



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Board of Directors

Agenda

Wednesday, December 8, 2021, 6:00 P.M.

Scotts Valley City Hall

One Civic Center Drive, Scotts Valley CA 95066

Agendas and Board Packets are available on the Scotts Valley Fire Protection District (SVFPD) website at 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 Ron Whittle, 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 Special Board Meeting Minutes of November 3, 2021

4.2 Minutes: Approve Regular Board Meeting Minutes of November 10, 2021

4.3 Approve SVFPD Claims Disbursements for the Month of November 1, 2021 through November 30, 2021 in the Amount of:

Payroll and Benefits:	\$466,921.14
General Fund:	\$ 28,138.04
Capital Outlay:	\$ 0.00
SCHMIT:	<u>\$ 4,450.93</u>
TOTAL:	\$499,510.11

4.4 Adopt Regular Board Meeting Dates for 2022

5. Discussion Items

5.1 None

**Scotts Valley Fire Protection District
Board of Directors Meeting for December 8, 2021
Agenda**

6. Action Items – Discussion/Action

6.1 Accept and File the SVFPD Financial Audit for Fiscal Year Ending June 30, 2021

7. Board of Directors and Administrative Reports – Information/Discussion

(No action will be taken on any questions raised by the Board at this time.)

7.1 Board of Directors Report – *Directors*

7.2 Administrative Report – *Chief Officers*

8. Correspondence

8.1 Caldor Fire Thank You Note

9. Request for Future Agenda Items

10. Election of Board Officers for Calendar Year 2022, Discussion/Action

10.1 President

10.2 Vice-President

11. Closed Session: Government Code §54957.7

11.1 Fire Chief Performance Review: Government Code §54957

12. Open Session

12.1 Report on Closed Session: Government Code §54957.1

12.2 Approve revised Fire Chief Employment Contract

13. Adjournment

Next Regularly Scheduled Board Meeting:
Wednesday, January 12, 2022 at 6:00 p.m.



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066

(831) 438-0211

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MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS SPECIAL MEETING OF November 3, 2021

1. Call to Order

The Special Board Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, November 3, 2021 at 7 Erba Lane, Scotts Valley, CA. President Parker called the meeting to order at 6:00 p.m.

1.1 Roll Call

- | | |
|-------------------------|---|
| A. Directors Present: | Directors Campbell, Harmon (<i>via teleconference</i>), Parker, Patterson and Pisciotta |
| B. Directors Absent: | None |
| C. Fire District Staff: | None |

2. Public Comment (GC §54954.3) None

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

4. Closed Session: Government Code §54957.7

4.1 Fire Chief Performance Review: Government Code §54957

At 6:02 p.m., President Parker announced that the Board would be going into Closed Session for the purpose listed in Item 4.1.

5. Open Session: Government Code §54957.1

5.1 Report on Closed Session

At 6:34 p.m., the Board reconvened to open session and President Parker reported that no action was taken.

6. Adjournment

The meeting was adjourned at 6:34 p.m.

ATTEST

Joe Parker
Board President

Ron Whittle
Board Secretary



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066

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MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING OF November 10, 2021

1. Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, November 10, 2021 at the City of Scotts Valley Council Chambers. President Parker called the meeting to order at 6:00 p.m.

1.1 Pledge of Allegiance and Moment of Silence

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

1.2 Roll Call

- | | |
|-------------------------|--|
| A. Directors Present: | Directors Campbell, Harmon (<i>Via Teleconference</i>), Parker
Patterson and Pisciotta |
| B. Directors Absent: | None |
| C. Fire District Staff: | Chief Whittle, Battalion Chiefs LoFranco, McNeil and
Stubendorff and Administrative Services Manager Walton |

2. Public Comment (GC §54954.3)

None

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

None

4. Consent Calendar

4.1 Minutes: Approve Special Board Meeting Minutes of October 7, 2021

4.2 Minutes: Approve Regular Board Meeting Minutes of October 13, 2021

4.3 Approve SVFPD Claims Disbursements for the Month of October 1, 2021 through October 31, 2021 in the Amount of:

<u>Payroll and Benefits:</u>	\$562,862.17
<u>General Fund:</u>	\$ 38,965.51
<u>Capital Outlay:</u>	\$ 4,161.92
<u>SCHMIT:</u>	\$ 194.37
<u>TOTAL:</u>	\$606,183.97

4.4 Approve Side Letter of Agreement for Confidential Employees regarding health care changes

4.5 Approve Side Letter of Agreement for I.A.F.F. Local 3577 regarding health care changes

4.6 Approve Side Letter of Agreement for Chief Officers regarding health care changes

On motion of Director Pisciotta seconded by Director Campbell to *Approve the Consent Calendar Items 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6* was approved by the following vote:

SCOTTS VALLEY FIRE PROTECTION DISTRICT
Regular Board Meeting November 3, 2021

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

5. Presentation

5.1 LAFCO Report Presentation – Joe Serrano, Executive Officer LAFCO

LAFCO Executive Officer Mr. Joe Serrano presented the LAFCO Report. Mr. Serrano stated that State law requires LAFCO to periodically review and update the services and spheres of cities and special districts. In accordance with the Commission's adopted multi-year work program, LAFCO staff has prepared a countywide service and sphere review for the 13 local agencies that provide fire protection services. Mr. Serrano reported that compared to the other 13 fire agencies, the SVFPD has the 5th highest population, 3rd highest budget, 5th highest number of vehicles, 2nd fastest response time and tied with four agencies for the best ISO rating. For the last six years, there has been a budget surplus and the SVFPD is financially stable. Mr. Serrano concluded that since 1995, the SVFPD has shared the sphere with the Branciforte Fire Protection District (BFPD) but this should not just stay the same for many years and the Board should make a plan to change the sphere to reflect where they want to go in the future.

Director Harmon inquired if the LAFCO report had been presented to the BFPD Board. Mr. Serrano stated that he has been in contact with the BFPD and plans on presenting the report to the Board in the next month or two and when that is scheduled, he will let Chief Whittle know.

The SVFPD Board inquired if LAFCO would force a consolidation with the BFPD. Mr. Serrano stated that although LAFCO is concerned that the BFPD is not able to maintain internal operations, it is not the intent of LAFCO to force consolidation but rather work with agencies to find solutions.

6. Public Hearing – Ordinance 2021-1

6.1 Scheduled Public Hearing on Ordinance 2021-1: An Ordinance Establishing a Schedule of Fees for Inspection Services, Plan Checks, Permits, Cost Recovery, and Other Fire Service Related Fees

At 6:24 p.m., President Parker opened the Public Hearing.

Receive Public Comment and Adopt Ordinance 2021-1: Establishing a Schedule of Fees for Inspection Services, Plan Checks, Permits, Cost Recovery and Other Fire Service Related Fees

Chief Whittle stated that the Fee Schedule has not been updated since 2005. Last month, the Board approved the Resolution of Intent to adopt the Fee Schedule and after the Public Hearing, the Board can adopt the Ordinance.

With no public comment, President Parker closed the Public Hearing.

