



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Board of Directors

Agenda

Wednesday, November 8, 2023, 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 Mark Correia, Board Secretary, for immediate consideration.

Teleconference Notice

Director Patterson will be joining the meeting via teleconference from the following location:
5295 Lower Honoapiilani Road, Lahaina, HI 96761.

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 the removal of the item for separate action.)

4.1 Minutes: Approve Regular Board Meeting Minutes of October 11, 2023

4.2 Approve SVFPD Claims Disbursements for the Month of October 1, 2023 through October 31, 2023 in the Amount of:

Payroll and Benefits:	\$502,393.31
General Fund:	\$ 51,187.91
Capital Outlay:	\$ 31,614.25
SCHMIT:	\$ 76.02
TOTAL:	\$585,271.49

4.3 Accept and File the SVFPD Financial Audit for Fiscal Year Ending June 30, 2023

Scotts Valley Fire Protection District
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Agenda

- 4.4 Approve Side Letter of Agreement with I.A.F.F. Local 3577 – Conditions, Benefits and Salary for Branciforte Fire Protection District Transfer Employees

5. Discussion Items

- 5.1 Branciforte Annexation Update

6. Action Items – Discussion/Action

- 6.1 Approve Revised Policy 1500: Hiring Practices
- 6.2 Certify Firefighter/Paramedic Eligibility List
- 6.3 Go Fund Me Donation from Tyrone and Shinobu McConney for \$3,100
- 6.4 Appoint Fire Chief Mark Correira as Negotiator for a Real Estate Transaction Located at 6000 La Madrona Drive, and Authorize Him to Negotiate with the Scotts Valley Water District Negotiator(s)

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 Letter Dated 10/18/2023 from Becky Steinbruner

9. Request for Future Agenda Items

10. Closed Session: Government Code §54956.8

- 10.1 Real Property Negotiations for Price and Terms of Payment
Real Property Transaction: 6000 La Madrona Drive
Negotiators: Fire Chief Mark Correira and Scotts Valley Water District

11. Open Session: Government Code §54957.1

- 11.1 Report on Closed Session

12. Adjournment

Next Regularly Scheduled Board Meeting: Wednesday, December 13, 2023 at 6:00 p.m.



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066

(831) 438-0211

Fax (831) 438-0383

MINUTES OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING OF October 11, 2023

1. Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, October 11, 2023 at the City of Scotts Valley Council Chambers. President Pisciotta called the meeting to order at 6:02 p.m.

1.1 Pledge of Allegiance and Moment of Silence

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

1.2 Roll Call

A. Directors Present:	Directors Cosner, Hurst, Parker (6:03 p.m.), Patterson and Pisciotta
B. Directors Absent:	None
C. Fire District Staff:	Chief Correia, Battalion Chiefs LoFranco and Stubendorff and Administrative Services Manager Walton

2. Public Comment (GC §54954.3)

No Public Comment.

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

No Agenda Amendments.

4. Consent Calendar

4.1 Minutes: Approve Regular Board Meeting Minutes of September 13, 2023

4.2 Approve SVFPD Claims Disbursements for the Month of September 1, 2023 through September 30, 2023 in the Amount of:

Payroll and Benefits:	\$622,753.32
General Fund:	\$ 26,911.29
Capital Outlay:	\$ 6,408.75
SCHMIT:	\$ 0.00
TOTAL:	\$656,073.36

4.3 Adopt Revised Publicly Available Pay Schedule per Government Code §20636

On motion of Director Hurst seconded by Director Cosner to *Approve the Consent Calendar* was approved by the following vote:

AYES:	Cosner, Hurst, Parker, Patterson and Pisciotta
NOES:	None
ABSENT:	None
ABSTAIN:	None

SCOTTS VALLEY FIRE PROTECTION DISTRICT
Regular Board Meeting October 11, 2023

5. Discussion Items

5.1 Branciforte (BFPD) Annexation Update

Chief Correia reported that the Joint Ad Hoc Committee met on 9/13/2023 and LAFCO held the protest meeting on 9/27/2023 by Zoom. At the LAFCO Regular Board Meeting on 10/4/2023 there was no public protest and the reorganization was approved. Chief Correia stated that he will be meeting with LAFCO Executive Director Joe Serrano tomorrow and there will likely be one more Ad Hoc Committee meeting scheduled. We anticipate that the reorganization will be executed by the end of the year and effective the day after it is executed. We have been getting different stories from CalPERS on how the contracts will be merged and even had a discussion with legal counsel as to what CalPERS was requiring, did not seem correct. Administrative Services Manager Walton attended the CalPERS conference last week and spoke with the Contract Department Division Chief who has confirmed the process as we need it done. Chief Correia reported that he met with Interim Chief Lackey and staff has been working on a list of items for the transition. The BFPD will start the recruitment process for the BFPD Finance Oversight Committee and the Joint Ad Hoc Committee will meet to finalize. Chief Correia stated that that he has been working with the Union and there is a draft side letter for the BFPD personnel. An Organization and Personnel Committee meeting will be scheduled to review the draft side letter and the item will be included on the November Regular Board Meeting Agenda. A Finance and Planning Committee meeting will be scheduled to reviewed the merged finances and future forecasting.

6. Action Items – Discussion/Action

6.1 None

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

Director Patterson stated that he met with Chief Correia and the Scotts Valley Water District this morning to discuss the cost of the property for the Intertie Pump Station and Chief Correia will add a closed session to Board Meeting next month.

7.2 Administrative Report – Chief Officers

Chief Correia stated that the Administrative Report was included in the board packet and reported the following:

- Staff has been very busy. BC Stubendorff has been working on the new phone system and backup internet system. BC LoFranco has been working on the annual PCF hiring and Firefighter/Paramedic hiring (Certified List will be included on the November Regular Board Meeting Agenda). BC McNeil has attended multiple RRM Meetings for the La Madrona Station and went to the site this weekend with the Crews to do some tree clearing necessary for a survey.
- Engineer Laine has done a great job leading the radio program and has learned several software programs to make it all work.
- Engineer Nehf organized the pancake breakfast, which had a great turnout and was a successful event.
- It will be necessary to scheduled committee meetings including: Organization and Personnel to review the hiring policy, Finance and Planning to discuss budget philosophy and allocating the \$3,100 donation received from Go Fund Me setup by the homeowner after a fire at his house and Joint Ad Hoc to establish the BFPD Finance Oversight Committee.

BC LoFranco reported that 9 PCFs are currently in backgrounds. One candidate has already attended the Fire Academy and will be hired after completing a checkoff list. The Firefighter/Paramedic hiring was open to all BFPD volunteers and SVFPD PCFs for a total of 15 candidates, the testing process is scheduled for 9/27/2023 and we have received application packets back from 4 candidates.

BC Stubendorff stated that Admin Staff is working through the issues with the new phone system. When calling the Admin Office, press zero to bypass the automated attendant and be connected to Admin Staff.

SCOTTS VALLEY FIRE PROTECTION DISTRICT
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8. Correspondence

8.1 None

9. Request for Future Agenda Items

No Request for Future Agenda Items.

10. Adjournment

The meeting was adjourned at 6:16 p.m.

ATTEST

Daron Pisciotta
Board President

Mark Correia
Board Secretary

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
Post On [10/1/2023..10/31/2023] and Revenues/Expenditures [XP] and GL Key [685010, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditure	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 50 – SALARIES AND EMPLOYEE BENEF												
Object: 51000 – REGULAR PAY-PERMANENT												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	51000	-141,882.80	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	51000	-141,523.76	PAYPERIOD 21PAYDATE 10202023		
Total 51000 – REGULAR PAY-PERMANENT									-283,406.56			
Object: 51005 – OVERTIME PAY-PERMANENT												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	51005	-16,425.45	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	51005	-19,301.75	PAYPERIOD 21PAYDATE 10202023		
Total 51005 – OVERTIME PAY-PERMANENT									-35,727.20			
Object: 51010 – REGULAR PAY-EXTRA HELP												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	51010	-2,908.60	PAYPERIOD 20PAYDATE 10062023		
Total 51010 – REGULAR PAY-EXTRA HELP									-2,908.60			
Object: 51035 – HOLIDAY PAY												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	51035	-11,243.30	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	51035	-11,157.35	PAYPERIOD 21PAYDATE 10202023		
Total 51035 – HOLIDAY PAY									-22,400.65			
Object: 51040 – DIFFERENTIAL PAY												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	51040	-7,911.19	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	51040	-7,911.19	PAYPERIOD 21PAYDATE 10202023		
Total 51040 – DIFFERENTIAL PAY									-15,822.38			
Object: 52010 – OASDI-SOCIAL SECURITY												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	52010	-2,800.48	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	52010	-2,861.12	PAYPERIOD 21PAYDATE 10202023		
Total 52010 – OASDI-SOCIAL SECURITY									-5,661.60			
Object: 52015 – PERS												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	52015	-29,448.02	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/10/2023	JV240171		Expenditures	685010	50	52015	-0.14	ADD ER PMT PER ALICIA		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	52015	-29,675.18	PAYPERIOD 21PAYDATE 10202023		
Total 52015 – PERS									-59,123.34			
Object: 53010 – EMPLOYEE INSURANCE & BENEFITS												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	53010	1,063.19	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	53010	-1,000.00	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/06/2023	DU100276	DU100276	Expenditures	685010	50	53010	48.56	M.Pasquini Oct23 DentalCK#1043	C99999	
2024	04	10/06/2023	DU100276	DU100276	Expenditures	685010	50	53010	91.85	H.Bustichi Oct23 DentalCK#4148	C99999	
2024	04	10/10/2023	OCT23HLTH		Expenditures	685010	50	53010	-61,899.71	SV FIRE OCT 2023	V116512	15519
2024	04	10/12/2023	DU100406	DU100406	Expenditures	685010	50	53010	48.56	S.Downey Oct23 Dental CK#2373	C99999	
2024	04	10/12/2023	DU100406	DU100406	Expenditures	685010	50	53010	137.94	S.Kovacs Oct Dental	C99999	
2024	04	10/12/2023	DU100406	DU100406	Expenditures	685010	50	53010	275.55	D.Grebil Oct-Dec23 Dental	C99999	
2024	04	10/17/2023	1123SVFD		Expenditures	685010	50	53010	-4,700.66	HEALTH CARE EMP SVFD Group 367	V108670	00442808
2024	04	10/17/2023	1123SVFD		Expenditures	685010	50	53010	-1,313.20	FIRE RISK MANAG SVFD	V45930	00442807
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	53010	-1,000.00	PAYPERIOD 21PAYDATE 10202023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	53010	1,063.19	PAYPERIOD 21PAYDATE 10202023		
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-711.06	WHITTLE, RON SVFD Health Ins.	V102822	80060892
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-1,469.14	MCMURRY, MICHA E SVFD Health In	V105430	80060888
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-364.73	PHINN, MIKE SVFD Health Ins. 1	V103782	80060889
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-849.00	THEILEN, LOTHAR SVFD Health In	V117701	80060891
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-1,358.24	BIDDLE, MIKE SVFD Health Ins.	V105980	80060886
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-348.27	RONZANO, CHRIST SVFD Health In	V111324	80060890
2024	04	10/26/2023	1123SVFD		Expenditures	685010	50	53010	-655.44	LOFRANCO, SAL SVFD Health Ins.	V105221	80060887
Total 53010 – EMPLOYEE INSURANCE & BENEFITS									-72,940.61			
Object: 53015 – UNEMPLOYMENT INSURANCE												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	53015	-27.37	PAYPERIOD 20PAYDATE 10062023		
Total 53015 – UNEMPLOYMENT INSURANCE									-27.37			

