A G E N D A

Meeting of the
Scotts Valley City Council
REMOTE ACCESS ONLY
Date: March 16, 2022
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Zoom Videoconference https://us02web.zoom.us/j/86217048196 *See information below for how to participate.*	The agenda was posted 3-11-2022 at City Hall and on the Internet at www.scottsvalley.org.

PUBLIC ADVISORY REGARDING COVID-19 AND PUBLIC PARTICIPATION

On September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361"), an urgency measure effective upon adoption, amending the Brown Act to allow legislative bodies to continue teleconferencing during a proclaimed State of Emergency, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees. In accordance with AB 361, the Scotts Valley City Council adopted Resolution No. 2007.5 on March 2, 2022 authorizing the continued use of teleconferenced meetings pursuant to AB 361. Elected Officials and City Staff Members will be participating remotely via videoconference.

Public Participation:
The meeting will be available on Zoom and broadcast through Community Television of Santa Cruz on Channel 25 and via their website at the following link: https://communitytv.org/watch/ (be sure to click on Channel 25). For those wishing to participate via Zoom you can join the following ways:

- Join from a PC, Mac, iPad, iPhone or Android device:
  Please click this URL to join. https://us02web.zoom.us/j/86217048196

- Or iPhone one-tap:
  +16699009128,,88999122100# US (San Jose)
  +12532158782,,88999122100# US (Tacoma)
- Or join by phone:
  Dial (for higher quality, dial a number based on your current location):
  US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 862 1704 8196

You will be given opportunities to provide public comment at the appropriate times throughout the meeting via Zoom. If you are participating via dial-up only, use *9 to raise your hand at the requested time.

How to comment via Zoom:

1. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted. Our usual time limits of 3 minutes per individual, or 5 minutes for an individual who is representing a group of three or more, will apply. Please note that per our standard practice, this is not a question and answer time, but simply a time for you to provide your comments to the Council.
2. There is an option on Zoom to raise your hand. Please click on this option when the Mayor announces that public comment will be taken. Zoom places people in line automatically. If you are participating via dial-up, you can raise your hand at the appropriate time by pressing *9. When it is your turn, the City Clerk will unmute you, and you will be able to make your comments based on the above time frames. Once your time is up, you will once again be muted and the next person in line will be given their opportunity to speak.

How to comment via email:

1. Members of the public may provide public comment by sending comments to the City Clerk via email at cityhall@scottsvalley.org.
2. Additional materials and emails must be received by 5:30 pm the day of the meeting and will be distributed to agenda recipients prior to the meeting.
3. Emails received after 5:30 pm the day of the meeting will not be included in the record.

ELECTED OFFICIALS	CITY STAFF MEMBERS
Donna Lind, Mayor	Mali LaGoe, City Manager
Jim Reed, Vice Mayor	Casey Estorga, Administrative Services Director
Jack Dilles, Council Member	Kirsten Powell, City Attorney
Randy Johnson, Council Member	Steve Walpole, Chief of Police
Derek Timm, Council Member	Taylor Bateman, Community Development Director
	Chris Lamm, Public Works Director
	Lauren Lambert, Deputy City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding City Council Meetings:
The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 pm.

Agenda and Agenda Packet Materials:
The City Council agenda and the complete agenda packet are available for review by 5:00 pm the Friday before the Wednesday meeting on the Internet at the City's website: http://scottsvalley.org/AgendaCenter. Due to COVID-19, City Hall is closed to the public therefore, the agenda is only available for viewing online.

Televised Meetings:
City Council meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25 and are also available livestream on the Community TV website at the following link: https://communitytv.org/watch/

Zoom Meetings/Webinars:
For those wishing to participate via Zoom you can join from a PC, Mac, iPad, iPhone or Android device by entering or clicking on the following URL:
https://us02web.zoom.us/j/86217048196

CALL TO ORDER 6:00 PM

MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER(S)

a) Presentation of Mayor's Proclamation recognizing Bleeding Disorders Awareness Month – March 2022

b) Presentation of Mayor's Proclamation recognizing March 15, 2022 as Equal Pay Day

COMMITTEE REPORTS

Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.

CITY MANAGER REPORT

PUBLIC COMMENT TIME

This is the opportunity for individuals to make and/or submit written or oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any items may do so raising their hand to be recognized by the Mayor.

A. Approve City Council minutes of 3-02-2022

B. Approve check registers dated 3-04-2022 and 3-11-2022

C. Approve Resolution No. 2007.6 authorizing the continued use of teleconferenced meetings pursuant to Assembly Bill 361

D. Approve second reading and adoption of Ordinance No. 110.7 Amending Sections 10.08.020 and 10.18.020 of Title 10 of The Scotts Valley Municipal Code (SVMC) adding private streets subject to vehicle code enforcement

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.

1. Consider approval of the Scotts Valley Unified School District Mutual Cooperation Agreement for before and after school childcare (Public Works Director Chris Lamm)

2. Receive Fiscal Year 2020-2021 Annual Comprehensive Financial Report (ACFR) and receive Fiscal Year 2021-2022 Mid-Year Financial Report, including Proposed Budget Amendments. Consider Approval of Resolution No. 630.41.1 amending the FY 2021-22 Annual Budget (Administrative Services Director Casey Estorga)

3. Consider approval of the Housing Element 2021 Annual Progress Report and authorize the submittal of the Annual Progress Report to the Department of Housing and Community Development and State Office of Planning and Research (Contract Planner Jonathan Kwan)

4. Future Council agenda items
(This portion of the Regular Agenda allows the Council to determine items to be placed on a future agenda and to choose a date, if so desired.)

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk’s Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.

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City of Scotts Valley

Mayor's Proclamation

WHEREAS, *Bleeding Disorders Awareness Month has been observed each March since 2016, after being designated as a national health observance by the U.S. Department of Health and Human Services. Prior to Bleeding Disorders Awareness Month, March was known as "Hemophilia Awareness Month"—a designation confirmed by President Ronald Reagan in March 1986; and*

WHEREAS, *Bleeding Disorders Awareness Month aims to increase awareness of inheritable blood and bleeding disorders among the public, as well as bring them to the attention of policymakers, public authorities, industry representatives, scientists, and health professionals; and*

WHEREAS, *These bleeding disorders, which share the inability to form a proper blood clot, are characterized by extending bleeding after injury, surgery, trauma or menstruation and can lead to significant morbidity and can be fatal if not treated effectively; and*

WHEREAS, *This Awareness Month will generate greater awareness and understanding of not only hemophilia but all inheritable bleeding disorders, including Von Willebrand Disease, Platelet Storage Pool Disorder and Glanzmann's Thrombasthenia—which alone impacts an estimated one percent of the U.S. population or more than 3.2 million individuals, an estimated 1,224 (based on the 2020 population) individuals in Scotts Valley; and*

WHEREAS, *This Awareness Month will elevate awareness of diagnosis and treatment of and engagement in the ineritable bleeding disorders journey beyond our community to the general public, enabling the prevention of illness, unnecessary procedures, and disability.*

NOW, THEREFORE, I, *Donna Lind, Mayor of Scotts Valley, do hereby proclaim* **March 2022** *as* **Bleeding Disorders Awareness Month** *in the City of Scotts Valley, in order to foster a greater sense of community and shared purpose among individuals with all inheritable bleeding disorders.*

Donna Lind, Mayor

Signed and sealed this 16th day of March 2022

SPECIAL SET MATTER B
DATE: 03-16-2022

City of Scotts Valley

Mayor's Proclamation

WHEREAS, *Fifty-nine years after the passage of the Equal Pay Act, women, especially minority women, continue to suffer the consequences of unequal pay; and*

WHEREAS, *According to the U.S. Census Bureau, women working full time, year-round in 2020 in the United States typically earned 83% of what men earned, indicating insufficient progress in pay equity; and*

WHEREAS, *According to Graduating to a Pay Gap, a research report by the American Association of University Women (AAUW), the gender pay gap is evident one year after college graduation, even after controlling for factors known to affect earnings, such as occupation, hours worked, and college major; and*

WHEREAS, *Nearly four in ten mothers are primary breadwinners in their households, and nearly two-thirds are primary or significant earners, making pay equity critical to families' economic security; and*

WHEREAS, *In 2009, the Lilly Ledbetter Fair Pay Act was signed into law, which gives employees their day in court to challenge a pay gap, although the Paycheck Fairness Act, which would have amended the Equal Pay Act by closing loopholes and improving the law's effectiveness, continues to languish in Congress; and*

WHEREAS, *Fair pay strengthens the security of families today and eases future retirement costs while enhancing the American economy; and*

WHEREAS, *Tuesday, March 15th, symbolizes the time in 2022 when the wages paid to American women catch up to the wages paid to men from the previous year.*

NOW, THEREFORE, I, *Donna Lind, Mayor of Scotts Valley, by virtue of the authority vested in me by the laws of Scotts Valley and California, do hereby proclaim* ***March 15, 2022*** *to be* ***"Equal Pay Day"*** *in the City of Scotts Valley. I encourage all citizens of Scotts Valley to join me in this*

Donna Lind, Mayor

Signed and sealed this 16th day of March 2022

M I N U T E S

Meeting of the
Scotts Valley City Council

Date: March 2, 2022
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Zoom Videoconference	The agenda was posted 2-25-2022 at City Hall and on the Internet at www.scottsvalley.org.

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:05 pm.

MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:	CITY STAFF MEMBERS PRESENT:
Donna Lind, Mayor Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Derek Timm, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Steve Walpole, Chief of Police Taylor Bateman, Community Development Director Casey Estorga, Administrative Services Director Chris Lamm, Public Works Director/City Engineer Lauren Lambert, Deputy City Clerk

SPECIAL SET MATTER

Mayor Lind presented a Mayor's Proclamation proclaiming March 2022 as Red Cross Awareness Month.

COMMITTEE REPORTS

CM Dilles reported he attended a meeting of the Santa Margarita Groundwater Agency and discussed the Agency Board came up with a formula for administrative costs to be allocated to the various agency's that are part of the Santa Margarita Groundwater Agency.

CM Dilles reported that Scotts Valley Water applied for a $9.4 million state grant. With the grant money they plan to build a twelve-inch bi-directional intertie pipe which would go between Santa Cruz and Scotts Valley and would be used in case of drought or emergency to allow water to go one direction or the other. They also want to build a large extraction well to be able to get more water as needed.

CM Dilles reported on behalf of Mayor Lind, he attended the Youth Advisory Network and discussed what cities are doing to support youth and giving them a voice. They heard about many things like a Youth Bill of Rights, Youth Internships, Youth Advisory Committee.

CM Timm reported they had their first kickoff of the Town Center Subcommittee with our new City Manager LaGoe and discussed an overview of the work ahead.

CM Timm reported the Economic Recovery Subcommittee has not finalized the list of grantees to bring back to council for the CBDG Grant.

CM Johnson reported the Town Center Subcommittee met and discussed the importance of having a Town Center for the City.

CM Johnson reported the Economic Recovery Subcommittee met and discussed the CBDG Grants and the delays that have happened with the application process working with the businesses and the State.

Mayor Lind reported the Santa Cruz Metropolitan Transit District (SCMTD) Ad Hoc Committee met about the final process of recruitment for the CEO position.

Mayor Lind reported SCMTD has also been meeting about the budget and Mayor Lind has passed the information on to the Finance Department that she thought would be helpful. SCMTD has been able to get some pension obligation bonds with a good rating and strong reserves.

Mayor Lind reported she has been working on the 4th of July parade planning with other Councilmembers and announced they are looking for volunteers to help with traffic control, registration and organization. If anyone is interested contact Mayor Lind.

CITY MANAGER REPORT

1. **Scotts Valley Police Department:** The Scotts Valley Police Department responded to Salinas' request for mutual aid the evening their officer was killed in the line of duty. City Manager LaGoe appreciates our Police Department jumping in to help a fellow jurisdiction get through something so tragic.

2. **City Clerk:** This is the last week for our City Clerk Tracy Ferrara. She is working very hard up to the end to help the staff that will be taking over. She is documenting everything she does in order to help pass everything off before she leaves.

PUBLIC COMMENT TIME

No one came forward.

ALTERATIONS TO CONSENT AGENDA

M/S: Reed/Dilles
To approve the Consent Agenda.
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

CONSENT AGENDA

A. Approve City Council minutes of 2-16-2022

B. Approve check registers dated 2-17-2022 and 2-25-2022

C. Approve Resolution No. 2007.5 authorizing the continued use of teleconferenced meetings pursuant to Assembly Bill 361

ALTERATIONS TO REGULAR AGENDA

M/S: Dilles/Johnson
To approve the Regular Agenda.
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

REGULAR AGENDA

1. Discussion of Independence Day Celebration Budget 2022

   City Manager LaGoe presented the staff report and answered questions from Council.

M/S: Johnson/Dilles
To approve the Independence Day Celebration Budget for July 3, 2022 of $70,000 of the General Fund
Carried 5/0: (AYES: Dilles, Johnson, Lind, Reed, Timm)

2. Discussion of Fiscal Year 2021/2022 Strategic Plan Update

   City Manager LaGoe presented the staff report with a PowerPoint and answered questions from Council.

Consensus to set up a study session to go through the Strategic Plan which will be a public meeting for any of the public that would like to listen and attend.

3. Consider Council Chamber information technology upgrades budget and contract approval

   Administrative Services Director Casey Estorga presented the staff report with a PowerPoint and answered questions from Council.

M/S: Dilles/Johnson
To approve the use of ARPA funds in the amount of $131,777.00 to the Council Chamber Technology Upgrade project and authorizing the City Manager to execute a professional services contract with Conti LLC to deliver the project.
Carried 5/0: (AYES: Dilles, Johnson, Lind, Reed, Timm)

4. Consider introduction and first reading of Ordinance No. 110.7 Amending Sections 10.08.020 and 10.18.020 of Title 10 of The Scotts Valley Municipal Code (SVMC) adding private streets subject to vehicle code enforcement

   Police Chief Walpole presented the staff report and answered questions from Council.

M/S: Dilles/Timm
To introduce and waive first reading of Ordinance No. 110.7 Amending Sections 10.08.020 and 10.18.020 of Title 10 of The Scotts Valley Municipal Code (SVMC) adding private streets subject to vehicle code enforcement
Carried 5/0: (AYES: Dilles, Johnson, Lind, Reed, Timm)

5. Future Council agenda items

   Police Chief Walpole and staff are working on the Tobacco Ordinance, and let Council know it will be coming to Council in the near future.

CA Powell announced the City Council will be meeting in closed session in pursuant to Government Code Section 54957 to confer with legal counsel regarding public employment position title City Manager.

ADJOURNMENT

The meeting adjourned at 7:20 p.m.

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Lauren Lambert, Deputy City Clerk

M I N U T E S

Special Closed Session Meeting of the
Scotts Valley City Council

Date: March 2, 2022
Time: 6:30 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Zoom Videoconference	The agenda was posted 2-25-2022 at City Hall and on the Internet at www.scottsvalley.org.

ROLL CALL	
ELECTED OFFICIALS PRESENT: Donna Line, Mayor Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Derek Timm, Council Member	CITY STAFF MEMBERS PRESENT: Mali LaGoe, City Manager Kirsten Powell, City Attorney

CALL TO ORDER 7:25 PM

The City Council meeting was called to order at 7:25 pm.

CONVENE TO CLOSED SESSION

CLOSED SESSION SUBJECT(S)

The City Council convened to closed session at 7:25 p.m. to discuss the following items:

(1) Pursuant to Government Code Section 54957, the City Council met in closed session to confer with the legal counsel regarding public employment.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 7:56 p.m.

REPORT ON ACTION TAKE DURING CLOSED SESSION

Mayor Lind announced that there was nothing to report.

ADJOURNMENT

The meeting adjourned at 7:56 p.m.

