunds	2,016,945	366,867	1,650,078
TOTAL EXPENDITURES	8,868,265	7,361,788	1,506,477
Excess (Deficit) Revenues over Expenditures	(1,514,145)	706,981	
Transfer In/(Out)		(200,000)	
<u>CHANGE IN FUND BALANCE</u>		506,981	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		1,844,245	
<u>FUND BALANCE, END OF YEAR</u>		\$ 2,351,226	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - Capital
For the Year Ended
June 30, 2019**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ -	\$ -	\$ -
Charges for Service	-	-	-
Interest & Investment Earnings	500	2,009	1,509
License & Permits	-	-	-
Grants & Contributions	-	-	-
Miscellaneous	50,000	3,931	(46,069)
TOTAL REVENUE	50,500	5,940	(44,560)
<u>EXPENDITURES</u>			
Capital Assets	50,000	97,192	(47,192)
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	-	-	-
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	-	-	-
Insurance	-	-	-
Services, Supplies and Refunds	27,500	-	27,500
TOTAL EXPENDITURES	77,500	97,192	27,500
Excess (Deficit) Revenues over Expenditures	(27,000)	(91,252)	
Transfer In/(Out)		200,000	
<u>CHANGE IN FUND BALANCE</u>		108,748	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		116,731	
<u>FUND BALANCE, END OF YEAR</u>		\$ 225,479	

Scotts Valley Fire Protection District


**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - Zone A
For the Year Ended
June 30, 2019**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 115,896	\$ 120,106	\$ 4,210
Charges for Service	-	-	-
Interest & Investment Earnings	9,000	22,843	13,843
License & Permits	-	-	-
Grants & Contributions	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUE	124,896	142,949	18,053
<u>EXPENDITURES</u>			
Capital Assets	18,888	-	18,888
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	19,700	8,598	11,102
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	-	-	-
Insurance	-	-	-
Services, Supplies and Refunds	89,437	-	89,437
TOTAL EXPENDITURES	128,025	8,598	119,427
Excess (Deficit) Revenues over Expenditures	(3,129)	134,351	
<u>CHANGE IN FUND BALANCE</u>		134,351	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		1,084,241	
<u>FUND BALANCE, END OF YEAR</u>		\$ 1,218,592	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - SCHMIT
For the Year Ended
June 30, 2019**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ -	\$ -	\$ -
Charges for Service	-	-	-
Interest & Investment Earnings	400	1,300	900
License & Permits	-	-	-
Aid from other government agencies	149,651	149,651	-
Miscellaneous	-	-	-
TOTAL REVENUE	150,051	150,951	900
<u>EXPENDITURES</u>			
Depreciation		21,017	
Professional Fees	5,000	5,000	-
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	19,000	7,519	11,481
Insurance	2,000	2,000	-
Services, Supplies and Refunds	169,957	130,149	39,808
TOTAL EXPENDITURES	195,957	165,685	51,289
Excess (Deficit) Revenues over Expenditures	(45,906)	(14,734)	
<u>CHANGE IN FUND BALANCE</u>		(14,734)	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		186,145	
<u>FUND BALANCE, END OF YEAR</u>		\$ 171,411	

Scotts Valley Fire Protection District	
POLICY: 2101	SUBJECT: Committees of the Board of Directors
DATE APPROVED: 1/8/2020	
BOARD PRESIDENT: _____	FIRE CHIEF: _____

Policy 2101: Committees of the Board of Directors

The Board of Directors of the Scotts Valley Fire Protection District hereby authorizes the following standing committees:

- Finance and Planning Committee

The primary role of the Finance and Planning Committee of the Board is to work with staff on development of budgets, financial projections, and financial strategic planning. Recommendations are made to the Board of Directors with regard to budgeting and allocation of financial resources. The Finance and Planning Committee may also meet with the District's auditor, the Santa Cruz County Auditor and other related entities for the purpose of financial planning.

The Board Finance and Planning Committee will conduct routine quarterly reviews of the current financial status of the District as well as spot checking invoices, statements and warrants for conformance with District policies and procedures.

- Organization and Personnel Committee


Maintains sufficient policies and procedures to assure efficient personnel management and leadership. Recommends organizational structures to the full Board.

- Facilities and Equipment Committee

Conducts capital planning on the replacement, procurement and construction of facilities, apparatus and equipment.

