



**Board of Directors
Regular Meeting Agenda
Wednesday, December 10, 2025 7:00 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.

Teleconferencing Notice

Director Hurst will be joining the meeting via teleconference from the following location: 7801 East Elida Street, Tucson, AZ

1. Opening Business

- 1.1 Call to Order
- 1.2 Pledge of Allegiance and Moment of Silence
- 1.3 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 that is within the subject matter of the jurisdiction, and either on the agenda or not on the agenda. To ensure fair and equal treatment of all who appear before the Board, and to expedite Agency business, speakers will be limited to three minutes. The three-minute per speaker time limitation may be extended for good cause by the Board President, or by majority vote of the Board Members. Anyone wishing to be placed on the Agenda for a specific topic should contact the Fire Chief's Office and submit correspondence at least 10 days before the desired date of appearance. 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 considered and 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.)



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, CA 95066-4199 • scottsvalleyfire.com • 831-438-0211

- 4.1 Minutes: Approve Regular Board Meeting Minutes of November 12, 2025
- 4.2 Minutes: Approve Special Board Meeting Minutes of December 1, 2025
- 4.3 Approve SVFPD Claims Disbursements for the Month of November 1, 2025 through November 30, 2025 in the Amount of:

Payroll and Benefits:	\$ 578,246.98
General Fund:	\$ 63,469.87
Capital Outlay:	\$ 7,048.60
SCHMIT:	\$ <u>0.00</u>
TOTAL:	\$ 648,765.45
- 4.4 Adopt Regular Board Meeting Dates for 2026
- 4.5 Approve Contribution to California Cooperative Liquid Assets Security System (CLASS) via Transfer of Funds

5. Discussion Items

- 5.1 La Madrona Fire Station Planning / Safety Measures to Address Seismic Concerns for Firefighters at Fire Station One, located at Erba Lane

6. Action Items- Discussion/Action

- 6.1 Accept and File the SVFPD Financial Audit for 2024-2025 Fiscal Year Ending June 30, 2025
- 6.2 Adopt Ordinance 2025-03: Amending Ordinance 2025-02 to Correct and Clarify Accessory Dwelling Unit (ADU) Sprinkler Requirements
- 6.3 Approve the Extension of Community Risk Reduction Shared Services Agreement with Central Fire District of Santa Cruz County
- 6.4 Election of Board Officers for Calendar Year 2026
 - President
 - Vice President

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 Fire Chief / Administrative Report

8. Correspondence



- 8.1 Incident Follow-Up: Thank you card from Bill S.
- 8.2 Incident Follow-Up: Thank you card from Diane D.

9. Request for Future Agenda Items

10. Closed Session: Labor Negotiations Government Code §54957.6

- 10.1 Conference with Labor Negotiators, Directors Cosner and Whittle
Employee Organization: Chief Officers Group
Unrepresented Employee: Fire Marshal

11. Open Session: Government Code §54957.1

- 11.1 Report on closed session item 10.1

12. Adjournment

Next Regularly Scheduled Board Meeting: Wednesday, January 14, 2026 at 7:00 p.m.

Note: Certain supporting documents for items on this agenda may be distributed at the Board meeting. Copies will be made available to the public at that time in accordance with Government Code Section 54957.5.



**MINUTES OF THE
SCOTTS VALLEY FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING OF
November 12, 2025**

1. Opening Business

1.1 Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, November 12, 2025 at the City of Scotts Valley Council Chambers. President Cosner called the meeting to order at 7:04 p.m.

1.2 Pledge of Allegiance and Moment of Silence

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

1.3 Roll Call

Director(s) Present: President Adam Cosner (AC)
Vice President Kris Hurst (KH)
Director Daron Pisciotta (DP)
Director Mike Weaver (MW)
Director Ron Whittle (RW)

Director(s) Virtual at Alternate Location: N/A

Director(s) Absent: N/A

Fire District Staff: Chief Correira
Battalion Chief McNeil, Stubendorff, and
LoFranco (virtually)
Fire Marshal Collins (virtually)
Administrative Services Manager Rodriguez

2. Special Presentations and Introductions

2.1 Cardiac Arrest Recognition

Chief Correira summarized the cardiac arrest incident that occurred at La Madrona Athletic Club on September 1. Staff members Christina Quinn and Ian Chadwell immediately recognized the emergency, began CPR, retrieved the AED, and delivered one shock before crews arrived. Their actions led to the patient regaining consciousness prior to transport.

Both staff members attended the meeting, shared their appreciation for the District's quick response, and noted that their team trains regularly for emergencies.



Chief Correira presented them with the District’s Life-Saving Award under the new recognition policy.

2.2 Kosmont Companies – Infrastructure Financing District Analysis

Chief Correira introduced the follow-up presentation from Kosmont Companies. Joe Dieguez provided an overview of the proposed Enhanced Infrastructure Financing District, including how tax-increment financing works, the draft project area, eligible uses such as fire facilities and wildfire-prevention work, and preliminary revenue projections for the City, County, and Fire District. He reviewed the required process, governing structure, and tentative timeline, and noted that participation by any agency is voluntary. The next potential step would be a non-binding Resolution of Intent.

The Board expressed interest in continuing to evaluate the EIFD, supported moving forward with additional analysis, and requested that a non-binding Resolution of Intent be brought back for consideration. Directors noted that District participation could help encourage the County to join.

This item was presented for informational purposes only; no Board action was taken.

3. **Public Comment (GC §54954.3)**

No public comment(s) made.

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

No agenda amendments were made.

5. **Consent Calendar**

5.1 Minutes: Approve Regular Board Meeting Minutes of October 8, 2025

5.2 Approve SVFPD Claims Disbursements for the Month of October 1, 2025 through October 31, 2025 in the Amount of:

Payroll and Benefits:	\$ 868,383.08
General Fund:	\$ 72,738.75
Capital Outlay:	\$ 12,647.14
SCHMIT:	\$ 2,301.12
TOTAL:	\$ 956,070.09

5.3 Accept the CERBT and CEPPT Account Update Summary as of September 30, 2025

5.4 Approve Revised Policy 1505: Career Development Guide



- 5.5 Approve Revised Policy 1504: Temporary Positions
- 5.6 Adopt New Policy 701: Knox box / Knox Keys
- 5.7 Adopt New Policy 1602: Investment Policy
- 5.8 Authorize the appointment of a Term Limited Administrative Accounting Specialist (Retired Annuitant) pursuant to Government Code § 7522.56
- 5.9 Adopt Resolution 2025-15: Establishing Appropriation Limit for Fiscal Year 2025/2026

Board Comment/Questions: None

Public Comment: None

Motion to approve Consent Calendar Items 5.1-5.9 was made by Director Whittle, seconded by Director Pisciotta, and approved unanimously by voice vote, with 5 ayes.

6. Discussion Items

- 6.1 La Madrona Fire Station Planning / Safety Measures to Address Seismic Concerns for Firefighters at Fire Station One, located at Erba Lane

Chief Correira reported that design work is ongoing. The seismic engineer has requested additional information, and plans are still being finalized. Once complete, the District will submit for a building permit and then issue an RFP.

This item was presented for informational purposes only; no Board action was taken.

- 6.2 Shared Services Update

Chief Correira reported that Central Fire plans to form an ad hoc committee in December, allowing both agencies to begin shared-services discussions. Central is also recruiting for a Fire Marshal after an internal Deputy Fire Marshal process did not yield qualified candidates. Because the current agreement expires in December, staff recommends a six-month extension while recruitment continues and the ad hoc committees define next steps.

This item was presented for informational purposes only; no Board action was taken.

- 6.3 Motor Vehicle Accident Billing Program

Chief Correira summarized the item and noted that the Finance and Planning Committee previously reviewed the proposal. The discussion focused on whether the District should pursue cost recovery for certain incident types using a third-party billing vendor. Directors agreed that structure-fire billing was not appropriate but expressed interest in recovering costs for motor-vehicle incidents, particularly because insurance policies already include



provisions for this type of reimbursement. The Board also discussed hazardous materials responses and requested additional review, including whether hazmat billing should continue to be handled internally rather than through a vendor. Staff will work with General Counsel to draft an agreement for motor-vehicle incident billing and return with recommendations regarding hazmat billing.

This item was presented for informational purposes only; no Board action was taken.

7. Public Hearing I/Action Items

7.1 Scheduled Public Hearing to Adopt Ordinance No. 2025-2: The Fire Code of the Scotts Valley Fire Protection District with Amendments

The Public Hearing was opened at 8:03 p.m. No public comments were made. The Public Hearing was closed at 8:04 p.m.

7.2 Accept the Environmental Check List as Submitted and Direct the Fire Chief to Make the Appropriate Filings, Discussion/Action

Board Comment/Questions: None

Public Comment: None

Motion to Accept the Environmental Check List as Submitted and Direct the Fire Chief to Make the Appropriate Filings was made by Director Whittle, seconded by Director Pisciotta, and approved unanimously by voice vote, with 5 ayes.

7.3 Adopt Ordinance No. 2025-2: The Fire Code of the Scotts Valley Fire Protection District with Amendments

Board Comment/Questions: None

Public Comment: None

Motion to Adopt Ordinance No. 2025-2: The Fire Code of the Scotts Valley Fire Protection District with Amendments as presented was made by Director Weaver, seconded by Director Hurst, and approved unanimously by voice vote, with 5 ayes.