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
Post On [10/1/2023..10/31/2023] and Revenues/Expenditures [XP] and GL Key [685010, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditure	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 50 – SALARIES AND EMPLOYEE BENEF												
Object: 55021 – OTHER BENEFITS MISC												
2024	04	10/04/2023	PAYPERIOD 20		Expenditures	685010	50	55021	-2,187.50	PAYPERIOD 20PAYDATE 10062023		
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	50	55021	-2,187.50	PAYPERIOD 21PAYDATE 10202023		
Total 55021 – OTHER BENEFITS MISC									-4,375.00			
Total 50 – SALARIES AND EMPLOYEE BENEF									-502,393.31			
Character: 60 – SERVICES AND SUPPLIES												
Object: 61110 – CLOTHING & PERSONAL SUPPLIES												
2024	04	10/05/2023	0923SVFD5		Expenditures	685010	60	61110	-258.92	SCARBOROUGH LUM SVFD Acct 1169	V1233	00441923
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61110	-1,309.06	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 61110 – CLOTHING & PERSONAL SUPPLIES									-1,567.98			
Object: 61125 – UNIFORM REPLACEMENT												
2024	04	10/05/2023	179		Expenditures	685010	60	61125	-347.81	SUMMIT UNIFORMS SVFD	V45831	00441924
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61125	-918.75	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/17/2023	3242		Expenditures	685010	60	61125	-222.03	SUMMIT UNIFORMS SVFD	V45831	00442811
Total 61125 – UNIFORM REPLACEMENT									-1,488.59			
Object: 61215 – RADIO												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61215	-32.91	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 61215 – RADIO									-32.91			
Object: 61221 – TELEPHONE-NON TELECOM 1099												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61221	-1,816.70	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 61221 – TELEPHONE-NON TELECOM 1099									-1,816.70			
Object: 61310 – FOOD												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61310	-500.32	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 61310 – FOOD									-500.32			
Object: 61425 – OTHER HOUSEHOLD EXP-SERVICES												
2024	04	10/05/2023	0923SVFD4		Expenditures	685010	60	61425	-85.54	SCARBOROUGH LUM SVFD Acct 1169	V1233	00441923
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61425	-338.36	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/17/2023	272362		Expenditures	685010	60	61425	-347.31	MID VALLEY SUPP SVFD	V481	00442809
Total 61425 – OTHER HOUSEHOLD EXP-SERVICES									-771.21			
Object: 61720 – MAINT-MOBILE EQUIPMENT-SERV												
2024	04	10/05/2023	0923SVFD3		Expenditures	685010	60	61720	-166.78	SCARBOROUGH LUM SVFD Acct 1169	V1233	00441923
2024	04	10/05/2023	9675		Expenditures	685010	60	61720	-172.44	CENTRAL FIRE PR SVFD	V116886	00441919
2024	04	10/05/2023	CI040271		Expenditures	685010	60	61720	-1,464.29	GOLDEN STATE EM SVFD PIE-0143	V129826	00441921
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61720	-3,115.38	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/20/2023	9794		Expenditures	685010	60	61720	-228.30	CENTRAL FIRE PR SVFD	V116886	00443033
2024	04	10/20/2023	9804		Expenditures	685010	60	61720	-278.09	CENTRAL FIRE PR SVFD	V116886	00443033
Total 61720 – MAINT-MOBILE EQUIPMENT-SERV									-5,425.28			
Object: 61725 – MAINT-OFFICE EQUIPMNT-SERVICES												
2024	04	10/17/2023	15171		Expenditures	685010	60	61725	-1,855.00	PAGODA TECHNOLO SVFD	V125184	00442810
Total 61725 – MAINT-OFFICE EQUIPMNT-SERVICES									-1,855.00			
Object: 61730 – MAINT-OTH EQUIP-SERVICES												
2024	04	10/20/2023	110648		Expenditures	685010	60	61730	-137.80	SANTA CRUZ FIRE SVFD	V125908	00443035
Total 61730 – MAINT-OTH EQUIP-SERVICES									-137.80			
Object: 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV												
2024	04	10/05/2023	0576176-IN		Expenditures	685010	60	61845	-534.04	WESTERN STATE D SVFD	V13250	00441925
2024	04	10/05/2023	0576342-IN		Expenditures	685010	60	61845	-141.13	WESTERN STATE D SVFD	V13250	00441925
2024	04	10/05/2023	0923SVFD		Expenditures	685010	60	61845	-450.00	CLAYTON, RANDY SVFD	V34995	00441920
2024	04	10/05/2023	0923SVFD2		Expenditures	685010	60	61845	-201.49	SCARBOROUGH LUM SVFD Acct 1169	V1233	00441923
2024	04	10/05/2023	191492		Expenditures	685010	60	61845	-658.00	BELLOWS PLUMBIN SVFD 112451	V128615	00441917
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61845	-1,123.19	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/26/2023	0576176-IN		Expenditures	685010	60	61845	534.04	WESTERN STATE D SVFD	V13250	00441925

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
Post On [10/1/2023..10/31/2023] and Revenues/Expenditures [XP] and GL Key [685010, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditure	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV												
2024	04	10/26/2023	0576342-IN		Expenditures	685010	60	61845	141.13	WESTERN STATE D SVFD	V13250	00441925
Total 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV									-2,432.68			
Object: 61920 – MEDICAL, DENTAL & LAB SUPPLIES												
2024	04	10/05/2023	85064817		Expenditures	685010	60	61920	-448.61	BOUND TREE MEDI SVFD	V12149	00441918
2024	04	10/05/2023	85075214		Expenditures	685010	60	61920	-5,070.12	BOUND TREE MEDI SVFD	V12149	00441918
2024	04	10/05/2023	85088714		Expenditures	685010	60	61920	-1,205.84	BOUND TREE MEDI SVFD	V12149	00441918
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	61920	-107.51	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/20/2023	85068972		Expenditures	685010	60	61920	-90.71	BOUND TREE MEDI SVFD	V12149	00443032
2024	04	10/20/2023	85083797		Expenditures	685010	60	61920	-292.48	BOUND TREE MEDI SVFD	V12149	00443032
Total 61920 – MEDICAL, DENTAL & LAB SUPPLIES									-7,215.27			
Object: 62020 – MEMBERSHIPS												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62020	-196.45	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62020 – MEMBERSHIPS									-196.45			
Object: 62111 – MISCELLANEOUS EXPENSE-SERVICES												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62111	-57.25	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62111 – MISCELLANEOUS EXPENSE-SERVICES									-57.25			
Object: 62219 – PC SOFTWARE PURCHASES												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62219	-103.49	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/16/2023	83205		Expenditures	685010	60	62219	-2,961.60	TARGET SOLUTION SVFD	V31376	00442714
2024	04	10/17/2023	121950		Expenditures	685010	60	62219	-3,595.00	ESO SOLUTIONS I SVFD	V36065	00442806
Total 62219 – PC SOFTWARE PURCHASES									-6,660.09			
Object: 62223 – SUPPLIES												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62223	-266.67	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62223 – SUPPLIES									-266.67			
Object: 62327 – DIRECTORS' FEES												
2024	04	10/18/2023	PAYPERIOD 21		Expenditures	685010	60	62327	-2,900.00	PAYPERIOD 21PAYDATE 10202023		
Total 62327 – DIRECTORS' FEES									-2,900.00			
Object: 62358 – LAUNDRY SERVICES												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62358	-257.85	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62358 – LAUNDRY SERVICES									-257.85			
Object: 62367 – MEDICAL SERVICES-OTHER												
2024	04	10/17/2023	EM007226		Expenditures	685010	60	62367	-380.00	AGILE OCCUPATIO SVFD	V44838	00442722
Total 62367 – MEDICAL SERVICES-OTHER									-380.00			
Object: 62381 – PROF & SPECIAL SERV-OTHER												
2024	04	10/16/2023	202939		Expenditures	685010	60	62381	-210.00	CENTRAL COAST C SVFD	V15383	00442713
2024	04	10/20/2023	104463		Expenditures	685010	60	62381	-3,187.00	THE GRUNSKY LAW SVFD	V39358	00443036
2024	04	10/20/2023	B3106		Expenditures	685010	60	62381	-2,278.60	CSG CONSULTANTS SVFD	V121100	00443034
Total 62381 – PROF & SPECIAL SERV-OTHER									-5,675.60			
Object: 62715 – SMALL TOOLS & INSTRUMENTS												
2024	04	10/05/2023	0923SVFD		Expenditures	685010	60	62715	-129.71	SCARBOROUGH LUM SVFD Acct 1169	V1233	00441923
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62715	-896.04	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62715 – SMALL TOOLS & INSTRUMENTS									-1,025.75			
Object: 62826 – EDUCATION AND/OR TRAINING												
2024	04	10/17/2023	1023SVFD		Expenditures	685010	60	62826	-163.59	WALTON, ALICIA SVFD	V119128	00442812
Total 62826 – EDUCATION AND/OR TRAINING									-163.59			
Object: 62888 – SPEC DIST EXP-SERVICES												
2024	04	10/05/2023	50070		Expenditures	685010	60	62888	-2,699.00	ROBOTRONICS INC SVFD 950660	V30818	00441922
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62888	-1,123.00	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62888 – SPEC DIST EXP-SERVICES									-3,822.00			