- Interagency Committee

The Interagency objectives are to provide a unified source of accurate information on community related matters, demonstrate effective interagency relationships and through transparency build and maintain trust of local public agencies.

Scotts Valley Fire Protection District	
POLICY: 2101	SUBJECT: Committees of the Board of Directors

- Audit Committee

The Audit Committee of the Board of Directors is hereby established as the full Board of Directors of the Scotts Valley Fire Protection District. The purpose of establishing the Audit Committee is to formally identify that the entire Board of Directors has the fiduciary responsibility for oversight of District administration, governance and financial accountability in the interest of the public.

The role of the Audit Committee is to provide oversight and accountability for all aspects of fiscal affairs including:

- Selection and hiring of the financial audit firm
- Audits are performed on an annual basis
- Formal acceptance, in open session, of the audit report
- Assurance that fiscal processes are adequate and being followed
- Payments are made accurately and promptly
- Records and reports are accurate


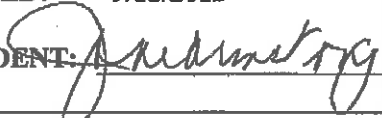
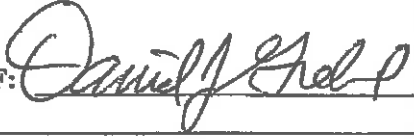
The purpose of the committee is to conduct detailed analysis and study in the appointed area of District functions and report the findings to the full Board for action.

Meetings of the committees shall be posted to meet the Brown Act provisions of the California Government Code. Minutes of committee meetings are not required to be taken.

Committees shall be appointed by the Board President at the January Board meeting for the calendar year. Each committee shall be composed of two Board members except the Audit Committee which shall be the full Board.

Ad Hoc committees may be established from time to time to deal with specific issues as determined by the Board. The Board President will make such appointments to Ad Hoc committees as required.

Committees of the Board are required to carry out the Board's wishes in the best interest of the District. The committees will report back to the Board monthly based on activities. Committees may not take any formal action. Any action requires a majority vote of the full Board in open or closed session (and reported in open session) as appropriate.

Scotts Valley Fire Protection District	
POLICY: 2101	SUBJECT: Committees of the Board of Directors
DATE APPROVED: 9/12/2012	
BOARD PRESIDENT: 	FIRE CHIEF: 

Policy 2101: Committees of the Board of Directors

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The primary role of the Finance and Planning Committee of the Board is to work with staff on development of budgets, financial projections, and financial strategic planning. Recommendations are made to the Board of Directors with regard to budgeting and allocation of financial resources. The Finance and Planning Committee may also meet with the District's auditor, the Santa Cruz County Auditor and other related entities for the purpose of financial planning.

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Scotts Valley Fire Protection District	
POLICY: 2101	SUBJECT: Committees of the Board of Directors

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SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

January 2020

Board President

Daron Pisciotta

Board Vice-President

Rob Campbell

STANDING BOARD COMMITTEES – 2019

Organization and Personnel

Directors Harmon and Parker

Finance and Planning

Directors Campbell and Patterson

Facilities and Equipment

Directors Patterson and Pisciotta

Interagency Advisory

Directors Patterson and Pisciotta (Alternate)



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: January 8, 2020
To: Board of Directors
From: Chief Kovacs
Subject: Administrative Report

Incident Type	October		November		December		Year To Date	
	2018	2019	2018	2019	2018	2019	2018	2019
Fires	10	5	10	5	0	2	60	48
Explosion / Rupture	0	0	0	0	0	0	0	1
EMS	122	141	116	121	117	94	1361	1328
Hazardous Condition	7	6	14	6	5	10	72	89
Service Calls	15	27	14	15	16	11	168	222
Good Intent	28	47	43	46	39	36	382	436
False Alarms	11	21	14	8	10	17	107	170
Severe Weather	1	1	0	0	0	0	1	4
Totals	194	248	211	201	187	170	2151	2301

Operations

- A-shift had an MVA which required vehicle stabilization and extrication of two elderly patients on Hwy 17.
- A-shift had an MVA on the Granite Creek overpass requiring extrication and a haul system.
- All apparatus services complete and all units in service.

Training

- FF Bridges should be complete with his FFII program by end of January, FF Nehf is preparing for his DMV driving test. FF Smith and FF Smiley have successfully completed their 3 month test.
- Multiple PCF's assisted Ben Lomond Training Center clean-up in preparation for the BFFA academy starting January 12th.
- Engineer Cortes instructed quarterly public CPR class at SCO1.
- All safety personnel respiratory fit tested for SCBA, N-95 and P-100 mask.
- County CPR training completed for Scotts Valley and Branciforte personnel.
- BRN PCF's are now attending Scotts Valleys PCF training days.