8. Public Hearing II/Action Items

8.1 Scheduled Public Hearing to Adopt Resolution 2025-18: Approving a Fire Facilities Impact Fee Study, Delegation of Authority, and Other Related Matters

The Public Hearing was opened at 8:05 p.m. No public comments were made. The Public Hearing was closed at 8:06 p.m.



8.2 Adopt Resolution 2025- 18: Approving a Fire Facilities Impact Fee Study, Delegation of Authority, and Other Related Matters

Board Comment/Questions: None

Public Comment: None

Motion to Adopt Resolution 2025- 18: Approving a Fire Facilities Impact Fee Study, Delegation of Authority, and Other Related Matters as presented was made by Director Whittle, seconded by Director Weaver, and approved unanimously by voice vote, with 5 ayes.

9. Action Items- Discussion/Action

9.1 Adopt Resolution 2025-17: Graydon Resolution Approving Direct Solicitation of Quotes for Branciforte Bathroom Construction Project

Chief Correira reported that the RFP for the Station 3 bathroom project received no responsive bids. A local contractor later submitted a quote, and General Counsel confirmed the District may use the Graydon process and must still pay prevailing wage. The contractor's estimate is approximately \$130,000–\$140,000. Staff recommended adopting the resolution to proceed with direct solicitation and move forward with the project.

Board Comment/Questions: None

Public Comment: None

Motion to Adopt Resolution 2025-17: Graydon Resolution Approving Direct Solicitation of Quotes for Branciforte Bathroom Construction Project as presented was made by Director Weaver, seconded by Director Whittle and approved unanimously by voice vote, with 5 ayes.

9.2 Approve Capital Improvement Plan

Chief Correira noted that the Capital Improvement Plan is required under the Nexus Impact Fee Study and will guide the use of future impact fees for growth-related needs such as apparatus, stations, and equipment. The Finance and Planning Committee reviewed the CIP and forwarded it for Board consideration.

Board Comment/Questions: None

Public Comment: None

Motion to Approve the Capital Improvement Plan as presented was made by Director Whittle, seconded by Director Hurst, and approved unanimously by voice vote, with 5 ayes.



9.3 Regional Interoperable Next Generation (RING) Radio System

Chief Correira briefed the Board on the County's plan to implement a new radio system and noted that the project will have future financial impacts for the District. The County intends to bring the system contract to the Board of Supervisors in December. Key concerns include the proposed cost-sharing model, the lack of a defined governance structure, and the need to pursue outside funding sources such as appropriations and grant programs.

Chief Correira asked whether the Board supported the Board President working with him to represent the District in discussions with County leadership and advocate for an equitable approach. Directors expressed support for this direction.

Board Comment/Questions:

Directors asked about the proposed cost-sharing amounts, whether participation now would bind the District to future obligations, whether CAL FIRE could be an alternative, the County's accelerated timeline, and whether the new system would improve coverage in known weak areas.

Public Comment: None

No Board action was taken.

10. **Board of Directors and Administrative Reports – Information/Discussion**

10.1 Board of Directors Report – Directors

No reports were provided.

10.2 Administrative Report – Chief Officers

Fire Chief Correira provided the following updates:

County Executive Officer: Announced that Nicole Coburn has been appointed as the new CEO and noted early engagement has been positive.

Workers' Compensation: Reported the District's first claim with the new provider; the injury was minor and the vendor's responsiveness has been strong.

Personnel: Held a recent captains' meeting to coordinate additional support for a probationary firefighter who is experiencing some challenges.

Battalion Chief LoFranco provided the following updates:

Paid Call Firefighter Testing: Thanked Brian Green, Jared Vandiver and Patrick Shaughnessy for organizing the annual paid call firefighter testing, which will include a written exam and Firefighter I/II skills stations.

County Training Drill: Reported that personnel are assisting with a countywide drill planned at 10 Victor Square. Thanked Jared Vandiver, Brian Green, and Andy Sundermier for their work as cadre members supporting the training.



Administrative Services Manager Rodriguez provided the following updates:

Website Redesign: Shared a mock-up of the District’s new website and requested Board feedback on layout and content before final approval. Noted improved navigation features, ADA compliance, multi-language translation, enhanced search capability, and options for residents to sign up for email or text alerts. Staff will receive training on site management once the build is complete, and the vendor will provide a full site refresh four years after the site goes live.

11. Correspondence

11.1 Community Outreach- Thank You to Firefighter Shaughnessy for Hosting CPR Bystander Training

The Board received and filed the correspondence.

12. Request for Future Agenda Items

There were no future agenda items requested.

13. Adjournment

The meeting was adjourned at 8:31 p.m.

Attest _____
Adam Cosner
Board President

Mark Correia
Board Secretary



**MINUTES OF THE
SCOTTS VALLEY FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING OF
December 1, 2025**

1. Opening Business

1.1 Call to Order

The Special Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Monday, December 1, 2025 at the Board Room located at Scotts Valley Fire Station 1. President Cosner called the meeting to order at 11:02 a.m.

1.2 Pledge of Allegiance and Moment of Silence

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

1.3 Roll Call

Director(s) Present:	President Adam Cosner (AC) Vice President Kris Hurst (KH) Director Mike Weaver (MW)
Director(s) Virtual at Alternate Location:	N/A
Director(s) Absent:	Director Daron Pisciotta (DP) Director Ron Whittle (RW)
Fire District Staff:	Chief Correira Fire Marshal Collins Administrative Services Manager Rodriguez

2. Public Comment (GC §54954.3)

No public comment(s) made.

3. Action Items – Discussion/Action

3.1 Introduction of Ordinance No. 2025-3, Amending Ordinance No. 2025-2 to Correct and Clarify Accessory Dwelling Unit Sprinkler Requirements

Chief Correira explained that the amendment corrects an oversight in the District’s adopted fire code and brings the ADU sprinkler requirements into alignment with state law. Under current state requirements, an ADU located on a property with a non-sprinklered primary residence is not required to be sprinklered, replacing the previous “50% alteration” rule. Fire Marshal Collins added that the revised language is consistent with what other county fire agencies adopted and ensures uniform application across jurisdictions.



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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Board Comment/Questions: None

Public Comment: None

Motion to Introduce Ordinance No. 2025-3, Amending Ordinance No. 2025-2 to Correct and Clarify Accessory Dwelling Unit Sprinkler Requirements was made by Director Hurst, seconded by Director Weaver, and approved unanimously by voice vote, with 3 ayes.

4. Adjournment

The meeting was adjourned at 11:06 a.m.

Attest _____
Adam Cosner
Board President

Mark Correia
Board Secretary

Scotts Valley Fire Protection District (SVFPD)

Date: December 10, 2025
To: Board of Directors
From: SVFPD
Subject: Approve Claim Disbursements

SVFPD Claims have been approved for payment out of SVFPD Funds totaling \$ 648,765.45

These payments have been approved by the Board of Directors during their meeting on December 10, 2025

November 2025/2026 F.Y.

685010- Payroll and Benefits:	\$ 578,246.98
685010- General Fund:	\$ 63,469.87
685030- Capital Outlay:	\$ 7,048.60
685040- SCHMIT:	\$ 0.00