Approved: ______________________________
Donna Lind, Mayor

Attest: ___________________________
Lauren Lambert, Deputy City Clerk

SCOTTS VALLEY ACCOUNTS PAYABLE   CITY OF SCOTTS VALLEY
03/09/2022 14:17:49   Check Register   GL050S-V08.17 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 030422   COMMENT... 03/04/2022 A/P

DATA-JE-ID	DATA COMMENT
W-03042022-663	03/04/2022 A/P

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01			Y	S	6	066	10			

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
001840	A TOOL SHED, INC.	123485	03/04/22	1,782.67
000041	ACC BUSINESS	123486	03/04/22	1,789.61
003919	ACCO ENGINEERED SYSTEMS	123487	03/04/22	2,665.46
004057	ANDREWS/SELINA	123488	03/04/22	50.00
003149	AQUATIC BIOASSAY &	123489	03/04/22	4,550.00
004029	ARMSTRONG/AMANDA	123490	03/04/22	50.00
000097	AT&T	123491	03/04/22	1,106.41
004035	BABCOCK/COLTON	123492	03/04/22	50.00
001928	BATEMAN/TAYLOR	123493	03/04/22	50.00
001373	BAY TREE, LLC	123494	03/04/22	3,620.38
004067	BEERS/OLIVIA	123495	03/04/22	50.00
001963	BELLVILLE/WAYNE	123496	03/04/22	633.80
003170	BOGARD CONSTRUCTION INC	123497	03/04/22	6,062.50
004063	CAPITOL BARRICADE, INC.	123498	03/04/22	556.80
003668	CARNEY/HANNAH	123499	03/04/22	96.00
015008	CENTRAL HOME SUPPLY	123500	03/04/22	308.78
003887	CHEUNG/ATHENA	123501	03/04/22	50.00
002091	COMCAST	123502	03/04/22	148.31
001546	CRAIG/ROBERT J	123503	03/04/22	900.00
001103	CREATIVE FORMS & CONCEPT	123504	03/04/22	83.22
000975	DEAN/MICHAEL R.	123505	03/04/22	50.00
003990	DIBENEDETTO/GUNNAR	123506	03/04/22	50.00
003248	EARTHWORKS	123507	03/04/22	3,280.00
004005	ESTORGA/CASEY	123508	03/04/22	275.60
000582	FERRARA/TRACY A.	123509	03/04/22	82.68
003706	GRANADOS/JUSTIN	123510	03/04/22	50.00
000057	HACH COMPANY	123511	03/04/22	1,368.15
004059	HAROS/JOANNA	123512	03/04/22	50.00
003944	HEBARD/TYLER	123513	03/04/22	50.00
003980	HUTCHISON/TREVOR	123514	03/04/22	320.00
001903	JONES/KIMARIE	123515	03/04/22	165.91
003993	JORDAN/ZACHARY	123516	03/04/22	678.00
001660	KING/KATI	123517	03/04/22	50.00
004018	LAMBERT/LAUREN	123518	03/04/22	50.00
004046	LAMM/CHRIS	123519	03/04/22	50.00
003761	LEDGER/CHASE	123520	03/04/22	50.00
003389	LOCKE/CERINA	123521	03/04/22	50.00
003913	LONG/AMANDA	123522	03/04/22	50.00
001591	MARKELL/ROD	123523	03/04/22	1,974.00
000248	MARKLEY'S GUN SHOP	123524	03/04/22	600.00
001815	MC GRATH/TRISH	123525	03/04/22	50.00
001234	MC GRAW DDS/BERNARD	123526	03/04/22	219.50
001852	MCCAIN INC.	123527	03/04/22	7,467.00
003171	MICHALAK/GENE	123528	03/04/22	125.00
000218	MID VALLEY SUPPLY	123529	03/04/22	462.52
003570	MISSION COMMUNICATIONS,	123530	03/04/22	581.40
000967	MONTEREY BAY SYSTEMS	123531	03/04/22	218.02
001615	OLIN CORP-CHLOR ALKALI	123532	03/04/22	2,561.54

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
003766	ORMONDE/ROBERT	123533	03/04/22	50.00	
000101	PACIFIC GAS & ELECTRIC C	123534	03/04/22	45,252.20	
000098	PALACE BUSINESS SOLUTION	123535	03/04/22	993.76	
004036	PEREZ/ERIC	123536	03/04/22	54.00	
004045	PHILLIP D NEUMAN	123537	03/04/22	1,757.70	
001097	PRODESSE PROPERTY GROUP	123538	03/04/22	3,523.52	
000463	RALEY'S	123539	03/04/22	69.99	
003012	ROBBINS/AMANDA	123540	03/04/22	269.73	
001118	RUTHERFORD/JAYSON	123541	03/04/22	50.00	
000134	S.V. WATER DISTRICT	123542	03/04/22	7,105.56	
001894	S.V. WATER DISTRICT - BU	123543	03/04/22	151.40	
000135	SAN LORENZO VALLEY WATER	123544	03/04/22	45.01	
003367	SANTA CRUZ LIVE SCAN, IN	123545	03/04/22	60.00	
000133	SCOTTS VALLEY SPRINKLER	123546	03/04/22	510.21	
000228	SOIL CONTROL LAB	123547	03/04/22	204.00	
002065	SOTO/ART	123548	03/04/22	50.00	
003958	STANDEN/BENJAMIN	123549	03/04/22	320.00	
004026	STEELE-FREITAS/SETH	123550	03/04/22	50.00	
001113	STERICYCLE INC	123551	03/04/22	139.57	
001361	STEVENS DDS/JOHN A	123552	03/04/22	135.00	
003757	SWEDBERG ELECTRIC INC.	123553	03/04/22	9,927.00	
001085	SYCAL ENGINEERING INC	123554	03/04/22	1,230.00	
003973	THOMAS/TYLER	123555	03/04/22	50.00	
003548	TORO PETROLEUM CORP	123556	03/04/22	4,269.89	
003908	TRANSUNION RISK & ALTERN	123557	03/04/22	79.00	
001560	TRITON CONSTRUCTION	123558	03/04/22	956.55	
001831	USA BLUE BOOK	123559	03/04/22	698.56	
001106	VERIZON WIRELESS	123560	03/04/22	178.57	
000154	WINCHESTER AUTO STORES	123561	03/04/22	2.63	
001625	YOSHIDA DDS/NOREEN	123562	03/04/22	761.50	
	GENERAL CHECKING ACCOUNT			124,528.61	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				124,528.61

RECORDS PRINTED - 000120

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	38,099.27
004	RECREATION	668.78
010	WASTEWATER OPERATIONS	55,892.11
011	TERTIARY TREATMENT PLANT	8,702.09
019	AFFORDABLE HOUSING	1,974.00
023	SVRDA SUCCESSOR AGENCY	7,143.90
028	SENIOR CENTER	1,044.28
050	PINEWOOD EST LNDSCP MAINT DT	9.53
077	SKYPARK MAINT ASSESS DIST	438.75
088	LIBRARY FACILITIES-MEAS "S"	6,062.50
112	DENTAL INS INTERNAL SERV	2,603.40
123	COMMUNITY FACILITY CENTER	1,890.00
TOTAL ALL FUNDS		124,528.61

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	124,528.61
TOTAL ALL BANKS		124,528.61

SCOTTS VALLEY ACCOUNTS PAYABLE CITY OF SCOTTS VALLEY
03/11/2022 12:32:55 Check Register GL050S-V08.17 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 031122 COMMENT... 03/11/2022 A/P

DATA-JE-ID	DATA COMMENT
W-03112022-665	03/11/2022 A/P

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01			Y	S	6	066	10			

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BA	GENERAL CHECKING ACCOUNT			
001405	AFLAC-FLEX ONE	123563	03/11/22	1,696.64
001670	AT &T	123564	03/11/22	3,553.80
000097	AT&T	123565	03/11/22	9.53
003899	BIGLER CONSTRUCTION	123566	03/11/22	26,030.95
000437	BRASS KEY LOCKSMITH	123567	03/11/22	9.84
003894	BURKE, WILLIAMS & SORENS	123568	03/11/22	5,412.75
003178	BUTANO GEOTECHNICAL	123569	03/11/22	2,388.95
003521	CARD SERVICE CENTER	123570	03/11/22	80.00
003521	CARD SERVICE CENTER	123571	03/11/22	180.78
003887	CHEUNG/ATHENA	123572	03/11/22	57.92
003596	COPWARE,INC	123573	03/11/22	85.00
000037	CRYSTAL SPRINGS WATER CO	123574	03/11/22	42.25
000037	CRYSTAL SPRINGS WATER CO	123575	03/11/22	24.40
001896	D & G SANITATION	123576	03/11/22	981.86
001920	DASH MEDICAL GLOVES	123577	03/11/22	1,337.86
000207	DEPARTMENT OF JUSTICE	123578	03/11/22	64.00
003334	DOGHERRA'S TOWING	123579	03/11/22	200.00
001597	ENVIRONMENTAL INNOVATION	123580	03/11/22	4,895.00
001881	GRAINGER	123581	03/11/22	881.83
000801	HINDERLITER, DE LLAMAS &	123582	03/11/22	1,879.84
000283	HOSE SHOP	123583	03/11/22	178.98
001841	IDEXX LABORATORIES, INC.	123584	03/11/22	272.37
004024	K & D LANDSCAPING, INC.	123585	03/11/22	3,320.00
003987	KEITH HIGGINS	123586	03/11/22	3,920.00
000066	KING'S PAINT & PAPER	123587	03/11/22	307.16
001992	KOSMONT COMPANIES, INC	123588	03/11/22	358.80
000284	LOGAN & POWELL, LLP	123589	03/11/22	18,850.00
003565	MANAGEMENT PARTNERS	123590	03/11/22	1,950.00
003570	MISSION COMMUNICATIONS,	123591	03/11/22	2,253.60
000083	MISSION UNIFORM SERVICE	123592	03/11/22	692.11
001418	MONTEREY REGIONAL	123593	03/11/22	3,248.23
000939	NATIONAL COMTEL NETWORK	123594	03/11/22	14.63
000323	NBS GOVERNMENT FINANCE G	123595	03/11/22	1,778.67
003152	PETERSON POWER SYSTEMS,	123596	03/11/22	36,096.80
003503	PURETEC INDUSTRIAL WATER	123597	03/11/22	248.90
000127	SANTA CRUZ SENTINEL	123598	03/11/22	1,456.00
000128	SCARBOROUGH LUMBER	123599	03/11/22	2,988.31
001672	SILICON VALLEY PAVING IN	123600	03/11/22	73,386.70
004076	STECH CONSULTING, LLC	123601	03/11/22	4,050.00
004020	STOEBERL/NICHOLAS	123602	03/11/22	38.50
003581	SUEZ TREATMENT SOLUTIONS	123603	03/11/22	9,461.80
000143	SUMMIT UNIFORMS	123604	03/11/22	168.44
001085	SYCAL ENGINEERING INC	123605	03/11/22	1,776.64
001366	U.S. BANCORP OFFICE	123606	03/11/22	1,300.62
004030	U.S. BANK CORPORATE	123607	03/11/22	21,368.70
004032	URETSKY SECURITY	123608	03/11/22	3,092.71
000151	VISION SERVICE PLAN	123609	03/11/22	1,236.90
003145	WAGE WORKS	123610	03/11/22	125.00

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004077	WILLIAM STARK		123611	03/11/22	550.00	
003971	WIZIX TECHNOLOGY GROUP,		123612	03/11/22	12.00	
	GENERAL CHECKING ACCOUNT				244,315.77	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				244,315.77

RECORDS PRINTED - 000160

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	77,275.94
002	RECYCLING/ENVIRONMENTAL	3,905.00
003	GAS TAX - SPECIAL STATE TRST	73,386.70
004	RECREATION	4,631.55
010	WASTEWATER OPERATIONS	45,593.14
011	TERTIARY TREATMENT PLANT	11,238.44
026	PENSION OBLIGATION BOND FUND	1,778.67
028	SENIOR CENTER	66.51
123	COMMUNITY FACILITY CENTER	49.70
150	GENERAL CAPITAL IMPROVEMENTS	26,346.24
312	POLICE - BUDGET ACT OF 2016	43.88
TOTAL ALL FUNDS		244,315.77

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	244,315.77
TOTAL ALL BANKS		244,315.77

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: March 16, 2022

TO: Honorable Mayor and City Council

FROM: Kirsten M. Powell, City Attorney

SUBJECT: **CONTINUED VIRTUAL MEETINGS FOR CITY COUNCIL AND APPOINTED BOARDS**

SUMMARY OF ISSUE

On October 26, 2021, the City Council passed Resolution No. 2007 authorizing continued virtual meetings and extended those meetings on November 17, 2021, December 15, 2021, January 12, 2022, February 2, 2022 and March 2, 2022, by Resolution Nos. 2007.1, 2007.2, 2007.3, 2007.4 and 2007.5. Pursuant to AB 361, legislative bodies may use teleconferencing to conduct public meetings during a proclaimed State of Emergency, as defined under the California Emergency Services Act, if one of the following circumstances apply: (A) State or local officials have imposed or recommended measures to promote social distancing; (B) The legislative body is meeting to determine whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) The legislative body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

At this point, the State of Emergency the Governor proclaimed on March 4, 2020 is still in effect today and the recommended measures to promote social distancing are still in place. Although the infection rates are beginning to decrease, the threat continues. The Omicron variant is still present in Santa Cruz County and a subvariant of Omicron has recently been identified which is spreading.

The City currently does not have the technological capabilities to hold hybrid meetings so anyone wanting to participate in the meetings would have to attend in person. As a result, holding public meetings of the City Council or other appointed bodies in person continues to present imminent risks to the health and safety of attendees.

FISCAL IMPACT

There is no fiscal impact associated with continuing virtual meetings.

STAFF RECOMMENDATION

Adopt Resolution No. 2007.6 confirming the need for virtual meetings pursuant to AB 361.

TABLE OF CONTENTS PAGE

RESOLUTION NO. 2007.6
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AUTHORIZING THE CONTINUED USE OF TELECONFERENCED MEETINGS PURSUANT TO ASSEMBLY BILL 361

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency, pursuant to the Emergency Services Act, in response to the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended certain requirements of Government Code section 54950 *et seq.*, the Ralph M. Brown Act ("Brown Act"), in order to allow local legislative bodies to conduct meetings telephonically or electronically without a physical meeting place; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, providing that the provision suspending the Brown Act requirements in Executive Order N-29-20 would remain in effect through September 30, 2021, at which point the suspension would expire; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361"), an urgency measure effective upon adoption, amending the Brown Act to allow legislative bodies to continue teleconferencing during a proclaimed State of Emergency, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees;

WHEREAS, the State of Emergency proclaimed by the Governor on March 4, 2020, remains in effect; and

WHEREAS, state and local officials have imposed and/or recommended measures to promote social distancing; and

WHEREAS, people who are fully vaccinated are currently not required to wear masks indoors but those who are not fully vaccinated must continue to wear masks; and

WHEREAS, although the Omicron variant appears to be waning, a new subvariant has been identified which is rapidly spreading and may be more contagious than the Omicron variant; and

WHEREAS, according to the CDC, community transmission of COVID-19 in Santa Cruz County is high due to the unpredictable nature of the virus and potential proliferation of COVID-19 variants and it continues to recommend people wear masks; and

WHEREAS, on October 26, 2021, the City Council of the City of Scotts Valley passed Resolution No. 2007 to continue the use of virtual meetings and confirmed the need for virtual meetings on November 17, 2021, with passage of Resolution No. 2007.1, on December 15, 2021, with the passage of Resolution No. 2007.2, on January 12, 2022, with the passage of Resolution No. 2007.3, on February 2, 2022, with the passage of Resolution No. 2007.4 and on March 2, 2022, with the passage of Resolution No. 2007.5; and

WHEREAS, the City Council of the City of Scotts Valley hereby finds and determines that the above conditions continue to create an imminent risk to the health and safety of attendees should they be required to attend meetings in person in a shared indoor public meeting space; and

WHEREAS, the City Council wishes to authorize remote meetings as set forth in this Resolution.

NOW THEREFORE, be it resolved by the City Council of the City of Scotts Valley as follows:

A. The City hereby acknowledges the Governor of the State of California's Proclamation of State of Emergency related to the COVID-19 pandemic remains in effect; and

B. The City finds that due to the continued threat of COVID-19 transmission in the community, holding in person meetings for the City Council and other appointed bodies of the City of Scotts Valley would present imminent risks to the health or safety of attendees.

C. The City Council and other appointed bodies of the City of Scotts Valley are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

D. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) thirty days from the adoption of this Resolution, or (ii) such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the City Council and the appointed bodies of the City of Scotts Valley may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

The above and foregoing Resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 16th day of March, 2022 by the following vote:

AYES:
NOES
ABSENT:
ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Lauren Lambert, Deputy City Clerk

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: March 16, 2022

TO: Honorable Mayor and City Council

FROM: Mike Dean, Police Captain

APPROVED: Mali LaGoe, City Manager

SUBJECT: **SECOND READING AND ADOPTION OF ORDINANCE NO. 110.7; AMENDING SECTIONS 10.08.010 AND 10.18.020 OF TITLE 10 OF THE SCOTTS VALLEY MUNICIPAL CODE (SVMC) ADDING PRIVATE STREETS SUBJECT TO VEHICLE CODE ENFORCEMENT**

SUMMARY OF ISSUES

On March 2, 2022, the City Council approved the introduction and first reading of Ordinance No. 110.7, which amends the Scotts Valley Municipal Code (SVMC) to add new private streets to the SVMC in order for them to be subject to California Vehicle Code Enforcement.

The City of Scotts Valley's housing landscape has change over the last several years. Housing developments including: The Grove, The Cove, The Terrace and Polo Ranch were added or are currently under construction. With these new housing developments, private roads were added and approved by the City as part of these projects. In order to enforce parking and other vehicle regulations on those private roads, they must be added to SVMC Section 10.18.020 and private street enforcement must be added to SVMC Section 10.08.020.

Section 10.08.010 Scotts Valley Vehicle Municipal Code (SVMC) declares that, "No person or business who owns or has possession, custody or control of any vehicle shall park or leave standing, or cause to be left parked or left standing, such vehicle upon any public street, public highway in the city for a period of seventy-two or more consecutive hours." By adding a reference to private streets to this section, vehicles can also be removed from private streets under certain circumstances.

Section 10.18.010B SVMC declares “that it is in the public interest to provide vehicle code enforcement on private streets…regularly used by the public.” Newly created private streets will be added to SVMC Section 10.18.020 to enable vehicle code enforcement.

The adoption of this ordinance would add the following private streets to Scotts Valley Municipal Code 10.18.020: Cider Court, Coastal Oak Court, Cove Lane, Ginger Lane, Hansen Terrace, Polo Ranch Road, Shady Oak Way, Skyforest Way, Thomas Terrace, Village Lane and Creekside Court and allow the removal of vehicles on private streets.

FISCAL IMPACT

There is no fiscal impact to the City.

RECOMMENDATION

It is recommended that City Council approve the second reading and adoption of the Ordinance No. 110.7, modifying Sections 10.08.010 and 10.18.020 of Title 10 of the Scotts Valley Municipal Code (SVMC).

TABLE OF CONTENTS **PAGE**

ORDINANCE NO. 110.7

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY MODIFYING SECTION 10.18.020 OF CHAPTER 10.08 OF TITLE 10 OF THE SCOTTS VALLEY MUNICIPAL CODE REGARDING PRIVATE STREETS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1. Section 10.08.020 of Chapter 10.08 of Title 10 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"10.08.020- Removal of vehicles.

In the event that any vehicle is parked or left standing on any public street or highway **or any street designated in Section 10.18.020** in the city for a period of seventy-two or more consecutive hours, any member of the California Highway Patrol, or any regularly employed and salaried deputy of the sheriff's office of the county of Santa Cruz or any regularly employed and salaried officer of the Scotts Valley police department, or the chief of police of the city, may remove such vehicle from the highway in the manner and subject to the requirements of the Vehicle Code of the state of California."

SECTION 2. Section 10.18.020 of Chapter 10.18 of Title 10 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"10.18.020 - Private streets subject to Vehicle Code enforcement.