Administration

- Secretary Receptionist Bridges completed 8 car seat inspections in the month of December.

Board of Directors

Robert Campbell Edward Harmon Joseph Parker Russ Patterson Daron Pisciotta

- SVFPD hosted the Santa Cruz County Fire Chiefs Association Administrative Fire Services Section meeting on December 3rd for the annual goal setting meeting.
- Administrative Staff have been working on setting up claims, insurance and payroll for the new calendar year. New hire orientation for the Volunteer Firefighters is scheduled for January 8, 2020.

Prevention/Community Risk Reduction

- Plan Reviews and permit approvals: 6
- Inspections completed: 13
- Meetings: 7
- Hazard complaints: 0
- Pasatiempo fuel break completed by Captain Grigg and CalFire crews (5 total crews with three days of work)

Fire Chief Activities:

- Legislative Task Force Meeting
- Staff Meeting
- Finance Meeting
- County Chief's Meeting
- SCCFAIG Meeting
- Meeting with Local 3577
- Worker's Compensation File reviews
- FDAC Conference Calls
- Homeland Security Advisory Meeting
- County Health and Wellness Meeting
- BRN Board of Director's Meeting



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066

(831) 438-0211

Fax (831) 438-0383

January 2, 2020

Scotts Valley Fire Board of Directors

7 Erba Lane

Scotts Valley, CA 95066

Board of Directors,

We, the Confidential Employees Group of the Scotts Valley Fire Protection District, request opening the Memorandum of Understanding between the Scotts Valley Fire Confidential Employees Group and Scotts Valley Fire Protection District for contract negotiations. Please contact us to schedule a date and time for an initial meeting.

Sincerely,

A handwritten signature in blue ink that reads "Alicia Walton".

Alicia Walton

Administrative Secretary

A handwritten signature in blue ink that reads "Michelle Mayfield".

Michelle Mayfield

Megan Bridges

Secretary Receptionists

2019

Dear Responders

Thank you so
much for above

& beyond service on
Nov. 16th 19

Sincerely appreciate
from heart.

Happy holidays!!!

May your home be filled
with much happiness
and many fond memories
during this holiday season.

Patel family
@ 604 Single Spur Ct.
Scotts Valley

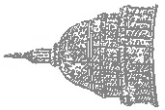
Captain Grigg
Engineer Peckemante
Firefighter Smiley



We called, you answered.
We asked, you gave.

**Thank you for helping the
Ventura County Fire Department
during our time of need.**

Mark Lorenzen
Fire Chief



Anna G. Eshoo
Member of Congress
Washington, D.C.

December 9, 2019

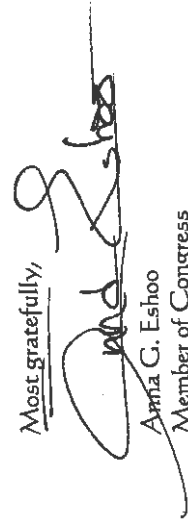
Ms. Alicia Walton, Secretary
Scotts Valley Fire District
251 Glenwood Drive
Scotts Valley, California 95066

Dear Ms. Walton,

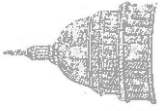
My thanks to you for the invaluable assistance you've given to me and my office throughout the year. Your timely responses have helped to change the lives of so many of my constituents, and I want you to know how much we all appreciate your hard work and effectiveness.

May the new year be filled to the brim with every blessing for you, your family, and our country. Enjoy the chocolates!

Most gratefully,


Anna G. Eshoo
Member of Congress

Enclosure



Anna G. Eshoo
Member of Congress
Washington, D.C.

December 9, 2019

Chief Steve Kovacs
Scotts Valley Fire Station One
7 Erba Lane
Scotts Valley, California 95066

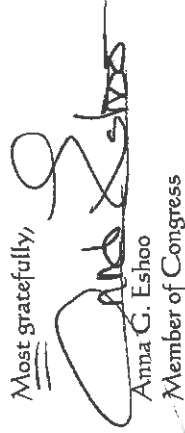
Dear Chief Kovacs,

My thanks to you for the invaluable assistance you've given to me and my office throughout the year.