ATTEST _____
Adam Cosner
Board President

Mark Correia
Board Secretary

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
 Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 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												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	51000	-164,023.66	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	51000	-165,231.71	PAYPERIOD 24PAYDATE 11262025		
Total 51000 – REGULAR PAY-PERMANENT									-329,255.37			
Object: 51005 – OVERTIME PAY-PERMANENT												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	51005	-20,751.54	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	51005	-11,328.49	PAYPERIOD 24PAYDATE 11262025		
Total 51005 – OVERTIME PAY-PERMANENT									-32,080.03			
Object: 51010 – REGULAR PAY-EXTRA HELP												
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	51010	-3,019.53	PAYPERIOD 24PAYDATE 11262025		
Total 51010 – REGULAR PAY-EXTRA HELP									-3,019.53			
Object: 51035 – HOLIDAY PAY												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	51035	-13,349.98	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	51035	-13,374.57	PAYPERIOD 24PAYDATE 11262025		
Total 51035 – HOLIDAY PAY									-26,724.55			
Object: 51040 – DIFFERENTIAL PAY												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	51040	-8,974.53	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	51040	-8,999.31	PAYPERIOD 24PAYDATE 11262025		
Total 51040 – DIFFERENTIAL PAY									-17,973.84			
Object: 52010 – OASDI-SOCIAL SECURITY												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	52010	-3,033.71	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	52010	-3,194.86	PAYPERIOD 24PAYDATE 11262025		
Total 52010 – OASDI-SOCIAL SECURITY									-6,228.57			
Object: 52015 – PERS												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	52015	-34,236.11	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	52015	-34,843.06	PAYPERIOD 24PAYDATE 11262025		
Total 52015 – PERS									-69,079.17			
Object: 53010 – EMPLOYEE INSURANCE & BENEFITS												
2026	05	11/10/2025	NOV25HLTH		Expenditures	685010	50	53010	-76,031.67	SV FIRE NOV 2025	V116512	17322
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	53010	-750.00	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	53010	1,235.80	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	53010	1,235.80	PAYPERIOD 24PAYDATE 11262025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	53010	-750.00	PAYPERIOD 24PAYDATE 11262025		
2026	05	11/25/2025	1125SVFD		Expenditures	685010	50	53010	-4,573.26	HEALTH CARE EMP SVFD Group 367	V108670	00496699
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-1,419.00	FIRE RISK MANAG SVFD	V45930	80089855
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-793.44	VANDERVOORT, GR SVFD Health In	V122411	80089866
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-608.37	PHINN, MIKE SVFD Health Ins.-	V103782	80089863
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-704.06	WHITTLE, RONALD SVFD Health In	V102822	80089868
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-1,704.35	BIDDLE, MIKE SVFD Health Ins.-	V105980	80089854
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-1,019.67	WALTON, ALICIA SVFD Health Ins	V119128	80089867
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-842.00	THEILEN, LOTHAR SVFD Health In	V117701	80089865
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-568.15	RONZANO, CHRIST SVFD Health In	V111324	80089864
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-1,011.40	MCMURRY, MICHAEL SVFD Health In	V105430	80089860
2026	05	11/25/2025	1225SVFD		Expenditures	685010	50	53010	-964.62	LOFRANCO, SAL SVFD Health Ins.	V105221	80089859
Total 53010 – EMPLOYEE INSURANCE & BENEFITS									-89,268.39			
Object: 53015 – UNEMPLOYMENT INSURANCE												
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	53015	-48.31	PAYPERIOD 24PAYDATE 11262025		
Total 53015 – UNEMPLOYMENT INSURANCE									-48.31			
Object: 54010 – WORKERS COMPENSATION INSURANCE												
2026	05	11/04/2025	323806		Expenditures	685010	50	54010	498,991.00	SANTA CRUZ COUN SVFD	V104861	00488806
2026	05	11/04/2025	323806		Expenditures	685010	50	54010	-498,991.00	SANTA CRUZ COUN SVFD	V104861	80089030
Total 54010 – WORKERS COMPENSATION INSURANCE									0.00			

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
 Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 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												
2026	05	11/12/2025	PAYPERIOD 23		Expenditures	685010	50	55021	-2,284.61	PAYPERIOD 23PAYDATE 11142025		
2026	05	11/24/2025	PAYPERIOD 24		Expenditures	685010	50	55021	-2,284.61	PAYPERIOD 24PAYDATE 11262025		
Total 55021 – OTHER BENEFITS MISC									-4,569.22			
Total 50 – SALARIES AND EMPLOYEE BENEF									-578,246.98			
Character: 60 – SERVICES AND SUPPLIES												
Object: 61110 – CLOTHING & PERSONAL SUPPLIES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61110	-229.00	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 61110 – CLOTHING & PERSONAL SUPPLIES									-229.00			
Object: 61125 – UNIFORM REPLACEMENT												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61125	-223.13	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 61125 – UNIFORM REPLACEMENT									-223.13			
Object: 61221 – TELEPHONE-NON TELECOM 1099												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61221	-1,261.14	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 61221 – TELEPHONE-NON TELECOM 1099									-1,261.14			
Object: 61425 – OTHER HOUSEHOLD EXP-SERVICES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61425	-395.45	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	283800		Expenditures	685010	60	61425	-179.39	MID VALLEY SUPP SVFD	V481	80089861
Total 61425 – OTHER HOUSEHOLD EXP-SERVICES									-574.84			
Object: 61535 – OTHER INSURANCE												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61535	-4,936.95	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 61535 – OTHER INSURANCE									-4,936.95			
Object: 61720 – MAINT-MOBILE EQUIPMENT-SERV												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61720	-5,481.18	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	053337		Expenditures	685010	60	61720	-1,107.42	GOLDEN STATE EM SVFD PIE-0143	V129826	00496698
2026	05	11/25/2025	053357		Expenditures	685010	60	61720	-143.72	GOLDEN STATE EM SVFD PIE-0143	V129826	00496698
2026	05	11/25/2025	053358		Expenditures	685010	60	61720	-74.75	GOLDEN STATE EM SVFD PIE-0143	V129826	00496698
2026	05	11/25/2025	053359		Expenditures	685010	60	61720	-342.67	GOLDEN STATE EM SVFD PIE-0143	V129826	00496698
Total 61720 – MAINT-MOBILE EQUIPMENT-SERV									-7,149.74			
Object: 61725 – MAINT-OFFICE EQUIPMNT-SERVICES												
2026	05	11/25/2025	17059		Expenditures	685010	60	61725	-2,163.89	Pagoda Technolo SVFD	V125184	80089862
2026	05	11/25/2025	17143		Expenditures	685010	60	61725	-2,160.48	Pagoda Technolo SVFD	V125184	80089862
Total 61725 – MAINT-OFFICE EQUIPMNT-SERVICES									-4,324.37			
Object: 61730 – MAINT-OTH EQUIP-SERVICES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61730	-425.57	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 61730 – MAINT-OTH EQUIP-SERVICES									-425.57			
Object: 61848 – MAINT-STRUCT/GRDS-OTH-SRV												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61848	-1,126.69	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	91614790		Expenditures	685010	60	61848	-129.99	AIR EXCHANGE IN SVFD	V114057	00496696
Total 61848 – MAINT-STRUCT/GRDS-OTH-SRV									-1,256.68			
Object: 61920 – MEDICAL, DENTAL & LAB SUPPLIES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	61920	-114.50	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	85983936		Expenditures	685010	60	61920	-633.70	BOUND TREE MEDI SVFD	V12149	80089815
Total 61920 – MEDICAL, DENTAL & LAB SUPPLIES									-748.20			
Object: 62020 – MEMBERSHIPS												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62020	-1,183.85	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	1125SVFD		Expenditures	685010	60	62020	-9,930.00	CALIFORNIA SPEC SVFD	V123263	00496697
Total 62020 – MEMBERSHIPS									-11,113.85			
Object: 62219 – PC SOFTWARE PURCHASES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62219	-857.13	U S BANK CORPOR SVFD 4246-0445	V992019	80089703

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
 Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 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: 62219 – PC SOFTWARE PURCHASES												
2026	05	11/25/2025	118674		Expenditures	685010	60	62219	-10,677.50	IMAGETREND LLC SVFD	V128073	80089857
Total 62219 – PC SOFTWARE PURCHASES									-11,534.63			
Object: 62223 – SUPPLIES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62223	-177.61	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 62223 – SUPPLIES									-177.61			
Object: 62301 – ACCOUNTING AND AUDITING FEES												
2026	05	11/25/2025	15054		Expenditures	685010	60	62301	-1,035.00	FOSTER & FOSTER SVFD ACCOUNTS	V44830	80089856
Total 62301 – ACCOUNTING AND AUDITING FEES									-1,035.00			
Object: 62381 – PROF & SPECIAL SERV-OTHER												
2026	05	11/25/2025	63495		Expenditures	685010	60	62381	-3,625.00	CSG CONSULTANTS SVFD	V121100	80089871
Total 62381 – PROF & SPECIAL SERV-OTHER									-3,625.00			
Object: 62420 – LEGAL NOTICES												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62420	-391.60	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 62420 – LEGAL NOTICES									-391.60			
Object: 62715 – SMALL TOOLS & INSTRUMENTS												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62715	-5,257.11	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	1005445		Expenditures	685010	60	62715	-1,044.12	L N CURTIS & SO SVFD Cust 3627	V115989	80089858
Total 62715 – SMALL TOOLS & INSTRUMENTS									-6,301.23			
Object: 62826 – EDUCATION AND/OR TRAINING												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62826	-1,464.01	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 62826 – EDUCATION AND/OR TRAINING									-1,464.01			
Object: 62914 – EDUCATION & TRAINING(REPT)												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62914	-71.65	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 62914 – EDUCATION & TRAINING(REPT)									-71.65			
Object: 62920 – GAS, OIL, FUEL												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62920	-296.44	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
2026	05	11/25/2025	863303		Expenditures	685010	60	62920	-3,191.44	WESTERN STATES SVFD	V39738	00496702
Total 62920 – GAS, OIL, FUEL									-3,487.88			
Object: 62930 – REGISTRATIONS (NON REPT)												
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	62930	-603.57	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 62930 – REGISTRATIONS (NON REPT)									-603.57			
Object: 63074 – UTILITIES												
2026	05	11/17/2025	1125SVFD1		Expenditures	685010	60	63074	-913.85	PACIFIC GAS AND SVFD	V129169	00495921
2026	05	11/17/2025	1125SVFD2		Expenditures	685010	60	63074	-993.96	PACIFIC GAS AND SVFD	V129169	00495921
2026	05	11/17/2025	1125SVFD3		Expenditures	685010	60	63074	-133.04	PACIFIC GAS AND SVFD	V129169	00495921
2026	05	11/17/2025	1125SVFD4		Expenditures	685010	60	63074	-172.42	PACIFIC GAS AND SVFD	V129169	00495921
2026	05	11/17/2025	1125SVFD5		Expenditures	685010	60	63074	-285.17	PACIFIC GAS AND SVFD	V129169	00495921
2026	05	11/20/2025	1025SVFD		Expenditures	685010	60	63074	-35.78	U S BANK CORPOR SVFD 4246-0445	V992019	80089703
Total 63074 – UTILITIES									-2,534.22			
Total 60 – SERVICES AND SUPPLIES									-63,469.87			
Total 685010 – SCOTTS VALLEY FIRE PROT SVC									-641,716.85			