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
Post On [10/1/2023..10/31/2023] and Revenues/Expenditures [XP] and GL Key [685010, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditure	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 60 – SERVICES AND SUPPLIES												
Object: 62890 – SUBSCRIPTIONS BOOKS & ED MATER												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62890	-149.90	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 62890 – SUBSCRIPTIONS BOOKS & ED MATER									-149.90			
Object: 62920 – GAS, OIL, FUEL												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	62920	-210.93	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/17/2023	843376		Expenditures	685010	60	62920	-2,952.57	WESTERN STATES SVFD	V39738	00442813
2024	04	10/17/2023	843377		Expenditures	685010	60	62920	-373.66	WESTERN STATES SVFD	V39738	00442813
Total 62920 – GAS, OIL, FUEL									-3,537.16			
Object: 63070 – UTILITIES												
2024	04	10/06/2023	1023SVFD		Expenditures	685010	60	63070	-907.56	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
2024	04	10/11/2023	1023SVFD1		Expenditures	685010	60	63070	-777.54	PACIFIC GAS AND SVFD	V129169	00442356
2024	04	10/11/2023	1023SVFD2		Expenditures	685010	60	63070	-634.73	PACIFIC GAS AND SVFD	V129169	00442356
2024	04	10/20/2023	1023SVFD1		Expenditures	685010	60	63070	-228.86	CITY OF SCOTTS SVFD	V102713	00442943
2024	04	10/20/2023	1023SVFD2		Expenditures	685010	60	63070	-135.55	CITY OF SCOTTS SVFD	V102713	00442943
2024	04	10/20/2023	1023SVFD3		Expenditures	685010	60	63070	-80.15	PACIFIC GAS AND SVFD	V129169	00442944
2024	04	10/20/2023	1023SVFD4		Expenditures	685010	60	63070	-87.47	PACIFIC GAS AND SVFD	V129169	00442944
Total 63070 – UTILITIES									-2,851.86			
Total 60 – SERVICES AND SUPPLIES									-51,187.91			
Total 685010 – SCOTTS VALLEY FIRE PROT SVC									-553,581.22			
GL Key: 685030 – SCOTTS VLY FIRE DIST.-CAPITAL												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV												
2024	04	10/06/2023	1023SVFD		Expenditures	685030	60	61845	-750.00	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV									-750.00			
Object: 62381 – PROF & SPECIAL SERV-OTHER												
2024	04	10/20/2023	3001020923		Expenditures	685030	60	62381	-14,676.75	RRM DESIGN GROU SVFD	V126553	80060712
Total 62381 – PROF & SPECIAL SERV-OTHER									-14,676.75			
Total 60 – SERVICES AND SUPPLIES									-15,426.75			
Character: 80 – FIXED ASSETS												
Object: 86110 – BUILDINGS AND IMPROVEMENTS												
2024	04	10/06/2023	1023SVFD		Expenditures	685030	80	86110	-16,187.50	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 86110 – BUILDINGS AND IMPROVEMENTS									-16,187.50			
Total 80 – FIXED ASSETS									-16,187.50			
Total 685030 – SCOTTS VLY FIRE DIST.-CAPITAL									-31,614.25			
GL Key: 685040 – SV FIRE DIST-REGIONAL HAZ RESP												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61221 – TELEPHONE-NON TELECOM 1099												
2024	04	10/06/2023	1023SVFD		Expenditures	685040	60	61221	-76.02	U S BANK CORPOR SVFD 4246-0445	V992019	80060234
Total 61221 – TELEPHONE-NON TELECOM 1099									-76.02			
Total 60 – SERVICES AND SUPPLIES									-76.02			
Total 685040 – SV FIRE DIST-REGIONAL HAZ RESP									-76.02			
									-585,271.49			

Scotts Valley Fire Protection District

October 30, 2023
Pehling, Zach

Dear Pehling, Zach:

This representation letter is provided in connection with your audit of the SVFPD as of June 30, 2023 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Scotts Valley Fire Protection District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 30, 2023:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement date October 30, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule⁸ and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,⁷ and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have *no knowledge of any* fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have *no knowledge of any* allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We *are not aware of any pending or threatened* litigation, claims, and assessments whose effects should be considered when preparing the financial statements *and we have not consulted legal counsel concerning litigation, claims, or assessments.*
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- *There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.*
- *Scotts Valley Fire Protection District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.*
- *We have disclosed to you all guarantees, whether written or oral, under which Scotts Valley Fire Protection District is contingently liable.*
- *We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.*
- *For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.*
- *We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.*
- *We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.*
- *There are no:*
 - *Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.*
 - *Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.*
 - *Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62*
 - *Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).*
- *Scotts Valley Fire Protection District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.*
- *We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.*
- *We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.*



 Fire Chief



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

October 30, 2023

The Scotts Valley Fire Protection District (SVFPD) 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 SVFPD is approximately twenty thousand, including about twelve thousand within the city limits. The SVFPD 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 SVFPD financial report presents the discussion and analysis of the SVFPD financial performance during the fiscal year ending June 30, 2023.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management 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 SVFPD. 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.

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 SVFPD. Tax revenues are placed in the General Fund and regular operating expenses are charged here. For the 2023/2024 FY, Capital Structure and Improvements was budgeted in the General Fund to eliminate the needs to borrow money from the County prior to the first property tax distribution in December.

Capital Outlay/Zone A Fund - A legally formed zone of benefits established in 1969 that receives revenues and expenditures are budgeted for capital projects.

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

Santa Cruz Hazardous Materials Interagency Team (SCHMIT) - The SVFPD reports the resources held and administered by the SVFPD 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. When available, additional funding had been received from grants.

Financial Analysis of the District as a Whole

Net Position - The SVFPD net change in net position was \$1,408,506 for the fiscal year ended June 30, 2023. The adoption of GASB 68 put the SVFPD in a negative net position with further negative net position from the adoption of GASB 74/75. The negative net position will not adversely affect the SVFPD as the positive fund balance will allow the SVFPD to continue to offer services to the public. Approximately 25 percent of the \$16,789,541 in assets, \$4,166,707 are invested in capital assets (net of accumulated depreciation and related debt).

Financial Analysis of the District's Funds

Governmental fund balances increased by \$316,340. The main reason for the difference between the \$1,408,506 increase in SVFPD net position and the \$316,340 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 10.18% better than budgeted at \$914,665, mainly due to strike team reimbursement and residual distribution due to the dissolution of the Redevelopment Agency (RDA) with tax revenue 2.55% better, at \$205,189.

Salaries and benefits were \$398,707 (4.71%) under budget. Services and supplies were \$140,470 (16.59%) 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 \$9,444,402 (9.04%) 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 \$1,138,996 (54.62%).

Capital Assets

As of June 30, 2023, the SVFPD had invested \$9,318,509 in a broad range of capital assets including land, structures and improvements, equipment, and construction in progress.

Long-Term Liabilities

At June 30, 2023 the SVFPD had \$16,132,811 in long-term liabilities which consists of postemployment benefits obligation and the Net Pension Liability. In September 2020, the SVFPD established the California Employers' Pension Prefunding Trust (CEPPT) to prefund future pension costs and 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.

Economic Factors and Next Year's Budget

The main source of SVFPD revenue is property tax. Estimates from the Santa Cruz County Auditor project a 4% growth in the secured property tax (real estate). The SVFPD 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 SVFPD.

Total budgeted General Fund expenditures for 2023/2024 fiscal year (FY), is \$13,173,203, which includes reserve funds. Salaries and Benefits budget includes a 3% salary increase. All authorized positions are funded this FY. The SVFPD contribution to the CalPERS retirement program is 24.15% of payroll plus an annual Unfunded Accrued Liability payment of \$988,365 for the Classic Safety plan and 12.47% of payroll and no annual Unfunded Accrued Liability payment 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 PEPRA safety employees hired after January 1, 2013, is 13.54% of payroll and no annual Unfunded Accrued Liability payment and for PEPRA Miscellaneous employees 7.68% of payroll plus no annual Unfunded Accrued Liability payment.

This represents a budgeted amount of \$1,771,669 payable to CalPERS, which is a decrease of \$38,584 over 2022/2023 FY. 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 SVFPD to prefund future pension liability with a 4% 10 year expected rate of return.

Health insurance is budgeted for an increase effective January 1, 2024. Retiree health insurance is budgeted at \$98,810, an increase of \$9,754 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 SVFPD to prefund Other Post-Employment Benefits (OPEB) for retiree healthcare with a 7.01% long-term expected rate of return.

Workers compensation insurance is \$464,393, an increase of \$85,701 over last FY. The Services and Supplies budget is \$911,426, an increase of \$64,639 over last FY.

The Contributions to Other Agencies is for the SVFPD share of the LAFCO budget at \$9,000, a slight increase over last FY.

The beginning balance of the Capital Outlay/Zone A fund is \$1,379,539. A 4% increase in property tax revenue is estimated for this FY. The Service and Supplies Budget is \$822,652, Fixed Assets for Fire Facilities upgrades and Equipment is \$190,500, Reserves in the amount of \$316,710 for future expenditures and \$200,000 for contingencies.

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) is \$261,866. Services and supplies are to support the operating costs of the team in the amount of \$80,024, which includes a \$6,000, charge for management of the program. Personnel costs include \$20,000 for reimbursement to response agencies in the event of an activation and \$240,000, for differential costs for the response agencies, which accounts for 30 total members.

Contacting the Districts Financial Management

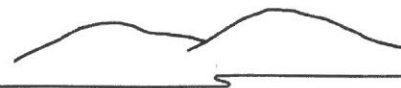
This financial statement is designed to provide a general overview of the SVFPD finances. If you have questions about these financial statements or need additional financial information, contact the SVFPD Office at 7 Erba Lane, Scotts Valley, California 95066. Financial statements from previous fiscal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

Scotts Valley Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2023



October 30, 2023

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, 2023, 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, 2023, 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.

A handwritten signature in black ink, appearing to read 'Zach Pehling'.

Zach Pehling, CPA

Scotts Valley Fire Protection District

**Audit Report
June 30, 2023**

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SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

October 30, 2023

The Scotts Valley Fire Protection District (SVFPD) 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 SVFPD is approximately twenty thousand, including about twelve thousand within the city limits. The SVFPD 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 SVFPD financial report presents the discussion and analysis of the SVFPD financial performance during the fiscal year ending June 30, 2023.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management 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 SVFPD. 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.

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 SVFPD. Tax revenues are placed in the General Fund and regular operating expenses are charged here. For the 2023/2024 FY, Capital Structure and Improvements was budgeted in the General Fund to eliminate the needs to borrow money from the County prior to the first property tax distribution in December.

Capital Outlay/Zone A Fund - A legally formed zone of benefits established in 1969 that receives revenues and expenditures are budgeted for capital projects.

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

Santa Cruz Hazardous Materials Interagency Team (SCHMIT) - The SVFPD reports the resources held and administered by the SVFPD 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. When available, additional funding had been received from grants.

Financial Analysis of the District as a Whole

Net Position - The SVFPD net change in net position was \$1,453,273 for the fiscal year ended June 30, 2023. The adoption of GASB 68 put the SVFPD in a negative net position with further negative net position from the adoption of GASB 74/75. The negative net position will not adversely affect the SVFPD as the positive fund balance will allow the SVFPD to continue to offer services to the public. Approximately 25 percent of the \$16,789,541 in assets, \$4,166,707 are invested in capital assets (net of accumulated depreciation and related debt).