On motion of Director Patterson seconded by Director Campbell to Adopt Ordinance 2021-1: Establishing a Schedule of Fees for Inspection Services, Plan Checks, Permits, Cost Recovery and Other Fire Service Related Fees was approved by the following vote:

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

7. Action Items – Discussion/Action

7.1 Scotts Valley Water District Intertie Pump Station

Chief Whittle reported that in 2013, the Scotts Valley Water District secured grant funding to construct an emergency pipeline intertie with the Santa Cruz City water system for the transfer of water during emergencies. The 2013 Scotts Valley Water District proposal, the SVFPD Staff Reports and Board Minutes were included in the Board Packet to detail the scope of the intertie project. At that time, the Scotts Valley Water District's proposal was to secure an easement of approximately 7,000 square feet on the La Madrona Fire Station site for

SCOTTS VALLEY FIRE PROTECTION DISTRICT
Regular Board Meeting November 3, 2021

a booster pump and intertie station. The grant funding did not come through and the Scotts Valley Water District pulled the easement request. Recently the grant funding has been secured and the Scotts Valley Water District is once again, inquiring about the easement. Chief Whittle stated that Mr. David McNair with the Scotts Valley Water District was present to answer any questions.

Mr. McNair stated that 100% grant funding has been secured and a lot of the prep work has been completed. The intertie project will take 14 -16 months to complete and based on the grant requirements, the project must be finished by 2024.

The SVFPD Board supported the intertie project but was concerned about that size of the easement and how that might effect the sale of the La Madrona property. The Board requested Mr. McNair provide an updated proposal and walk the La Madrona site with the Facilities Committee to determine the actual placement of the intertie station. No action was taken.

7.2 Appoint Ad-Hoc Committee for Purpose of Addressing LAFCO Report

President Parker inquired if anyone was interested in the Ad-Hoc Committee to address the LAFCO report. Director Patterson and Campbell stated they were interested so President Parker appointed them to the Ad Hoc Committee.

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

8.1 Board of Directors Report – Directors

None

8.2 Administrative Report – Chief Officers

The Administrative Report was included in the board packet and Chief Whittle reported on the following:

- The SCHMIT quarterly training was conducted by RW Jones & Associates and held at Zayante Fire.
- Local fire activity has been heavy recently but crews have been able to knock them down quickly. In addition, it was a busy summer with strike team response starting with the River Fire in July, to the Dixie, Caldor, Fawn and KNP Complex fires. Chief Whittle stated that for a 22 member department and 2 out on injures, he is extremely proud of staff and the great job they do.
- The Assistance to Firefighters Grant opened this week and closes December 17th. Battalion Chief Stubendorff will be applying for radios and station alert system.
- The Hazard Mitigation Assistance Grant Program through Cal OES for substantial structural improvements opens next month.

Battalion Chief LoFranco, McNeil and Stubendorff reiterated what Chief Whittle said about how hard staff worked to cover the SVFPD and out of county strike team response for the entire summer.

9. **Correspondence – Information**

9.1 Caldor Fire Thank You Note

9.2 Letter from Central Fire District Acknowledging BC Stubendorff for Assistance with Captains Test

The Board received and filed the correspondence.

10. **Closed Session: Government Code §54957.7**

10.1 Fire Chief Performance Review: Government Code §54957

At 6:54 p.m., Board President Parker announced that the Board would be going into Closed Session for the purposes listed above.

11. **Open Session**

11.1 Report on Closed Session: Government Code §54957.1

SCOTTS VALLEY FIRE PROTECTION DISTRICT
Regular Board Meeting November 3, 2021

11.2 Approve revised Fire Chief Employment Contract

At 7:52 p.m., the Board reconvened to Open Session. President Parker reported that no action was taken in Closed Session.

12. Request for Future Agenda Items

13. Adjournment

The meeting was adjourned at 7:52 p.m.

ATTEST _____

Joe Parker
Board President

Ron Whittle
Board Secretary

Expenditure Actual Transactions

Criteria: PosChn = 11/1/2021..11/30/2021; EntryDate = 11/11/2021..11/30/2021; GLKey = 685010, 685020, 685030, 685040; Summarize by = GLKey, Character, Object

FY	FM	Posted	Document	Doc Ref	GLKey	Fund	Organization	GL Obj	Amount	Description	Vendor No	Vendor Name
GL Key 685010 - SCOTTS VALLEY FIRE PROT SVC												
Character 50 - SALARIES AND EMPLOYEE BENEF												
Object 51000 - REGULAR PAY-PERMANENT												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	51000	134,029.51	PAYPERIOD 22PAYDATE 11052021		
2022	05	11/10/2021	DUE2880	DUE2880	685010	76565	68500000	51000	(968.79)	WComp Todd 10/22-10/28/2021	C99999	DEP
2022	05	11/10/2021	DUE2880	DUE2880	685010	76565	68500000	51000	(2,712.62)	WComp Ranzano 10/16-10/28/21	C99999	DEP
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	51000	133,977.87	PAYPERIOD 23PAYDATE 11192021		
2022	05	11/18/2021	DUE3191	DUE3191	685010	76565	68500000	51000	(2,712.62)	WComp Ranzano 10/30-11/2/21	C99999	DEP
Total Object 51000									291,313.15			
Object 51005 - OVERTIME PAY-PERMANENT												
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	51005	15,049.50	PAYPERIOD 23PAYDATE 11192021		
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	51005	40,974.74	PAYPERIOD 22PAYDATE 11052021		
Total Object 51005									56,024.24			
Object 51010 - REGULAR PAY-EXTRA HELP												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	51010	3,619.52	PAYPERIOD 22PAYDATE 11052021		
Total Object 51010									3,619.52			
Object 51035 - HOLIDAY PAY												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	51035	4,994.95	PAYPERIOD 22PAYDATE 11052021		
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	51035	4,994.95	PAYPERIOD 23PAYDATE 11192021		
Total Object 51035									9,989.90			
Object 51040 - DIFFERENTIAL PAY												
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	51040	8,076.66	PAYPERIOD 23PAYDATE 11192021		
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	51040	8,076.66	PAYPERIOD 22PAYDATE 11052021		
Total Object 51040									16,153.32			
Object 52010 - QASD-SOCIAL SECURITY												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	52010	2,988.51	PAYPERIOD 22PAYDATE 11052021		
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	52010	2,324.87	PAYPERIOD 23PAYDATE 11192021		
Total Object 52010									5,314.38			
Object 52015 - PERS												
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	52015	25,436.82	PAYPERIOD 23PAYDATE 11192021		
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	52015	25,157.08	PAYPERIOD 22PAYDATE 11052021		
Total Object 52015									50,593.88			
Object 53010 - EMPLOYEE INSURANCE & BENEFITS												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	53010	(1,119.05)	PAYPERIOD 22PAYDATE 11052021		
2022	05	11/4/2021	DUE2842	DUE2842	685010	76565	68500000	53010	(96.59)	H.Burfecht Nov21Denial,CK63866	C99999	DEP
2022	05	11/4/2021	DUE2842	DUE2842	685010	76565	68500000	53010	(145.09)	S.Kovacs Nov21 Denial	C99999	DEP
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	53010	(1,119.05)	PAYPERIOD 23PAYDATE 11192021		
2022	05	11/10/2021	NOV21HLTH		685010	76565	68500000	53010	50,476.86	SV FIRE NOV 2021	V116512	US BANK
2022	05	11/10/2021	DUE2880	DUE2880	685010	76565	68500000	53010	(51.01)	M.Manzano Nov21 Denial,CK639	C99999	DEP
2022	05	11/10/2021	DUE2880	DUE2880	685010	76565	68500000	53010	(51.01)	S.Downey Nov21 Denial,CK62280	C99999	DEP