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E); Chart Fields = GLKey,Character,Object
 Post On [*@prior-month*] and Revenues/Expenditures [*XP*] and GL Key [*685010, 685020, 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: 685030 – SCOTTS VLY FIRE DIST.-CAPITAL												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61848 – MAINT-STRUCT/GRDS-OTH-SRV												
2026	05	11/25/2025	1125SVFD		Expenditures	685030	60	61848	-1,000.00	MANDELLA, JOHN SVFD	V43108	00496700
Total 61848 – MAINT-STRUCT/GRDS-OTH-SRV									-1,000.00			
Object: 62710 – FIELD EQUIPMENT												
2026	05	11/25/2025	9208703856		Expenditures	685030	60	62710	-6,048.60	STRYKER SALES C SVFD	V128398	00496701
Total 62710 – FIELD EQUIPMENT									-6,048.60			
Total 60 – SERVICES AND SUPPLIES									-7,048.60			
Total 685030 – SCOTTS VLY FIRE DIST.-CAPITAL									-7,048.60			
									-648,765.45			



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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TO: Hon Board of Directors
FROM: Mark Correira, Fire Chief
DATE: December 10, 2025
RE: Board Memo 2025-56: Board Meeting Dates for 2026

Recommended Action:

Move to adopt proposed schedule for the 2026 Regular Board Meetings.

Background:

The following is a list of proposed Regular Board Meetings dates for 2026. The dates reflect the second Wednesday of the month per Board Policy 2100. The meetings are held at the Scotts Valley City Hall Chamber, 1 Civic Center Drive, Scotts Valley, CA 95066, unless otherwise noted below:

January 14	July 8
February 11	August 12
March 11	September 9
April 8	October 14
May 13	November 11*
June 10	December 9

Regular meetings are scheduled for 7:00 p.m. Special meetings can be added as necessary.

* *Veterans Day Holiday*



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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TO: Hon Board of Directors

From: Mark Correira, Fire Chief

DATE: December 10, 2025

RE: Board Memo 2025-58: Approve Contribution to California Cooperative Liquid Assets Security System (CLASS) via Transfer of Funds

Recommendation

Move to approve the movement of \$1,000,000 allocated for the La Madrona Fire Station to the CLASS Investment Pool

Background

On November 12, 2025, the Board approved Policy 1602 – Investment Policy. This policy permits the District to invest funds in the Santa Cruz County Investment Pool and/or the California Cooperative Liquid Assets Security System (CLASS). Additionally, it delegates the authority for day-to-day management of these invested funds to the Fire Chief.

Policy 1600 – Purchasing authorizes the Fire Chief to approve claims up to \$50,000, requiring Board approval for claims exceeding this amount.

To comply with Policies 1600 and 1602, staff is requesting approval to transfer \$1,000,000 budgeted for the La Madrona Fire Station into the California CLASS investment pool. This action aims to diversify the District's finances across multiple investment pools, with the goal of generating additional revenue.

Scotts Valley Fire Protection District (SVFPD)

Date: December 10, 2025
To: Board of Directors
From: SVFPD
Subject: Approve Contribution to California Cooperative Liquid
Assets Security System (CLASS) via Transfer of Funds

SVFPD Claims have been approved for payment out of SVFPD Funds
totaling \$ 1,000,000.00

These payments have been approved by the Board of Directors during
their meeting on December 10, 2025

2025/2026 F.Y.

86110- Structures and Improvements: \$ 1,000,000.00

ATTEST

Adam Cosner
Board President

Mark Correia
Board Secretary



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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TO: Hon Board of Directors

From: Mark Correira, Fire Chief

DATE: December 10, 2025

RE: Board Memo 2025-59: Accept and File 24/25 Fiscal Year Audit Report

Recommended Action:

Move to accept and file the Fiscal Year (FY) 2024/25 Audit Report

Background

Policy 2101 – Committees of the Board establishes that the entire Board of Directors serves as the Audit Committee. The purpose of this committee is to provide fiduciary oversight of the District's administration, governance, and financial accountability in the interests of the public.

Each year, the District engages a certified public accountant (CPA) to conduct a fiscal audit of the previous year's finances. The attached report, prepared by Zach Pehling, CPA of Pehling's PnPCPA, offers a detailed overview of the District's accounting practices for FY 2024/2025.

Staff is presenting this report to the Audit Committee/Board of Directors for review and adoption.

Scotts Valley Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2025



September 12, 2025

Scotts Valley Fire Protection District

Scotts Valley, CA

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of Scotts Valley Fire Protection District as of and for the year-ended June 30, 2025, as listed in the Table of Contents. 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, 2025, and the respective changes in financial position, and cash flows where applicable for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District’s 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,



individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

PnPCPA

PnPCPA

Scotts Valley Fire Protection District

**Audit Report
June 30, 2025**

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SCOTTS VALLEY FIRE PROTECTION DISTRICT

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Mark Correira Fire Chief

September 12, 2025

The Scotts Valley Fire Protection District (SVFPD) provides fire protection and EMS services to the City of Scotts Valley, and adjacent unincorporated regions of Santa Cruz County including Pasatiempo and Glennwood neighborhoods. In December of 2023, the former Branciforte Fire District area was merged into the Scotts Valley District. Today, the SVFPD serves an approximate area of thirty (30) square miles and a population of approximately twenty-two thousand (22,000) residents. SVFPD is an independent government entity, separate from the City of Scotts Valley, classified as a California Special District, and is governed by a five-member board of elected 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, 2025. It also includes the auditing of the former Branciforte Fire District financial performance during the same fiscal year.

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



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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 2024/2025 FY, Capital Structure and Improvements (86110) was included \$1 million in the General Fund. These funds are to be used for the La Madrona Fire Station, but will also lessen the need 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 that 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 \$(1,470.519) for the fiscal year ended June 30, 2025. 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



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the SVFPD as the positive fund balance will allow the SVFPD to continue to offer services to the public. Approximately 25 percent of the \$13,370,284 in assets, \$5,353,779 are invested in capital assets (net of accumulated depreciation and related debt).

Financial Analysis of the District's Funds

Governmental fund balances increased by \$2,324,686. The main reason for the difference between the \$2,982,616 increase in SVFPD net position and the \$485,640 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 20% above what was budgeted at \$10,349,440. The delta of 20% was caused by the additional property tax revenue from the annexation of B40 (\$1,670,474), and interest income (\$195,315)

Total Salaries and Benefits were \$836,426 or 7.91% under budget. Services and supplies were \$323,625 or 40.85% 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 \$10,749,829 or 9.29% less than the amount budgeted, including contingency appropriation, which did not need to be used during the year. A major portion of the 9.29% is made up of the \$1 million added to the General Fund's Structures and Improvements for the La Madrona Fire Station and to lessen the amount borrowed from the County during the dry tax season of the year.

Capital Outlay/Zone A expenditures were under budget by \$1,114,617 or 43.52% due to the continuation of architectural contracts for the La Madrona station.

Revenues from the district consolidation in the Capital Funds were budgeted; resulting in actual amounts of 307,610 which exceeded budget primarily due to interest and proceeds from the sale of capital assets.

Capital Assets

As of June 30, 2025, the SVFPD had invested \$10,438,368 in a broad range of capital assets including land, structures and improvements, equipment, and construction in progress. This was an increase from the prior-years' amount of \$9,708,001; primarily due to the purchase deposit of a new Type 1.



Long-Term Liabilities

At June 30, 2025 the SVFPD had \$17,764,449 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 3.8% 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 2025/2026 fiscal year (FY), is \$18,306,949, which includes reserve funds. Salaries and Benefits budget includes a 8% salary increase for safety and 10% increase for non-safety. All authorized positions are funded this FY. The SVFPD contribution to the CalPERS retirement program is 24.4% of payroll plus an annual Unfunded Accrued Liability (UAL) payment of \$1,366,993 (estimated) for the Classic Safety plan; 12.58% of payroll and an annual UAL payment of \$10,044 for the Classic Miscellaneous plan; and total UAL for all PEPR classes of \$30,509. Classic Safety members contribute 9% of salary and the SVFPD contributes 24.4% of salary to CalPERS for retirement and the Classic Miscellaneous members contribute 7% of salary and the SVFPD contributing 12.58% of salary. CalPERS PEPR Safety Members hired after January 1, 2013, contribute 13.75% of salary with the SVFPD paying 13.99% up to the annual salary cap established by CalPERS. PEPR Miscellaneous Members contribute 7.75% of salary with the SVFPD contributing 7.96% of salary.

This represents a budgeted amount of \$2,541,294.19 payable to CalPERS, which is an increase of \$397,313.75 over 2024/2025 FY.

Health insurance is budgeted for an increase effective January 1, 2026. Retiree health insurance is budgeted at \$132,540.18, an increase of \$24,144 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 projected 6.1% long-term expected rate of return.