Financial Analysis of the District's Funds

Governmental fund balances increased by \$316,340. The main reason for the difference between the \$1,408,506 increase in SVFPD net position and the \$316,340 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 10.18% better than budgeted at \$914,665, mainly due to strike team reimbursement and residual distribution due to the dissolution of the Redevelopment Agency (RDA) with tax revenue 2.55% better, at \$205,189.

Salaries and benefits were \$548,707 (6.25%) under budget. Services and supplies were \$363,129 (50.78%) 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 \$8,943,663 (9.48%) 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 \$1,158,904 (58.94%).

Capital Assets

As of June 30, 2023, the SVFPD had invested \$7,928,532 in a broad range of capital assets including land, structures and improvements, equipment, and construction in progress.

Long-Term Liabilities

At June 30, 2023 the SVFPD had \$18,477,480 in long-term liabilities which consists of postemployment benefits obligation and the Net Pension Liability. In September 2020, the SVFPD established the California Employers' Pension Prefunding Trust (CEPPT) to prefund future pension costs and 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.

Economic Factors and Next Year's Budget

The main source of SVFPD revenue is property tax. Estimates from the Santa Cruz County Auditor project a 4% growth in the secured property tax (real estate). The SVFPD 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 SVFPD.

Total budgeted General Fund expenditures for 2023/2024 fiscal year (FY), is \$13,173,203, which includes reserve funds. Salaries and Benefits budget includes a 3% salary increase. All authorized positions are funded this FY. The SVFPD contribution to the CalPERS retirement program is 24.15% of payroll plus an annual Unfunded Accrued Liability payment of \$988,365 for the Classic Safety plan and 12.47% of payroll and no annual Unfunded Accrued Liability payment 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 PEPRA safety employees hired after January 1, 2013, is 13.54% of payroll and no annual Unfunded Accrued Liability payment and for PEPRA Miscellaneous employees 7.68% of payroll plus no annual Unfunded Accrued Liability payment.

This represents a budgeted amount of \$1,771,669 payable to CalPERS, which is a decrease of \$38,584 over 2022/2023 FY. 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 SVFPD to prefund future pension liability with a 4% 10 year expected rate of return.

Health insurance is budgeted for an increase effective January 1, 2024. Retiree health insurance is budgeted at \$98,810, an increase of \$9,754 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 SVFPD to prefund Other Post-Employment Benefits (OPEB) for retiree healthcare with a 7.01% long-term expected rate of return.

Workers compensation insurance is \$464,393, an increase of \$85,701 over last FY. The Services and Supplies budget is \$911,426, an increase of \$64,639 over last FY.

The Contributions to Other Agencies is for the SVFPD share of the LAFCO budget at \$9,000, a slight increase over last FY.

The beginning balance of the Capital Outlay/Zone A fund is \$1,376,474. A 4% increase in property tax revenue is estimated for this FY. The Service and Supplies Budget is \$822,652, Fixed Assets for Fire Facilities upgrades and Equipment is \$190,500, Reserves in the amount of \$316,710 for future expenditures and \$200,000 for contingencies.

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) is \$261,866. Services and supplies are to support the operating costs of the team in the amount of \$80,024, which includes a \$6,000, charge for management of the program. Personnel costs include \$20,000 for reimbursement to response agencies in the event of an activation and \$240,000, 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 SVFPD finances. If you have questions about these financial statements or need additional financial information, contact the SVFPD Office at 7 Erba Lane, Scotts Valley, California 95066. Financial statements from previous fiscal years may be found on the SVFPD website at www.scottsvalleyfire.com.

GOVERNMENT FUNDS FINANCIAL STATEMENTS

Scotts Valley Fire Protection District

**Balance Sheet
June 30, 2023**

	<u>General Fund</u>	<u>Capital</u>
<u>ASSETS</u>		
<u>Assets:</u>		
Cash	\$ 3,775,328	\$ 1,376,474
Accounts Receivable	-	-
Deposits & Prepaid Expenses	-	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>3,775,328</u>	<u>1,376,474</u>
<u>LIABILITIES, DEFERRED INFLOWS & FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	-	-
Accrued Payroll	102,971	-
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>102,971</u>	<u>-</u>
<u>Deferred Inflows</u>		
Unavailable Revenue	-	-
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>102,971</u>	<u>-</u>
<u>Fund Balances:</u>		
Unassigned	3,672,257	-
Unspendable	100	-
Committed	-	1,376,474
	<hr/>	<hr/>
Total Fund Balance	<u>3,672,357</u>	<u>1,376,474</u>
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u><u>\$ 3,775,328</u></u>	<u><u>\$ 1,376,474</u></u>

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

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2023**

<u>REVENUE</u>	<u>General Fund</u>	<u>Capital</u>
Tax Revenue	\$ 9,245,077	\$ 149,958
Charges for Service	538,388	-
Interest & Investment Earnings	41,291	18,620
License & Permits	98,544	-
Grants & Contributions	-	-
Change in Fair value of investments	73,639	36,703
Miscellaneous	4,288	-
TOTAL REVENUE	10,001,227	205,281
<u>EXPENDITURES</u>		
Capital Assets	-	895,197
Debt Service:		
Principle	-	-
Interest	-	-
Professional Fees	134,784	35,573
Salaries and Employee Benefits	8,229,416	-
Repairs and Maintenance	178,398	6,843
Insurance	48,991	-
Services, Supplies and Refunds	352,073	8,892
TOTAL EXPENDITURES	8,943,663	946,505
Excess (Deficit) Revenues over Expenditures	1,057,564	(741,224)
Transfer In/(Out)	(500,000)	500,000
<u>CHANGE IN FUND BALANCE</u>	557,564	(241,224)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	3,114,793	1,617,698
<u>FUND BALANCE, END OF YEAR</u>	\$ 3,672,357	\$ 1,376,474

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, 2023**

<u>ASSETS</u>	<u>2023</u>
<u>Current Assets:</u>	
Cash	\$ 5,151,802
Accounts Receivable	-
Deposits & Prepaid Expenses	-
Total Current Assets	<u>5,151,802</u>
<u>Capital Assets:</u>	
Land	820,843
Buildings & Improvements	2,038,479
Firefighting Equipment	3,794,627
Construction in Progress	1,274,583
Less: Accumulated Depreciation	<u>(3,761,825)</u>
Total Capital Assets	<u>4,166,707</u>
TOTAL ASSETS	<u>9,318,509</u>
<u>DEFERRED OUTFLOW</u>	
GASB 75	153,126
GASB 68 Pension	<u>7,317,906</u>
TOTAL DEFERRED OUTFLOW	<u>7,471,032</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>16,789,541</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	-
Accrued Payroll Liabilities	102,971
Current Portion	-
Accrued Compensated Absences	<u>275,996</u>
Total Current Liabilities	<u>378,967</u>
<u>Long-term Liabilities:</u>	
OPEB	1,428,111
Note Payable	-
Net Pension Liability	<u>14,704,700</u>
Total Long-term Liabilities	<u>16,132,811</u>
TOTAL LIABILITIES	<u>16,511,778</u>
<u>DEFERRED INFLOWS</u>	
GASB 75	672,476
GASB 68 Pension	<u>1,293,226</u>
TOTAL DEFERRED INFLOWS	<u>1,965,702</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>18,477,480</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	4,166,707
Unrestricted	<u>(5,854,645)</u>
TOTAL NET POSITION	<u>\$ (1,687,938)</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, 2023</u>
Total Fund Balances - Governmental Funds	\$ 5,048,831
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	7,928,532
Less: Accumulated Depreciation	(3,761,825)
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.	(275,996)
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:	7,471,034
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:	(1,965,702)
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	<u>(16,132,811)</u>
Net Position	<u><u>\$ (1,687,938)</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, 2023

2023				
		<u>Operating Revenues</u>		
	Expenses	Charges for Services	Grants and Contributions	Excess of Revenues/(Expenses)
<u>Governmental Activities</u>				
Public Protection	\$ 8,498,489	\$ 507,717	\$ -	\$ (7,990,772)
Depreciation (Unallocated)	224,076	-	-	(224,076)
Total Governmental Activities				<u>(8,214,848)</u>
General Revenues:				
Tax Revenue				9,395,035
Interest & Investment Earnings				59,912
Change in Fair value of investments				110,342
License, Permits & Rents				98,544
Miscellaneous				4,288
Total General Revenues				<u>9,668,121</u>
NET CHANGE IN NET POSITION				<u>1,453,273</u>
NET POSITION, BEGINNING OF YEAR				<u>(3,141,211)</u>
NET POSITION, END OF YEAR				<u>\$ (1,687,938)</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, 2023</u>
Net Change in Fund Balances - Total Governmental Funds	<u>316,340</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	895,197
Less: Current Year Depreciation Expense	(224,076)
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	(30,672)
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	279,522
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	172,196
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	44,766
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>\$ 1,453,273</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, 2023

<u>ASSETS</u>	<u>2023</u>
<u>Current Assets:</u>	
Cash	<u>\$ 261,866</u>
Total Current Assets	<u>261,866</u>
<u>Capital Assets:</u>	
Firefighting Equipment	478,817
Computer Equipment	948
Less: Accumulated Depreciation	<u>(445,102)</u>
Total Capital Assets	<u>34,663</u>
TOTAL ASSETS	<u>296,529</u>
 <u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	<u>-</u>
Total Current Liabilities	<u>-</u>
TOTAL LIABILITIES	<u>-</u>
 <u>NET POSITION</u>	
SCHMIT Fund	<u>296,529</u>
TOTAL NET POSITION	<u>\$ 296,529</u>

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, 2023**

	2023
<u>ADDITIONS</u>	<u>Fiduciary Fund</u>
Aid from other government agencies	\$ 218,163
Use of Money and Property (Interest)	<u>5,056</u>
TOTAL ADDITIONS	<u>223,219</u>
<u>DEDUCTIONS</u>	
Depreciation	19,464
Services, Supplies and Refunds	<u>172,013</u>
TOTAL DEDUCTIONS	<u>191,477</u>
<u>CHANGE IN NET POSITION</u>	<u>31,742</u>
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>264,786</u>
<u>NET POSITION, END OF YEAR</u>	<u><u>\$ 296,528</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, 2023

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, 2023

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, 2023

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, 2023

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.

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

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
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Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 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 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

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022	
	Value	Fair Value
County Cash	\$ 5,162,927	\$ 5,151,702
Petty Cash	100	100
Total	<u>\$ 5,163,027</u>	<u>\$ 5,151,802</u>

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

Investment in the County of Santa Cruz's Investment Pool: The District maintains its cash in County of Santa Cruz's cash and investment pool which is managed by the Santa Cruz County Treasurer. The District's cash balances invested in the Santa Cruz County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. Santa Cruz County does not invest in any derivative financial products. The Santa Cruz County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Santa Cruz County's cash and investment pool. The value of pool shares in Santa Cruz County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

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.

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

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023, the District had \$0 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, 2023, the liability for compensated absences was \$275,996.