Run: 11/20/2021 9:33 AM Includes transactions posted through: 11/28/2021

Expenditure Actual Transactions

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Criteria: Position = 11/1/2021..11/30/2021; EntryDate = 11/1/2021..11/30/2021; GLKey = 685010, 685020, 685030, 685040, Summarize by = GLKey,Character,Object

FY	FRI	Posted	Document	Doc Ref	GLKey	Fund	Organization	GL Obj	Amount	Description	Vendor No	Vendor Name
GL Key 685010 - SCOTTS VALLEY FIRE PROT SVC												
Character 50 - SALARIES AND EMPLOYEE BENEF												
Object 53010 - EMPLOYEE INSURANCE & BENEFITS												
2022	05	11/10/2021	DUE2980	DUE2980	685010	76565	68500000	53010	(51.01)	M.Pasquini Nov/21 Dental,CK#886	C99989	DEP
2022	05	11/12/2021	1221SVFD		685010	76565	68500000	53010	4,516.47	HEALTH CARE EMP SVFD Group 367	V106670	HEALTH CARE EMPLOYEES/EMPLOYER
2022	05	11/18/2021	DUE3191	DUE3191	685010	76565	68500000	53010	(1,102.20)	N.Owens 2022 Dental Ins CK#239	C99989	DEP
2022	05	11/23/2021	1221SVFD		685010	76565	68500000	53010	1,055.73	BIDDLE, MIKE SVFD Health Ins-	V105860	BIDDLE, MIKE
2022	05	11/23/2021	1221SVFD		685010	76565	68500000	53010	535.94	LOFRANCO, SAL SVFD Health Ins-	V105221	LOFRANCO, SAL
2022	05	11/23/2021	1221SVFD		685010	76565	68500000	53010	1,728.68	MCMURRY, MICHAEL SVFD Health In	V105430	MCMURRY, MICHAEL
2022	05	11/23/2021	1221SVFD		685010	76565	68500000	53010	393.04	PHINN, MIKE SVFD Health Ins- 1	V103782	PHINN, MIKE
2022	05	11/1/2021	1121SVFD		685010	76565	68500000	53010	817.17	THEILEN, LOTTHAR SVFD Health In	V117701	THEILEN, LOTTHAR
2022	05	11/1/2021	1121SVFD		685010	76565	68500000	53010	1,055.73	BIDDLE, MIKE SVFD Health Ins.	V105980	BIDDLE, MIKE
2022	05	11/1/2021	1121SVFD		685010	76565	68500000	53010	535.94	LOFRANCO, SAL SVFD Health Ins.	V105221	LOFRANCO, SAL
2022	05	11/1/2021	1121SVFD		685010	76565	68500000	53010	1,728.68	MCMURRY, MICHAEL SVFD Health In	V105430	MCMURRY, MICHAEL
2022	05	11/1/2021	1121SVFD		685010	76565	68500000	53010	393.04	PHINN, MIKE SVFD Health Ins. 1	V103782	PHINN, MIKE
2022	05	11/1/2021	1121SVFD		685010	76565	68500000	53010	817.17	THEILEN, LOTTHAR SVFD Health In	V117701	THEILEN, LOTTHAR
Total Object 53010												
56,918.45												
Object 53015 - UNEMPLOYMENT INSURANCE												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	53015	65.16	PAYPERIOD 22PAYDATE 11052021		
Total Object 53015												
65.16												
Object 55021 - OTHER BENEFITS MISC												
2022	05	11/3/2021	PAYPERIOD		685010	76565	68500000	55021	1,973.07	PAYPERIOD 22PAYDATE 11052021		
2022	05	11/17/2021	PAYPERIOD		685010	76565	68500000	55021	1,973.07	PAYPERIOD 23PAYDATE 11192021		
Total Object 55021												
3,946.14												
Total Character 60												
466,921.14												
Character 60 - SERVICES AND SUPPLIES												
Object 61110 - CLOTHING & PERSONAL SUPPLIES												
2022	05	11/4/2021	INV53133		685010	76565	68500000	61110	203.59	L N CURTIS & SO SVFD Cust 3627	V115989	L N CURTIS & SONS
2022	05	11/4/2021	INV537804		685010	76565	68500000	61110	2,596.89	L N CURTIS & SO SVFD Cust 3627	V115989	L N CURTIS & SONS
2022	05	11/19/2021	1121SVFD		685010	76565	68500000	61110	221.94	TODD, ROSHAN SVFD Pants Reimb.	V120145	TODD, ROSHAN
Total Object 61110												
3,022.22												
Object 61310 - FOOD												
2022	05	11/23/2021	1121SVFD1		685010	76565	68500000	61310	15.00	WHITTLE, RON SVFD Petty Cash	V102822	WHITTLE, RON
Total Object 61310												
15.00												
Object 61425 - OTHER HOUSEHOLD EXP-SERVICES												
2022	05	11/4/2021	265734		685010	76565	68500000	61425	208.90	MID VALLEY SUPP SVFD	V481	SPRENKEL INC
Total Object 61425												
208.90												
Object 61725 - MAINT-OFFICE EQUIPMNT-SERVICES												
2022	05	11/4/2021	13733		685010	76565	68500000	61725	1,780.12	PAGODA TECHNOLO SVFD	V125184	PAGODA TECHNOLOGIES INC
Total Object 61725												
1,780.12												

Run: 11/30/2021 9:33 AM Includes transactions posted through: 11/29/2021

Expenditure Actual Transactions

Criteria: PosOn = 11/1/2021,11/30/2021; EntryDate = 11/1/2021,11/30/2021; GLKey = 685010, 685020, 685030, 685040; Summarize by = GLKey,Character,Object