Workers compensation insurance for FY2025/26 is \$500,000 a decrease of \$39,390 over last FY. The Services and Supplies budget is \$1,140,032, an increase of \$76,645 over last FY.



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The Contributions to Other Agencies is for the SVFPD share of the LAFCO budget at \$12,200, a slight increase over last FY.

The beginning balance of the Capital Outlay/Zone A fund is \$1,219,685. A 3.8% increase in property tax revenue is estimated for this FY. The Service and Supplies Budget is \$1,140,032. Fixed Assets for Fire Facilities upgrades and Equipment is \$380,000, Reserves in the amount of \$773,914 for future expenditures and \$200,000 for contingencies.

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) is \$393,893. Services and supplies are to support the operating costs of the team in the amount of \$93,024 which includes a \$9,000, charge for management of the program. Personnel costs include \$20,000 for reimbursement to response agencies in the event of an activation, and \$270,000 for reimbursement to agencies for their technician-certified response personnel - which accounts for 30 total members.

Contacting the District's 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, 2025**

	<u>General Fund</u>	<u>Capital</u>
<u>ASSETS</u>		
<u>Assets:</u>		
Cash	\$ 6,755,578	\$ 1,260,927
Accounts Receivable	-	-
Deposits & Prepaid Expenses	-	-
TOTAL ASSETS	<u>6,755,578</u>	<u>1,260,927</u>
<u>LIABILITIES, DEFERRED INFLOWS & FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	12,169	1,426
Accrued Payroll	143,752	-
TOTAL LIABILITIES	<u>155,921</u>	<u>1,426</u>
<u>Deferred Inflows</u>		
Unavailable Revenue	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>155,921</u>	<u>1,426</u>
<u>Fund Balances:</u>		
Unassigned	6,599,457	-
Unspendable	200	-
Committed	-	1,259,501
Total Fund Balance	<u>6,599,657</u>	<u>1,259,501</u>
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u><u>\$ 6,755,578</u></u>	<u><u>\$ 1,260,927</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, 2025**

<u>REVENUE</u>	<u>General Fund</u>	<u>Capital</u>
Tax Revenue	\$ 11,149,214	\$ 164,367
Charges for Service	960,317	-
Interest & Investment Earnings	200,315	80,243
License & Permits	54,058	-
Grants & Contributions	-	-
Miscellaneous	10,409	63,000
TOTAL REVENUE	12,374,313	307,610
 <u>EXPENDITURES</u>		
Capital Assets	-	1,088,158
Debt Service:		
Principle	-	-
Interest	-	-
Professional Fees	248,455	321,625
Salaries and Employee Benefits	9,735,801	-
Repairs and Maintenance	228,140	25,833
Insurance	68,839	-
Services, Supplies and Refunds	468,595	10,837
TOTAL EXPENDITURES	10,749,830	1,446,453
Excess (Deficit) Revenues over Expenditures	1,624,483	(1,138,843)
Transfer In/(Out)	(275,000)	275,000
<u>CHANGE IN FUND BALANCE</u>	1,349,483	(863,843)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	5,250,174	2,123,344
<u>FUND BALANCE, END OF YEAR</u>	\$ 6,599,657	\$ 1,259,501

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, 2025**

<u>ASSETS</u>	<u>2025</u>
<u>Current Assets:</u>	
Cash	\$ 8,016,505
Accounts Receivable	-
Deposits & Prepaid Expenses	-
Total Current Assets	<u>8,016,505</u>
<u>Capital Assets:</u>	
Land	824,574
Buildings & Improvements	2,231,492
Firefighting Equipment	5,794,793
Construction in Progress	1,587,509
Less: Accumulated Depreciation	<u>(5,084,589)</u>
Total Capital Assets	<u>5,353,779</u>
TOTAL ASSETS	<u>13,370,284</u>
<u>DEFERRED OUTFLOW</u>	
GASB 75	25,370
GASB 68 Pension	<u>4,758,911</u>
TOTAL DEFERRED OUTFLOW	<u>4,784,281</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>18,154,565</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	13,595
Accrued Payroll Liabilities	143,752
Current Portion	-
Accrued Compensated Absences	<u>290,530</u>
Total Current Liabilities	<u>447,877</u>
<u>Long-term Liabilities:</u>	
OPEB	1,097,666
Note Payable	-
Net Pension Liability	<u>16,218,906</u>
Total Long-term Liabilities	<u>17,316,572</u>
TOTAL LIABILITIES	<u>17,764,449</u>
<u>DEFERRED INFLOWS</u>	
GASB 75	470,895
GASB 68 Pension	<u>95,062</u>
TOTAL DEFERRED INFLOWS	<u>565,957</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>18,330,406</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	5,353,779
Unrestricted	<u>(5,529,620)</u>
TOTAL NET POSITION	<u>\$ (175,841)</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**

	June 30, 2025
Total Fund Balances - Governmental Funds	\$ 7,859,158
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	10,438,368
Less: Accumulated Depreciation	(5,084,589)
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.	(290,530)
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:	4,784,282
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:	(565,957)
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	(17,316,572)
Net Position	\$ (175,841)

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, 2025

2025				
		Operating Revenues		
	Expenses	Charges for Services	Grants and Contributions and Fire Fee	Excess of Revenues/(Expenses)
<u>Governmental Activities</u>				
Public Protection	\$ 13,742,916	\$ 960,317	-	\$ (12,782,599)
Depreciation (Unallocated)	346,296	-	-	(346,296)
Total Governmental Activities				(13,128,895)
 General Revenues:				
Tax Revenue				11,313,582
Interest & Investment Earnings				280,558
License, Permits & Rents				54,058
Miscellaneous				10,178
Total General Revenues				11,658,376
 NET CHANGE IN NET POSITION				 (1,470,519)
 NET POSITION, BEGINNING OF YEAR				 1,294,678
 NET POSITION, END OF YEAR				 \$ (175,841)

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

	June 30, 2025
Net Change in Fund Balances - Total Governmental Funds	485,640
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	1,185,606
Less: Current Year Depreciation Expense	(346,296)
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	(63,000)
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	(2,945,670)
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	214,732
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	(1,531)
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	\$ (1,470,519)

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, 2025

<u>ASSETS</u>	<u>2025</u>
<u>Current Assets:</u>	
Accounts Receivable	\$ 10,664
Cash	<u>408,323</u>
Total Current Assets	<u>418,987</u>
<u>Capital Assets:</u>	
Firefighting Equipment	509,079
Computer Equipment	948
Less: Accumulated Depreciation	<u>(420,358)</u>
Total Capital Assets	<u>89,669</u>
TOTAL ASSETS	<u>508,656</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>508,656</u>
TOTAL NET POSITION	<u>\$ 508,656</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, 2025**

<u>ADDITIONS</u>	2025 <u>Fiduciary Fund</u>
Aid from other government agencies	\$ 313,557
Use of Money and Property (Interest)	<u>20,847</u>
TOTAL ADDITIONS	<u>334,404</u>
<u>DEDUCTIONS</u>	
Depreciation	23,772
Services, Supplies and Refunds	<u>211,862</u>
TOTAL DEDUCTIONS	<u>235,634</u>
<u>CHANGE IN NET POSITION</u>	<u>98,770</u>
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>409,886</u>
<u>NET POSITION, END OF YEAR</u>	<u>\$ 508,656</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, 2025

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, 2025

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, 2025

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, 2025**

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, 2025**

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, 2025 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.

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Estimates

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

Pensions

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

Note 2 – Cash

Summary of Cash

	June 30, 2025	
	Value	Fair Value
County Cash	\$ 7,970,300	\$ 8,016,405
Petty Cash	100	100
Total	\$ 7,970,400	\$ 8,016,505

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.

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

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

Note 3 –Accounts Receivable

On June 30, 2025, the District had \$ - 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, 2025, the liability for compensated absences was \$290,530.

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, 2025 is as follows:

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Balance July 1,	Reductions/ Additions	Reductions/ Additions	Balance June 30,
Accumulated Unpaid Compensated Absences	\$ 288,999	\$ 1,531	\$ -	\$ 290,530
Net Other Post Employment Benefits Obligation	\$ 1,274,807	\$ -	\$ 177,141	\$ 1,097,666
CalPERS UAL	\$ 16,602,440	\$ -	\$ 383,534	\$ 16,218,906

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

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
Employer Rate Plans in the Miscellaneous Risk Pool**

Employer rate plan	Miscellaneous	PEPRA Misc.
Hire Date	Prior to January 01, 2013	On or after January 01, 2013
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
Hire Date	Prior to January 01, 2013	On or after January 01, 2013
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, 2025**

**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, 2024. 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, 2024, 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, 2024, to obtain the total pension liability and fiduciary net position as of June 30, 2024. 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, 2025**

Scotts Valley Fire Protection District

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2025 Reporting Date:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	385,908	-
Differences between Expected and Actual Experience	1,236,796	-
Differences between Projected and Actual Investment Earnings	758,117	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	47,398
Change in Employer's Proportion	211,719	-
Pension Contributions Made Subsequent to Measurement Date	2,080,990	-
	<u>4,673,531</u>	<u>47,398</u>