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, 2023 is as follows:

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Balance July 1, 2020	Reductions/ Additions	Reductions/ Additions	Balance June 30, 2021
Accumulated Unpaid				
Compensated Absences	\$ 319,752	\$ 1,010	\$ -	\$ 320,762
Net Other Post Employment				
Benefits Obligation	\$ 1,643,317	\$ -	\$ 131,341	\$ 1,511,976
CalPERS UAL	\$ 12,472,793	\$ -	\$ 5,339,441	\$ 7,133,352

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 (PEPR Misc.). The Scotts Valley Fire Protection District's employer rate plans in the safety risk pool include the Safety plan (Safety) and the PEPR Safety Fire plan (PEPR 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 PEPR Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPR Miscellaneou 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, 2023
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, 2023**

**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, 2022. 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, 2022, 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, 2022, to obtain the total pension liability and fiduciary net position as of June 30, 2022. 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, 2023

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2023 Reporting Date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	1,483,083	-
Differences between Expected and Actual Experience	443,003	-
Differences between Projected and Actual Investment Earnings	2,328,304	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,293,226
Change in Employer's Proportion	1,228,190	-
Pension Contributions Made Subsequent to Measurement Date	1,835,326	-
	<u>7,317,906</u>	<u>1,293,226</u>
Net Pension Liability as of 6/30/2023	<u>14,704,700</u>	

NOTE: Detailed breakdown of ending balances by Miscellaneous vs Safety can be found in the [Jul 2022-Jun 2023 JE Flow](#) worksheet

At 6/30/2023, proportionate shares of Net Pension Liability/(Asset) by plan(s):

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	246,479
Safety	14,458,220
Total	14,704,700

Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2022 and 6/30/2023:

	Miscellaneous	Safety	Total
Proportion - June 30, 2022	0.00541%	0.20033%	0.13190%
Proportion - June 30, 2023	0.00527%	0.21041%	0.12730%
Change - Increase/(Decrease)	-0.00014%	0.01007%	-0.00459%

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
2024	\$ (2,168)	\$ 1,208,212	\$ 1,206,044
2025	(2,560)	1,002,903	1,000,343
2026	497	562,103	562,600
2027	27,614	1,392,754	1,420,368
2028	-	-	-
Thereafter	-	-	-
	<u>23,382</u>	<u>4,165,972</u>	<u>\$ 4,189,354</u>

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

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Employer's Net Pension Liability/(Asset) - Miscellaneous	397,358	246,479	122,343
Employer's Net Pension Liability/(Asset) - Safety	21,882,790	14,458,220	8,390,312
Employer's Net Pension Liability/(Asset) - Total	22,280,148	14,704,700	8,512,656

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 6.90% 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 6.90% 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 7.05%. 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.

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.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

<i>Asset class</i>	Assumed Asset Allocation	Real Return Years 1 - 10^{1,2}
Global equity - cap-weighted	30.00 %	4.45 %
Global equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

LAST TEN YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016
SAFETY								
Proportion of the net pension liability	0.210410%	0.200330%	0.183990%	0.177280%	0.172620%	0.100686%	0.100810%	0.095210%
Proportionate share of the net pension liability	\$ 14,458,220	\$ 7,030,709	\$ 12,258,129	\$ 11,066,890	\$ 10,128,398	\$ 9,985,259	\$ 8,723,472	\$ 6,535,150
Covered - employee payroll - measurement period	\$ 3,252,990	\$ 3,212,073	\$ 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	444.46%	218.88%	378.66%	354.32%	327.87%	330.75%	290.86%	229.77%
Plan fiduciary net position as a percentage of the total pension liability	73.11%	85.80%	74.14%	74.95%	75.47%	74.70%	75.36%	80.72%
Contractually required contribution (actuarially determined)	\$ 1,675,719	\$ 1,522,718	\$ 1,368,411	\$ 1,202,912	\$ 1,020,979	\$ 923,886	\$ 851,899	\$ 726,938
Contributions in relation to the actuarially determined contributions	1,675,719	1,522,718	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	3,345,590.17	3,252,990.00	3,212,073.00	\$ 3,237,215	\$ 3,123,389	\$ 3,089,191	\$ 3,018,958	\$ 2,999,215
Contributions as a percentage of covered - employee payroll	50.09%	46.81%	42.60%	37.16%	32.69%	29.91%	28.22%	24.24%
Notes to Schedule:								
Valuation date:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Misc.								
Proportion of the net pension liability	0.005270%	0.005410%	0.005090%	0.004950%	0.004850%	0.004620%	0.004600%	0.004611%
Proportionate share of the net pension liability	\$ 246,479	\$ 102,644	\$ 214,664	\$ 198,412	\$ 182,742	\$ 188,159	\$ 161,983	\$ 123,372
Covered - employee payroll - measurement period	\$ 187,569	\$ 171,369	\$ 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	131.41%	59.90%	135.52%	128.32%	106.25%	136.28%	150.04%	123.54%
Plan fiduciary net position as a percentage of the total pension liability	77.73%	89.57%	76.75%	77.25%	76.69%	74.57%	75.54%	79.75%
Contractually required contribution (actuarially determined)	\$ 42,231	\$ 41,361	\$ 36,294	\$ 30,992	\$ 29,320	\$ 19,103	\$ 16,335	\$ 13,592
Contributions in relation to the actuarially determined contributions	42,231	41,361	36,294	30,992	29,320	19,103	16,335	13,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 191,320	\$ 187,569	\$ 171,369	\$ 158,405	\$ 154,625	\$ 171,988	\$ 138,063	\$ 107,963
Contributions as a percentage of covered - employee payroll	22.07%	22.05%	21.18%	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 2022, the accounting discount rate reduced from 7.15 percent to 6.90 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.

Plan Description

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, expenditures of approximately \$79,175 were paid for post-employment benefits other than pension benefit.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. The actuarial assumptions included (a) Demographic assumptions affected by mortality, turnover, disability, and retirement based on the June 30, 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, 2023**

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	14
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	29
Total Number of participants	<u>43</u>

*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, 2023**

Mortality Table	2017 CalPERS Retiree Mortality for Safety Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Retiree 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.
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, 2023**

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	\$1,237,555	\$1,428,112	\$1,662,440

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The following table shows the reconciliation of the June 30, 2022 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2023 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, 2022	\$1,959,618	\$447,642	\$1,511,976
Service Cost	\$45,817	\$0	\$45,817
Interest on Total OPEB Liability	\$121,434	\$0	\$121,434
Expected Investment Income	\$0	\$32,808	(\$32,808)
Administrative Expenses	\$0	(\$440)	\$440
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$155,000	(\$155,000)
Employer Contributions as Benefit Payments	\$0	\$79,175	(\$79,175)
Benefit Payments from Trust	\$0	\$0	\$0
Expected Benefit Payments from Employer	(\$79,175)	(\$79,175)	\$0
Expected Balance at June 30, 2023	\$2,047,694	\$635,010	\$1,412,684
Experience (Gains)/Losses	\$0	\$0	\$0
Changes in Assumptions	\$0	\$0	\$0
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	(\$15,428)	\$15,428
Other	\$0	\$0	\$0
Net Change during 2023	\$88,076	\$171,940	(\$83,864)
Actual Balance at June 30, 2023*	\$2,047,694	\$619,582	\$1,428,112

* May include a slight rounding error.

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, 2023

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	(\$180,966)	\$0	\$18,692	(\$162,274)
Assumption Changes	(\$502,949)	\$0	\$76,424	(\$426,525)
Investment (Gains)/Losses	\$76,234	\$15,428	(\$22,213)	\$69,449
Deferred Balances	(\$607,681)	\$15,428	\$72,903	(\$519,350)

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, 2023

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$1,511,976	\$1,428,112	(\$83,864)
Deferred Balances	(\$607,681)	(\$519,350)	\$88,331
Net Position	\$2,119,657	\$1,947,462	(\$172,195)
Adjust Out Employer Contributions			\$234,175
OPEB Expense			\$61,980

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 CPEIA 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, 2023 is as follows:

Property	Deductible	Limits
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, 2023**

<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, 2023 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **October 30, 2023**, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after **October 30, 2023**.

Scotts Valley Fire Protection District

Supplemental Information

June 30, 2023

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2023**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 8,326,552	\$ 9,245,077	\$ 918,525
Charges for Service	616,000	538,388	(77,612)
Interest & Investment Earnings	3,000	41,291	38,291
Change in Fair value of investments	-	73,639	73,639
License & Permits	26,200	98,544	72,344
Grants & Contributions	-	-	-
Miscellaneous	2,500	4,288	1,788
TOTAL REVENUE	8,974,252	10,001,227	1,026,975
<u>EXPENDITURES</u>			
Capital Assets	-	-	-
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	153,100	134,784	18,316
Salaries and Employee Benefits	8,778,124	8,229,417	548,707
Repairs and Maintenance	185,712	178,398	7,314
Insurance	48,191	48,991	(800)
Services, Supplies and Refunds	715,202	352,073	363,129
TOTAL EXPENDITURES	9,880,329	8,943,663	936,666
Excess (Deficit) Revenues over Expenditures	(906,077)	1,057,564	
Transfer In/(Out)	(500,000)	(500,000)	
<u>CHANGE IN FUND BALANCE</u>	<u>(1,406,077)</u>	<u>557,564</u>	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		<u>3,114,793</u>	
<u>FUND BALANCE, END OF YEAR</u>		<u>\$ 3,672,357</u>	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - Capital
For the Year Ended
June 30, 2023**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 142,944	\$ 149,958	\$ 7,014
Charges for Service	-	-	-
Interest & Investment Earnings	5,000	18,620	13,620
Change in Fair value of investments	-	36,703	36,703
License & Permits	-	-	-
Grants & Contributions	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUE	147,944	205,281	57,337
<u>EXPENDITURES</u>			
Capital Assets	1,471,000	895,197	575,803
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	258,000	35,573	222,427
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	56,500	6,843	49,657
Insurance	-	-	-
Services, Supplies and Refunds	519,909	8,892	511,017
TOTAL EXPENDITURES	2,305,409	946,505	1,358,904
Excess (Deficit) Revenues over Expenditures	(2,157,465)	(741,224)	
Transfer In/(Out)	500,000	500,000	
<u>CHANGE IN FUND BALANCE</u>	<u>(1,657,465)</u>	<u>(241,224)</u>	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		<u>1,617,698</u>	
<u>FUND BALANCE, END OF YEAR</u>		<u>\$ 1,376,474</u>	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - SCHMIT
For the Year Ended
June 30, 2023**

<u>Additions</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ -	\$ -	\$ -
Charges for Service	-	-	-
Interest & Investment Earnings	400	5,056	4,656
License & Permits	-	-	-
Aid from other government agencies	218,163	218,163	-
Miscellaneous	-	-	-
TOTAL ADDITIONS	218,563	223,219	4,656
<u>Deductions</u>			
Depreciation	-	19,464	(19,464)
Professional Fees	7,200	7,200	-
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	25,580	3,202	22,378
Insurance	2,555	2,555	-
Services, Supplies and Refunds	231,189	159,057	72,132
TOTAL DEDUCTIONS	266,524	191,478	75,046
<u>CHANGE IN NET POSITION</u>		31,741	
<u>NET POSITION, BEGINNING OF YEAR</u>		264,787	
<u>NET POSITION, END OF YEAR</u>		\$ 296,528	



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

Date: November 1, 2023
To: Hon. Board of Directors
From: Mark Correira, Fire Chief
Subject: **Side Letter with IAFF 3577 – Conditions, Benefits and Salary for Branciforte Transfer Employees**

Recommendations:

Approve and authorize the Board President to sign.