FY	FM	Posted	Document	Doc Ref	GLKey	Fund	Organization	GL Obj	Amount	Description	Vendor No	Vendor Name
GL Key 685010 - SCOTTS VALLEY FIRE PROT SVC												
Character 80 -- SERVICES AND SUPPLIES												
Object 61845 - MAINT-STRUCT/MP/SG/ROD-OTH-SRV												
2022	05	11/4/2021	1121SVFD-1		685010	76585	68500000	61845	103.10	SCARBOROUGH LUM SVFD Acct 1169	V1233	SCARBOROUGH LUMBER & BLDG INC
2022	05	11/9/2021	015183-REV		685010	76585	68500000	61845	472.37	STATE ELECTRIC SVFD	V41709	JOHNSON & CODY ELECTRIC INC
2022	05	11/9/2021	9325787		685010	76585	68500000	61845	62.70	WESTERN EXTERMI SVFD	V15768	WESTERN EXTERMINATOR COMPANY
2022	05	11/9/2021	9326727		685010	76585	68500000	61845	82.70	WESTERN EXTERMI SVFD	V15768	WESTERN EXTERMINATOR COMPANY
Total Object 61845												
700.87												
Object 61920 - MEDICAL, DENTAL & LAB SUPPLIES												
2022	05	11/9/2021	336995		685010	76585	68500000	61920	78.50	ANALGESIC SERV SVFD	V126202	ANALGESIC SERVICES INC
Total Object 61920												
78.50												
Object 62219 - PC SOFTWARE PURCHASES												
2022	05	11/23/2021	ER-		685010	76585	68500000	62219	4,095.00	ESO SOLUTIONS1 SVFD POW21-018	V36065	ESO SOLUTIONS INC
Total Object 62219												
4,095.00												
Object 62301 - ACCOUNTING AND AUDITING FEES												
2022	05	11/23/2021	1182		685010	76585	68500000	62301	4,554.00	PEHLING & PEHL SVFD	V128403	PEHLING & PEHLING CPAS AN
Total Object 62301												
4,554.00												
Object 62367 - MEDICAL SERVICES-OTHER												
2022	05	11/23/2021	1-20023		685010	76585	68500000	62367	635.00	EMERYVILLE OCCU SVFD	V127749	EMERYVILLE OCCUPATIONAL MEDICAL
2022	05	11/24/2021	1-20063A1		685010	76585	68500000	62367	2,025.00	EMERYVILLE OCCU SVFD	V127749	EMERYVILLE OCCUPATIONAL MEDICAL
Total Object 62367												
2,660.00												
Object 62381 - PROF & SPECIAL SERV-OTHER												
2022	05	11/23/2021	207142		685010	76585	68500000	62381	808.50	LIEBERT CASSIDY SVFD	V119863	LIEBERT CASSIDY WHITMORE
2022	05	11/4/2021	1021SVFD1		685010	76585	68500000	62381	393.75	DAWSON PASSAFUI SVFD Acct#4-PA	V125913	DAWSON PASSAFUME & BOWDEN &
2022	05	11/4/2021	1021SVFD2		685010	76585	68500000	62381	87.50	DAWSON PASSAFUI SVFD Acct#4-PA	V125913	DAWSON PASSAFUME & BOWDEN &
2022	05	11/4/2021	206395		685010	76585	68500000	62381	592.50	LIEBERT CASSIDY SVFD	V119863	LIEBERT CASSIDY WHITMORE
2022	05	11/12/2021	171684		685010	76585	68500000	62381	187.50	VOYA RETIREMENT SVFD	V31933	VOYA RETIREMENT INSURANCE AND
2022	05	11/12/2021	544909		685010	76585	68500000	62381	196.00	DEPT OF JUSTICE SVFD	V108459	DEPT OF JUSTICE 903347
Total Object 62381												
2,265.75												
Object 62715 - SMALL TOOLS & INSTRUMENTS												
2022	05	11/4/2021	INV537838		685010	76585	68500000	62715	103.71	L N CURTIS & SO SVFD Cuel 3827	V115989	L N CURTIS & SONS
2022	05	11/23/2021	1121SVFD3		685010	76585	68500000	62715	65.00	WHITTLE, RON SVFD Pely Cash	V102822	WHITTLE, RON
Total Object 62715												
168.71												
Object 62888 - SPEC DIST EXP-SERVICES												
2022	05	11/4/2021	1121SVFD-3		685010	76585	68500000	62888	25.89	SCARBOROUGH LUM SVFD Acct 1169	V1233	SCARBOROUGH LUMBER & BLDG INC
Total Object 62888												
25.89												
Object 62890 - SUBSCRIPTIONS BOOKS & ED MATER												
2022	05	11/19/2021	8010180X		685010	76585	68500000	62890	1,520.50	NFPA SVFD ID#3506650	V120067	NFPA
Total Object 62890												
1,520.50												

Expenditure Actual Transactions

Criteria: PosOn = 11/1/2021..11/30/2021; EntryDate = 11/1/2021..11/30/2021; GLKey = 685010, 685020, 685040; Summarize by = GLKey,Character,Object

FY	FM	Posted	Document	Doc Ref	GLKey	Fund	Organization	GL Obj	Amount	Description	Vendor No	Vendor Name
GL Key 685010 - SCOTT'S VALLEY FIRE PROT SVC												
Character 60 - SERVICES AND SUPPLIES												
Object 62914 - EDUCATION & TRAINING(REPT)												
2022	05	11/19/2021	1121SVFD		685010	76585	68500000	62914	415.00	CAHIR, CORNELIU SVFD Company O	V39064	CAHIR, CORNELIUS
2022	05	11/23/2021	1121SVFD2		685010	76585	68500000	62914	5.55	WHITTLE, RON SVFD Pcty Cash	V102822	WHITTLE, RON
2022	05	11/4/2021	1121SVFD-2		685010	76585	68500000	62914	47.14	SCARBOROUGH LUM SVFD Acct 1189	V1233	SCARBOROUGH LUMBER & BLDG INC
Total Object 62914									467.69			
Object 62920 - GAS, OIL, FUEL												
2022	05	11/4/2021	822369		685010	76585	68500000	62920	2,113.22	WESTERN STATES SVFD	V39738	TOP LOPES DISTRIBUTING
2022	05	11/23/2021	823110		685010	76585	68500000	62920	2,953.35	WESTERN STATES SVFD	V39738	TOP LOPES DISTRIBUTING
Total Object 62920									5,066.57			
Object 63070 - UTILITIES												
2022	05	11/23/2021	1121SVFD4		685010	76585	68500000	63070	120.14	PACIFIC GAS AND SVFD Acct# 649	V129169	PACIFIC GAS AND ELECTRIC CO
2022	05	11/19/2021	1121SVFD1		685010	76585	68500000	63070	132.85	PACIFIC GAS AND SVFD Acct#9380	V129169	PACIFIC GAS AND ELECTRIC CO
2022	05	11/19/2021	1121SVFD2		685010	76585	68500000	63070	484.14	PACIFIC GAS AND SVFD Acct#6066	V129169	PACIFIC GAS AND ELECTRIC CO
2022	05	11/19/2021	1121SVFD3		685010	76585	68500000	63070	781.19	PACIFIC GAS AND SVFD Acct#6536	V129169	PACIFIC GAS AND ELECTRIC CO
Total Object 63070									1,518.32			
Total Character 60									28,138.04			
Total GL Key 685010									495,059.18			
GL Key 685040 - SV FIRE DIST-REGIONAL HAZ RESP												
Character 60 - SERVICES AND SUPPLIES												
Object 61920 - MEDICAL, DENTAL & LAB SUPPLIES												
2022	05	11/19/2021	84269325		685040	76587	68500000	61920	408.93	BOUND TREE MEDI SVFD POW#1-022	V12149	BOUND TREE MEDICAL
Total Object 61920									408.93			
Object 62914 - EDUCATION & TRAINING(REPT)												
2022	05	11/4/2021	537-2		685040	76597	68500000	62914	4,042.00	RW JONES AND AS SVFD	V129231	RW JONES AND ASSOCIATES HEALTH
Total Object 62914									4,042.00			
Total Character 60									4,450.93			
Total GL Key 685040									4,450.93			

Run: 11/30/2021 9:33 AM Includes transactions posted through: 11/29/2021



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Ron Whittle
Fire Chief

Date: December 1, 2021

To: Board of Directors

From: Chief Whittle

Subject: Approve Regular Board Meeting Dates for 2022

Recommendation

Adopt a schedule for the 2022 Regular Board Meetings.

Discussion

The following is a list of proposed dates for the 2022 Regular Board Meetings. The dates reflect the second Wednesday of the month per Board Policy 2100.

January 12

July 13

February 9

August 10

March 9

September 14

April 13 (FDAC Conference 4/5-4/8/2022)

October 12

Meeting Cancelled

May 11

November 9

June 8

December 14

Regular meetings are scheduled for 6:00 p.m. Special meetings can be added as necessary.