The following streets shall be subject to the Vehicle Code enforcement:

Acorn Court, Appaloosa Court, Arabian Way, Ball Drive, Baymonte Christian School, Belair Court, Belair Drive, Blake Lane, Blossom Way, Cadillac Drive, Camp Evers Lane, Canham Road, Carriage Lane, Casa Way, Castle Ridge Way, Cathy Lane, Cider Court, Club Drive, Coastal Oak Court, Coopers Hawk Court, Country Lane, Cove Lane, Crescent Court, Crescent Drive, Cubre Lane, Dana Court, Deer Trail Way, Dell Way, Dunn Lane, Dunslee Way, Elderberry Court, El Carlo Drive, Elzer Drive, Falcon Ridge Road, Flora Lane, Forest Hill, Fox Sparrow Court, Frapwell Court, Fred Court, Gaston Circle, Ginger Lane, Gold Court, Golden Eagle Court, Grace Way, Green Valley Road, Greenwood Court, Greenwood Street, Hansen Terrace, Harvest Lane, Hidden Drive, Horseshoe Court, Johnston Way, Jolley Way, K Street, Kelly Way, Kelsey Court, Kent Court, Kings Drive, Kings Canyon Court, La Escuela, Lassen Park Court, Locke Way, Lockhart Gulch, Lucinda Street, MacLeod Way, Meadow Way, Milano Court, Mill Site Road, Morgan Court, Nashua Drive, Old Coach Road, Orchard Run, Pioneer Lane, Pippin Way, Polo Ranch Road, Quarter Horse Court, Quien Sabe Road, Ray Way, Ridgecrest Lane, Saddleback Ridge Road, San Augustine Way, Sandraya Heights, Sawbuck Court, Sawyer Circle, Sawyer Court, Scott Court, Scotts Valley High School, Scotts Valley Middle School, Scotts Valley Square Shopping Center, Scotts Village Shopping Center, Shadow Court, Shady Oak Way, Shasta Park Court, Sherman Court, Sherman Drive, Sidesaddle Circle, Sidesaddle Court, Silverwood Drive, Silver Birch Lane, Single Spur Court, Siri Lane, Skyforest Way, Southwood Drive, Spring Lakes Drive, Sramek Lane, Sucinto Drive, Sunridge Drive, Sunridge Court, Sunset Terrace, Tankers Run, Terrace View Court, Terrace View Drive, Timber Ridge Court, Thomas Terrace, Thompson Lane, Trammel Way, Tuscany Court, Twin Pines Drive, Venice Way, Viki Court, Village Lane, Vine Hill School, Wells Road, Willis Road, Windward Place, Woodhill Drive, Woodside Court, York Road."

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 4. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 5. CEQA COMPLIANCE. The City Council finds and determines that the enactment of this Ordinance is not a "project" as that term is used in the California Environmental Quality Act ("CEQA;" Cal. Pub. Resources Code Section 21000 et seq.) or the State CEQA Guidelines (Cal. Code of Regs., Title 14, Section 15000 et seq.). Therefore, no environmental assessment is required or necessary.

SECTION 6. EFFECTIVE DATE. The above and foregoing ordinance was introduced for a first reading on the 2nd day of March, 2022, and passed and adopted on the 16th day of March, 2022, at a duly held meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:____________________________
Donna R. Lind, Mayor

ATTEST: ______________________________
Lauren Lambert, Deputy City Clerk

APPROVED
AS TO FORM: ____________________________
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: March 16, 2022

TO: Honorable Mayor and City Council

FROM: Chris Lamm, Director of Public Works

APPROVED: Mali LaGoe, City Manager

SUBJECT: **SCOTTS VALLEY UNIFIED SCHOOL DISTRICT MUTUAL COOPERATION AGREEMENT FOR BEFORE AND AFTER SCHOOL CHILDCARE**

SUMMARY OF ISSUE

Background

In late March of 2020, the City of Scotts Valley's Recreation Division was shuttered due to the COVID-19 pandemic. The City has been operating with the barest of staffing, awaiting the lifting of pandemic restrictions and the development of a restoration plan to rebuild its services. While this restoration plan was in process, the City Council prioritized the return of a critical community service in spring of 2020, childcare. To achieve this priority and considering the City's limitations, the City partnered with the Boys and Girls Clubs of Santa Cruz County to deliver youth summer camp and after school child care programs.

The City has been developing a restoration plan to sustainably return recreation services to the community. Part of that plan was to obtain an independent analysis of best practices of how the City can restore services to equal or better service levels in a cost-effective manner in time to reopen services in 2022.

A recreation assessment was developed with 24 recommendations on the reactivation of recreation services. The report, was presented at a joint session with the City Council and Parks and Recreation Commission (PRC) on September 29, 2021. Councilmembers and Commissioners supported the recommendations presented. The recommendations as it relates to childcare services were as follows:

> Recommendation 5 - Identify the costs and benefits of extending the Boys Club and Girls Club childcare contract through the 2022-2023 school year.
>
> Recommendation 6 - Develop a long-term plan for the provision of childcare services in Scotts Valley as an outsourced City service.

Over the course of the final few months of 2021, an implementation plan was developed to support the recommendations developed and concurrently City Staff and Scotts Valley

Unified School District (SVUSD) Staff began discussions on the future of the childcare programs and the facility needs to support the program.

In discussions with SVUSD Staff, a willingness to operate childcare services as an outsourced SVUSD program has been expressed if the City is unable to provide services. Similar to the actions the City would have taken per the recommendations of the Recreation Assessment, the SVUSD Staff have been exploring programs that would utilize a 3rd party operator to manage the program. In order to plan for the 2022/2023 school year, a determination of who would lead the program, the City or SVUSD, was identified as an urgent item to complete the contracting of services and planning for the upcoming year.

Additionally, the facilities at both Vine Hill and Brook Knoll Elementary schools are aging and in need of replacement. The facility at Vine Hill School was closed permanently in 2020 due to degraded conditions. The City included a capital improvement project in the FY2021/22 budget to replace the modular building at Vine Hill in an amount of $1,400,000 to be funded through the federal government's upcoming infrastructure bill.

In January of 2022, staff provided an update to Council on the above items and recommended the City Schools Joint Subcommittee convene to discuss facility and program needs. Additionally, City Council authorized $75,000 to proceed with demolition of the existing facility at Vine Hill School. Abatement and demolition are planned to occur the week of spring break (April 4-8).

City Schools Subcommittee (CSS)

The CSS met January 27, January 31, and February 15 and was provided intermediate updates on progress of various tasks related program and facility (primarily short term) needs. Through the discussions, a resulting Mutual Cooperation Agreement was developed defining roles and responsibilities for both the City and SVUSD.

Responsibilities of the SVUSD:

1. Enter into a lease agreement and oversee installation of temporary modular facilities
2. Provide maintenance and repair on temporary facilities
3. Operate or contract the school aged childcare program
4. Coordinate return of temporary modular at the end of the agreement term
5. Collaborate with City and childcare provider to identify needs and funding sources for subsidies and scholarship assistance for families.

Responsibilities of the City:

1. Remove the existing modular building
2. Provide funding support up to $259,963 for the childcare facility at Vine Hill School
3. Collaborate with SVUSD and childcare provider to identify needs and funding sources for subsidies and scholarship assistance for families

The SVUSD Board approved the Mutual Cooperation Agreement at their March 8, 2022 meeting. In addition, on March 8th, the United States House of Representatives passed the Consolidated Appropriations Act of 2022, which includes $1.375 million for Scotts Valley's Vine Hill Elementary School Building Replacement Project. The legislation is expected to be passed in the Senate and signed by the President in the coming weeks.

FISCAL IMPACT

The Mutual Cooperation Agreement will result in payments to the SVUSD not to exceed $259,963 over three fiscal years. An appropriation of General Funds will be required for FY 21/22. Future years obligations will be included in each annual budget. If federal funding through the above-mentioned legislation becomes available to reimburse the General Fund initial outlay for this project, Staff will return to the Council to recommend the restoration of the General Funds appropriated through this action.

FY21/22: $124,885
FY22/23: $49,000
FY23/24: $86,087

STAFF RECOMMENDATION

1. Staff recommends that the City Council approve a Mutual Cooperation Agreement with the Scotts Valley Unified School District in an amount not to exceed $259,963; and

2. Staff recommends that the City Council appropriate $124,885 of unassigned General Fund to meet the agreement obligations for FY 21/22.

TABLE OF CONTENTS — PAGE

MUTUAL COOPERATION AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY AND THE SCOTTS VALLEY UNIFIED SCHOOL DISTRICT RELATED TO SCHOOL AGED CHILDCARE FACILITIES AT VINE HILL ELEMENTARY SCHOOL

This Mutual Cooperation Agreement (the "Agreement") is entered into as of March 8, 2022 (the "Effective Date"), by and between the CITY OF SCOTTS VALLEY, a California municipal corporation (the "CITY") and SCOTTS VALLEY UNIFIED SCHOOL DISTRICT, a California unified school district organized and existing under the Laws of the State of California (the "DISTRICT") (each, a "Party," and collectively, the "Parties"), in reference to the following facts and circumstances:

RECITALS

A. The CITY has historically operated a school aged childcare program at two schools located within the DISTRICT, Vine Hill Elementary School and Brook Knoll Elementary School (the "Program") for the benefit of the residents of the CITY.
B. The Program has been operated at the respective elementary school campuses in modular buildings owned by the CITY.
C. The modular located on the Vine Hill Elementary School is no longer viable for childcare programs and needs to be replaced.
D. During the COVID 19 pandemic, the CITY was required to cease offering the Program to DISTRICT families and laid off the majority of its Recreative Department employees that operated the Program.
E. During the 2021-2022 school year, the CITY contracted with the Boys and Girls Club of Santa Cruz County to operate the Program for one year.
F. Both the CITY and the DISTRICT share a mutual interest in developing a long-term solution for the continuation of the Program.
G. In 2021, the CITY applied for Federal funding to replace the modular at the Vine Hill Elementary School campus.
H. To date, the funding has yet to be allocated to the CITY.
I. CITY and DISTRICT shall work cooperatively to continue the PROGRAM for the benefit of the residents of the CITY and the families of the DISTRICT in accordance with the terms of this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the Recitals above, which are made a substantive part of this Agreement, and the following mutual agreement, covenants, terms and conditions, the Parties agree:

SECTION 1. TERM AND TERMINATION

1.1 The term of this Agreement ("Term") commences as of the Effective Date of this Agreement and it shall terminate on June 30, 2024.

SECTION 2. PURPOSE OF AGREEMENT

2.1 The Parties have entered into this Agreement in order to collaboratively facilitate the installation of modular buildings that will allow the school aged childcare program to operate at the DISTRICT's Vine Hill School elementary school site.

SECTION 3. RESPONSIBILITIES OF DISTRICT

The DISTRICT shall be responsible to take all actions necessary to and assume all costs associated with performing the following obligations:

3.1 Enter into a two-year lease agreement with Elite Modular for a 48X40 classroom unit and a second eight stall bathroom unit and be responsible for all costs and terms of that lease agreement using the funding provided by the CITY as required below.

3.2 Provide all maintenance (janitorial) and repair services for the new units.

3.3 Obtain all permits necessary for the new units, including, but not limited to, those permits required from the Department of State Architects (DSA), and hire an experienced architect to develop and submit the permit applications.

3.4 Oversee the delivery and installation of the new unit at the Vine Hill School Campus.

3.5 Operate or contract for the school aged childcare program for students and families in the DISTRICT.

3.6 Select and oversee a qualified childcare service provider that meets the needs of the DISTRICT's students and families with an income-based sliding fee schedule for the 2022 and 2023 school years.

3.7 Potential return of the modular unit at the conclusion of the two-year lease.

3.8 Collaborate with the CITY and the childcare provider to identify needs and funding sources for subsidies or scholarship assistance for needy families.

SECTION 4. RESPONSIBILITIES OF CITY

The CITY shall be responsible to take all actions necessary to and assume all costs associated with performing the following obligations:

4.1 Remove the existing modular building at Vine Hill Elementary School including hiring contractors and providing funding necessary for testing, abatement, and demolition.

4.2 Provide a maximum of $259,963 to the DISTRICT in support of the District's lease, installation, maintenance and return of two modular buildings for the Vine Hill Elementary School campus leased by the DISTRICT described above.

4.3 Invoices shall be submitted by the DISTRICT to the CITY no more frequently than monthly and paid upon receipt and approval by the CITY. Invoices shall include actual expenses only and include back up documentation of actual expenses paid.

4.4 The table below estimates the anticipated funding categories related to this agreement over three fiscal years. If requested by the DISTRICT, unspent funds may be shifted to subsequent fiscal years upon approval by the City Manager.

	FY 21/22	FY 22/23	FY 23/24
Installation of new modular building (June 2022)	$114,885		
Rental and Maintenance		$49,000 (12 months)	$49,000 (12 months)
Return of modular unit (June 2024)			$37,078
Contingency (4%)	$10,000		
Total City Funding	**$124,885**	**$49,000**	**$86,087**

4.5 Collaborate with the School District and the childcare provider to identify needs and funding source for subsidies or scholarship assistance for needy families.

SECTION 5. ASSIGNMENT

5.1 Each Party will give personal attention to the faithful performance of this Agreement and shall not assign, transfer, convey, or otherwise dispose of this Agreement or any right, title or interest in or to the same or any part thereof without the prior written consent of the other Party, and then only subject to such terms and conditions as the other Party may require. The consent to one assignment shall not be deemed to be the consent to any subsequent assignments. Any assignment without such approval shall be void and, at the option of the other Party, shall terminate this Agreement and any license or privilege granted herein. This Agreement and any interest herein shall not be assignable by operation of law without the prior written consent of the other Party.

SECTION 6. NOTICES

6.1 All notices hereunder shall be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY:

City Manager
One Civic Center Drive
Scotts Valley, CA 95066

To DISTRICT:

Superintendent
108 Whispering Pines Suite 115
Scotts Valley, CA 95066

SECTION 7. INDEMNITY

7.1 Each party will indemnify, defend and hold harmless the other party, and its respective Board/Council, employees and agents from and against any and all third party loss, liability, expense (including reasonable attorneys' fees) or claims for injury or other damages (collectively "Claims") arising out of the indemnifying party's performance of this Agreement, but only in proportion to and to the extent such Claims are caused by or result from the negligent or intentional acts or omissions of the indemnifying party.

7.2 In the event of concurrent negligence of the parties, or the parties' respective Board/Council, employees or agents, the liability for any and all Claims shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the indemnifying party may have under applicable law in the event of concurrent negligence of persons or entities other than the parties to this Agreement.

7.3 The parties intend and agree to cooperate with each other in the investigation and disposition of third-party liability claims arising out of the performance of this Agreement. Such cooperation may include joint investigation, defense and disposition of claims. The parties agree to promptly inform one another whenever an incident report, claim or complaint is filed or when an investigation is initiated concerning any service performed under this Agreement. Each party may conduct its own investigation and engage its own counsel as each party deems necessary. Each party shall bear the cost of its own attorney.

7.4 The provisions of this Section shall survive the termination or expiration of this Agreement.

SECTION 8. INSURANCE

8.1 The DISTRICT shall obtain and maintain all insurance coverages necessary to operate the Program and lease the modular unit.

SECTION 9. MISCELLANEOUS PROVISIONS

9.1 The CITY and DISTRICT will comply with all applicable federal, California and local laws, ordinances and directives insofar as those pertain to the CITY and DISTRICT'S performance under this Agreement.

9.2 The terms, covenants, and conditions of this Agreement shall apply to, and shall bind, the heirs, successors, executors, administrators, assigns, and subcontractors of both parties.

9.3 The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement or of any provision, ordinance, or law shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, or law or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance, or law.

9.4 The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with such an action from the other party.

9.5 This document represents the entire and integrated agreement between the CITY and the DISTRICT and it supersedes all prior negotiations, representations, and agreements, either written or oral associated with this project. This document may be amended only by written instrument, signed by the Parties.

9.6 This Agreement is governed by the laws of the State of California.

9.7 The CITY and DISTRICT each represent and warrant that their own respective organization is duly organized, validly existing in good standing under the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CITY: CITY OF SCOTTS VALLEY	**DISTRICT:** SCOTTS VALLEY UNIFIED SCHOOL DISTRICT
______________________ Donna Lind, Mayor	Sue Rains Sue Rains (Mar 9, 2022 16:45 PST) ______________________ Sue Rains, Board President
ATTEST: ______________________ Lauren Lambert, Deputy City Clerk	ATTEST: Tanya Krause ______________________ Tanya Krause, Superintendent

Congress of the United States
House of Representatives
Washington, D.C. 20515

Anna G. Eshoo
Eighteenth District
California

March 9, 2022

The Honorable Donna Lind, Mayor
City of Scotts Valley
One Civic Center Drive
Scotts Valley, California 95066

Dear ~~Mayor Lind~~ Donna,

I'm thrilled to share with you that the House just passed, with my enthusiastic affirmative vote, the Consolidated Appropriations Act, 2022, which includes **$1.375 million for Scotts Valley's Vine Hill Elementary School Building Replacement Project**. The Senate is expected to pass the legislation by the end of this week and the President will sign it into law. My Washington D.C. office will reach out to you about the logistical next steps to ensure you are connected to the federal government office that will be involved in disbursing funding.

So many have worked very hard to move this project forward and I couldn't be happier to secure these funds to advance the renovation of Vine Hill Elementary School.

Always my best,

Anna G. Eshoo
Member of Congress

cc: The Honorable Members of the Scotts Valley City Council
Ms. Mali LaGoe, City Manager

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: March 16, 2022

TO: Honorable Mayor and City Council

FROM: Casey Estorga, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **RECEIVE THE FISCAL YEAR 2020-21 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND RECEIVE FISCAL YEAR 2021-22 MID-YEAR FINANCIAL REPORT, INCLUDING PROPOSED BUDGET AMENDMENTS**

SUMMARY OF ISSUE

This report provides an update of the City's current financial performance, including an overview of the prior year as reported by the Fiscal Year (FY) 2020-21 Annual Comprehensive Financial Report (ACFR) and a Mid-Year Financial Review for FY 2021-22. The mid-year financial review covers a six-month period from July 1, 2021 through December 31, 2021 and identifies mid-year revenue and expenditure trends for all City funds and a preliminary forecast for FY 2021-22 year-end fund balances.

FY 2020-21 Annual Comprehensive Financial Report Results

Based on the information in the City's Annual Comprehensive Financial Report (ACFR) as completed by the City's external auditors, Badawi & Associates, the City ended Fiscal Year 2020-21 with roughly $6.8 million in unassigned General Fund Reserves. This equates to approximately 49% of annual General Fund operating expenditures included in the FY 2021-22 Adopted Budget.

FY 2021-22 Mid-Year Financial Review (through December 31, 2021)

Staff analyzed revenues and expenditures for all City funds during the first half of the current Fiscal Year. In general, some expenditures are trending below FY 2021-22 budgeted amounts and some revenues are trending above FY 2021-22 budgeted amounts.

These trends are the result of many factors, including Scotts Valley's ongoing recovery from the COVID-19 pandemic and its associated economic impacts, the City Council's adoption of a prudent FY 2021-22 budget that reflected the unstable reality of the Scotts Valley and broader economies, and budget impacts from the regional labor market resulting in ongoing staffing vacancies and general challenges with undertaking capital projects, also related to staffing limitations and overall workload capacities of both City of Scotts Valley staff and the City's contractors/consultants.