Net Pension Liability as of 6/30/2025 15,656,932

NOTE: Detailed breakdown of ending balances by Miscellaneous vs Safety can be found in the [Jul 2024-Jun 2025 JE Flow](#) worksheet

Branciforte Fire Protection District

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2025 Reporting Date:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	13,846	-
Differences between Expected and Actual Experience	44,371	-
Differences between Projected and Actual Investment Earnings	27,163	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	9,286
Change in Employer's Proportion	-	35,919
Pension Contributions Made Subsequent to Measurement Date	-	-
	<u>85,380</u>	<u>45,204</u>

Net Pension Liability as of 6/30/2025 561,974

NOTE: Detailed breakdown of ending balances by Miscellaneous vs Safety can be found in the [Jul 2024-Jun 2025 JE Flow](#) worksheet

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Scotts Valley Fire Protection District

Pension Expense as of June 30, 2025 3,304,326																																
At 6/30/2025, proportionate shares of Net Pension Liability/(Asset) by plan(s): <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Proportionate Share of Net Pension Liability/(Asset)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Miscellaneous</td> <td style="text-align: right;">144,331</td> </tr> <tr> <td style="text-align: left;">Safety</td> <td style="text-align: right;">15,512,601</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;">15,656,932</td> </tr> </tbody> </table>		Proportionate Share of Net Pension Liability/(Asset)	Miscellaneous	144,331	Safety	15,512,601	Total	15,656,932																								
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Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Branciforte Fire Protection District

Pension Expense as of June 30, 2025		138,856		
At 6/30/2025, proportionate shares of Net Pension Liability/(Asset) by plan(s):				
	Proportionate Share of Net Pension Liability/(Asset)			
Miscellaneous	-			
Safety	561,974			
Total	561,974			
Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2024 and 6/30/2025:				
	Miscellaneous	Safety	Total	
Proportion - June 30, 2024	0.00000%	0.00917%	0.00917%	
Proportion - June 30, 2025	0.00000%	0.00771%	0.00771%	
Change - Increase/(Decrease)	0.00000%	-0.00146%	-0.00146%	
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
2026		\$ -	\$ 23,683	\$ 23,683
2027		-	43,934	43,934
2028		-	(18,147)	(18,147)
2029		-	(9,294)	(9,294)
2030		-	-	-
Thereafter		-	-	-
		-	40,176	\$ 40,176
Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:				
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%	
	5.90%	6.90%	7.90%	
Employer's Net Pension Liability/(Asset) - Miscellaneous	-	-	-	
Employer's Net Pension Liability/(Asset) - Safety	1,137,697	561,974	91,114	
Employer's Net Pension Liability/(Asset) - Total	1,137,697	561,974	91,114	
	-	-	-	

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. 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.

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.

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

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 %	4.54 %
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.

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

LAST TEN YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
SAFETY										
Proportion of the net pension liability	0.212770%	0.210800%	0.210410%	0.200330%	0.183990%	0.177280%	0.172620%	0.100686%	0.100810%	0.095210%
Proportionate share of the net pension liability	\$ 15,512,601	\$ 15,757,201	\$ 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	\$ 3,782,119	\$ 3,791,621	\$ 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 pay	410.16%	415.58%	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	74.16%	72.15%	73.11%	85.80%	74.14%	74.95%	75.47%	74.70%	75.36%	80.72%
Contractually required contribution (actuarially determined)	\$ 2,439,975	\$ 1,753,655	\$ 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	2,439,975	1,753,655	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	4,278,119.00	3,782,118.98	3,791,620.60	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	57.03%	46.37%	44.20%	46.81%	42.60%	37.16%	32.69%	29.91%	28.22%	24.24%
Misc.										
Proportion of the net pension liability	0.002980%	0.003200%	0.005270%	0.005410%	0.005090%	0.004950%	0.004850%	0.004620%	0.004600%	0.004611%
Proportionate share of the net pension liability	\$ 144,331	\$ 160,096	\$ 246,479	\$ 102,644	\$ 214,664	\$ 198,412	\$ 182,742	\$ 188,159	\$ 161,983	\$ 123,372
Covered - employee payroll - measurement period	\$ 200,822	\$ 191,320	\$ 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 pay	71.87%	83.68%	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	89.24%	86.83%	77.73%	89.57%	76.75%	77.25%	76.69%	74.57%	75.54%	79.75%
Contractually required contribution (actuarially determined)	\$ 56,762	\$ 37,943	\$ 42,231	\$ 41,361	\$ 36,294	\$ 30,992	\$ 29,320	\$ 19,103	\$ 16,335	\$ 13,592
Contributions in relation to the actuarially determined contributions	56,762	37,943	42,231	41,361	36,294	30,992	29,320	19,103	16,335	13,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 378,252	\$ 200,822	\$ 191,320	\$ 187,569	\$ 171,369	\$ 158,405	\$ 154,625	\$ 171,988	\$ 138,063	\$ 107,963
Contributions as a percentage of covered - employee payroll	15.01%	18.89%	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

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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.

Note 8 – Post Retirement Benefits:

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

Plan Description

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

Current Accounting and Funding Policy of the Plan

The District 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, 2025, expenditures of approximately \$110,911 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, 2025**

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	18
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	32
Total Number of participants	<u>50</u>

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

Significant Assumptions and Other Inputs

Shown in Part III.

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	2021 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2021 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, 2025**

Mortality Table	2021 CalPERS Mortality for Safety Employees
Disclosure	The mortality assumptions are based on the 2021 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.

Mortality Table	2021 CalPERS Retiree Mortality for Safety Employees
Disclosure	The mortality assumptions are based on the 2021 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.

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	2021 CalPERS 2.0%@55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2021 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	2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2021 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	2021 CalPERS 2.7%@57 Rates for Fire Employees
Disclosure	The retirement assumptions are based on the 2021 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	2021 CalPERS 3.0%@55 Rates for Fire Employees
Disclosure	The retirement assumptions are based on the 2021 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, 2025**

Turnover Tables

Turnover Table	2021 CalPERS Turnover for Fire Employees
Disclosure	The turnover assumptions are based on the 2021 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	2021 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2021 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	\$977,615	\$1,097,666	\$1,251,967

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The following table shows the reconciliation of the June 30, 2024 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2025 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, 2024	\$2,104,680	\$829,873	\$1,274,807
Service Cost	\$57,520	\$0	\$57,520
Interest on Total OPEB Liability	\$129,874	\$0	\$129,874
Expected Investment Income	\$0	\$56,690	(\$56,690)
Administrative Expenses	\$0	(\$664)	\$664
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$155,000	(\$155,000)
Employer Contributions as Benefit Payments	\$0	\$110,911	(\$110,911)
Benefit Payments from Trust	\$0	\$0	\$0
Expected Benefit Payments from Employer	(\$110,911)	(\$110,911)	\$0
Expected Balance at June 30, 2025	\$2,181,163	\$1,040,899	\$1,140,264
Experience (Gains)/Losses	\$0	\$0	\$0
Changes in Assumptions	\$0	\$0	\$0
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	\$42,598	(\$42,598)
Other	\$0	\$0	\$0
Net Change during 2025	\$76,483	\$253,624	(\$177,141)
Actual Balance at June 30, 2025*	\$2,181,163	\$1,083,497	\$1,097,666

* 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, 2025

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	(\$168,755)	\$0	\$22,631	(\$146,124)
Assumption Changes	(\$351,737)	\$0	\$68,781	(\$282,956)
Investment (Gains)/Losses	\$37,376	(\$42,598)	(\$11,223)	(\$16,445)
Deferred Balances	(\$483,116)	(\$42,598)	\$80,189	(\$445,525)

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, 2025

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$1,274,807	\$1,097,666	(\$177,141)
Deferred Balances	(\$483,116)	(\$445,525)	\$37,591
Net Position	\$1,757,923	\$1,543,191	(\$214,732)
Adjust Out Employer Contributions			\$265,911
OPEB Expense			\$51,179

Scotts Valley Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Note 9 – Risk Management

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) and joint powers authority for both primary and excess workers' compensation coverage. In a resolution dated September 20, 2007 the Santa Cruz Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicated on the decision of CSAC-EIA to restructure their bylaws and JPA agreements, discontinuing the operation of CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA ("the JPA") is such that CSAC-EIA is not a component unit of the Group for reporting purposes.

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

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

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

Property and Liability Insurance coverage as of June 30, 2025 is as follows:

<u>Property</u>	<u>Deductible</u>	<u>Limits</u>
Real Property, Including Code Upgrade and On-site Equipment Breakdown	\$1,000	Guaranteed Replacement Cost Included
Building Contents and Personal Property	\$1,000	
Building and Contents Sublime, Earthquake and Flood	\$1,000	\$1,000,000 Each loss and each location
<u>Electronic Data Processing</u>		
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, 2025**

Emergency Services	Deductible	Limits
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, 2025 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **September 12, 2025**, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after **September 12, 2025**.