Board of Directors

Robert Campbell

Edward Harmon

Joe Parker

Russ Patterson

Daron Pisciotta

Scotts Valley Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2021



September 1, 2021

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, 2021, 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, 2021, 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, 2021**

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SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Ron Whittle
Fire Chief

October 28, 2021

The Scotts Valley Fire Protection District (District) provides fire protection services to approximately twenty-four 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 twenty thousand, 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, 2021.

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.

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.

Board of Directors

Robert Campbell Ed Harmon Joe Parker Russ Patterson Daron Pisciotta

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.

Capital Outlay/Zone A Fund - The Capital Outlay and Zone A Funds 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 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 \$285,182 for the fiscal year ended June 30, 2021. 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 \$7,419,836 in assets, \$3,758,545 are invested in capital assets (net of accumulated depreciation and related debt).

Financial Analysis of the District's Funds

Governmental fund balances increased by \$806,711. The main reason for the difference between the \$285,182 increase in District net position and the \$806,711 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 17.30% better than budgeted at \$1,395,015.87 due to strike team reimbursement with tax revenue 0.73% better, at \$53,953.96.

Salaries and benefits were \$71,815.31 (0.96%) under budget. Services and supplies were \$176,015.27 (22.96%) under budget. This was due to the 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 \$297,899.77 (3.33%) less than the amount budgeted, including contingency appropriation, which did not need to be used during the year.

Capital Outlay/Zone A expenditures were under budget by \$349,009.76 (54.15%).

Capital Assets

As of June 30, 2021, the District had invested \$7,419,836 in a broad range of capital assets including land, structures and improvements, equipment, and construction in progress.

Long-Term Liabilities

At June 30, 2021 the District had \$14,116,110 in long-term liabilities which consists of postemployment benefits obligation and the Net Pension Liability. In 2021, the District established the California Employers' Retiree Benefit Trust (CERBT) in an effort to reduce the Other Post-Employment Benefits (OPEB) Liability. The other postemployment benefits obligation is a result of the implementation of GASB 74/75. Detailed information can be found in Note 8 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. On December 12, 2019, the outstanding Santa Cruz County Bank loan balance in the amount of \$1,596,620.40 was paid in full.

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% growth in the secured property tax (real estate). The District has budgeted the 4% 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 2021/2022, is \$10,514,444, which includes reserve funds. Salaries and Benefits budget includes a 5% salary increase. All authorized positions are funded this year. The District's contribution to the CalPERS retirement program is 21.790% of payroll plus an annual Unfunded Accrued Liability payment of \$876,446 for the Classic Safety plan and 10.880% of payroll and plus an annual Unfunded Accrued Liability payment of \$23,261 for the Classic Miscellaneous plan. Classic Safety members contribute an additional 9% of salary to CalPERS for retirement and Classic Miscellaneous members contribute 7% of salary.

The employer rate for new CalPERS PEPPRA safety employees hired after January 1, 2013, is 13.130% of payroll and no annual Unfunded Accrued Liability payment and for PEPPRA Miscellaneous employees 7.590% of payroll plus an annual Unfunded Accrued Liability payment of \$93.

This represents a budgeted amount of \$1,582,641, which is a decrease of \$33,919 over 2020/2021 payable to CalPERS. In addition, \$150,000 is budgeted in the Contributions to Trust/Agency Fund to the California Employers' Pension Prefunding Trust (CEPPT). The CEPPT will allow the District to prefund future pension liability with a 4% expected rate of return.

Health insurance is budgeted for an increase effective January 1, 2022. Retiree health insurance is budgeted at \$80,146, an increase of \$5,739 over last year. In addition, \$155,000 is budgeted in the Contributions to Trust/Agency Fund to the California Employers' Other Retiree Benefits Trust (CERBT). The CERBT will allow the District to prefund Other Post-Employment Benefits (OPEB) for retiree healthcare with a 7.01% expected rate of return.

Workers compensation insurance is \$362,849, an increase of \$9,850 over last year. The Services and Supplies budget is \$842,959, an increase of \$76,319 over last year.

The Contributions to Other Agencies are for the District's share of the LAFCO budget at \$8,955, a slight decrease over last year.

The beginning balance of the Capital Outlay/Zone A fund is \$1,139,363. A 4% increase in property tax revenue is estimated for this fiscal year. The Service and Supplies Budget is \$180,200, Fixed Assets for Fire Facilities upgrades and Equipment is \$350,500, Reserves in the amount of \$1,179,220 for future expenditures and \$100,000 for contingencies.

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) is \$167,864. Services and supplies are to support the operating costs of the team in the amount of \$83,695, which includes a \$6,000, charge for management of the program. Additionally, \$105,800 is budgeted for fixed asset equipment. Personnel costs include \$20,000 for reimbursement to response agencies in the event of an activation and \$150,000, for differential costs for the response agencies, which accounts for 30 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, 2021**

	<u>General Fund</u>	<u>Capital</u>
<u>ASSETS</u>		
<u>Assets:</u>		
Cash	\$ 2,457,507	\$ 1,139,363
Accounts Receivable	64,420	-
Deposits & Prepaid Expenses	-	-
	<hr/>	<hr/>
TOTAL ASSETS	2,521,927	1,139,363
	<hr/>	<hr/>
<u>LIABILITIES, DEFERRED INFLOWS & FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	1,829	-
Accrued Payroll	52,483	-
	<hr/>	<hr/>
TOTAL LIABILITIES	54,312	-
	<hr/>	<hr/>
<u>Deferred Inflows</u>		
Unavailable Revenue	30,672	-
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS	30,672	-
	<hr/>	<hr/>
TOTAL LIABILITIES AND DEFERRED INFLOWS	84,984	-
	<hr/>	<hr/>
<u>Fund Balances:</u>		
Unassigned	2,436,843	-
Unspendable	100	-
Committed	-	1,139,363
	<hr/>	<hr/>
Total Fund Balance	2,436,943	1,139,363
	<hr/>	<hr/>
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u>\$ 2,521,927</u>	<u>\$ 1,139,363</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, 2021

<u>REVENUE</u>	<u>General Fund</u>	<u>Capital</u>
Tax Revenue	\$ 8,019,667	\$ 132,436
Charges for Service	1,444,003	-
Interest & Investment Earnings	456	8,158
License & Permits	21,516	-
Grants & Contributions	-	-
Miscellaneous	8,414	-
TOTAL REVENUE	9,494,056	140,594
<u>EXPENDITURES</u>		
Capital Assets	-	254,527
Debt Service:		
Principle	-	-
Interest	-	-
Professional Fees	106,493	1,075
Salaries and Employee Benefits	7,932,893	-
Repairs and Maintenance	149,667	29,880
Insurance	36,070	-
Services, Supplies and Refunds	307,325	10,009
TOTAL EXPENDITURES	8,532,448	295,491
Excess (Deficit) Revenues over Expenditures	961,608	(154,897)
Transfer In/(Out)	(100,000)	100,000
<u>CHANGE IN FUND BALANCE</u>	861,608	(54,897)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	1,575,335	1,194,260
<u>FUND BALANCE, END OF YEAR</u>	\$ 2,436,943	\$ 1,139,363