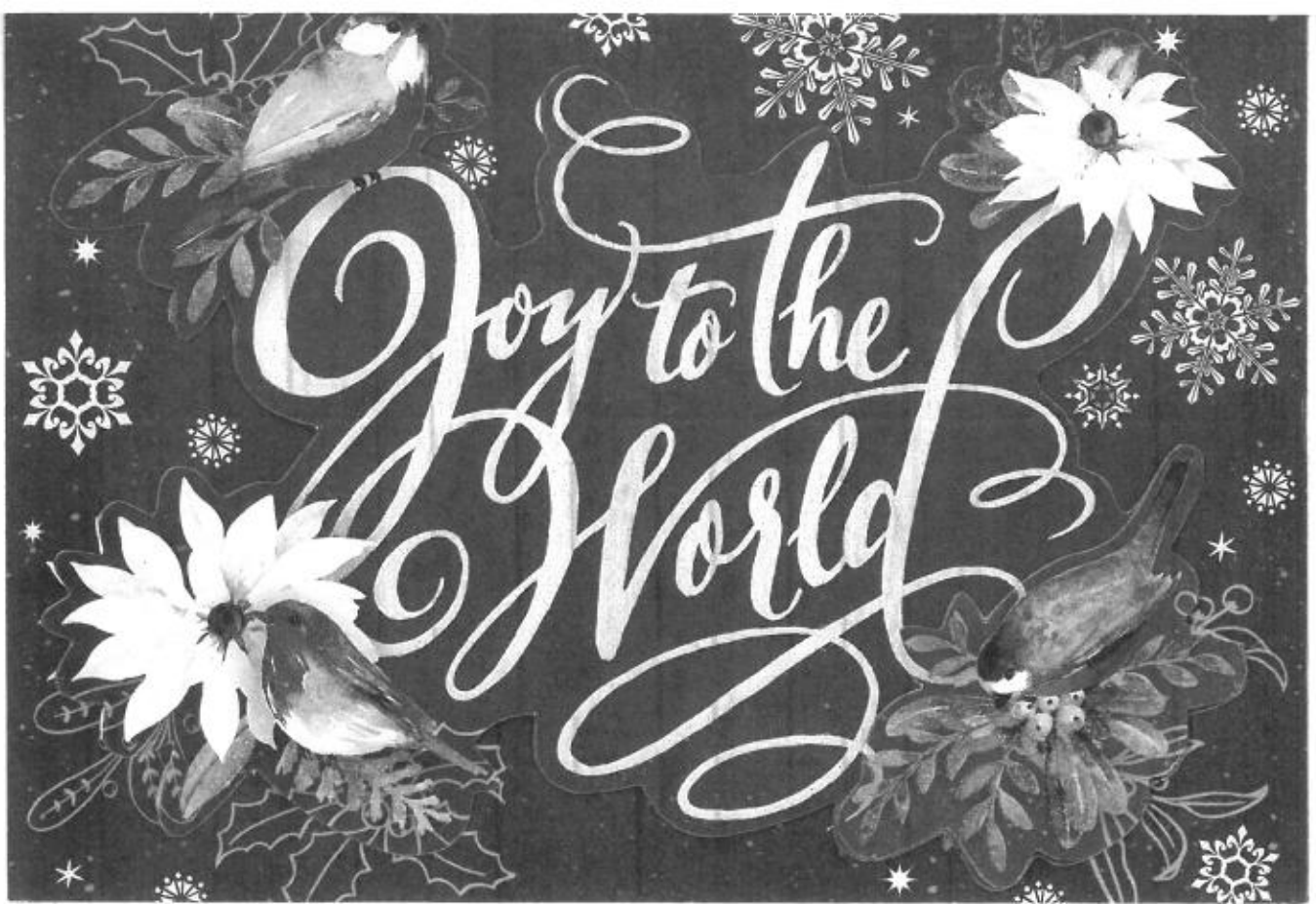
May the new year be filled to the brim with every blessing for you, your family, and our country.

Enjoy the chocolates!

Most gratefully,


Anna G. Eshoo
Member of Congress

Enclosure



We are so grateful to have clients like you in our lives.
Pagoda Technologies has made a donation on your behalf
To The Second Harvest Food Bank & Families in Transition

We wish you peace and joy in 2020!

*Wishing You A Wonderful
Holiday Season*

Jon & Robbin