Items of importance are highlighted below:

General Fund Expenditures (Fund 001)

- *General Government:* In total, General Fund operating expenditures are projected to be roughly $800,000 (or 6%) under budget. This is primarily the result of staffing vacancies and challenges with undertaking projects in several different departments throughout the City.

- *Information Technology (IT):* The City's IT expenditures are projected to be approximately $260,000 over budget, primarily as a result of necessary equipment and infrastructure upgrades as a result of the COVID-19 pandemic.

General Fund Revenues (Fund 001)

General fund revenues have performed better than originally anticipated, which appears consistent with most jurisdictions around the State. Sales Tax, TOT, and various fees generated by the Community Development Department continue to outpace projections while all other general fund revenues are tracking relatively consistent with the FY 2021-22 Adopted Budget.

- *General Fund Revenues:* In total, General Fund revenues are projected to be roughly $1.7 million (or 12%) over budget. This is ***not*** a long-term trend and includes $1.4 million dollars in one-time funding. Staff has made a conservative projection that long-term revenues will experience a year-over-year increase of roughly 2% in FY 2021-22.

- *Property Taxes:* Property tax revenues are projected to be on-budget.

- *Sales Taxes:* The FY 2021-22 adopted budget included approximately $5.7 million of sales tax revenues. Based on data through December 2021, and assuming a similar level of economic activity for the remainder of the Fiscal Year, this presents an opportunity to conservatively increase budgeted sales tax revenues by approximately $745,000 (or 21%) which is closely tied to a projected increase in revenues associated with Measure Z.

- *Transient Occupancy Taxes (TOT):* TOT revenues are projected to be roughly $170,000 (or 12%) above budget. This is the result of better-than-anticipated occupancy levels as the region eases into a recovery from the pandemic with business and leisure travel slowly starting to return to pre-pandemic levels.

- *Utility Users Taxes (UUT):* UUT revenues are projected to be on-budget.

- *Community Development Fees:* Charges for service have increased significantly in FY 2021-22, in part due to an increase in the number of residential and commercial projects. Mid-Year actuals have already surpassed FY 2021-22 budgeted amounts. Conservative estimates have revenues roughly double the budgeted amount of $686,300 in total charges for service, with a projected year-end revenue closer to $1.4 million.

FY 2021-22 GENERAL FUND YEAR-END FUND BALANCE PROJECTION

The table below summarizes the FY 2021-22 year-end fund balance projection, considering projected revenue and expenditure trends discussed above.

General Fund (Funds 001 and 006)	**Adopted Budget FY 2021-22**	**Projected Results FY 2021-22**
Beginning Fund Balance (07/01/2021)	$ 5,353,000	$ 6,859,758
Revenues	13,985,000	15,657,264
Expenditures	14,110,067	13,508,870
Net Revenues Over (Under) Expenditures	(125,067)	2,148,394
Transfer In (Out)	(627,265)	(1,406,262)
Net Surplus (Deficit)	(752,332)	742,132
Ending Fund Balance (06/30/2022)	$ 4,600,668	$ 7,601,890

FISCAL IMPACT

There is no fiscal impact as a result of accepting the attached report and providing direction to the City Manager to amend the FY 2021/22 Adopted Budget.

STAFF RECOMMENDATION

It is recommended that the City Council takes the following actions:

1. Accept the Annual Comprehensive Financial Report for Fiscal Year 2020-21; and
2. Accept FY 2021-22 Mid-Year Financial Report through December 31, 2021; and
3. Approve Resolution No. 630.41.1 amending the FY 2021-22 Annual Budget.

TABLE OF CONTENTS — PAGE

RESOLUTION NO. 630.41.1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING THE FY 2021-22 ADOPTED BUDGET

WHEREAS, the City Council approved the Fiscal Year 2021-22 Annual Budget for the City of Scotts Valley on June 16, 2021 by Resolution 630.41; and

WHEREAS, Badawi & Associates, an external auditor, completed the City of Scotts Valley's Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2020-21 on March 14, 2022, thus providing additional information about the City's financial performance; and

WHEREAS, staff conducted financial analysis using data from the FY 2020-21 ACRF and other financial performance measures, including year-to-date information about Fiscal Year 2021-22 actual revenues and actual expenditures; and

WHEREAS, the Fiscal Year 2021-22 Adopted Budget was approved in an unpredictable environment, with many economic variables unknown as a result of the COVID-19 pandemic; and

WHEREAS, based on this analysis, and access to more data, staff is recommending the City Council amend the Fiscal Year 2021-22 Adopted Budget to provide a more accurate reflection of the City's financial activities and overall financial position; and

WHEREAS, City Council approval is needed to amend the Fiscal Year 2021-22 Adopted Budget.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Scotts Valley that the Fiscal Year 2021-22 Adopted Budget is amended in the manner described below:

REVENUES

Fund	Description	FY 2021-22 Adopted	FY 2021-22 AMENDED	Increase (Decrease)
General Fund (001)	Sales Tax – Measure Z	$3,473,200	$4,218,829	$745,629
General Fund (001)	TOT	$1,445,300	$1,617,373	$172,073
General Fund (001)	Construction Permits	$427,500	$1,000,000	$572,500
General Fund (001)	General Planning Fee	$24,200	$200,000	$175,800

EXPENDITURES

	General Funds			
Fund/ Dept	Fund/Department Title	FY 2021-22 Adopted	FY 2021-22 AMENDED	Increase (Decrease)
41	Legislative	$ 335,340	$ 358,827	$ 23,487
42	City Attorney	$ 203,100	$ 253,500	$ 50,400
43	General Government	$ 998,000	$ 698,000	$ (300,000)
44	City Manager's Office	$ 879,031	$ 655,915	$ (223,116)
45	Admin Services - Finance	$ 1,046,194	$ 895,637	$ (150,557)
46	Admin Services - Human Resources	$ 147,950	$ 147,950	$ -
47	Admin Services - Information Technology	$ 171,500	$ 430,500	$ 259,000
48	Admin Services - Risk Management	$ 476,417	$ 527,481	$ 51,064
51	Police	$ 5,354,671	$ 5,223,577	$ (131,094)
52	Animal Control	$ 105,000	$ 105,000	$ -
53	Emergency Services	$ 48,350	$ 48,350	$ -
61	Community Development - Planning	$ 956,886	$ 717,379	$ (239,507)
62	Community Development - Building	$ 504,776	$ 447,438	$ (57,338)
71	Public Works - Engineering	$ 856,048	$ 722,000	$ (134,048)
72	Public Works - Streets	$ 322,964	$ 355,800	$ 32,836
73	Public Works - Vehicle/Equipment Maintenance	$ 130,043	$ 130,043	$ -
75	Public Works - Parks	$ 523,825	$ 517,677	$ (6,148)
76	Public Works - Building Maintenance	$ 224,749	$ 241,472	$ 16,723
	Debt Service:			
	Principal	$ 480,000	$ 480,000	$ -
	Interest and Fiscal Charges	$ 252,325	$ 252,325	$ -
	Total General Fund (001)	**$ 14,017,169**	**$ 13,208,870**	**$ (808,299)**
				$ -
6	Equipment Replacement Fund (Capital outlay)	$ 300,000	$ 300,000	$ -
	Total General Funds	**$ 14,317,169**	**$ 13,508,870**	**$ (808,299)**

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a meeting held on the 11th day of March, 2022 by the following vote:

AYES: DILLES, JOHNSON, LIND, REED, TIMM
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Approved: ______________________________
Donna Lind, Mayor

Attest:______________________________
Lauren Lambert, Deputy
City Clerk

City of Scotts Valley

Scotts Valley, California

Annual Comprehensive Financial Report

For the year ended June 30, 2021

Prepared by:
Finance Department

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City of Scotts Valley
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Table of Contents

Table of Contents, Continued

Table of Contents, Continued

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CITY OF SCOTTS VALLEY

OFFICE OF THE CITY MANAGER
1 Civic Center Drive · Scotts Valley · California · 95066
Phone (831) 440-5600 · Facsimile (831) 438-2793 · www.scottsvalley.org

March 14, 2022

Honorable Mayor and City Council
and Residents of the City of Scotts Valley

SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT - JUNE 30, 2021

REPORT PURPOSE AND ORGANIZATION

The Annual Comprehensive Financial Report (ACFR) for the City of Scotts Valley for fiscal year July 1, 2020 through June 30, 2021 is hereby submitted. State law requires the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant. The City's independent auditor, Badawi & Associates, Certified Public Accountant, has audited the City's financial statements and issued an opinion that financial statements for Fiscal Year 2020-2021 (FY 2020-21), are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). This opinion, along with the basic financial statements of the City, are hereby submitted as the ACFR for the City of Scotts Valley for the fiscal year ended June 30, 2021, and included in the financial section of this report.

The independent audit of the financial statements is also typically conducted in conjunction with the federally mandated Single Audit. The standards governing the Single Audit require the independent auditor report on items beyond fair presentation of the financial statements, including internal controls and compliance with legal requirements involving the administration of federal awards. A Single Audit Report on Federal Award Programs was not required or prepared in fiscal year 2021 because the City had less than $750,000 in federal grant expenditures.

This report reflects a comprehensive overview of the City of Scotts Valley's finances as represented by city management. Management assumes full responsibility for completeness, accuracy of data, and fairness of presentation, including all footnotes and disclosures. Additionally, management believes the data presented is accurate in all material respects and is reflected in a manner that demonstrates the financial position and operational results of the City. The audit provides users with reasonable assurance that the information presented is free from material misstatements. As management, we assert that to the best of our knowledge, this financial report is complete and reliable in all material respects.

In accordance with the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA), and the standards adopted by the Governmental Accounting Standards Board, the accompanying report consists of three parts:

I. Introductory Section - Letter of Transmittal, List of Principal Officials and Organization Chart, and Certificate of Achievement from the GFOA.

II. II. Financial Section - Independent Auditor's opinion, the Management's Discussion and Analysis (MD&A), Government-wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements followed by Required Supplementary Information and combining statements of the Non-major Fund Financial Statements.

III. III. Statistical Section - Presenting ten-year historical trends of financial and non-financial information.

Accounting principles, generally accepted in the United States of America, require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement MD&A and should be read in conjunction with it. The City's MD&A follows the report of the independent auditor.

CITY OF SCOTTS VALLEY PROFILE

The City of Scotts Valley is a small community that encompasses an area of approximately 5 square miles with a population of approximately 12,224. Scotts Valley is located in Santa Cruz County and is six miles north of the City of Santa Cruz and 26 miles southwest of San José.

Form of Government

The City of Scotts Valley is a general law City, incorporated in August 2, 1966. It is subject to the framework and procedures established by California state law and operates under the Council-City Manager form of government. The Council is comprised of five council members that are elected directly by the citizens to four-year terms, and every year the council selects one member each to serve as Mayor and Vice-Mayor. The Council has the authority to establish all laws and regulations with respect to municipal affairs, subject to the limitations of the City Municipal Code and State legislation.

The City Council appoints a City Manager to serve as the City's chief administrative officer. The City Manager provides direction, leadership and supervision to all City departments and ensures that all City Council policies are implemented in the day-to-day operations of the City.

City Services

The City services include police protection, parks and public works, community development, recreation, wastewater, and City administration including human resources, information technology, and finance. Independent special districts provide fire protection and water services.

The ACFR includes all financial activities of the City and the Successor Agency to the former Redevelopment Agency of the City of Scotts Valley, comprising of two separate legal entities. City Council members also serve as the governing board members of the Successor Agency and the City Manager serves as its executive director. Financial activities of the Successor Agency are also subject to an independent oversight board.

Financial data for all funds through which services are provided by the City have been included in this report based on the criteria adopted by the Government Account Standards Board (GASB), which is the authoritative body in establishing United States Generally Accepted Accounting Procedures (GAAP) for local governments.

Internal Control Policy

City Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of controls should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control Policy

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds are included in the annual appropriated budget. A Five-Year Financial Plan, or Capital Improvement Plan (CIP), is also adopted for the Capital Projects. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. See Note 1 under Required Supplementary Information to the financial statements for further information on budgets and budgetary accounting.

The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available and expenditures are recorded when goods or services are received and the liability incurred. The City produces an annual budget and a five-year financial plan which serves as the foundation for the City of Scotts Valley financial planning and control. Based on the City's financial management policies, the City is required to maintain a balanced operating budget.

In accordance with the City's Municipal Code, the budget is adopted by resolution on or before June 30th for the ensuing fiscal year. The City Council may appropriate, amend, or transfer funds by an affirmative vote at any regular or special Council meeting.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the economic environment in which the City operates.

In the first quarter of 2020, the City, along with the rest of the nation experienced a recession as a result of the COVID-19 pandemic and subsequent public health orders. Although the recession has since officially ended, the City continued to experience the economic effects. The various orders intended to slow the spread of the virus curtailed large sectors of the economy- affecting two of the City's three major sources of General Fund revenue, sales tax and transient occupancy tax. The third major source of revenue is property tax. The three revenue sources combined account for approximately 70% of all General Fund revenues.

Sales Tax
Sales tax is the City's largest source of revenue, accounting for 47% of the General Fund Revenues. The City general fund sales tax consists of 1% Bradley Burns, a portion of the Scotts Valley District Tax (Measure D) and a 0.50% Scotts Valley Temporary District Tax (Measure U) that became effective in April 2014. Sales tax receipts are volatile and reflect the changing local, state, and national economic conditions.

On March 3, 2020, voters overwhelmingly approved (with a 64.28% passage rate) Measure Z, which modified the local sales tax, beginning on July 1, 2020, eliminating the 0.50% rate and increasing it to 1.25%. For FY 2020-21, sales tax receipts of $6,666,056 million were $2,630,712 higher than the prior year's collection. Sales tax revenues increased as a result of the Measure Z and a favorable economy.

Property Tax
Scotts Valley's second major source of revenue is property tax, accounting for 15% of the General Fund Revenues. In FY 2020-21, the General Fund received $1,024,730 in base property tax receipts, prior to the inclusion of Documentary Transfer Tax and Residual RDA distributions. This base amount was $26,299 higher than the prior year and is also the highest amount the City has received from its base property tax allocation over the last ten fiscal years.

Changes in property values have less of an impact on the City's property tax revenue compared to other cities in Santa Cruz County because of lower property tax rate. The City receives approximately 6.5% of the assessed property taxes (its apportionment rate).

Due to the dissolution of the Scotts Valley Redevelopment Agency (RDA), the RDA's tax increment revenues are distributed to the Successor Agency Redevelopment Property Tax Trust Fund (RPTTF) in amounts that are only sufficient to fund obligations approved by the independent Oversight Board.

The City's property tax revenues tend to not be as economically sensitive as sales tax revenues. Due to appreciating property values, property tax revenues have remained relatively consistent. Based on historical data, it is anticipated this trend will continue into the next fiscal year.

Transient Occupancy Tax

Transient occupancy tax (TOT) represents 9% of General Fund revenues. In the current fiscal year, TOT revenues were adversely impacted by the stay-at-home orders issued by the State of California and the Santa Cruz County Health Services Department as a result of the COVID-19 pandemic that impacted the region, state, nation and the world. TOT revenues decreased 17% due to the continued effects of the COVID-19 pandemic. For FY 2020-21, TOT revenues of $1,261,100 were $259,272 lower than the prior year's collection.

MAJOR INITIATIVES

During FY 2020-21, the City accomplished the following:

- Started realizing the effects of the Measure Z use (sales) tax increase.
- Continue to implement changes to service delivery as the City pivoted with the easing of COVID-19 restrictions, including opening up some recreation programs while maintaining service levels for all other City services.
- Continued major renovations to the Scotts Valley Branch Library.

ECONOMIC FACTORS

The COVID-19 Pandemic continued to have an adverse impact on the City and the county. Tourism and non-essential travel were curtailed, impacting transient occupancy taxes. Reductions in fuel sales and in-store retail drove reductions in sales tax revenues. Most of the recreation programs remained closed as group gatherings and sporting events continued to be limited.

Effects of the pandemic and recent downturn continued through FY 2020-21 and it is expected that some of its impacts will continue through the coming year. The deployment of vaccines and federal stimulus packages have been critical to the recovery of local government revenues as they have provided relief to the unemployed, small businesses, and state and local governments.

The unemployment rates at the local, state, and national levels continue to improve compared to the prior year. In December 2021, the unadjusted unemployment rate for Scotts Valley was 3.2 percent compared to 6.2 percent unadjusted in March 2021. The Scotts Valley MSA June 2021 unemployment rate continued to be lower than the unadjusted unemployment for the State (7.9 percent) and the nation (5.7 percent).

OTHER INFORMATION

Independent Audit: The Government Code requires an annual audit by independent certified public accountants selected by the City Council. The City has complied with this requirement. The auditor's opinion is included in the financial section of this report. The City is also required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, Audits of

States, Local Governments and Non-Profit Organizations, unless exempt. The City did not meet the minimum threshold of federal funding to require a Single Audit for FY 2020-21.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Scotts Valley for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report (ACFR) continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

Preparation of this ACFR was accomplished by the professional and dedicated services of the Finance Department and the City's independent public auditor, Badawi & Associates. We would like to extend our appreciation to Selina Andrews, Finance Manager; Laurie Grundy, former Finance Manager; Amanda Long, Accountant II; and Amanda Armstrong, Human Resources Manager for their coordination in preparing this report.