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, 2021**

<u>ASSETS</u>	<u>2021</u>
<u>Current Assets:</u>	
Cash	\$ 3,596,871
Accounts Receivable	64,420
Deposits & Prepaid Expenses	-
Total Current Assets	<u>3,661,291</u>
<u>Capital Assets:</u>	
Land	820,843
Buildings & Improvements	2,052,641
Firefighting Equipment	3,974,676
Construction in Progress	470,214
Less: Accumulated Depreciation	<u>(3,559,829)</u>
Total Capital Assets	<u>3,758,545</u>
TOTAL ASSETS	<u>7,419,836</u>
<u>DEFERRED OUTFLOW</u>	
GASB 75	143,057
GASB 68 Pension	<u>3,196,493</u>
TOTAL DEFERRED OUTFLOW	<u>3,339,550</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>10,759,386</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	1,829
Accrued Payroll Liabilities	52,483
Current Portion	-
Accrued Compensated Absences	<u>319,752</u>
Total Current Liabilities	<u>374,064</u>
<u>Long-term Liabilities:</u>	
OPEB	1,643,317
Note Payable	-
Net Pension Liability	<u>12,472,793</u>
Total Long-term Liabilities	<u>14,116,110</u>
TOTAL LIABILITIES	<u>14,490,174</u>
<u>DEFERRED INFLOWS</u>	
GASB 75	794,461
GASB 68 Pension	<u>785,868</u>
TOTAL DEFERRED INFLOWS	<u>1,580,329</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>16,070,503</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	3,758,545
Unrestricted	<u>(9,069,662)</u>
TOTAL NET POSITION	<u>\$ (5,311,117)</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, 2021</u>
Total Fund Balances - Governmental Funds	\$ 3,576,306
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	7,318,373
Less: Accumulated Depreciation	(3,559,829)
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.	(319,752)
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:	3,339,550
Some 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. Net Deferred Inflows at June 30 was:	(1,549,657)
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	<u>(14,116,108)</u>
Net Position	<u><u>\$ (5,311,117)</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, 2021

2021				
		Operating Revenues		
	Expenses	Charges for Services	Grants and Contributions	Excess of Revenues/(Expenses)
<u>Governmental Activities</u>				
Public Protection	\$ 9,151,650	\$ 1,474,675	\$ -	\$ (7,676,975)
Depreciation (Unallocated)	228,490	-	-	(228,490)
Total Governmental Activities				<u>(7,905,465)</u>
General Revenues:				
Tax Revenue				8,152,103
Interest & Investment Earnings				8,614
License, Permits & Rents				21,516
Miscellaneous				8,414
Total General Revenues				<u>8,190,647</u>
NET CHANGE IN NET POSITION				<u>285,182</u>
NET POSITION, BEGINNING OF YEAR				<u>(5,596,299)</u>
NET POSITION, END OF YEAR				<u><u>\$ (5,311,117)</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, 2021</u>
Net Change in Fund Balances - Total Governmental Funds	<u>806,711</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	198,514
Less: Current Year Depreciation Expense	(228,490)
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	33,748
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	(847,297)
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	355,818
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	(33,822)
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:	-
Change in Net Position of Governmental Activities	<u><u>\$ 285,182</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, 2021

<u>ASSETS</u>	<u>2021</u>
<u>Current Assets:</u>	
Cash	\$ 167,865
Total Current Assets	167,865
<u>Capital Assets:</u>	
Firefighting Equipment	500,389
Computer Equipment	948
Less: Accumulated Depreciation	(427,747)
Total Capital Assets	73,590
TOTAL ASSETS	241,455
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	-
Total Current Liabilities	-
TOTAL LIABILITIES	-
<u>NET POSITION</u>	
SCHMIT Fund	241,455
TOTAL NET POSITION	\$ 241,455

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, 2021**

	2021
<u>ADDITIONS</u>	<u>Fiduciary Fund</u>
Aid from other government agencies	\$ 182,412
Use of Money and Property (Interest)	<u>1,113</u>
TOTAL ADDITIONS	<u>183,525</u>
<u>DEDUCTIONS</u>	
Depreciation	19,464
Services, Supplies and Refunds	<u>140,069</u>
TOTAL DEDUCTIONS	<u>159,533</u>
<u>CHANGE IN NET POSITION</u>	<u>23,992</u>
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>217,463</u>
<u>NET POSITION, END OF YEAR</u>	<u><u>\$ 241,455</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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021 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, 2021

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

	June 30, 2020	June 30, 2021
County Cash	\$ 2,809,616	\$ 3,596,771
Petty Cash	100	100
Total	\$ 2,809,716	\$ 3,596,871

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, 2021

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, 2020, 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, 2020.

Note 3 –Accounts Receivable

On June 30, 2021, the District had \$64,420 in Accounts Receivable. No allowance for doubtful accounts had been recorded per historical collections

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, 2021, the liability for compensated absences was \$319,752.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 is as follows:

	Balance July 1, 2020	Reductions/ Additions	Reductions/ Additions	Balance June 30, 2021
Accumulated Unpaid Compensated Absences	\$ 285,930	\$ 33,822	\$ -	\$ 319,752
Net Other Post Employment Benefits Obligation	\$ 1,868,590	\$ -	\$ 225,273	\$ 1,643,317
CalPERS Side Fund Liability Payment Long-Term Debt	\$ 11,265,302	\$ 1,207,491	\$ -	\$ 12,472,793

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 Miscellaneou 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, 2019, are summarized as follows:

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
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%

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.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 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, 2020, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2020, 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, 2020, 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, 2020, 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, 2020, to obtain the total pension liability and fiduciary net position as of June 30, 2020. 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, 2021**

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2021 Reporting Date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	-	42,363
Differences between Expected and Actual Experience	961,618	-
Differences between Projected and Actual Investment Earnings	272,798	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	743,504
Change in Employer's Proportion	513,645	-
Pension Contributions Made Subsequent to Measurement Date	1,450,432	-
	<u>3,198,493</u>	<u>785,867</u>
Net Pension Liability as of 6/30/2021	<u>12,472,793</u>	

NOTE: Detailed breakdown of ending balances by Miscellaneous vs Safety can be found in the [Jul 2020-Jun 2021 JE Flow](#) worksheet

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Pension Expense as of June 30, 2021				2,297,728
At 6/30/2021, proportionate shares of Net Pension Liability/(Asset) by plan(s):				
		Proportionate Share of Net Pension Liability/(Asset)		
	Miscellaneous			214,664
	Safety			12,258,129
	Total			12,472,793
Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2020 and 6/30/2021:				
		Miscellaneous	Safety	Total
	Proportion - June 30, 2020	0.00495%	0.17728%	0.10994%
	Proportion - June 30, 2021	0.00509%	0.18399%	0.11464%
	Change - Increase/(Decrease)	0.00013%	0.00671%	0.00470%
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
	2022	\$ 194,654	\$ 12,608	\$ 207,262
	2023	7,950	345,350	353,300
	2024	5,515	259,567	265,082
	2025	3,059	133,492	136,550
	2026	-	-	-
	Thereafter	-	-	-
		<u>211,177</u>	<u>751,017</u>	<u>\$ 962,194</u>
Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:				
		Discount Rate -1%	Current Discount Rate	Discount Rate +1%
		6.15%	7.15%	8.15%
	Employer's Net Pension Liability/(Asset) - Miscellaneous	337,535	214,664	113,139
	Employer's Net Pension Liability/(Asset) - Safety	18,695,762	12,258,129	6,975,443
	Employer's Net Pension Liability/(Asset) - Total	19,033,297	12,472,793	7,088,582

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 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, 2021

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. 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
	Contract COLA up to 2.50% until Purchasing Power
Post-retirement benefit increase	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.