Scotts Valley Fire Protection District

Supplemental Information

June 30, 2025

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2025**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 9,478,740	\$ 11,149,214	\$ 1,670,474
Charges for Service	812,000	960,317	148,317
Interest & Investment Earnings	5,000	200,315	195,315
License & Permits	51,200	54,058	2,858
Grants & Contributions	-	-	-
Miscellaneous	2,500	10,409	7,909
TOTAL REVENUE	10,349,440	12,374,313	2,024,873
<u>EXPENDITURES</u>			
Capital Assets	1,000,000	-	1,000,000
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	274,100	248,455	25,645
Salaries and Employee Benefits	10,572,226	9,735,800	836,426
Repairs and Maintenance	231,367	228,140	3,227
Insurance	83,500	68,839	14,661
Services, Supplies and Refunds	792,220	468,595	323,625
TOTAL EXPENDITURES	12,953,413	10,749,829	1,203,584
Excess (Deficit) Revenues over Expenditures	(2,603,973)	1,624,484	
Transfer In/(Out)	-	(275,000)	
<u>CHANGE IN FUND BALANCE</u>	<u>(2,603,973)</u>	<u>1,349,483</u>	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		<u>5,250,174</u>	
<u>FUND BALANCE, END OF YEAR</u>		<u>\$ 6,599,657</u>	

Scotts Valley Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - Capital
For the Year Ended
June 30, 2025**

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ 159,436	\$ 164,367	\$ 4,931
Charges for Service	-	-	-
Interest & Investment Earnings	5,000	80,243	75,243
License & Permits	-	-	-
Grants & Contributions	-	-	-
Miscellaneous	-	63,000	63,000
TOTAL REVENUE	164,436	307,610	143,174
<u>EXPENDITURES</u>			
Capital Assets	1,317,599	1,088,158	229,441
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	944,182	321,625	622,557
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	50,000	25,833	24,167
Insurance	-	-	-
Services, Supplies and Refunds	249,289	10,837	238,452
TOTAL EXPENDITURES	2,561,070	1,446,453	1,114,617
 Excess (Deficit) Revenues over Expenditures	 (2,396,634)	 (1,138,843)	
 Transfer In/(Out)	 -	 275,000	
 <u>CHANGE IN FUND BALANCE</u>	 <u>(2,396,634)</u>	 <u>(863,843)</u>	
 <u>FUND BALANCE, BEGINNING OF YEAR</u>		 <u>2,123,344</u>	
 <u>FUND BALANCE, END OF YEAR</u>		 <u>\$ 1,259,501</u>	

Scotts Valley Fire Protection District

**Statement of Activities & Change in Fiduciary Net Position - Fiduciary Funds
Budget and Actual - SCHMIT
For the Year Ended
June 30, 2025**

<u>Additions</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Revenue	\$ -	\$ -	\$ -
Charges for Service	-	-	-
Interest & Investment Earnings	4	20,847	20,843
License & Permits	-	-	-
Aid from other government agencies	313,557	313,557	-
Miscellaneous	-	-	-
TOTAL ADDITIONS	<u>313,561</u>	<u>334,404</u>	<u>20,843</u>
<u>Deductions</u>			
Depreciation	-	23,772	(23,772)
Professional Fees	10,200	9,000	1,200
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	26,904	6,983	19,921
Insurance	2,555	2,555	-
Services, Supplies and Refunds	490,395	193,325	297,070
TOTAL DEDUCTIONS	<u>530,054</u>	<u>235,635</u>	<u>294,419</u>
<u>CHANGE IN NET POSITION</u>		<u>98,769</u>	
<u>NET POSITION, BEGINNING OF YEAR</u>		<u>409,886</u>	
<u>NET POSITION, END OF YEAR</u>		<u>\$ 508,655</u>	



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, CA 95066-4199 • scottsvalleyfire.com • 831-438-0211

September 12, 2025
Pehling, Zach o.

Dear Pehling, Zach o.:

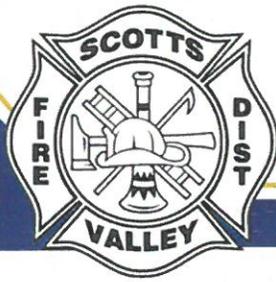
This representation letter is provided in connection with your audit of the Scotts Valley Fire Protection District as of June 30, 2025 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present 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 September 12, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement date September 12, 2025, 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.



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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- 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.



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- 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.



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- 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.



SCOTTS VALLEY FIRE PROTECTION DISTRICT

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- 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.

A handwritten signature in black ink, appearing to read "Mark Correia", is written over a horizontal line.

Mark Correia
Fire Chief
Scotts Valley Fire Protection District



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, CA 95066-4199 • scottsvalleyfire.com • 831-438-0211

To: Board of Directors

From: Erin Collins, Fire Marshal

Date: December 10, 2025

Subject: Board Memo 2025-54: Ordinance 2025-3 Fire Code Amendment

Recommendation:

Adopt Ordinance 2025-3 revising Section 25.903.2.4 of the District's Fire Code Amendments.

Discussion:

On November 12, 2025, the Board adopted Ordinance 2025-2, which updated the District's Fire Code Amendments. Following its adoption, staff identified a necessary correction in Section 25.903.2.4 pertaining to fire sprinkler requirements for Accessory Dwelling Units (ADUs).

Under state law, ADUs on parcels with an existing non-sprinklered primary residence are not required to have fire sprinkler systems. Ordinance 2025-2 included the following sentence, which created an unnecessary condition based on the size of an attached ADU:

“Fire sprinklers not required for attached ADUs where the unit is less than fifty percent (50%) of the main dwelling.”

To accurately reflect existing requirements, this sentence is being amended so that the code clearly states:

Fire sprinklers not required for ADUs constructed on lots with an existing non-sprinklered primary residence.

To correct and clarify the ADU sprinkler requirement, a new ordinance was introduced at the December 1, 2025 Special Board Meeting, and must be adopted at a subsequent meeting. Staff has placed this on the December 10 Regular Board Meeting for consideration and approval.

**Scotts Valley Fire Protection District
Fire Code**

ORDINANCE NO. 2025-3

AN ORDINANCE OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT AMENDING ORDINANCE NO. 2025-2 TO CORRECT AND CLARIFY ACCESSORY DWELLING UNIT (ADU) SPRINKLER REQUIREMENTS

WHEREAS, the Board of Directors adopted Ordinance No. 2025-2 on November 12, 2025, establishing the Fire Code of the Scotts Valley Fire Protection District with local amendments; and

WHEREAS, Section 25.903.2.4 of Ordinance No. 2025-2 establishes automatic fire sprinkler requirements for newly constructed accessory dwelling units (ADUs); and

WHEREAS, one sentence within that section created an unnecessary size-based condition for attached ADUs on parcels with non-sprinklered primary residences and did not accurately reflect current requirements; and

WHEREAS, correction of this language clarifies proper application of existing ADU sprinkler standards and does not impose a new requirement or fee.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Scotts Valley Fire Protection District:

Section 1. Amendment to Section 25.903.2.4 of Ordinance No. 2025-2

Section 25.903.2.4 of Ordinance No. 2025-2 is amended to read as follows:

25.903.2.4 – Accessory Dwelling Unit (ADU)

Accessory Dwelling Unit(s). The following is included for clarification of the requirements for newly constructed accessory dwelling units. All newly constructed ADUs are required to comply with the standards for fire protection such as water supply and fire department access contained in Chapter 5 of this code.

1. Accessory Dwelling Units constructed on lots with an existing sprinklered primary residence:
 - a) Attached to main residence – fire sprinklers required.
 - b) Detached from main residence – fire sprinklers required.
2. Accessory Dwelling Units constructed on lots with an existing non-sprinklered primary residence:
 - a) Fire sprinklers not required.
3. Accessory Dwelling Units are required to comply with the standards for fire protection such as water supply and fire department access set forth in Chapter 5 of this code.
 - a) Water supply for fire protection shall be a minimum of 1,000 gpm for 60 minutes as required in §507.3 and Appendix B Table 105.1(1) of this code.
 - b) Access for new ADUs and JADUs shall be within 150 feet of all portions of the structure in accordance with §503.1.1 of this code.

Exception:

Where a newly constructed accessory dwelling unit does not meet these fire protection standards, an automatic residential sprinkler system may be utilized as an alternative to items 3(a) and/or 3(b) above.

Section 2. Continuation of Ordinance 2025-2

Except as amended herein, Ordinance No. 2025-2 remains in full force and effect.

Section 3. Effective Date

This ordinance shall take effect on January 1, 2026, consistent with Ordinance No. 2025-2 and Health and Safety Code Section 18941.5.

PASSED AND ADOPTED this 10th day of December 2025, by the Board of Directors of the Scotts Valley Fire Protection District by the following vote:

YES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

Chairperson of the Scotts Valley Fire Protection District Board of Directors

ATTEST:

Clerk of the Board

DISTRIBUTION: Board of Supervisors
Scotts Valley City Council



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, CA 95066-4199 • scottsvalleyfire.com • 831-438-0211

TO: Hon Board of Directors
FROM: Mark Correira, Fire Chief
DATE: December 10, 2025
RE: Board Memo 2025-55: Extension of Agreement for Fire Marshal Services with Central Fire District of Santa Cruz County

Recommendation

Approve the Shared Services Agreement for Fire Marshal Services with Central Fire District of Santa Cruz County.

Background

On December 11, 2024, the Board of Directors approved a Shared Services Agreement with the Central Fire District of Santa Cruz County (Central Fire) for the provision of Fire Marshal services. This agreement was initiated to support Central Fire in the leadership and management of its Community Risk Reduction Division following the planned retirement of their Fire Marshal in January 2025.