Further appreciation is extended to the Mayor and the City Council for their support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

Mali LaGoe, City Manager

Casey Estorga, Finance Director

CITY OF SCOTTS VALLEY

PRINCIPAL CITY OFFICIALS

JUNE 30, 2021

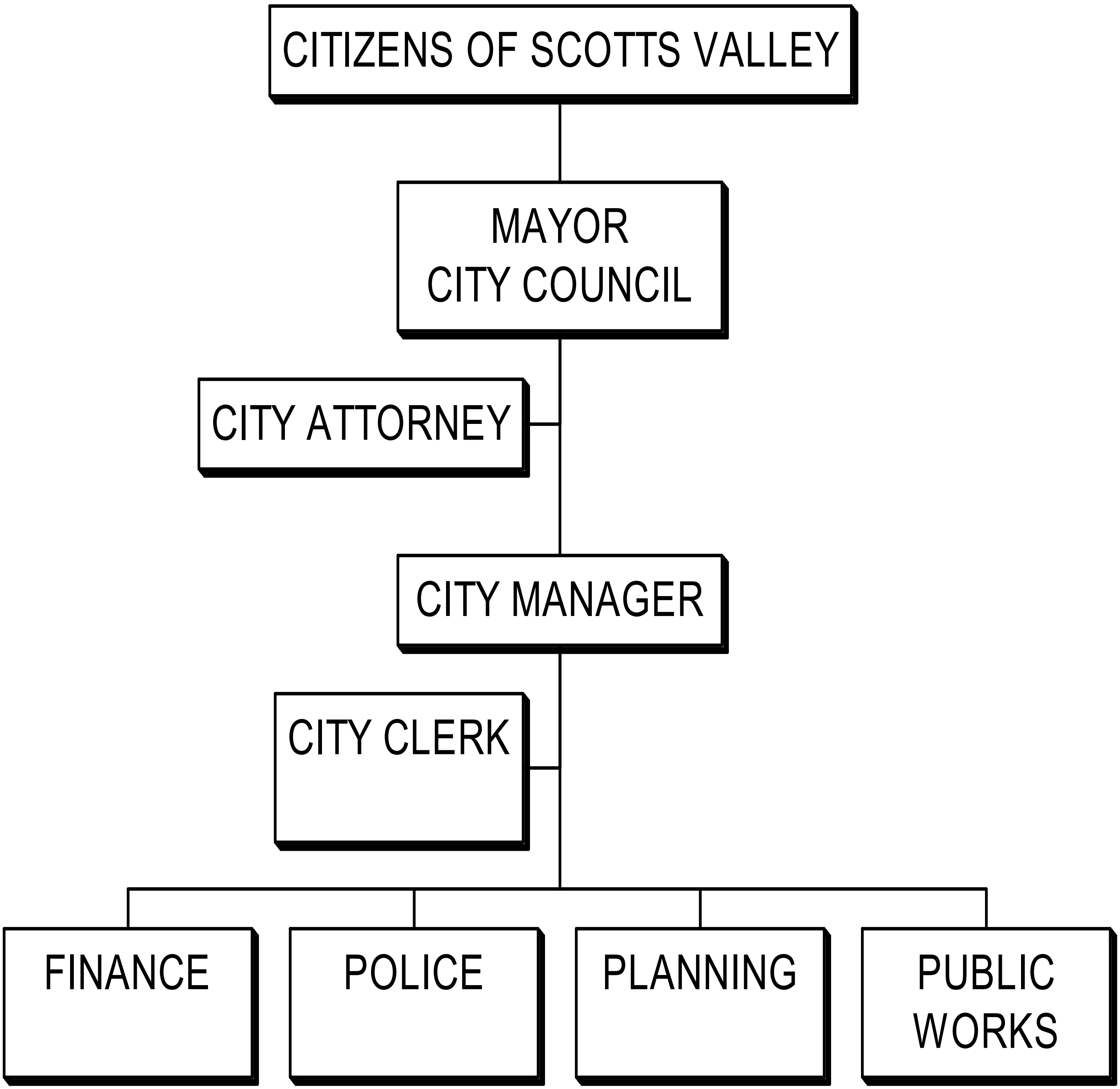
CITY COUNCIL MEMBERS

Derek Timm	**Mayor**
Jim Reed	**Vice Mayor**
Jack Dilles	**Councilmember**
Donna Lind	**Councilmember**
Randy Johnson	**Councilmember**

CHIEF ADMINISTRATIVE OFFICIALS

Mali LaGoe	**City Manager**
Kirsten Powell	**City Attorney**
Tracy Ferrara	**City Clerk**
Steve Walpole, Jr.	**Chief of Police**
Chris Lamm	**Public Works Director**
Taylor Bateman	**Community Development Director**
Casey Estorga	**Administrative Services Director**

CITY OF SCOTTS VALLEY ORGANIZATION CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Scotts Valley
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Scotts Valley
Scotts Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scotts Valley, California (City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information, and OPEB information on pages 5 to 19 and 83 to 90 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 basic 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 of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, major fund budgetary comparison schedules, combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical information on pages 93-179, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The major fund budgetary comparison schedules and combining individual nonmajor fund financial statements and budgetary comparison schedules on pages 93-179 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major fund budgetary comparison schedules and combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 93-179 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Badawi & Associates

Badawi and Associates, CPAs
Berkeley, California
March 14, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Scotts Valley's Annual Comprehensive Financial Report provides a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

The City's net position as of June 30, 2021 is $28,015,721. The current year change in net position is an increase of $3,433,776. Of the total net position, $34,278,715 is invested in capital assets (net of related debt) and $10,529,435 has restrictions on their use leaving a negative $16,792,429 as unrestricted. The current increase in the City's net position is a combination of governmental activities increasing by $3,738,663 and business-type activities decreasing by $304,887.

As of June 30, 2021, the City's governmental funds (General Fund, special revenue funds, debt service funds, and capital project funds) have a combined fund balance of $17,823,116, an increase of $4,456,052 from the previous year. This is a combination of an increase of $2,951,487 in the General Fund, an increase of $1,037,912 in other major funds, and an increase of $466,653 in non-major funds. Of the total City governmental fund balance, $139,532 is non-spendable, $9,782,727 is restricted, $1,330,504 is assigned, and $6,570,353 is unassigned.

In March 2020, ballot, the voters of Scotts Valley approved a ballot initiative for an increase in local transactions and use tax that increased the local sales tax rate from 0.5% to 1.25% effective July 1, 2020, for a period not to exceed twelve years. The previous local transactions and use tax measure went into effect on April 1, 2014. The City recorded revenues from the new measure totaling $6,666,056 for the fiscal year, an increase of $2,630,712 over the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents a combining statement for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

  - The governmental funds statements tell how general government services such as public safety, were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer both short-term and long-term financial information about the activities the government operates like businesses, such as the sewer system and recreation.
  - Fiduciary fund statements provide information about the financial relationships (such as special assessment bond funds) in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed information. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, the City included a section with combining statements that provide details about the City's non-major governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure 1 below summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

Figure 1
Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for another entity's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet, Statement of revenue, expenditures, and changes in fund balances	Statement of net position; Statement of revenues, expenses, and changes in net position; Statement of cash flows	Statement of fiduciary net position; Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, both short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-wide Statement

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets and liabilities. All current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position (the difference between the City's assets and liabilities) is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the City are divided into two categories:

- **Government activities:** Most of the City's basic services are included here, such as the police, public works, planning, building, park/street maintenance, and general administration. Various taxes, franchise fees, service charges, and investment earnings finance most of these activities.
- **Business-type activities:** The City charges fees to customers to help cover the cost of certain services it provides. The City's wastewater system and recreation programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes such as capital project grant funds or to show that it is properly using certain restricted taxes such as gas tax revenues.

The City has three types of funds:

- **Government funds:** Most of the City's basic services are included in government funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, there is additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

- **Proprietary funds:** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Internal service funds (the other kind of proprietary fund) report activities that provide supplies and services for the City's other programs and activities, such as the City's Dental Insurance Program.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

- **Fiduciary funds:** The City is the trustee for some bondholders and fiduciary for others of the City's limited obligation improvement bonds associated with various special assessment districts within the City. The City is also responsible for other assets that, because of a trust arrangement, can be used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

The Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45-80 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the City of Scotts Valley budgetary information, pension plan information and schedules, and post-employment benefits schedule of funding progress.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following analysis pertains to the government-wide statements as described above in the overview of the financial statements.

Net Position: A condensed presentation of the government-wide net position shown below totals $28,015,721 as of June 30, 2021. This is an increase of $3,433,776, or 14%, from the previous year. This is a combination of an increase in assets and decrease in liabilities. The entire Statement of Net Position can be seen on Page 25.

City of Scotts Valley
Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 25,432	$ 22,363	$ 5,043	$ 4,748	$47,795	$27,111
Capital assets, net	32,084	31,547	10,342	10,705	42,426	42,252
Total assets	57,516	53,910	15,385	15,453	72,901	69,363
Deferred outflows of resources	5,013	4,856	1,091	1,125	6,104	5,981
Total assets and deferred outflows of resources	**62,529**	**58,766**	**16,476**	**16,578**	**79,005**	**75,344**
Long-term debt outstanding	38,078	37,455	7,740	7,360	45,818	44,815
Other liabilities	2,403	3,026	210	285	2,613	3,311
Total liabilities	40,481	40,481	7,949	7,645	48,430	48,126
Deferred inflows of resources	2,022	1,998	536	638	2,558	2,636
Total liabilities and deferred inflows of resources	**42,503**	**42,479**	**8,486**	**8,283**	**50,989**	**50,762**
Net position:						
Net investment in capital assets	23,937	24,557	10,342	10,704	34,279	35,261
Restricted	9,783	8,334	747	723	10,530	9,057
Unrestricted	(13,694)	(16,604)	(3,098)	(3,132)	(16,792)	(19,736)
Total net position	$ 20,025	$ 16,287	$ 7,991	$ 8,295	$ 28,016	$24,582

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

The largest portion of the City's total net position of $28 million, $42 million is reflected in its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its residents. Consequently, these assets are not available for future spending.

Although the City of Scotts Valley's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used. An additional portion of the City's total net position, $10.5 million, represents resources that were subject to external restrictions on how they may be used. The remaining ($18.4) million of the City's total net position is "unrestricted" and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted portion of fund balance is negative primarily due to the City's $19.9 million net pension liability, and $15.6 million net OPEB liability.

Changes in Net Position: The change in government-wide net position went from a decrease of $2,116,681 in fiscal year 2020 to an increase of $3,433,776 in FY 2021. This is a result of total revenues increasing by $3,238,749, or 17.8%, and total expenses decreasing by $2,312,108, or 11.4% as illustrated in the table below.

	(in thousands of dollars) 2021	2020
Program revenues	$ 7,032	$ 6,468
General revenues	14,334	11,659
Governmental expenses	(14,275)	(15,765)
Business-type expenses	(3,657)	(4,479)
Net increase (decrease)	3,434	(2,117)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

Revenues: Program revenues for governmental activities increased by $1,254,912, or 46%. This is made up of an increase in capital grants and contributions of $175,475 and an increase in operating grants and contributions of $793,232, and an increase in charges for services of $286,205. This is due to the completion of certain grant funded capital projects in FY 2021.

Program revenues for business-type activities decreased $690,534, or 18%. This consists of a decrease in charges for services of $775,525 offset by an increase in capital grants and contributions of $84,991. Charges for services in Wastewater decreased by $97,963, or 3%, due to a decrease in commercial usage. Charges for services in recreation programs, however, decreased by $677,562, or 95%, due primarily to the ongoing impact related to the COVID-19 pandemic. The increase in capital grants and contributions was due to certain wastewater system improvements.

Expenses: Governmental activities expenses decreased by $1,489,479, or 9%. This decrease is the net effect of reduced expenses associated with vacancies in general government, public safety, and planning and building, partially offset by increases in public works and interest expenses.

Expenses for business-type activities decreased by $822,229, or 18%. Wastewater expenses increased by $937,889, or 41%, due to certain wastewater improvements. Recreation expenses decreased by $1,760,118, or 80%, due to the prior reduction in recreation staffing as a result of the continued effects related to the COVID-19 pandemic.

	Expenses		Program Revenues (in thousands) Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Governmental activities:										
General government	3,119	3,830	99	165	-	-	-	-	99	165
Public safety	5,520	6,412	108	78	-	-	267	92	375	170
Planning and building	1,388	1,450	1,201	835	-	-	-	-	1,201	835
Public works	3,912	3,692	298	342	1,985	1,191	-	-	2,283	1,533
Interest	336	382	-	-	-	-	-	-	-	-
Total governmental activities	$ 14,275	$ 15,766	$ 1,706	$ 1,420	$ 1,985	$ 1,191	$ 267	$ 92	$ 3,958	$ 2,703
Business-type activities:										
Wastewater	3,206	2,268	2,925	3,023	-	-	116	31	3,041	3,054
Recreation programs	451	2,211	33	710	-	-	-		33	710
Total business-type activities	$ 3,657	$ 4,479	$ 2,958	$ 3,733	$ -	$ -	$ 116	$ 31	$ 3,074	$ 3,764

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

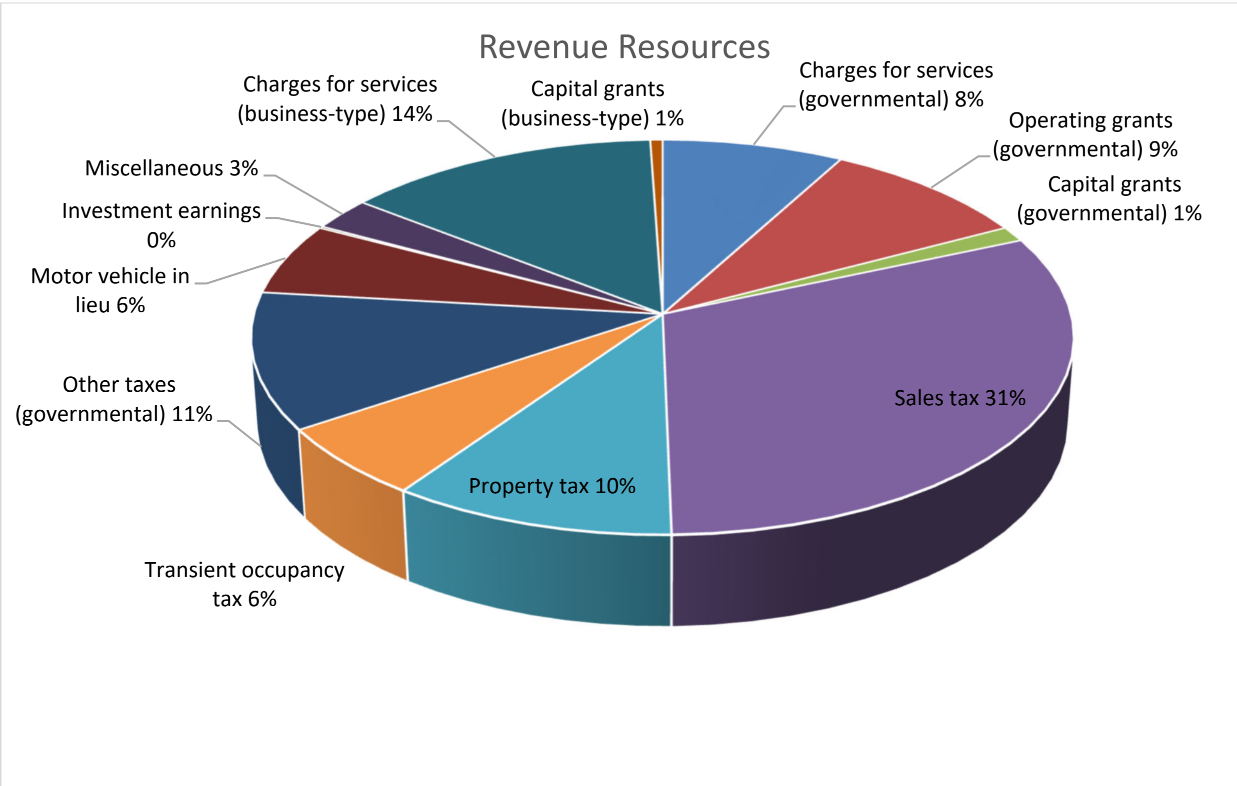
Statement of Activities/Change in Net Position: Below is a table of the current and prior fiscal year recap of the changes in net position. The entire Statement of Activities can be seen on Pages 26-27.

Statement of Activities
Change in Net Position
(in thousands of dollars)

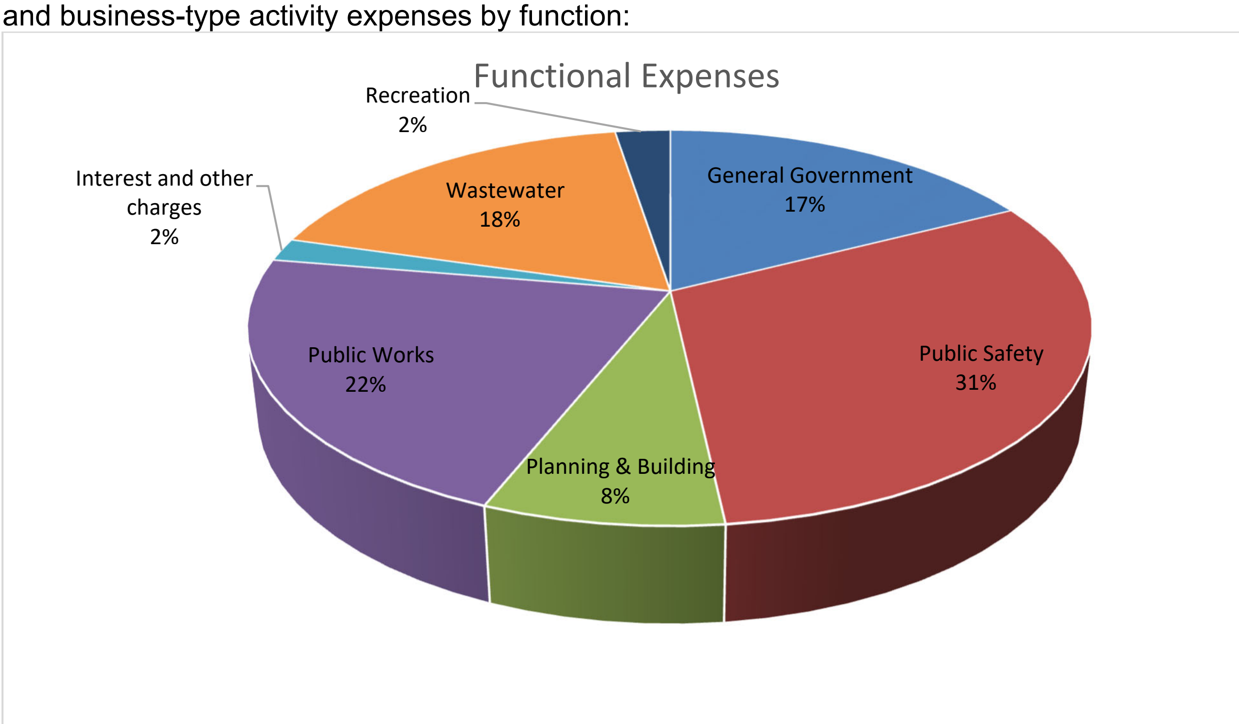
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	$ 1,706	$ 1,420	$ 2,958	$ 3,733	$ 4,664	$ 5,153
Operating grants	1,985	1,192	-	-	1,985	1,192
Capital grants	267	92	116	31	383	123
General revenues:					-	
Sales tax	6,666	4,035	-	-	6,666	4,035
Property tax	2,143	2,205	-	-	2,143	2,205
Other taxes	3,652	3,616	-	-	3,652	3,616
Motor vehicle in lieu	1,267	1,205	-	-	1,267	1,205
Investment earnings	34	244	35	44	69	288
Miscellaneous	569	311	-	-	569	311
Total revenues	18,289	14,320	3,109	3,808	21,398	18,128
Expenses:						
General Government	3,119	3,830	-	-	3,119	3,830
Public Safety	5,520	6,412	-	-	5,520	6,412
Planning & Building	1,388	1,450	-	-	1,388	1,450
Public Works	3,911	3,691	-	-	3,911	3,691
Interest on Debt	336	382	-	-	336	382
Wastewater			3,205	2,268	3,206	2,268
Recreation			451	2,211	451	2,211
Total expenses	14,274	15,765	3,656	4,479	17,932	20,244
Excess of (Deficiency)	4,013	(1,445)	(579)	(671)	3,434	(2,116)
Sale of Real Property	-	-	-	-	-	-
Transfers	(275)	(300)	275	300	-	-
Change in net position	$ 3,738	$ (1,745)	$ (305)	$ (371)	$ 3,433	$ (2,116)
Net position:						
Beginning of year	16,287		8,295			
End of year	$ 20,025		$ 7,990			

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

Revenue Chart: As shown in the Statement of Activities, revenues for FY 2020-21 totaled $21.4 million. The following graph includes program and general revenues and shows the percentage of total governmental and business-type revenues by source:



Expense Chart: As shown in the Statement of Activities, expenses for FY 2020-21 totaled $17.9 million. The following graph includes expenses and shows the percentage of total governmental and business-type activity expenses by function:



FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

Net Cost of Services: The following table presents the total cost of each of the City's governmental and business-type activities as well as each activity's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial commitment that was placed on the City's taxpayers by each of these functions.