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 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

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(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:

<i>Asset class¹</i>	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, 2021

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

LAST TEN YEARS*

<u>SAFETY</u>	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.183990%	0.177280%	0.172620%	0.100686%	0.100810%	0.095210%
Proportionate share of the net pension liability	\$ 12,258,129	\$ 11,066,890	\$ 10,128,398	\$ 9,985,259	\$ 8,723,472	\$ 6,535,150
Covered - employee payroll - measurement period	\$ 3,237,215	\$ 3,123,389	\$ 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	378.66%	354.32%	327.87%	330.75%	290.86%	229.77%
Plan fiduciary net position as a percentage of the total pension liability	74.14%	74.95%	75.47%	74.70%	75.36%	80.72%
Contractually required contribution (actuarially determined)	\$ 1,368,411	\$ 1,202,912	\$ 1,020,979	\$ 923,886	\$ 851,899	\$ 726,938
Contributions in relation to the actuarially determined contributions	1,409,318	1,202,912	1,020,979	923,886	851,899	726,938
Contribution deficiency (excess)	\$ (40,907)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	3,212,072.89	\$ 3,237,215	\$ 3,123,389	\$ 3,089,191	\$ 3,018,958	\$ 2,999,215
Contributions as a percentage of covered - employee payroll	42.60%	37.16%	32.69%	29.91%	28.22%	24.24%
Notes to Schedule: Valuation date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<u>Misc.</u>	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.005090%	0.004950%	0.004850%	0.004620%	0.004600%	0.004611%
Proportionate share of the net pension liability	\$ 214,664	\$ 198,412	\$ 182,742	\$ 188,159	\$ 161,983	\$ 123,372
Covered - employee payroll - measurement period	\$ 158,405	\$ 154,625	\$ 171,988	\$ 138,063	\$ 107,963	\$ 99,863
Proportionate share of the net pension liability as a percentage of covered payroll	135.52%	128.32%	106.25%	136.28%	150.04%	123.54%
Plan fiduciary net position as a percentage of the total pension liability	76.75%	77.25%	76.69%	74.57%	75.54%	79.75%
Contractually required contribution (actuarially determined)	\$ 36,294	\$ 30,992	\$ 29,320	\$ 19,103	\$ 16,335	\$ 13,592
Contributions in relation to the actuarially determined contributions	36,294	30,992	29,320	19,103	16,335	13,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 161,573	\$ 158,405	\$ 154,625	\$ 171,988	\$ 138,063	\$ 107,963
Contributions as a percentage of covered - employee payroll	22.46%	19.57%	18.96%	11.11%	11.83%	12.59%

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.

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.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 had previously financed 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, 2021, expenditures of approximately \$70,605 were paid for post-employment benefits other than pension benefit. During the fiscal-year the District setup a trust to pay for OPEB benefits.

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.

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, 2021**

APPENDIX C: 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	12
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	29
Total Number of participants	41

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

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

Shown in Part III.

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	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools 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, 2021**

Mortality Table	2017 CalPERS Retiree Mortality for All Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for All 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	2017 CalPERS Mortality for Safety Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Mortality for 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.

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	2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 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	2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0%@62 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	2017 CalPERS 2.7%@57 Rates for Fire Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.7%@57 Rates for Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2017 CalPERS 3.0%@55 Rates for Fire Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 3.0%@55 Rates for Fire Employees 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, 2021**

Turnover Tables

Turnover Table	2017 CalPERS Turnover for Fire Employees
Disclosure	The turnover assumptions are based on the 2017 CalPERS Turnover for 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	2017 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2017 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	\$1,460,026	\$1,643,317	\$1,875,850

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The following table shows the reconciliation of the June 30, 2020 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2021 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2020	\$1,868,590	\$0	\$1,868,590
Service Cost	\$43,451	\$0	\$43,451
Interest on Total OPEB Liability	\$120,228	\$0	\$120,228
Expected Investment Income	\$0	\$11,374	(\$11,374)
Administrative Expenses	\$0	(\$34)	\$34
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$350,000	(\$350,000)
Employer Contributions as Benefit Payments	\$0	\$80,140	(\$80,140)
Actual Benefit Payments from Trust	\$0	\$0	\$0
Actual Benefit Payments from Employer	(\$80,140)	(\$80,140)	\$0
Expected Minus Actual Benefit Payments**	(\$1,168)	\$0	(\$1,168)
Expected Balance at June 30, 2021	\$1,950,961	\$361,340	\$1,589,621
Experience (Gains)/Losses	\$0	\$0	\$0
Changes in Assumptions	\$52,365	\$0	\$52,365
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	(\$1,331)	\$1,331
Other	\$0	\$0	\$0
Net Change during 2021	\$134,736	\$360,009	(\$225,273)
Actual Balance at June 30, 2021*	\$2,003,326	\$360,009	\$1,643,317

* May include a slight rounding error.

** Deferrable as an Experience Gain or Loss.

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 beginning on page 25. 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, 2021

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	(\$76,862)	(\$1,168)	\$4,935	(\$73,095)
Assumption Changes	(\$708,162)	\$52,365	\$76,424	(\$579,373)
Investment (Gains)/Losses	\$0	\$1,331	(\$267)	\$1,064
Deferred Balances	(\$785,024)	\$52,528	\$81,092	(\$651,404)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

OPEB Expense Fiscal Year Ending June 30, 2021

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$1,868,590	\$1,643,317	(\$225,273)
Deferred Balances	(\$785,024)	(\$651,404)	\$133,620
Net Position	\$2,653,614	\$2,294,721	(\$358,893)
Adjust Out Employer Contributions			\$430,140
OPEB Expense			\$71,247

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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, 2021 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

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<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		Agreed Value or ACV
Automobile Comprehensive	\$250/1,000	Agreed Value or ACV
Automobile Collision	\$250/1,000	
<u>Liability</u>		
Commercial/General Liability Each Occurrence		\$1,000,000
General Aggregate Limit		\$10,000,000
<u>Automobile Coverage -</u>		
Combined Single Limit		\$1,000,000
Uninsured/Underinsured Motorists		\$1,000,000
<u>Excess Liability Coverage -</u>		
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
<u>Personnel:</u>		
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, 2021 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **September 1, 2021**, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after **September 1, 2021**.

Scotts Valley Fire Protection District

Supplemental Information

June 30, 2021

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2021**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 7,657,442	\$ 8,019,667	\$ 362,225
Charges for Service	386,071	1,444,003	1,057,932
Interest & Investment Earnings	3,000	456	(2,544)
License & Permits	16,200	21,516	5,316
Grants & Contributions	-	-	-
Miscellaneous	2,500	8,414	5,914
TOTAL REVENUE	8,065,213	9,494,056	1,428,843
<u>EXPENDITURES</u>			
Capital Assets	-	-	-
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	167,600	106,493	61,107
Salaries and Employee Benefits	8,009,635	7,932,893	76,742
Repairs and Maintenance	147,550	149,667	(2,117)
Insurance	42,200	36,070	6,130
Services, Supplies and Refunds	467,660	307,325	160,335
TOTAL EXPENDITURES	8,834,645	8,532,448	302,197
Excess (Deficit) Revenues over Expenditures	(769,432)	961,608	
Transfer In/(Out)		(100,000)	
<u>CHANGE IN FUND BALANCE</u>		861,608	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		1,575,335	
<u>FUND BALANCE, END OF YEAR</u>		\$ 2,436,943	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - Capital
For the Year Ended
June 30, 2021**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 130,846	\$ 132,436	\$ 1,590
Charges for Service	-	-	-
Interest & Investment Earnings	20,000	8,158	(11,842)
License & Permits	-	-	-
Grants & Contributions	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUE	150,846	140,594	(10,252)
<u>EXPENDITURES</u>			
Capital Assets	332,000	254,527	77,473
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	80,000	1,076	78,924
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	65,000	29,880	35,120
Insurance	-	-	-
Services, Supplies and Refunds	167,500	10,009	157,491
TOTAL EXPENDITURES	644,500	295,492	349,008
Excess (Deficit) Revenues over Expenditures	(493,654)	(154,898)	
Transfer In/(Out)		100,000	
<u>CHANGE IN FUND BALANCE</u>		(54,898)	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		1,194,260	
<u>FUND BALANCE, END OF YEAR</u>		\$ 1,139,362	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - SCHMIT
For the Year Ended
June 30, 2021**