Discussion:

The Scotts Valley Fire District (SVFD) and Branciforte Fire District (BFD) Boards negotiated and ratified a Service Plan that communicated the expectations if the BFD Community were to be annexed by the SVFD. This Service Plan requires the SVFD to take certain action if the annexation were to occur. This annexation (reorganization) is in the final stages of approval and is anticipated the reorganization will occur before the end of the year.

The ratified Service Plan requires the following:

- *“Scotts Valley FPD will offer employment to full-time permanent members of the BFPD.”*
- *“The terms and condition of employment including but not limited to rank, seniority, probationary period etc., will be outlined in a separate employment agreement.”*

To accommodate these requirements, the Fire Chief and representatives from IAFF Local 3577 have met and conferred, and have developed the proposed side letter that outlines the conditions, benefits and salary for the three (3) permanent full-time employees of the BFD. The Fire Chief and Union have tentatively agreed to the Side Letter with the understanding that it is subject to the approval of the SVFD Board of Directors. We are recommending it be approved as written.

Board of Directors

Adam Cosner Kris Hurst Joe Parker Russ Patterson Daron Pisciotta



Mark Correia
Fire Chief

SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

SIDE LETTER AGREEMENT TO AMEND THE MEMORANDUM OF UNDERSTANDING

Between

SCOTTS VALLEY FIRE PROTECTION DISTRICT

And

LOCAL 3577, INTERNATIONAL ASSOCIATION OF FIREFIGHTERS

This Side Letter Agreement describes the conditions and benefits that will be provided to the newly hired employees from the former Branciforte Fire District. This agreement is entered into by the Scotts Valley Fire Protection District ("Employer") and Local 3577, International Association of Firefighters ("Union").

The Employer is nearing completion of a reorganization and annexation process of the area known as the Branciforte Fire Protection District (BFPD). As part of the reorganization agreement between the Employer and the Branciforte Fire District, the *Scotts Valley FPD will offer full time employment to the full-time permanent members of the BFPD*. This Letter provides additional detail(s) and specificity to the conditions in which these members will be offered employment, as well as any additional benefits that will be provided.

Therefore, the following is agreed to between the parties:

1. All former full-time permanent members who are currently employed by the BFPD will be offered employment with the Employer. This constitutes a total of three (3) employees.
2. All three (3) employees shall meet the minimum requirements as outlined in the Employers Policy(s) at the time of hire.
3. Wages and benefits as outlined in the Memorandum of Understanding (MOU) between the Employer and the Union (dated July 1, 2021 through June 30, 2025) shall be offered consistent with other employment offers unless otherwise described in this document.
4. The offers of employment shall include a "position" and salary as found in Appendix A of the MOU between the Employer and Union (July 1, 2021 through June 30, 2025). The position and wage shall be based on the following experiential requirements:
 - a. Members with greater than ten (10) years of full-time employment with the former BFPD shall be offered a position of "Engineer – Step 4."
 - b. Members with less than ten (10) years of full-time employment with the former BFPD shall be offered a position of "Firefighter - Step 1."
5. Movement in pay steps shall be subject to the requirements found in Article IX, Section 9.01 Salaries.
6. The offers of employment shall include a probationary period based on the following experiential requirements:
 - a. Members with greater than ten (10) years of full-time employment with the former BFPD shall complete a one (1) year probationary period.

Board of Directors

Adam Cosner Kris Hurst Joe Parker Russ Patterson Daron Pisciotta

- b. Members with less than ten (10) years of full-time employment with the former BFPD shall complete a two (2) year probationary period.
7. Members with greater than ten (10) years of full-time employment with the former BFPD who have completed their one (1) year probationary period shall be eligible to begin the acting captain program.
8. Article X. Leaves, and Article XI Benefits, Section (c), Years of Continuous Service for the three members covered by this Side Letter shall be calculated by the full-time date of hire with the BFPD.
9. Newly hired staff covered by this Side Letter shall begin employment with Vacation and Sick Leave balances equal to the amount of their Branciforte Fire District leave balances at their time of separation.

DONE THIS _____ DAY OF _____, 2023

LOCAL 3577 INTERNATIONAL
ASSOCIATION OF FIREFIGHTERS

Andrew Sundermier, President

SCOTTS VALLEY FIRE PROTECTION DISTRICT



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

Date: November 1, 2023
To: Hon. Board of Directors
From: Mark Correira, Fire Chief
Subject: **Revised Policy 1500 Hiring Practices and Requirements**

Recommendation:

Approve to form and authorize the Board President to sign.

Discussion:

Policy 1500 outlined the hiring practices employed by the Fire District. After legal review, it was determined that the former policy had conflicting language related to citizenship and the ability to work within the United States. In addition, some of the position-specific hiring requirements found in other policies were outdated and in need of revisions.


To address all of the concerns outlined in the previous paragraph, Staff has revised Policy 1500 with the following updates:

- Created General Requirements that will be used for all position recruitments
- Revised language related to the ability for candidates to work within the United States and residency-requirements for Paid Call Firefighter (both recommended by legal counsel)
- Added specific requirements found in other policies* for Administrative Positions and Emergency Response Personnel positions

The proposed revised policy has been reviewed and approved by IAFF 3577 Representatives, and the ability to work in the United States language has been reviewed by legal counsel. In addition, the Personnel and Organization Committee has reviewed the document. All parties have approved the Policy to form, and Staff is recommending adoption.

** The specific requirements were copied and updated from Job Description Policies 1703, 1706, 1708, 1709, 1711, 1712, and 1713. These policies will be either revised or repealed with the update of Policy 1700 Job Description at a future meeting and after review of the Organization and Personnel Committee.*

Board of Directors
Adam Cosner Kris Hurst Joe Parker Russ Patterson Daron Pisciotta

Scotts Valley Fire Protection SVFD	
POLICY: 1500 DATE APPROVED: 11/8/2023 BOARD CHAIR: _____	SUBJECT: Hiring Practices and Requirements FIRE CHIEF: _____

Policy 1500: Hiring Practices


This Policy provides the framework and requirements for the Scotts Valley Fire SVFD's (SVFD) hiring practices.

When no current eligibility list exists for vacant or known vacant positions, the Fire Chief may establish eligibility hiring list(s) to be used to fill these positions. All applications received will be processed in accordance with the SVFD's hiring policies and practices. Any candidate disqualified from the hiring process shall be sent written notice of rejection from the process and reason why. Said notice shall be mailed to the email or physical address provided at the time of application.

The Scotts Valley Board of Director shall approve all hiring lists before conditional offers of employment are provided to any future employee or volunteer.

General Requirements (All Positions)

1. The SVFD is an equal opportunity employer and in compliance with equal opportunity hiring requirements. There shall be no discrimination in employment against any person on the basis of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), parental status, national origin, age, disability, genetic information (including family medical history), political affiliation, military service, or other non-merit-based factors.
2. Applicants must have the legal right to work in the United States. Residence in California, or in Santa Cruz County, at the time of application is not required.
3. Applications shall be received from qualified applicants who are eighteen (18) years old or greater. Applicants must hold a valid California driver's license at the time of appointment.
4. Applicants shall have a high school diploma or G.E.D. certificate.

Scotts Valley Fire Protection SVFD	
POLICY: 1500	SUBJECT: Hiring Practices and Requirements

5. All newly hired employees of the SVFD will be on Probationary Status for a period of not less than one year from the date of hire, unless otherwise stated in policy, procedure, or memorandum of understanding of the SVFD.
6. The SVFD shall in all cases attempt to supply its need for officers and supervisors from its existing personnel. If, for some reason it is not able to do so, an open examination may be given to fill such positions or vacancies upon approval of the Board.

Specific Requirements:

ADMINISTRATION

Administrative Accounting Specialist

1. Meet all SVFD General Hiring Requirements
2. Possess and maintain a valid Class C California Driver's License, and be insurable to operate a SVFD-owned vehicle as defined and determined by the SVFD's insurance provider
3. Pass a medical evaluation as outlined under the guidelines of the Santa Cruz County Fire Agencies Insurance Group.
4. Ability to perform the essential functions of the position.
5. Any combination of training and experience which would provide the required knowledge and abilities for the position. A typical way to obtain the required knowledge and abilities would be one (1) years of experience in a related full-time administrative position. Related education may be substituted for experience or experience may be substituted for education.

Desirable Qualification:


- Collegiate education in finance, accounting, business or public administration, or closely related field. A Bachelor's Degree is preferred.
- Training and or certification in state or nationally recognized municipal programs related to the position.

Probationary trial period:

- One (1) Year from appointment date

Administrative Services Manager

1. Meet all SVFD General Hiring Requirements
2. Possess and maintain a valid Class C California Driver's License, and be insurable to operate a SVFD-owned vehicle as defined and determined by the SVFD's insurance provider

Scotts Valley Fire Protection SVFD	
POLICY: 1500	SUBJECT: Hiring Practices and Requirements

3. Pass a medical evaluation as outlined under the guidelines of the Santa Cruz County Fire Agencies Insurance Group.
4. Ability to perform the essential functions of the position.
5. Any combination of training and experience which would provide the required knowledge and abilities for the position. A typical way to obtain the required knowledge and abilities would be five (5) years of experience in a related full-time administrative position with increasing responsibilities. Related education may be substituted for experience or experience may be substituted for education.

Desirable Qualification:

- Previous supervisory or management experience in a similar sized organization and similar field of work.
- Collegiate education in finance, accounting, business or public administration, or closely related field. A Bachelor's Degree is preferred.
- Training and or certification in state or nationally recognized municipal programs related to the position.

Probationary trial period:


- One (1) Year from appointment date

Fire Marshal / Deputy Fire Marshal

1. Meet all SVFD General Hiring Requirements.
2. Complete Live Scan Fingerprinting.
3. Possess and maintain a valid Class C California Driver's License, and be insurable to operate a SVFD-owned vehicle as defined and determined by the SVFD's insurance provider.
4. Pass a medical evaluation as outlined under the guidelines of the Santa Cruz County Fire Agencies Insurance Group.
5. Ability to perform the essential functions of the position.
6. Minimum of five (5) years of experience in a career full time position in fire prevention and/or suppression, or related activities.
7. Complete California State Fire Training and Education Fire Investigator (2017) coursework (Fire Investigation 2A and 2B) or equivalent*.
8. Completion of P.C. 832.