For governmental activities, total costs of $14,275,444 were offset by Program Revenues of $3,958,348 which included charges for services of $1,706,444, operating grants/contributions of $1,984,759, and capital grants/contributions of $267,145, bringing the net cost of services to $10,317,096. This is a decrease in net cost of $2,744,391 from the prior fiscal year.

For business-type activities, total costs of $3,656,979 was offset by charges for services of $2,957,820 and capital grants/contributions $116,195, bringing the net cost of services to $582,964. This is a decrease in net cost of $131,695 from the prior fiscal year.

Net Cost of Government and Business-type Activities

	Total Cost of Services	Program Revenue	Net Cost of Services
General Government	$ 3,118,926	$ 99,843	$ 3,019,083
Public Safety	5,520,484	375,385	5,145,099
Planning and Building	1,388,104	1,200,696	187,408
Public Works	3,911,638	2,282,424	1,629,214
Interest on long-term debt	336,292	-	336,292
Total Government	$ 14,275,444	$ 3,958,348	$ 10,317,096
Wastewater	3,205,744	2,925,142	164,407
Recreation	451,235	32,678	418,557
Total business-type	$ 3,656,979	$ 2,957,820	$ 582,964

A description of each program is listed below:

- General Government expenses comprise approximately 17% of all expenses. This includes City Council, City Manager, City Clerk, City Attorney, Finance, Administrative Services, and Risk Management. These programs are offset by administrative support fees and grants.
- Public Safety expenses comprise 31% of all expenses. Revenues from fines, citations, grants, and animal services partially offset the cost of this program.
- Planning and Building expenses comprise approximately 8% of all expenses. Various building and planning fees, along with grant revenues, assist in funding these program costs.
- Public Works expenses comprise 22% of all expenses. This includes street, facility, park and fleet maintenance. Costs are partially offset by taxes and various fees.
- Interest on long-term debt comprises 2% of all expenses. The interest expense is used to pay long-term debt obligations.
- Wastewater expenses comprises 18% of all expenses. Sewer service fees and charges to customers help to offset expenses.
- Recreation expenses comprise 3% of all expenses. These programs are primarily funded through recreational program revenues and the general fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The following analysis pertains to the fund financial statements (pages 31-41) in the overview of the financial statements.

There are no restrictions, commitments, or other limitations that would significantly affect the availability of fund resources for the future.

To provide an overview of the City's funds, below is a table showing the increases and (decreases) to total assets, liabilities, revenues, and expenditures of the City fund types from FY 2019-20 to FY 2020-21. The total revenues and expenditures do not include any "other financing sources (uses)."

	Increase (Decrease) from Prior year			
	Assets	Laibilities	Revenue	Expenditure
General Fund	$ (3,196,784)	$ 265,749	$ 3,449,669	$ 26,041
Special Revenue Funds	967,533	(604,584)	816,366	423,652
Debt Service Funds	720	2,494	(20,104)	(3,621)
Capital Project Funds	(62,428)	934,194	(128,236)	(224,044)
Totals	$ (2,290,959)	$ 597,853	$ 4,117,695	$ 222,028

The largest increase in assets of City funds were assets in the Special Revenue Funds of $967,533 and are attributed to a culmination of increase in receivables. The largest increase in liabilities of City funds were $934,194, in the Capital Project Funds and are attributed to payables for construction work completed related to repair of Skypark and on-going library improvements.

The largest decrease in revenues was $128,236 in the Capital Project Funds, which reflect a decrease in facility and building rentals and other miscellaneous revenues. The increase of $423,652 in Special Revenue Funds expenditures was due to a variety of factors including increased traffic impact fees and contracted services costs associated with capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. Its revenues are primarily derived from taxes and charges for services, which are used to pay for the traditional services provided by local government, public safety, parks, community development (building and planning), and public works.

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Revenues:

SUMMARY OF GENERAL FUND REVENUES
BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes and assessments	$ 10,010,225	$ 10,010,225	$ 12,074,851	$ 2,064,626
Franchise fees	1,033,000	1,033,000	1,044,899	11,899
Intergovernmental revenue	-	-	151,875	151,875
Fees and services	666,920	946,920	1,235,634	288,714
Fines and forfeitures	25,200	25,200	17,510	(7,690)
Investment earnings	69,000	69,000	27,816	(41,184)
Miscellaneous revenue	489,000	489,000	416,665	(72,335)
Transfer in	235,000	235,000	235,000	-
Total revenues	**$ 12,528,345**	**$ 12,808,345**	**$ 15,204,250**	**$ 2,395,905**

FY 2020-21 General Fund revenue budget reflects an amendment to the adopted budget that was approved by City Council during the year.

Actual revenues were above final budgeted amounts by $2,064,626. Property tax revenue exceeded budget projections by $241,531 due to better-than-anticipated assessed valuations on properties. Sales taxes also finished the year with $2,025,056 above budget projections. Favorable sales tax receipts are a result of the implementation of Measure Z. The largest deficiencies came from miscellaneous revenue and investment earnings, which were $113,519 below original projections, and business license taxes.

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Expenses:

SUMMARY OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts	Final Budget
Expenditures:				
General governement	$ 3,639,192	$ 3,669,192	$ 2,983,136	$ (686,056)
Public Safety	5,736,599	5,806,599	5,027,754	(778,845)
Planning and Building	1,231,655	1,266,655	1,224,670	(41,985)
Public Works	1,188,970	1,308,970	1,445,092	136,122
Capital outlay	2,000	2,000	83,460	81,460
Debt service	448,758	448,758	716,878	268,120
Transfers out	-	300,000	771,773	471,773
Total expenditures	**$ 12,247,174**	**$ 12,802,174**	**$ 12,252,763**	**$ (549,411)**

FY 2020-21 General Fund revenue reflects an amendment to the adopted budget that was approved by City Council during the year.

Actual expenses, prior to transfers, were $1,021,184 below the final adopted budget. The departments that were lower than budgeted were General government ($686,056), Public Safety ($778,845), and Planning and Building ($41,985). Public Works expenditures, however, finished the year $136,122 above the final adopted budget. This was primarily due to major Skypark repairs and library improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: A recap of the City's capital assets, net of accumulated depreciation, is shown in the table below. The City-wide increase (net of depreciation) is $173,879. The governmental activities had net capital asset additions of $536,835 with a current year depreciation of $1,444,690. Business-type activities had a net capital asset decrease of $362,956 with a current year depreciation expense of $760,601.

City of Scotts Valley
Capital Assets, Net of Depriation
(in thousands of dollars)

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 7,012	$ 7,012	$ 529	$ 529	$ 7,541	$ 7,541
Building and improvements	3,560	3,600	1,201	1,322	4,761	4,922
Equipment	469	417	1,088	1,223	1,557	1,640
Infrastructure	19,902	18,887	7,229	7,409	27,131	26,296
Outfall Agreement	-	-	53	56	-	56
Construction in progress	1,141	1,631	241	166	1,382	1,797
Total	**$ 32,084**	**$ 31,547**	**$ 10,341**	**$ 10,705**	**$ 42,425**	**$ 42,252**

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-term Debt: A recap of the City's long-term debt is shown below. Total long-term debt increased $777,390, or 1.7%. In the prior year, the City refinanced its obligations in three certificates of participation issuances (i.e., 1997-1 Refunding, 2003 Capital Improvement, and 2013 Refunding) by issuing a series of tax exempt and taxable lease revenue refunding bonds (PFA Series 2019A and 2019B) to take advantage of low interest rates and reduce its long-term debt service obligations. Long-term borrowing in bonds and installment notes increased by a net amount of $209,710. The net OPEB obligation increased in total $151,144, consisting of an increase in governmental activities of $120,355 and an increase in business activities of $30,789. The net pension obligation increased by $777,390, consisting of increases in both governmental activities by $457,412 and business activities by $319,978. More detailed information about the City's long-term debt is presented in Notes 6, 7, & 8 to the financial statements.

City of Scotts Valley
Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Certificates of participation	$ -	$ -	$ -	$ -	$ -	$ -
Lease Revenue refunding bonds	8,838	9,298		-	8,838	9,298
Pension Obligation Bonds	1,615	1,980		-	1,615	1,980
Installment note	70	75		-	70	75
Accrued compensated absences	619	611	106	136	725	747
Net pension liability	15,451	14,292	4,452	4,133	19,903	18,425
Net OPEB liability	12,483	12,362	3,193	3,162	15,676	15,524
Total	**$ 39,076**	**$ 38,618**	**$ 7,751**	**$ 7,431**	**$ 46,827**	**$ 46,049**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETCOVID-19

As of June 30, 2021, the City was awarded an approximated $1.5 million in federal, state, and local relief funding, including $144,375 in Coronavirus Relief Fund under the Cares Act and $1,406,262 million under the American Rescue Plan Act (ARPA) funding in order to address the impact of the COVID-19 pandemic.

The FY 2021 budget was modified to increase revenue estimates for reimbursements related to the CZU fire for Skypark repairs and COVID-19.

The FY 2022 budget included modest increases to retirement, workers compensation, and contractual services. The budget focused on service and sustainability. While developing the budget, staff continued to be guided by the City Council to help the community and organization meet the health, economic, and social challenges due to the COVID-19 pandemic.
Capital projects proposed in FY 2021-22 will enhance the safety and effectiveness of the City's wastewater treatment plant, implement improvements to the City roadways and sidewalk systems, comply with storm drain regulations, implement improvements to City parks and buildings to better conform to the requirements of the Americans with Disabilities Act (ADA),

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

improve City library and government facilities, and improve the City's information technology infrastructure.

Budget Outlook

The City's financial outlook remains sound despite the difficulties brought on by the COVID-19 pandemic and subsequent public health emergency and economic crisis. Sales tax receipts returned to expected high levels and while volatile in economic downturns, continue to support City operations. While other revenue sources, including transient occupancy tax, have seen dramatic declines due to the impacts of the pandemic, the reduction strategies adopted by the City Council to align service levels with structural resources allows the City to look toward restoration and maintaining services in future periods as supporting resources return. Staff will continue to monitor the long-term budget situation, both locally and at the State level, to keep the City Council informed of critical economic events that may impact the sustainability of the City's spending plan.

Further, staff will continue to assess the City's operations and service delivery models to achieve efficiencies where possible. While in an enviable financial position considering the ongoing economic uncertainty, the City must continue to focus its efforts on priority fiscal initiatives such as adequate funding of infrastructure, thoughtful comprehensive planning, and optimization of business and residential development opportunities. Additionally, as new long-term needs are identified, the appropriate resources to meet those needs must also be identified.

Lastly, the City must maintain financial flexibility to ensure it is able to continue to quickly respond to changes in the economy and major revenue sources as evidenced by the current uncertain and unprecedented situation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the residents, taxpayers, customers, investors, and creditors of Scotts Valley with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Scotts Valley Finance Department, 1 Civic Center Drive, Scotts Valley, CA 95066.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Scotts Valley
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 15,970,724	$ 3,139,222	$ 19,109,946
Receivables	1,971,191	303,857	2,275,048
Total current assets	17,941,915	3,443,079	21,384,994
Noncurrent assets:			
Advances to Redevelopment Successor Agency	4,146,928	1,600,000	5,746,928
Loans receivable	3,310,211	-	3,310,211
Restricted cash with fiscal agent	33,184	-	33,184
Capital assets:			
Nondepreciable	8,153,128	770,551	8,923,679
Depreciable, net	23,930,372	9,571,001	33,501,373
Net capital assets	32,083,500	10,341,552	42,425,052
Total noncurrent assets	39,573,823	11,941,552	51,515,375
Total assets	57,515,738	15,384,631	72,900,369
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pension	3,165,207	813,380	3,978,587
Deferred outflows from OPEB	1,086,201	277,865	1,364,066
Deferred loss on refunding	761,768	-	761,768
Total deferred outflows of resources	5,013,176	1,091,245	6,104,421
LIABILITIES			
Current liabilities:			
Accounts payable	542,384	185,029	727,413
Accrued liabilities	53,946	7,160	61,106
Deposits payable	719,359	-	719,359
Unearned revenue	1,000	6,336	7,336
Long-term debt - current portion	1,086,420	58,459	1,144,879
Total current liabilities	2,403,109	256,984	2,660,093
Non-current liabilities:			
Accrued interest	89,135	-	89,135
Long-term debt - noncurrent portion	10,055,190	47,248	10,102,438
Net pension liability	15,451,430	4,452,220	19,903,650
Net OPEB liability	12,482,727	3,193,256	15,675,983
Total noncurrent liabilities	38,078,482	7,692,724	45,771,206
Total liabilities	40,481,591	7,949,708	48,431,299
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	725,695	204,653	930,348
Deferred inflows from OPEB	1,295,911	331,511	1,627,422
Total deferred inflows of resources	2,021,606	536,164	2,557,770
NET POSITION			
Net investment in capital assets	23,937,163	10,341,552	34,278,715
Restricted for:			-
Debt services	33,184	-	33,184
Low mod housing	2,661,760	-	2,661,760
Public safety	563,137	-	563,137
Public project	3,562,213	746,708	4,308,921
Parks & recreations	1,956,028	-	1,956,028
Others	1,006,405	-	1,006,405
Total Restricted:	9,782,727	746,708	10,529,435
Unrestricted	(13,694,173)	(3,098,256)	(16,792,429)
Total net position	$ 20,025,717	$ 7,990,004	$ 28,015,721

See accompanying Notes to Basic Financial Statements

City of Scotts Valley
Statement of Activities
For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Primary Government:					
Governmental activities:					
General government	$ 3,118,926	$ 99,843	$ -	$ -	$ 99,843
Public safety	5,520,484	108,240	-	267,145	375,385
Planning and building	1,388,104	1,200,696	-	-	1,200,696
Public works	3,911,638	297,665	1,984,759	-	2,282,424
Interest	336,292	-	-	-	-
Total governmental activities	14,275,444	1,706,444	1,984,759	267,145	3,958,348
Business-type activities:					
Wastewater	3,205,744	2,925,142	-	116,195	3,041,337
Recreation programs	451,235	32,678	-	-	32,678
Total business-type activities	3,656,979	2,957,820	-	116,195	3,074,015
Total primary government	$ 17,932,423	$ 4,664,264	$ 1,984,759	$ 383,340	$ 7,032,363

General Revenues and transfers:

Taxes:

Sales tax

Property tax

Franchise tax

Transient occupancy tax

Utility users' tax

Other taxes

Motor vehicle in-lieu

Investment earnings

Miscellaneous revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (3,019,083)	$ -	$ (3,019,083)
(5,145,099)	-	(5,145,099)
(187,408)	-	(187,408)
(1,629,214)	-	(1,629,214)
(336,292)	-	(336,292)
(10,317,096)	-	(10,317,096)
-	(164,407)	(164,407)
-	(418,557)	(418,557)
-	(582,964)	(582,964)
$ (10,317,096)	$ (582,964)	$ (10,900,060)
6,666,056	-	6,666,056
2,142,631	-	2,142,631
1,044,899	-	1,044,899
1,261,100	-	1,261,100
828,420	-	828,420
517,171	-	517,171
1,266,561	-	1,266,561
34,203	3,493	37,696
569,302	-	569,302
(274,584)	274,584	-
14,055,759	278,077	14,333,836
3,738,663	(304,887)	3,433,776
16,287,054	8,294,891	24,581,945
$ 20,025,717	$ 7,990,004	$ 28,015,721

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

City of Scotts Valley

Balance Sheet

Governmental Funds

June 30, 2021

		Special Revenue Funds			
	General Fund	Successor Housing Agency	General Facilities Fund	Traffic Impact Mitigation Fund	Lennar Fund
ASSETS					
Cash and investments	$ 5,085,686	$ 2,025,698	$ 92,697	$ 665,289	$ 716,150
Receivables:					
Due from other governments	1,876,445	-	-	-	-
Other	-	-	-	-	-
Due from other funds	338,932	-	-	-	-
Advances to other funds	139,532	-	-	-	-
Notes receivable	-	650,000	-	-	-
Restricted cash with fiscal agent	33,184	-	-	-	-
Total assets	$ 7,473,779	$ 2,675,698	$ 92,697	$ 665,289	$ 716,150
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 387,046	$ 13,938	$ -	$ -	$ -
Accrued liabilities	53,259	-	-	-	-
Deposits	-	-	-	-	716,150
Unearned Revenues	1,000	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	139,532	-	-
Total liabilities	441,305	13,938	139,532	-	716,150
Fund balances:					
Nonspendable	139,532	-	-	-	-
Restricted	33,184	2,661,760	-	665,289	-
Assigned	-	-	-	-	-
Unassigned	6,859,758	-	(46,835)	-	-
Total fund balances	7,032,474	2,661,760	(46,835)	665,289	-
Total liabilities, deferred inflows of resources, and fund balances	$ 7,473,779	$ 2,675,698	$ 92,697	$ 665,289	$ 716,150