<u>Additions</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ -	\$ -	\$ -
Charges for Service	-	-	-
Interest & Investment Earnings	400	1,113	713
License & Permits	-	-	-
Aid from other government agencies	182,412	182,412	-
Miscellaneous	-	-	-
TOTAL ADDITIONS	182,812	183,525	713
<u>Deductions</u>			
Depreciation	-	19,464	(19,464)
Professional Fees	6,100	5,500	600
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	25,400	10,478	14,922
Insurance	2,200	2,200	-
Services, Supplies and Refunds	176,200	121,891	54,309
TOTAL DEDUCTIONS	209,900	159,533	50,367
<u>CHANGE IN NET POSITION</u>		23,992	
<u>NET POSITION, BEGINNING OF YEAR</u>		217,463	
<u>NET POSITION, END OF YEAR</u>		\$ 241,455	



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Date: December 8, 2021

To: Board of Directors

From: Chief Whittle 

Subject: November Administrative Report

Incident Type	September		October		November		Year To Date	
	2020	2021	2020	2021	2020	2021	2020	2021
Fires	7	7	4	11	6	3	69	72
Explosion / Rupture	0	0	0	0	0	0	0	1
EMS	76	114	112	86	104	100	1009	1158
Hazardous Condition	3	4	4	22	5	1	59	82
Service Calls	14	16	12	24	11	16	167	166
Good Intent	41	37	38	48	36	24	378	369
False Alarms	18	7	11	16	10	9	153	123
Severe Weather	0	0	0	0	0	0	3	1
Totals	159	185	181	207	172	153	1838	1972

Operations

- November was a productive month for crews to get caught up on annual services and repairs now that wildland season is over. (Brakes, cv axles, Nox sensors, tires, discharge ball valves, corroded water piping, etc. Also, multiple vehicles went in to service center for recall repairs.
- C-Shift responded to a structure fire on South Navarra drive. The fire was contained to the work bench in the garage. A citizen walking by the house noticed light smoke from the eaves of the garage. He used the Ring doorbell to try and alert the residents, however they were not home at the time. The residents answered their Ring Doorbell remotely and spoke to the citizen. The resident gave the citizen their door code and he was able to get 1 dog and a rabbit out of the house prior to our arrival. On our arrival, crews made entry into the garage and quickly extinguished the fire. Damage was contained the garage with minor smoke in the living quarters. SVFD personnel along with SCZ and CTL worked effectively, efficiently and safely to get quick knock down. Excellent work.

Board of Directors

Robert Campbell Edward Harmon Joseph Parker Russ Patterson Daron Pisciotta

- C-Shift responded to an injury accident on Highway 17 @ Pasatiempo. There were 4 Juveniles in the vehicle, all had significant injuries with 1 entrapment. Crews were able to quickly extricate the trapped patient. All 4 patients were transported by ground ambulance to Valley Medical Center.
- BC Stubendorff has been working on setting up our transition to Emergency Reporting.

Training

- Captain Petteys completed his Acting Battalion Chief task book and has been signed off by BC LoFranco.
- Probationary firefighters Vandiver and Shaughnessy are progressing nicely through their training and are ahead of schedule.
- Engineer Pedemonte is nearing completion of his Acting Captain task book.

EMS

- New Wi-Fi modems are being purchased for the lead engine LP-15 monitors. The modems will allow information from the monitor to be directly inputted into the FF/Paramedic's patient care report. Santa Cruz County EMS wants all agencies to have the new modems ready for use by Jan 1, 2022. A HIE (Health Information Exchange) grant from County Health will help offset some of the cost of the modems.

Prevention

- New Construction Inspections
 - Completed 6 new construction inspections. Thomas Terrace townhomes completed and passed final inspections. The Burger King completed their TI and passed final inspection.
- Occupancy Inspections
 - Completed State Mandated Occupancy Inspections at Baymonte Schools (3), and Scotts Valley Unified School District (4). All State Mandated Occupancy Inspections for 2021 have been completed.
- Permits/Plan Checks
 - Completed 14 plan check/permits, including design review for the Valley Gardens project.
- Hazard Complaint Inspections
 - Investigated 1 Fire Hazard Complaints.
- Meetings attended
 - Attended 5 meetings, including: Santa Cruz County Fire Prevention Officers, SVFD Staff meeting and met with the new owners of 4200 Scotts Valley Drive.
- Other
 - Completed Emergency Reporting Administrator Training
- Engineer Cahir has been searching the rural parts of the District for private water supplies, bridges, and gates. He has been using a GPS to map out these items which will be added to our CAD maps.

Administration

- Admin Specialist Bridges inspected/installed 4 car seats in November.
- All 3 Admin personnel attended the Procopio Labor Law Virtual Seminar on 11/9 & 11/10.
- Admin has also been putting together financial data for our AFG grants due this month.
- On 11/30/2021, Admin attended the Santa Cruz County Administrative Fire Section Meeting to establish goals and training for 2022.

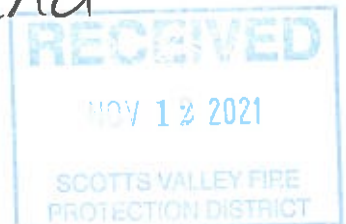
Fire Chief

- The County Health and Wellness committee has purchased a large cache of Rehab and Recovery equipment utilizing funds set aside by SCCFAIG. The equipment is stored at Central Fire and is available for use by all employees.
- I have been working with BC Stubendorff on 2 AFG grants. One is a regional grant hosted by Central Fire for the purchase of Monitors/AEDs. The other grant we are submitting for is to replace our current mobile and portable radios to be compatible with FIRESCOPE Radio Communications Guidelines and provide reliable replacements for our aging radios.
- I attended the SCR911 Users Committee meeting.
- I attended the SCCFAIG workers compensation file review meeting for current cases.
- I attended a Cal OES Webinar for the California Hazardous Mitigation Program. We hope to have our Notice of Interest submitted soon for grant consideration.
- I attended the CSDA online Board workshop co-sponsored by LAFCO.
- I completed the Emergency Reporting Administrator training

Thank You Scotts Valley Fire Dept

As long time residents of South Lake Tahoe, we want to express our sincere gratitude for your incredible efforts to save our beautiful city from the Caldor Fire.

We hope that you can come back sometime to enjoy South Lake Tahoe and all its beauty!



♡ The Power Family