Desired Qualifications:

- Collegiate education at the Associated Degree or greater in Fire Science or related field.
- Prior experience preparing, reviewing, assisting, or completing fire code adoption .

Scotts Valley Fire Protection SVFD	
POLICY: 1500	SUBJECT: Hiring Practices and Requirements

Probationary trial period: One (1) Year from appointment date

EMERGENCY RESPONSE PERSONNEL

Response Volunteer and or Paid Call Firefighter (PCF)

Requirements:

1. Meet all SVFD General Hiring Requirements.
2. Reside within Santa Cruz County or a county with a contiguous border of Santa Cruz County.
3. Possess and maintain a valid Class C California Driver's License, and be insurable to operate a SVFD-owned vehicle as defined and determined by the SVFD's insurance provider.
4. Pass a medical evaluation as outlined under the guidelines of the Santa Cruz County Fire Agencies Insurance Group.
5. Ability to perform the essential functions of the position and possess a valid and not greater than six (6) month old candidate physical ability test (CPAT) card (not greater.
6. Successfully pass a comprehensive background check as provided by the SVFD.


Probationary trial period:

- Response Volunteer – from appointment date to 1-year from fire academy graduation date.
- PCF – One year from appointment date.

Entry Level Firefighter and Entry Level Firefighter/Paramedic Hiring

Requirements:

1. Meet all SVFD General Hiring Requirements.
2. Possess and maintain a valid Class C California Driver's License, and be insurable to operate a SVFD-owned vehicle as defined and determined by the SVFD's insurance provider.
3. Pass a medical evaluation as outlined under the guidelines of the Santa Cruz County Fire Agencies Insurance Group.
4. Ability to perform the essential functions of the position and possess a valid candidate physical ability test (CPAT) card not greater than 6-months old at time of hire.
5. Successfully pass a comprehensive background check as provided by the SVFD.
6. Meet the following minimum qualifications:

Scotts Valley Fire Protection SVFD	
POLICY: 1500	SUBJECT: Hiring Practices and Requirements

- a. Firefighter/EMT: Graduate of an accredited fire training academy, or equivalent* training academy/program, ability to be licensed as an EMT in California, and a non-expired CPR certification.
- b. Paramedic: Graduate of an accredited paramedic training program with the ability to be licensed as a paramedic in California, and a non-expired CPR, ACLS, PALS, and basic level trauma training (e.g. PHTLS, BTLS) or equivalent*.

Desirable Qualifications:

- Collegiate education or course of study related to the position
- Emergency response experience in the SVFD
- Emergency medical, fire or rescue related training
- California licensed EMT or Paramedic

Probationary trial period:

- Two (2) years (24 months)

** The Fire Chief or Designee shall determine, at their discretion, qualifying equivalencies.*



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

Date: November 1, 2023
To: Hon. Board of Directors
From: Mark Correira, Fire Chief
Subject: **Establishing a Firefighter/Paramedic Eligibility List**

Recommendation:

Approve the November 8, 2023 Firefighter/Paramedic Eligibility List.

Discussion:

At the October 11, 2023 Board Meeting, the Board of Directors unanimously approved the establishment of a Firefighter/Paramedic Hiring List. This list would be used to fill a known vacancy occurring later in 2023, and any other vacancy that may occur before October 10, 2024, or until the list is exhausted.

Soon after the October 11 Board Meeting, Staff posted the hiring announcement and scheduled an evaluation process used to rank the candidates. On October 27, a multi-station hiring process was hosted at 7 Erba Lane and included an oral interview, written knowledge test, and a scenario-based EMS station. Eleven candidates participated in the process. All candidates were scored on their performance, and ranked from highest to lowest score. This list and the scores can be found attached to this memorandum.

Staff is recommending the approval of the attached eligibility list (to be provided at the Board Meeting).

Board of Directors
Adam Cosner Kris Hurst Joe Parker Russ Patterson Daron Pisciotta



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

Date: November 1, 2023
To: Hon. Board of Directors
From: Mark Correira, Fire Chief
Subject: **\$3,100 Donation Discussion**

Recommendation:

Discussion only

Discussion:

On September 16, 2023 Scotts Valley Firefighters and other area fire departments responded to a structure fire at 3370 Glenwood Drive. This fire did significant damage to the structure but did not spread to the vegetation surrounding the structure. This was primarily because of the mitigation effort the homeowner invested in defensible spaces. No firefighters or occupants were killed or injured at this incident.

Soon after the incident, community members wanted to donate funds to support the family. Because the home owner (Ty McConney) didn't want any donations, he chose to start a Go Fund Me titled SVFD Fire Readiness so the community could direct their donations to the Fire District. On October 1, at the Pancake Breakfast, Mr. McConney delivered a \$3,100 check to the District to be used at our discretion.

Administrative Staff has deposited the donation and placed the funds in the "Revenue – Other" account where donations are normally deposited.

Staff presented this topic to the Finance and Planning Committee. The Committee recommended adding this to the agenda so the Board can discuss the options and their preferences. Options include:

- Track the funds in the Revenue Other line and earmark them for the future.
- Establish a fund that could be used to offset costs of vegetation abatement for fixed income, disabled, or low-income community members.
- Identify a piece of equipment and use these funds to purchase it.
- Host a training event.
- Other use.

Attached is information about the fire and Fundraiser, and how it was marketed to the Community.

SVFD Fire Readiness



Ty McConney is organizing this fundraiser.

Hi, I'm Ty from Glenwood in Scotts Valley. Unfortunately, we've recently lost our beloved home to a devastating fire. The SV Fire Departments did an outstanding job protecting our neighborhood from potential devastation. Many people are asking to donate to our family cause but we'd rather direct money towards further enablement of our local firefighters. During the recent effort, they talked proudly of some new protective gear but they need more. And they discussed how they pay attention to individual SV houses that appear to be a fire risk. They're true warriors and heroes of our community.

SVFD have a pancake breakfast fundraiser scheduled for Sunday, Oct 1st but I think we can make it the most successful one ever. Thank you in advance for helping to keep our community prepared and safe!

Chief Correira, Sparky, Ty McConney



Credit: My Scotts Valley



My Scotts Valley

September 17 · 🌐

...

ACTIONS OF HOMEOWNER MAY HAVE SAVED NEIGHBORS' HOMES AND NEIGHBORHOOD

A friend and local in the Glenwood area lost his home to a fire a couple of days ago, with the cause of the fire still unknown. No doubt a tough situation, we are all thinking of him and family and wish them well in their home recovery. That is just tough.

In addition, one of the KEY POINTS to this story is how much effort he took in making sure his home had a defensible space just in case of a fire, and although those efforts may not have helped save his home because the fire may have started in the home, but it probably helped save his neighbors' homes and neighborhood because the fire could not get to neighbors due to the defensible space he created, according to firefighters at the scene.

So important to create a defensible space, SO IMPORTANT. I need to get our Scotts Valley Fire District on a podcast Sunday Conversation to talk about building defensible spaces in your home. It could save your home and your neighbor's home too!

Some of the tips Ty (the homeowner) gave was:

- Raise your tree ceiling and clear debris regularly. I trimmed the redwoods 100 ft. up and they said it prevented a forest fire.
- Know how to turn off all your utilities quickly. Gas, water and electricity.
- Smoke detectors are mandatory. Sometimes annoying but saved my life.
- Keep your cell phone nearby and charged when sleeping
- Leave clear driveway access for emergency vehicles

Our thoughts go out to Ty and wish him well in rebuilding his home. 🙏

** Posted with permission from Ty





SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Mark Correira
Fire Chief

Date: November 1, 2023
To: Hon. Board of Directors
From: Mark Correira, Fire Chief
Subject: **Appointment of Negotiator for Real Property Transaction**

Recommendation:

Appoint Fire Chief Mark Correira as negotiators for a real property transaction located at 6000 La Madrona Drive, and authorize him to negotiate with the negotiator(s) for the Scotts Valley Water District.

Discussion:

The Fire District owns a 1.41-acre vacant parcel at 6000 La Madrona Drive. Board President Pisciotta, Director Patterson and District Staff have been meeting with Santa Cruz City Water and Scotts Valley Water to determine if placing an intertie pumping station on the southern corner of the property would be feasible.

The pumping station will connect Santa Cruz City Water with Scotts Valley Water and the project is being funded through a Regional Drought Resiliency Project grant. In March of 2013, the parties listed above entered into negotiations for the same project at this site, but the effort was abandoned after grant funding was withdrawn.

Both Elected Officials and staff have identified a feasible location on the site for this intertie pump station. Although the location of this pump station is on useable land, the site planning has been coordinated as to not interfere with the Fire Station and Administration Building projects.

The Fire District has received an initial real estate offer from the Scotts Valley Water District. To respond to the offer, the Board of Directors must appoint a negotiator and establish negotiation parameters to work toward a successful real estate transaction. Staff is recommending the appointment of Fire Chief Mark Correira as the lead negotiator for this real estate transaction, and authorize him to negotiate with the Scotts Valley Water District Negotiator(s). The Board should also hold a closed session to establish price and terms of payments for the transaction. The closed session has been added as the last item on the November 8 agenda.

Board of Directors
Adam Cosner Kris Hurst Joe Parker Russ Patterson Daron Pisciotta

Once appointed, the Board of Directors shall convene in closed session to discuss the transaction and set parameters for Chief Correia to negotiate with. This closed session will be scheduled following the appointment of the negotiator.

Board of Directors

Robert Campbell Edward Harmon Joe Parker Russ Patterson Daron Pisciotta



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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

Date: November 8, 2023
To: Hon. Board of Directors
From: Mark Correira, Fire Chief
Subject: Administrative Report – November 2023

Administration

- October was Public Education month. Crews taught several hundred children from kindergarten through second grade at all three elementary schools (Vine Hill, Brook Knoll, and Baymonte). This year saw the addition of "Sparky the Fire Dog" which was a huge hit with all the children. Students learned about fire safety inside the home and out through various teaching in the classroom and the firehouse. Big thank you to Administrative Accounting Specialist Bridges for playing the role of Sparky throughout the month.
- Scotts Valley Firefighters Union 3577 and the District hosted a community Firefighters Pancake Breakfast at station 1 on October 1st. The event was a huge success and attracted hundreds of people from the community. The event raised over \$2,000 for the Union's charitable fund.
- On 10/29 crews participated in the "Trunk or Treat" event held at the Metro Station in association with Cruise Coffee. Crews gave engine tours, passed out stickers, and candy to numerous trick or treaters. This fun family event attracted numerous people and vendors throughout the community.
- Administrative Services Manager Walton attended an open enrollment webinar, Brown Act training, FLSA advanced calculations training and the CalPERS Conference.
- BC LoFranco presented at the Citizen's Academy for Scotts Valley Residents. This program allows community members to get a better understanding of the government(s) serving them.
- The Fire District posted an interviewed prospective candidates for the position of Entry Level Firefighter Paramedic.