Capital Projects Fund		
General Capital Improvements	Nonmajor Governmental Funds	Total
$ 966,626	$ 6,380,075	$ 15,932,221
-	-	1,876,445
-	94,746	94,746
-	-	338,932
-	-	139,532
-	550,000	1,200,000
-	-	33,184
$ 966,626	$ 7,024,821	$ 19,615,060
$ 35,812	$ 105,588	$ 542,384
-	687	53,946
-	-	716,150
-	-	1,000
-	338,932	338,932
-	-	139,532
35,812	445,207	1,791,944
-	-	139,532
930,814	5,491,680	9,782,727
-	1,330,504	1,330,504
-	(242,570)	6,570,353
930,814	6,579,614	17,823,116
$ 966,626	$ 7,024,821	$ 19,615,060

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City of Scotts Valley
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	$ 17,823,116
Amounts reported for governmental activities in the Statement of Net Position	
Long-term advances to the Redevelopment Successor Agency are not current financial resources and, therefore, are offset in the Governmental Funds.	4,146,928
Long-term loans receivable are not current financial resources and, therefore, are offset in the Governmental Funds.	2,110,211
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:	
Non-depreciable	8,153,128
Depreciable, net	23,930,372
Deferred outflows of resources reported on the Government-wide Statement of Net Position:	
Deferred outflows - pension	3,165,207
Deferred outflows - OPEB	1,086,201
Deferred loss on refunding	761,768
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	(89,135)
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.	35,294
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet:	
Net pension liability	(15,451,430)
Net OPEB liability	(12,482,727)
Long term liabilities - due within one year	(1,086,420)
Long term liabilities - due in more than one year	(10,055,190)
Deferred inflows of resources reported on the Government-wide Statement of Net Position:	
Deferred pension inflows	(725,695)
Deferred OPEB inflows	(1,295,911)
Net Position of Governmental Activities	$ 20,025,717

See accompanying Notes to Basic Financial Statements

City of Scotts Valley

Statement of Revenues, Expenditures and Changes in Fund Balances

Govermental Funds

For the year ended June 30, 2021

		Special Revenue Funds			
	General Fund	Successor Housing Agency Fund	General Facilities Fund	Traffic Impact Mitigation Fund	Lennar Fund
REVENUES:					
Taxes and assessments	$ 13,119,750	$ -	$ -	$ -	$ -
Intergovernmental revenues	151,875	-	-	-	-
Fees and services	1,235,634	118,240	8,904	76,474	-
Fines and forfeitures	17,510	-	-	-	-
Contributions from non-government	-	-	-	-	-
Facility and building rental	-	155,255	-	-	-
Investment earnings	27,816	331	74	650	-
Miscellaneous revenues	416,665	648	-	-	-
Total revenues	14,969,250	274,474	8,978	77,124	-
EXPENDITURES:					
Current:					
General government	2,983,136	-	139	-	-
Public safety	5,027,754	-	-	-	-
Planning and building	1,224,670	96,992	-	-	-
Public works	1,445,092	-	-	54,715	-
Capital outlay	83,460	-	-	-	-
Debt service:					
Principal	450,000	-	-	-	-
Interest and fiscal charges	266,878	-	-	-	-
Total expenditures	11,480,990	96,992	139	54,715	-
REVENUES OVER (UNDER) EXPENDITURES	3,488,260	177,482	8,839	22,409	-
OTHER FINANCING SOURCES (USES):					
Transfers in	235,000	-	-	-	-
Transfers out	(771,773)	-	-	-	-
Total other financing sources (uses)	(536,773)	-	-	-	-
Net change in fund balances	2,951,487	177,482	8,839	22,409	-
FUND BALANCES (DEFICITS):					
Beginning of year	4,080,987	1,589,318	(55,674)	642,880	-
Prior period adjustments	-	894,960	-	-	-
Beginning of year, as restated	4,080,987	2,484,278	(55,674)	642,880	-
End of year	$ 7,032,474	$ 2,661,760	$ (46,835)	$ 665,289	$ -

Capital Projects Fund: General Capital Improvements Fund	Nonmajor Governmental Funds	Total
$ -	$ 1,001,235	$ 14,120,985
-	1,505,503	1,657,378
79,304	249,936	1,768,492
-	-	17,510
-	1,653	1,653
-	-	155,255
952	4,333	34,156
134,634	47,164	599,111
214,890	2,809,824	18,354,540
-	-	2,983,275
-	2,354	5,030,108
-	14,869	1,336,531
70,865	375,575	1,946,247
209,803	1,767,544	2,060,807
-	365,000	815,000
-	80,018	346,896
280,668	2,605,360	14,518,864
(65,778)	204,464	3,835,676
-	497,189	732,189
-	(235,000)	(1,006,773)
-	262,189	(274,584)
(65,778)	466,653	3,561,092
996,592	6,112,961	13,367,064
-	-	894,960
996,592	6,112,961	14,262,024
$ 930,814	$ 6,579,614	$ 17,823,116

City of Scotts Valley

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

For the year ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	$ 3,561,092
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported asset acquisitions as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	1,983,525
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(1,446,690)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	(7,157)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	815,000
Amortization of debt issuance premium and refunding loss, which were not recorded in governmental funds.	(18,855)
Pension expenses and other postemployment benefits (OPEB) were reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, the increase or decrease in the net pension liability and other postemployement benefits liability were not reported as an expenditure or (credit) in governmental funds:	
Deferred outflows - pension	53,391
Deferred outflows - OPEB	136,954
Net pension liability	(1,159,165)
Net OPEB liability	(120,355)
Deferred inflows - pension	218,839
Deferred inflows - OPEB	(242,261)
Accrual of interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in accrued interest on long-term debt was not reported as an expenditures in the governmental funds.	29,459
Repayment of long-term loans receivable is reported as income in governmental funds, but the repayment reduces long-term assets in the Statement of Net Position.	(65,897)
An internal service fund is used by management to charge the costs of dental insurance to individuals fund. The net expense of this internal service fund is reported with governmental activities	783
Change in Net Position of Governmental Activities	$ 3,738,663

See accompanying Notes to Basic Financial Statements

City of Scotts Valley
Statement of Net Position
Proprietary Funds
June 30, 2021

	Enterprise Funds			
	Recreation Fund	Wastewater Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and investments	$ 220	$ 3,139,002	$ 3,139,222	$ 38,503
Receivables:				
Sewer fees	-	162,907	162,907	-
Other	9,989	130,961	140,950	-
Advances to Successor Agency	-	1,600,000	1,600,000	-
Total current assets	10,209	5,032,870	5,043,079	38,503
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	770,551	770,551	-
Depreciable, net	-	9,571,001	9,571,001	-
Total capital assets	-	10,341,552	10,341,552	-
Total noncurrent assets	-	10,341,552	10,341,552	-
Total assets	10,209	15,374,422	15,384,631	38,503
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	376,932	436,448	813,380	-
Deferred outflows related to OPEB	126,302	151,563	277,865	-
Total deferred outflows of resources	503,234	588,011	1,091,245	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,257	183,772	185,029	3,209
Accrued liabilities	846	6,314	7,160	-
Compensated absences - current portion	12,276	46,183	58,459	-
Unearned revenues	6,336	-	6,336	-
Total current liabilities	20,715	236,269	256,984	3,209
Noncurrent liabilities:				
Compensated absences - noncurrent portion	9,474	37,774	47,248	
Net pension liability	2,063,224	2,388,996	4,452,220	-
Net OPEB liability	1,451,480	1,741,776	3,193,256	-
Total noncurrent liabilities	3,524,178	4,168,546	7,692,724	-
Total liabilities	3,544,893	4,404,815	7,949,708	3,209
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	94,839	109,814	204,653	-
Deferred inflows related to OPEB	150,686	180,825	331,511	-
Total deferred inflows of resources	245,525	290,639	536,164	-
NET POSITION				
Net investment in capital assets	-	10,341,552	10,341,552	-
Restricted for capital improvements	-	746,708	746,708	-
Unrestricted	(3,276,975)	178,719	(3,098,256)	35,294
Total net position	$ (3,276,975)	$ 11,266,979	$ 7,990,004	$ 35,294

City of Scotts Valley

Statement of Revenues, Expenditures and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2021

	Enterprise Funds			
	Recreation Fund	Wastewater Fund	Total	Internal Service Fund
OPERATING REVENUES:				
Fees and services	$ 32,678	$ 2,925,142	$ 2,957,820	$ 46,698
Total operating revenues	32,678	2,925,142	2,957,820	46,698
OPERATING EXPENSES:				
Salaries	77,300	504,777	582,077	-
Taxes and benefits	255,938	494,366	750,304	-
Maintenance and operations	14,848	813,361	828,209	65
Advertising	-	-	-	-
Professional and contractual services	39	154,247	154,286	-
Utilities and communications	5,890	387,212	393,102	-
Insurance and bonds	97,220	91,180	188,400	45,898
Depreciation	-	760,601	760,601	-
Total operating expenses	451,235	3,205,744	3,656,979	45,963
OPERATING INCOME (LOSS)	(418,557)	(280,602)	(699,159)	735
NONOPERATING REVENUE (EXPENSES)				
Interest income	1,621	1,872	3,493	48
Total nonoperating revenues (expenses)	1,621	1,872	3,493	48
OTHER FINANCING SOURCES (USES):				
Capital contributions	-	116,195	116,195	-
Transfers in	354,905	-	354,905	-
Transfers out	(29,981)	(50,340)	(80,321)	-
Total contributions and transfers	324,924	65,855	390,779	-
Change in net position	(92,012)	(212,875)	(304,887)	783
NET POSITION:				
Beginning of year	(3,184,963)	11,479,854	8,294,891	34,511
End of year	$ (3,276,975)	$ 11,266,979	$ 7,990,004	$ 35,294

City of Scotts Valley
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2021

	Enterprise Funds			
	Recreation Fund	Wastewater Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	$ 27,566	$ 3,618,954	$ 3,646,520	$ 46,698
Payments for goods and services	(133,339)	(1,415,058)	(1,548,397)	(43,389)
Payments to employees	(220,772)	(860,077)	(1,080,849)	-
Net cash provided by (used in) operating activities	(326,545)	1,343,819	1,017,274	3,309
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash receipts from other funds	354,905	-	354,905	-
Cash disbursements to other funds	(29,981)	(50,339)	(80,320)	-
Net cash provided by (used in) noncapital financing activities	324,924	(50,339)	274,585	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash receipts of connection and standby fees	-	116,195	116,195	-
Acquisition of capital assets	-	(397,645)	(397,645)	-
Net cash provided by (used in) capital and related financing activities	-	(281,450)	(281,450)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	1,621	1,871	3,492	48
Net cash provided by (used in) investing activities	1,621	1,871	3,492	48
Net Cash Flows	-	1,013,901	1,013,901	3,357
CASH AND CASH EQUIVALENTS - Beginning of Year	220	2,125,101	2,125,321	35,146
CASH AND CASH EQUIVALENTS - End of Year	$ 220	$ 3,139,002	$ 3,139,222	$ 38,503
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ (418,557)	$ (280,602)	$ (699,159)	$ 735
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	760,601	760,601	-
Changes in assets and liabilities:				
(Increase) decrease in receivables	25,320	693,812	719,132	-
(Increase) decrease in deferred outflows of resources	8,022	25,496	33,518	-
Increase (decrease) in accounts payable	(3,182)	53,981	50,799	2,574
Increase (decrease) in accrued liabilities	(12,160)	(23,039)	(35,199)	-
Increase (decrease) in compensated absences	(49,728)	19,428	(30,300)	-
Increase (decrease) in unearned revenues	(30,432)	-	(30,432)	-
Increase (decrease) in net pension liability	184,710	134,779	319,489	-
Increase (decrease) in net OPEB liability	13,995	16,794	30,789	-
Increase (decrease) in deferred inflows of resources	(44,533)	(57,431)	(101,964)	-
Net cash provided by (used in) operating activities	$ (326,545)	$ 1,343,819	$ 1,017,274	$ 3,309

City of Scotts Valley

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	Successor Agency Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments held for others, restricted	$ 1,342,657	$ 684,511
Cash and investments held in accordance with bond indentures, restricted	281	358,180
Receivabes	-	5,117
Capital assets:		
Nondepreciable	5,386,012	-
Depreciable, net	5,164,588	-
Total assets	11,893,538	1,047,808
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding of debt	982,237	-
Total deferred outflows of resources	982,237	-
LIABILITIES		
Accrued interest payable	542,657	-
Long-term debt:		
Due in one year	545,000	-
Due in more than one year	16,278,188	-
Total liabilities	17,365,845	-
NET POSITION:		
Held in trust for dissolution of RDA	(4,490,070)	-
Held for bond holders	-	1,047,808
Total net position	$ (4,490,070)	1,047,808

City of Scotts Valley
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2021

	Successor Agency Private Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Redevelopment Property Tax Trust Fund	$ 2,412,310	$ -
Assessment revenue	-	423,434
Deposits received	-	12,650
Total additions	2,412,310	$ 436,084
DEDUCTIONS		
Administrative expenses	70,111	15,729
Bond payments	-	401,965
Deposit payments	-	68,555
Enforceable obligations of former Redevelopment Agency	340,805	-
Depreciation	171,995	-
Interest expense	421,610	-
Amortization expense	51,697	-
Total deductions	1,056,218	486,249
Change in fiduciary net position	1,356,092	$ (50,165)
NET POSITION:		
Beginning of year, as restated	(5,846,162)	1,097,973
End of year	$ (4,490,070)	1,047,808

See accompanying Notes to Basic Financial Statements

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NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Scotts Valley, California, (City) have been prepared in conformity with accounting principles generally accepted in the Unites States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City of Scotts Valley was incorporated in 1966 as a general law city of the State of California, and is governed by an elected five member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the City's operations and data from these units are combined with data of the City. The City has no discretely presented component units. The following entity is reported as a blended component unit:

The *Scotts Valley Public Financing Authority* (Authority) was established in April 1989 by the City to facilitate financing for the City. Although the Authority is a separate legal entity from the City, it is reported as if it were part of the primary government because members of the City Council also serve as the Authority's governing board and because the Authority's sole purpose is to be a financing entity for the City. The Authority does not issue separate financial statements.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, fund equity, revenues and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations or limitations. 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 to which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanies by a total column.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred inflows/outflows of resources, 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 liabilities are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain limitations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except for those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfer in/out

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

Governmental 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 net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

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.

The City reports the following major governmental funds:

The General Fund – is the City's primary operating fund. It accounts for all financial resources of the general government.

The Successor Housing Agency Fund – is used to account for the affordable housing funds of the former Scotts Valley Redevelopment Agency.

The General Facilities Fund – is used to account for the impact fees imposed on new development to mitigate impacts on the City's general facilities (i.e. City Hall, Corporate Yard, etc.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

The Traffic Mitigation Fund – is used to account for the impact fees imposed on new development to mitigate impacts on the City's streets.

The Lennar Fund – is used to account for funds paid by a developer to be used for parks and recreational opportunities in the City at the sole discretion of City Council.

The General Capital Improvements Fund – is used to account for the City's major capital projects.

Revenues are recognized when measurable and available. Sales and use tax, transient occupancy tax, franchise tax, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within 90 days of fiscal year end. Property taxes are accrued when their receipt occurs within 60 days of fiscal year end. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expense.

The City reports the following proprietary funds as major:

The Recreation Fund accounts for the operations of the City's recreation program services.

The Wastewater Fund accounts for the operations of the City's wastewater treatment and distribution system.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has one private-purpose trust fund. The private-purpose trust fund accounts for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary funds:

The Private-Purpose Trust Fund – the City maintains one private purpose trust fund to account for activities of the Successor Agency to the former Redevelopment Agency.

Custodial funds **–** three agency funds account for: (1) receipt of special taxes and assessments used to pay municipal and interest on two assessment district bonds with no direct City liability, and (2) receipt and disbursement of monies held in general trust.

C. Cash, Cash Equivalents, and Investments

The City pools cash and investments of all funds, except amounts held by fiscal agents. The Council invests on behalf of most funds of the City in accordance with the California State Government Code and the City's investment policy.

Investments are reported in the accompanying balance sheet at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in an investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants annually. During the fiscal year ended June 30, 2021, the City had not entered into any legally binding guarantees to support the participant equity in the investment pool.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents, and Investments, Continued

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit, and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

D. Unbilled Receivables

The City bills wastewater service every two months. Whenever the fiscal year ending date does not coincide with a billing month, the City accrues unbilled wastewater service fees.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $10,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Equipment	5 - 10
Furniture and Fixtures	5 - 10
Software	5 - 7
Building and Improvements	40
Infrastructure	20 - 75

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied.

Grants and entitlements from federal and state projects and programs received before eligibility requirements are met are recorded as unearned revenue.

G. Compensated Absences

Accumulated vested unused employee vacation and similar compensatory leave balances are recognized as liabilities of the City since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. Liquidation of the liability is recorded in the Statement of Net Position based upon the governmental and/or business-type activity to which each employee is allocated.

Sick leave benefits are accumulated only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

The City's proprietary funds accrue all leave benefits relating to their operations. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to fiscal year end. Noncurrent amounts will be recorded as expenditures in the governmental funds in the year in which they are paid or become due on demand to terminated employees.

The City's employees earn vacation leave (varying depending on years of service) based on days employed. Upon retirement or early termination, payment of accumulated vacation may not exceed that which can be accumulated within state limits. Unused sick leave, based on days employed, can be accumulated up to certain limits. Upon retirement or termination, employees will be paid within the maximum hours of sick pay allowed.

H. Long-Term Debt

Government-Wide Financial Statements – Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Bond issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Long-Term Debt, Continued

Bond premiums and discounts are recognized during the current period as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond proceeds are reported as other financing sources.

Proprietary Fund and Fiduciary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

Government-Wide Financial Statements – Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Bond issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts are recognized during the current period as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond proceeds are reported as other financing sources.

Proprietary Fund and Fiduciary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

I. Property Taxes

Santa Cruz County (County) is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions. Secured property taxes attach as an enforceable lien on property as of July 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before July 1.

Property taxes are accounted for in the General Fund and the Private-Purpose Trust Fund (formally the City's Redevelopment Agency). Property tax revenues are recognized when they become measurable and available to finance current liabilities.

The City is permitted by Article XIIIA of the State of California Constitution (Proposition 13) to levy a maximum tax of 1% of assessed value, plus other increases as approved by the voters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position (balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position (balance sheet) reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Encumbrances

Encumbrance accounting is employed by the City in all of its budgeted governmental funds. In doing so, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation.