Personnel from both agencies met to evaluate Central Fire's operational needs and assess the feasibility of a shared Fire Marshal position. It was mutually agreed that, under appropriate conditions, a shared services model could serve as an effective interim solution until Central Fire appoints a permanent Fire Marshal. While additional details of the arrangement required refinement, the preliminary plan identified that Scotts Valley Fire Protection District (SVPFD) would provide its Deputy Fire Marshal to lead Central Fire's Community Risk Reduction Division. This division would, in turn, provide services to both communities. The initial term of the agreement was for six (6) months, with an option for the Board of Directors to extend the agreement for an additional six (6) months.

Implementation and Performance:

In January 2025, then SVPFD Deputy Fire Marshal Erin Collins began serving concurrently as the Fire Marshal for both agencies. On June 11, 2025, both Boards approved an extension and revised version of the shared services agreement for an additional six (6) months. Since taking on this dual role, Fire Marshal Collins has performed exceptionally well, demonstrating strong leadership and operational effectiveness.

Over the most recent six (6) months, it has been noted the work load being too great for one position, and attempts have been made to remedy this through Central Fire hiring of a Deputy

Fire Marshal. Central Fire has worked closely with FM Collins and the SVFPD, and hopes to recruit for this position in early 2026.

Recently, the Command Staff from both agencies convened to review the program's performance, discuss future steps, and evaluate the potential for continuing the collaboration. Both agencies expressed support for extending the agreement.

New Agreement Term:

The revised Shared Services Agreement will take effect from **January 1, 2026**, through **June 30, 2026**, with an option for extension upon mutual agreement by the Boards of Directors of both agencies.

AGREEMENT FOR SERVICES BETWEEN
CENTRAL FIRE DISTRICT OF SANTA CRUZ COUNTY
AND
SCOTTS VALLEY FIRE PROTECTION DISTRICT

THIS AGREEMENT is made and entered into this 10th day of December, 2025 by and between the **Central Fire District of Santa Cruz County**, hereinafter called “**Central**” and **Scotts Valley Fire Protection District**, hereinafter called “**Scotts Valley**”.

WHEREAS, Central and Scotts Valley are looking to provide mutual benefit to their Community Risk Reduction Division and Fire Prevention Division ranks, in the most fiscally prudent and responsible manner possible; and

WHEREAS, Central and Scotts Valley personnel have the requisite knowledge, skills and abilities, training, qualifications and experience to render such services called for under this agreement.

THE PARTIES HEARBY AGREE AS FOLLOWS:

SECTION 1. SCOPE OF SERVICES. Central Fire’s Deputy Fire Marshal, Inspectors, Defensible Space Inspectors and Administrative Analyst and Scotts Valley’s Fire Marshal shall perform those functions as specified in Exhibit “A”, entitled “CENTRAL AND SCOTTS VALLEY COMMUNITY RISK REDUCTION/FIRE PREVENTION SCOPE OF DUTIES”, which is attached hereto and incorporated herein, for both Central and Scotts Valley, as described in Exhibit A.

SECTION 2. TERM OF AGREEMENT. The term of this Agreement shall be from January 1, 2026, through June 30, 2026. The term may be extended upon mutual agreement by the Central and Scotts Valley Board of Directors.

SECTION 3. COMPENSATION. Central Fire shall compensate Scotts Valley in exchange for services provided in an amount not to exceed \$35,652.96 per term of the agreement. This compensation is to reimburse Scotts Valley for the appointment of a retired annuitant working in the Scotts Valley Prevention Division an average of 16-hours per week and at an hourly rate of \$82.53. The “amount not to exceed” outlined earlier in this section will be adjusted in accordance with the hours and hourly rate if the agreement is extended as outlined in Section 2 of this agreement. Duties performed by either agency as detailed in Exhibit “A,” unless otherwise agreed upon by both parties.

SECTION 4. EMPLOYMENT STATUS. Central personnel and Scotts Valley personnel, in the performance of the work duties subject to this Agreement and explained in Exhibit A, shall be employees of their respective Districts, and not employees of the other District. Each District shall remain responsible for its Worker's Compensation insurance and any other compensation and benefits for each employee who provides services pursuant to this Agreement. Each District shall be responsible for all personnel matters for their own employees.

SECTION 5. TERMINATION. Central and Scotts Valley shall have the right to terminate this agreement, without cause, by giving not less than thirty (30) days written notice of termination.

CENTRAL

SCOTTS VALLEY

BY: _____

BY: _____

Board Chair

Board President

BY: _____

BY: _____

Fire Chief

Fire Chief

EXHIBIT "A"

CENTRAL AND SCOTTS VALLEY COMMUNITY RISK REDUCTION/FIRE PREVENTION SCOPE OF DUTIES

The Scope of Duties are as follows:

Fire Marshal (Scotts Valley)

Scotts Valley's Fire Marshal (FM) shall provide administrative oversight for all Community Risk Reduction/Fire Prevention related duties, such as day-to-day operations, issuing inspection assignments, coordinating staff duties and consulting with staff and the public on inquiries. The FM shall also be responsible for, including but not limited to, all division-related activities and programs, inspections, plan checks, weed abatements, and public education for both Districts.

The FM shall not be responsible for work/skills review, discipline or schedule adjustments unless directed so by the Central Fire Chief or Designee. Personnel management of the Community Risk Reduction/Fire Prevention staff shall be the responsibility of the Central Fire Chief or designee. Personnel management shall include, but not limited to, performance evaluations, counseling and disciplinary action. Similarly, the personnel management of the FM shall be the responsibility of the Scotts Valley Fire Chief.

The FM is assigned to the Community Risk Reduction/Fire Prevention Division on a 40-hour (flex schedule) work week. The approved schedule starting times and or adjustments to the schedule shall be mutually agreed to between the FM and Central Fire Chief. Time off requests shall be approved by the Scotts Valley Fire Chief after consultation with the Central Fire Chief.

The Fire Marshal shall become proficient in both District's boundaries, facilities, policies and procedures, records management/time keeping processes.

Fire Inspectors (Central)

The Fire Inspectors from Central shall provide community risk reduction related duties to both districts as assigned by the FM or their immediate supervisor.

The Fire Inspectors shall be assigned to the Community Risk Reduction Division on a 40-hour schedule, which can be modified to an alternate schedule, as needed, with approval from the Fire Chief.

Each Fire Inspector shall become proficient in both district's boundaries, facilities, policies and procedures, and records management/time keeping processes.

Community Risk Reduction Administrative Analyst (Central)

The Community Risk Reduction Administrative Analyst shall provide clerical and technical work in support of the Community Risk Reduction/Fire Prevention Divisions for both districts assigned to the FM or designee.

The Administrative Analyst shall be assigned to the Community Risk Reduction/Fire Prevention Division on a 40-hour (flex schedule) work week, which can be modified to an alternate schedule as needed, with approval from the Fire Chief.

The Administrative Analyst shall become proficient in both district's boundaries, fiscal functions related to the accounting and purchasing, permitting, policies and procedures, and records management/time keeping processes.



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, CA 95066-4199 • scottsvalleyfire.com • 831-438-0211

TO: Hon Board of Directors
From: Mark Correira, Fire Chief
DATE: December 10, 2025
RE: Board Memo 2025-57: Election of Board Officers

Recommendation

Deliberate and Elect a Board President and Vice President for 2026

Background

Policy 2100 - Policy for Conducting Board Meetings was adopted by the Board on September 10, 2025. This policy stipulates the following regarding the election of Board Officers: *as the last order of business at the December Meeting, the Board shall select one of its members as President and one of its members as Vice President.*

The process in which this action is accomplished can also be found in Policy 2100:

Selection of Board President

- a. Should a director desire to serve as an officer he/she has the responsibility to express such a desire to the rest of the Board
- b. It is desirable that directors take turns as Board President
- c. An officer may be removed from an officer's position by a 2/3 vote of the Board

1. The newly elected Board President and Vice President shall assume their positions on January 1st. The Vice President shall preside over meetings in the absence of the elected Board President. Board officers shall serve a term of one year. In the event the Board President and Vice President are not in attendance, the senior member in attendance will preside at the meeting.

Staff has agendaized this item to comply with Policy 2100 and allow for Board action.

Dear Scotts Valley Fire, 10-28

I Thank you in general
but especially thank you
for helping at ██████ Glen Canyon
on Oct. 23 around 3pm.

Y'all responded to a man, Tyson
in distress but weren't

able to revive him. I don't
mean to remind you about that
sadness - I want to remind
you of how kind you all were.

How hard you tried. The man
who contacted Tyson's Mom was
so good ^{and so} ~~new~~ fire fighters should
pay attention to him. So kind.

Thanks y'all. 😊 Bill Stuzer

PS. IF I lived in SV I'd vote FOR a ~~fire~~ station

Dear SV Firefighters, Nov. 2025

I want to express my thanks to you who have assisted my husband James (Janz) Dearinger on different occasions. He is a Viet Nam vet with Alzheimer's & various medical conditions. Since on his caregiver and not always able to handle his situations, I so appreciate your caring help.

I give thanks to you!

Diane Dearinger