Operations

- Coastal Evergreen Landscape service repaired and replaced broken irrigation valves on the reclaimed water sprinkler system.
- The Station 2 water heater and recirculation pump were replaced by Expert Plumbing.
- The HVAC was diagnosed to be improperly installed, reducing the overall efficiency, and will be fixed in the future.
- Central Fire repaired some oil and fuel leaks on E2511, recharged the AC and replacing the turbo actuator on E2512, and has ordered a new tank level sensor for WT2550.
- E2537's Aux. Pump is OOS until a new impeller and pump housing can be sourced and installed by crews.
- The crews completed the fuel reduction on the La Madrona property just in time for the site survey crew to complete their work.
- Station 1 Bauer air compressor has received its annual inspection.
- Dispatching changes have been completed for the Branciforte area and will go live in early December. Mutual aid agreement between Santa Cruz City and the District are still being worked out for certain areas of Branciforte.
- Two Structure fires occurred during November:

Board of Directors

Joe Parker Russ Patterson Daron Pisciotta Kris Hurst Adam Cosner

- The first occurred on October 24 at 2 AM on the 2800 block of Graham Hill Rd. Crews arrived on scene to find a garage charged with black smoke. A quick attack by SVFD crews resulted in minimal damage to the structure and contents. The cause of the fire is still under investigation.
- The second fire occurred on October 20 at 4:30 PM on the 300 block of Hacienda Drive. SVFD crews arrived to find a significant amount of black smoke coming from a single bay of a multi car garage/workshop. Crews encountered a metal cutting saw and various debris on fire atop of a dolly cart. The fire was extinguished quickly resulting in minimal damage to the structure or contents. The cause of the fire was determined to be the result of hot sparks from metal cutting. Both fires were similar in nature and had assistance from Santa Cruz City Fire.



Training

- Cal Fire Controlled Burn at Pomponio Ranch San Mateo. SVFD was able to attend both days. Several opportunities for Engine Boss task book sign offs. Valuable firing and suppression experience in a live fire event. Thank you to Fire Chief Nate Armstrong, Assistant Chief Jed Wilson and BC / Forester Sarah Collamer for the invitation.
- Crews Completed County wide truck training at the Watsonville Fire training tower. Thank you to The Truck cadre members that put together the training materials and lead the skills days. Thank you to the SVFD members that are a part of the truck cadre.
- Completion of California State mandatory Sexual Harassment Prevention Training. 100% compliance.

Fire Prevention

Deputy Fire Marshall (DFM) Collins completed the following inspections and building plan reviews:

- 6 annual inspections
- 23 construction inspections
- 1 state license inspection for pre-school
- 6 complaint follow-up inspections
- 1 commercial tenant improvement plan review
- 1 single family remodel plan review

DFM Collins inspected and issued a special event permit for the Scotts Valley High School's Haunted House event.

DFM Collins and the engine company observed the required school fire drill at Baymonte.

DFM Collins attended the Fire Investigation Task Force meeting with BC Lofranco.

Board of Directors

Joe Parker Russ Patterson Daron Pisciotta Kris Hurst Adam Cosner

Chief Report

- Attended multiple community organization meetings and was interviewed on Santa Cruz Voice Community Matters internet radio program to educate the community on Measure W.
- Attended “Coffee with the Chiefs” at Cruz Coffee. Both Police Chief Walpole and the Fire Chief attended this event.
- Met with Branciforte Interim Fire Chief to discuss transitional items. Both agencies are making good progress and hope to have the supermajority of the items addressed before the annexation is finalized.
- Attended the NextGen Public Safety Radio Steering Committee Meeting representing the County Fire Chiefs.
- Working with legal counsel on two items (real estate transaction and employee relations items).
- Met with the City’s Community Development Department Director to discuss the La Madrona Fire Station campus project. This will help expedite the review process if Measure W passes.

Others Items:

Pub Ed with Sparky!



3441 Redwood Drive

Aptos, CA 95003

October 18, 2023

Scotts Valley Fire District

7 Erba Lane

Scotts Valley, CA 95066

SENT VIA CERTIFIED MAIL

ATTN: Ms. Alicia Walton and Board of Directors

RE: DEMAND FOR DISTRICT-BASED ELECTIONS SUBSEQUENT TO BRANCIFORTE
FIRE DISTRICT REORGANIZATION COMPLETION

Dear Scotts Valley Fire District Board of Directors,

In accordance of the California Voting Rights Act of 2001,
California Election Code 14025-14032, I demand that your Board
take action to approve transitioning from existing at-large elected
representation to District-based elected representation
immediately following the final completion of the Branciforte Fire
Protection District Reorganization.

As of August 9, 2023, I have already placed your District on
Notice that I am contemplating legal action regarding this matter
of great concern.

California Election Code 10010, and section (e)(1) provides that
before commencing an action to enforce Elec. Code, §§
14027, 14028, a prospective plaintiff shall send by certified mail a
written notice to the clerk of the political subdivision against
which the action would be brought.

Election Code Section 14029 states that if legal action is taken,
and a Court finds a violation of Section 14027 and Section 14028,
the Court shall implement appropriate remedies, including the

imposition of district-based elections, tailored to remedy the violation.

The existing Operations and Governance Plan approved by your Board on June 14, 2023 and by the Santa Cruz County LAFCO on August 2, 2023 is inadequate and will dilute the representation of a protected class afforded to the residents of the Branciforte Fire Protection District upon completion of the Branciforte Fire District Reorganization process.

The 2020 Census information for the Branciforte Fire Protection District indicates that there is a significantly higher percentage of the population that is of protected class disadvantaged community status than exists in the current Scotts Valley Fire District area, and whose vote for representation for the successor Scotts Valley Fire District Board of Directors will be diluted if the existing at-large Board of Director system remains once the Reorganization procedure is finalized.

Page 7 of the Plan for Service (page 20 of the LAFCO agenda) describes that the existing Scotts Valley Fire District Board of Directors will continue to govern the Branciforte Fire District area once dissolved, will be responsible for forming a Branciforte Service Zone and will establish an Advisory Commission.

The people of Happy Valley will have no meaningful voice in the matter, once the Reorganization is complete if the current Plan for Service is not amended:

Management & Governance

The reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of the Scotts Valley Fire District and all the territory currently within the boundaries of the Branciforte Fire District. The District will be governed by a 5- member Board of Directors, elected at-large from the entire district.

The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is deemed complete will continue to serve until their individual terms expire, at which time the seats will stand for election. Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board.

To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.

Branciforte Oversight and Representation

The Scotts Valley FPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Health and Safety Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Health and Safety Code Section 13955).

Further, the Scotts Valley FPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to Commission in accordance with Health and Safety Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be as soon as practical after the recordation of the reorganization.

(See page 81 of August 2, 2023 LAFCO agenda packet:
https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet_.pdf

Clearly, there would be no incentive upon completion of the Reorganization for the Scotts Valley Fire Board to CONSIDER

transitioning to a system of elections by district, and according to comments stated by Branciforte Fire District Director Marilyn Kuksht at the July 20, 2023, it is highly unlikely that the Scotts Valley Fire Board would do so.

Happy Valley residents and property owners will effectively lose their representation in the governance of their fire protection district because current at-large Scotts Valley Fire Board elections would favor the interests of the larger number of Scotts Valley Fire voters.

The smaller protected class disadvantaged population of the dissolved Branciforte Fire District voters would not have an equal ability to gain a member on the Board to ensure their interests would be well- represented on the Scotts Valley Fire Board after the Reorganization is complete.

Therefore, I hereby demand that the Scotts Valley Fire District Board of Directors place this matter on the next Board agenda for public discussion, and to approve a Motion to ensure the successor Scotts Valley Fire District Board will begin transition to district-based elected representation for the Board of Directors upon final completion of the Branciforte Fire Protection District Reorganization process by all parties, including the Santa Cruz County LAFCO.

This is necessary to comply with the California Voting Rights Act, Election Code 14025-14032, and to provide equity of representation for all residents within the successor Scotts Valley Fire District.

If the Board does not agree to do this, I will be compelled to seek legal action to force the matter to a Court of law, for Public Benefit.

Sincerely,


Becky Steinbruner

Placing Scotts Valley Fire District ON NOTICE re: Reorganization and Governance Issues

From: Becky Steinbruner (ki6tkb@yahoo.com)

To: mcorreira@scottsvalleyfire.com; awalton@scottsvalleyfire.com

Cc: joe.serrano@santacruzcounty.us; francisco.estrada@santacruzcounty.us; natel@branciforte-fire.com; larryp@branciforte-fire.com; ki6tkb@yahoo.com

Date: Wednesday, August 9, 2023 at 05:18 PM PDT

Dear Scotts Valley Fire District Board and Clerk of the Board,

I am hereby placing the Scotts Valley Fire District ON NOTICE regarding the Plan for Service and impending Reorganization of Scotts Valley Fire District and inherent dissolution of Branciforte Fire Protection District, for the following reasons:

1) On June 14, 2023, I personally attended your Board meeting and testified in support of future transition to district-based Board elections upon completion of the Branciforte Fire Protection District Reorganization process overseen by Santa Cruz County LAFCO.

2) On June 18, 2023, I sent your Board e-mail correspondence as a follow-up to the points in my testimony, and asked that your Board agendaize the issue of district-based Board elections for discussion at your July 12, 2023 Board meeting.

3) On July 12, 2023, your Board agenda did not include the issue of possible transition to district-based Board elections:

<https://www.scottsvalleyfire.com/wp-content/uploads/2023/07/7.12.2023-Board-Packet-1.pdf>

and according to the Draft Minutes, the matter was not discussed.

4) On July 30, 2023, I submitted e-mail correspondence to your Board regarding my action to place the Branciforte Fire Protection District ON NOTICE due to my continued concerns for property owners and residents in that District who will, upon completion of the Reorganization, will effectively have no representation regarding finances, use of assets, and level of service in their area. This correspondence is listed in your August 9, 2023 agenda packet.

5) On August 2, 2023, I attended and testified before the Santa Cruz County LAFCO, and urged them to amend the Resolution RO22-07 for the Reorganization. The Commissioners did not make any amendments that I asked for and did not make any amendments requested by Branciforte Fire District property owner Ms. Kate Anderton, regarding Measure T funds.

Therefore, I am hereby placing the Scotts Valley Fire District and your Board ON NOTICE that I will bring legal challenge, for Public Benefit, regarding the California Voting Rights Act and requirements inherent to pursue the matter of equitable representation for the property owners and residents of the current Branciforte Fire Protection District.

Sincerely,

Becky Steinbruner

5/5