L. Net Position and Fund Balance

Government-Wide Financial Statements

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position **–** This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Fund Financial Statements

In the fund financial statements, governmental funds report fund balance as nonspendable restricted, committed, assigned, or assigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

Nonspendable **–** Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact.

Restricted – Amounts with constraints placed on their use that are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Position and Fund Balance, Continued

Fund Financial Statements, Continued

Committed – Amounts constrained to specific purposes by the City itself, using the City's highest level of decision-making authority (the City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned - Amounts the City intends to use for a specific purpose. Intent can be expressed by the City at either the highest level of decision-making authority or by an official or body to which the City delegates the authority. This is also the classification for residual funds in the City's special revenue funds.

Unassigned - The residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifiers, or rescinds fund balance commitments and assignments by action, which includes passage of a resolution adopting the budget and appropriating revenue for the fiscal year.

Net Position and Fund Balance Flow Assumption

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to use restricted resources first.

When an expenditure is incurred for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the City's policy to use restricted amounts first. If unrestricted fund balances are available, the City considers amounts to have been spent first out of committed, then assigned, and finally unassigned funds, as needed.

M. Use of Estimates

The preparation of the Basic Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amounts of revenues and expenses. Actual results could differ from these estimates and assumptions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Pension

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 City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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. The net pension liability is liquidated primarily based on the allocation of current employees' charged to governmental and/or business-type activities.

O. Other Post Employment Health Care Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. The net OPEB liability is liquidated based on the allocation of current employees' charged to governmental and/or business-type activities. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

P. New Accounting Pronouncements

In 2021, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 84 - *Fiduciary Activities* – The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management has implemented this Statement in fiscal year 2021.

- GASB Statement No. 90 – *Majority Equity Interests* – The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legal separate organization should be reported as an investment if a government's holding of the equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is not applicable to the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

N. New Accounting Pronouncements, Continued

- GASB Statement No. 93 – *Interbank Offered Rates (except LIBOR removal and lease modifications)* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) –most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with GASB Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is not applicable to the City.

- GASB Statement No. 97 - *Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment Of GASB Statements No. 14 And No. 84, And A Supersession Of GASB Statement No. 32* - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

- GASB Statement No. 98 - *The Annual Comprehensive Financial Report*. Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has implemented this Statement on its financial statements. Management has implemented this Statement in fiscal year 2021.

2. CASH AND INVESTMENTS

Cash, cash equivalents, and investments are reported in the accompanying basic financial statements as follows:

	Government-Wide Statement of Net Position		Fund Financials	
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	$ 15,970,723	$ 3,139,222	$ 2,027,168	$ 21,137,113
Cash and investments with fiscal agents	33,184	-	358,461	391,645
Total	$ 16,003,907	$ 3,139,222	$ 2,385,629	$ 21,528,758

A. *Summary of Cash and Investments*

Cash, cash equivalents, and investments as of June 30, 2021, consist of the following:

Pooled deposits	$ 1,724,967
Pooled Investments:	
Local Agency Investment Fund (LAIF)	16,562,038
Money Market	2,850,108
Total cash and deposits	21,137,113
Investments with Fiscal Agents and Trustees	391,645
Total cash and investments	$ 21,528,758

B. *Deposits*

The carrying amount of the City's cash deposit was $1,724,967 at June 30, 2021.

Bank balances before reconciling items were a positive amount of $1,846,553 at June 30, 2021. The City's cash deposit was fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated quarterly to each fund based on its pro-rata ownership of the pool.

2. CASH AND INVESTMENTS, Continued

C. Investments

Under the provisions of the City's investment policy, and in accordance with the Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Certificates of Deposit	5 years	30%	None
Bankers' Acceptances	180 days	40%	None
Repurchase Agreements	30 days	15%	None
Corprate Medium Term Notes	5 years	30%	None
U.S. Agency Mortgage Pass Through Securities	5 years	15%	None
Money Market Mutual Funds	N/A	15%	None
Commercial Paper	270 days	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Investment Fund of California (CalTRUST)	N/A	30%	None
Demand Deposits	N/A	None	None

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2021, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

> ***Structured Notes*** – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.
>
> ***Asset-Backed Securities*** – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had $16,562,038 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. As a means of limiting its exposure to fair value losses arising from changes in interest rates, the City's investment policy limits investments to a maximum maturity of five years. As of June 30, 2021, investment maturities, other than investments of debt proceeds held by bond trustees, were as follows:

		Remaining Maturity (in Months)		
Investment Type	**Total**	**12 Months or Less**	**13 - 24 Months**	**More than 24 Months**
LAIF	$ 16,562,038	$ 16,562,038	$ -	$ -
Money Market	2,850,108	2,850,108	-	-
Total	$ 19,412,146	$ 19,412,146	$ -	$ -

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

E. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City held no investments subject to the levelling disclosure as of June 30, 2021.

3. INTERFUND TRANSACTIONS

A. Due To/From Other Funds

At June 30, 2021, the City's Due To/From Other Fund balances were comprised of the following:

	Due From	
Due To	Nonmajor Governmental Funds	Total
General Fund	$ 338,932	$ 338,932
Total	$ 338,932	$ 338,932

3. INTERFUND TRANSACTIONS, Continued

B. Transfers

The City had the following transfers between funds during the year ended June 30, 2021:

	Transfers In			
Transfers Out	General Fund	Nonmajor Governmental Funds	Recreation Enterprise Fund	Total
General Fund	$ -	$ 416,868	$ 354,905	$ 771,773
Nonmajor Governmental Funds	235,000	-	-	235,000
Recreation Enterprise Fund	-	29,981	-	29,981
Wastewater Enterprise Fund	-	50,340	-	50,340
Total	$ 235,000	$ 497,189	$ 354,905	$ 1,087,094

Transfers from the General Fund to the Recreation Enterprise Fund were for covering operating costs and negative cash balances. Transfers from the General Fund to the nonmajor governmental funds were primarily for debt service and negative cash balance. Transfers from the nonmajor governmental funds to the General Fund were for street projects.

C. Advances To/From Other Funds

At June 30, 2021, the City had the following interfund advances that were not expected to be repaid in the next fiscal year.

	Advance To	
Advance From	General Facilities Fund	Total
General Fund	$ 139,532	$ 139,532
Total	$ 139,532	$ 139,532

The advance from the General Fund to the General Facilities Fund will be repaid with future impact fee revenues. The funds were loaned for the construction of the current City Hall.

4. LOANS RECEIVABLE AND ADVANCES

The City's loans and advances receivable were comprised of the following as of June 30, 2021.

Description	Balance as of June 30, 2021	Current Portion
Advances to Successor Agency:		
Advance from General Fund	$ 3,332,365	$ -
Advance from Successor Agency Housing Fund	814,563	-
Advance from Wastewater Fund	1,600,000	-
Advances to Successor Agency subtotal	5,746,928	-
Loans Receivable:		
Mid-Penninsula Housing	1,034,966	-
Silent Second Loan Program	525,245	-
MP Scotts Valley Associates	400,000	-
Habitat for Humanity	150,000	-
Scotts Valley Housing, LLC	650,000	-
Four Points Hotel (CDBG Funds)	550,000	-
Loans receivable subtotal	3,310,211	-
Total	$ 9,057,139	$ -

A. *Advances to Successor Agency*

General Fund and Successor Housing Agency

As of June 30, 2021, advances to the Redevelopment Successor Agency consist of loans from the City's General Fund in the amount of $3,332,365 and the former Redevelopment Agency Affordable Housing Fund, now the Successor Housing Agency, in the amount of $814,563. The advance from the General Fund was for start-up expenses, initial formation of the Redevelopment Agency, and improvement projects. The advance from the former Affordable Housing Fund was for the repayment to the State for the Education Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF). The advance will be repaid with tax increment revenues allocated to the Successor Agency Private Purpose Trust Fund.

Advance from the Wastewater Fund

Advance to Redevelopment Successor Agency is from the City's Wastewater Fund to the former Redevelopment Agency for the purchase of property. The advance will be repaid with tax increment revenues allocated to the Successor Agency Private Purpose Trust Fund. As of June 30, 2021, the balance of the advance was $1,600,000.

The total of all advances to the Successor Agency as of June 30, 2021 was $5,746,928.

4. LOANS RECEIVABLE AND ADVANCES, Continued

B. Loans and Notes Receivable

The City's loans and notes receivable as of June 30, 2021 are as follows:

Due from a California Limited Partnership with simple interest at 3%, all due and payable by November 22, 2026. Funds were loaned to facilitate the construction of 46 affordable housing units. This receivable is recorded in the Successor Housing Agency Fund. The loan is secured by a deed of trust on the housing units. As of June 30, 2021, the outstanding loan balance was $1,034,966.

Due from nine parties together with contingent interest calculated as an amount equal to 10% of appreciation of the residential properties purchased by the various parties, all due and payable: upon sale or transfer, upon default, upon cash-out refinancing of the superior "first" or "second" loan, or upon the date the "first" note becomes due and payable. Funds were loaned to facilitate the purchase of affordable housing through the Agency's "silent second" loan program. This receivable is recorded in the Successor Housing Agency Fund. The loans are secured by deeds of trust on the respective properties. As of June 30, 2021, the outstanding loan balance was $525,245.

Due from a California Limited Partnership with interest at the "applicable federal rate" as of the date of the Note, all due and payable by September 15, 2054. Funds were loaned under the HOME Investment Partnerships Program to facilitate the construction of residential units that are occupied by and affordable to Very-Low Income Persons for the term of the loan. The loan is administered by the City as set forth by federal regulations dated April 30, 1999 between the City and the State of California, by and through the Department of Housing and Community Development. The loan is secured by a deed of trust on the housing units. As of June 30, 2021, the outstanding loan balance was $400,000.

Due from a California Non-profit Public Benefit Corporation with simple interest at the Local Agency Investment Fund (LAIF) rate, due and payable at maturity. Loan matures and is fully due and payable five years from the date the third unit on the Property is issued a certificate of occupancy or no later than 1 0 years from the date of the Promissory Note. Funds were loaned to facilitate the construction of three Assisted Units, in accordance with Agency requirements related to Low and Moderate Income Housing Trust Funds. This receivable is recorded in the Successor Housing Agency Fund. As of June 30, 2021, the outstanding loan balance was $150,000.

Due from a California Limited Liability Company with simple interest at 3.25% per annum on the outstanding balance with quarterly installments until paid, on or before September 1, 2027 or upon the sale of secured property. The loan was a result of the sale of City property and is secured by a deed of trust. As of June 30, 2021, the outstanding loan balance was $650,000.

Due from a California Limited Liability Company with simple interest at 3.25% per annum, due and payable under the terms of a repayment agreements. Funds were loaned with Community Development Block Grant (CDBG) funds. The loan is secured by a deed of trust on commercial property. As of June 30, 2020, the outstanding loan balance was $550,000. The CDBG funds must be paid back by the City either through a restructuring of the loan or a payment plan to be determined by the City and HUD.

The total balance of all loan receivable as of June 30, 2021 was $3,310,211.

5. CAPITAL ASSETS

A. *Government-Wide Financial Statements*

The City's capital asset activity for the year ended June 30, 2021 was as follows.

	June 30, 2020 Balance	Additions	Reductions	June 30, 2021 Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 7,011,920	$ -	$ -	$ 7,011,920
Construction in progress	1,631,442	1,427,727	(1,917,961)	1,141,208
Total capital assets, not being depreciated	8,643,362	1,427,727	(1,917,961)	8,153,128
Capital assets, being depreciated				
Buildings	5,984,770	92,162	-	6,076,932
Machinery and equipment	3,630,286	264,051	(206,125)	3,688,212
Infrastructure	43,555,490	2,131,675	-	45,687,165
Total capital assets, being depreciated	53,170,546	2,487,888	(206,125)	55,452,309
Less accumulated depreciation for:				
Buildings	(2,384,552)	(132,610)	-	(2,517,162)
Machinery and equipment	(3,213,108)	(198,596)	191,996	(3,219,708)
Infrastructure	(24,669,583)	(1,115,484)	-	(25,785,067)
Total accumulated depreciation	(30,267,243)	(1,446,690)	191,996	(31,521,937)
Total capital assets, being depreciated, net	22,903,303	1,041,198	(14,129)	23,930,372
Governmental activities capital assets, net	$ 31,546,665	$ 2,468,925	$ (1,932,090)	$ 32,083,500
Business-type activities				
Capital assets, not being depreciated				
Land	$ 529,416	$ -	$ -	$ 529,416
Construction in progress	165,519	75,616	-	241,135
Total capital assets, not being depreciated	694,935	75,616	-	770,551
Capital assets, being depreciated				
Buildings	5,287,273	-	-	5,287,273
Machinery and equipment	6,974,708	322,029	-	7,296,737
Infrastructure	23,112,053	-	-	23,112,053
Outfall agreement	178,000	-	-	178,000
Total capital assets, being depreciated	35,552,034	322,029	-	35,874,063
Less accumulated depreciation for:				
Buildings	(3,966,031)	(120,194)	-	(4,086,225)
Machinery and equipment	(5,752,282)	(456,864)	-	(6,209,146)
Infrastructure	(15,702,504)	(180,576)	-	(15,883,080)
Outfall agreement	(121,644)	(2,967)	-	(124,611)
Total accumulated depreciation	(25,542,461)	(760,601)	-	(26,303,062)
Total capital assets, being depreciated, net	10,009,573	(438,572)	-	9,571,001
Business-type activities capital assets, net	$ 10,704,508	$ (362,956)	$ -	$ 10,341,552

5. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

Depreciation expense by program for capital assets for the year ended June 30, 2021 is shown below.

	Governmental			Business-Type
General government	$	41,659	Wastewater	$	760,601
Public safety		183,567	Recreation programs		-
Planning and building		6,456			
Public works		1,215,008			
Total depreciation expense	$	1,446,690	**Total depreciation expense**	$	760,601

6. LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2021 is shown below.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities					
Pension Obligation Bonds	$ 1,980,000	$ -	$ (365,000)	$ 1,615,000	$ 380,000
2019 Lease Revenue Bonds A	4,490,000	-	-	4,490,000	-
2019 Lease Revenue Bonds B	4,465,000	-	(445,000)	4,020,000	475,000
Unamortized premium and discount from issuance	342,371	-	(14,265)	328,106	-
Installment Note	75,000	-	(5,000)	70,000	5,000
Accrued Compensated Absences	611,347	366,203	(359,046)	618,504	226,420
Total Governmental Activities	11,963,718	366,203	(1,188,311)	11,141,610	1,086,420
Business-Type Activities					
Accrued Compensated Absences	136,007	112,784	(143,084)	105,707	58,459
Total Business-Type Activities	$ 136,007	$ 112,784	$ (143,084)	$ 105,707	$ 58,459

6. LONG-TERM DEBT, CONTINUED

A. *Bonds Payable*

Pension Obligation Bonds

On June 21, 2012, the Scotts Valley City Council issued $4,460,000 par value bonds. The proceeds of the Bonds were used to refund the City's outstanding "side fund" obligations to the California Public Employees' Retirement System (PERS) pursuant to a contract between the City and the Board of Administration of PERS. Annual principal payments range from $180,000 to $430,000 plus interest from .75% to 4.4% per annum, through 2025. The annual debt service requirements for bonds are as follow.

Year Ending June 30,	Principal	Interest	Total
2022	$ 380,000	$ 60,345	$ 440,345
2023	395,000	44,648	439,648
2024	410,000	27,735	437,735
2025	430,000	9,460	439,460
Total	$ 1,615,000	$ 142,188	$ 1,757,188

PFA Series 2019A and 2019B Lease revenue refunding bonds

On July 25, 2019, the Scotts Valley Public Financing Authority issued $4,490,000 Series A tax-exempt lease revenue refunding bonds and $4,970,000 Series B taxable revenue refunding bonds. The bond proceeds are used to refinance the City's obligation of 1997-1 Refunding Certificate of Participation, 2003 Capital Improvement Certificates of Participation, and 2013 Refunding Certificate of Participation. Annual principal payments range from $200,000 to $930,000 plus interest from 2.125% to 4.0% per annum, through 2044. Interest on Bonds is payable semiannually on April 1 and October 1 of each year. The refunding resulted in an $828,009 refunding loss, and an aggregated difference of $961,846 in debt service, which decreased the total debt service after the refunding.

	2019A - Tax Exempt		2019B - Taxable		Total	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ -	$ 160,550	$ 475,000	$ 91,776	$ 475,000	$ 252,326
2023	-	160,550	510,000	80,609	510,000	241,159
2024	-	160,550	560,000	68,156	560,000	228,706
2025	-	160,550	600,000	54,795	600,000	215,345
2026	-	160,550	575,000	40,737	575,000	201,287
2027-2031	825,000	738,450	1,300,000	26,893	2,125,000	765,343
2032- 2036	1,205,000	520,850	-	-	1,205,000	520,850
2037 - 2041	1,465,000	267,550	-	-	1,465,000	267,550
2041 - 2044	995,000	79,725	-	-	995,000	79,725
	$ 4,490,000	$ 2,409,325	$ 4,020,000	$ 362,966	$ 8,510,000	$ 2,772,291

6. LONG-TERM DEBT, Continued

B. Notes Payable

Installment Note

In 1997, the City agreed to a $165,000 installment note payable to the Scotts Valley Water District for the City's share of bonds issued by the Water District for the construction of recycled water pipe lines. The District and the City shared the proceeds of the bond issue in order to save on issuance costs. The proceeds were used for recycled water pipes to City parks. Annual principal amounts vary from $-0- to $15,000 plus interest at 6% per annum, through 2028. The annual debt service requirements for the installment note are as follow.

Year Ending June 30,	Principal	Interest	Total
2022	$ 5,000	$ 4,050	$ 9,050
2023	10,000	3,600	13,600
2024	10,000	3,000	13,000
2025	10,000	2,400	12,400
2026	10,000	1,800	11,800
2027 - 2028	25,000	1,650	26,650
Total	$ 70,000	$ 16,500	$ 86,500

C. Accrued Compensated Absences

Employees accrue vacation, annual leave, earned time-off, and holiday leave up to certain maximums based on the employee's bargaining unit. The City accrues for compensated absences as it is earned by employees. The amount of compensated absences payable outstanding as of June 30, 2021 was $724,211.

7. DEFINED BENEFIT PENSION 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 (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

7. DEFINED BENEFIT PENSION PLAN, COTINUED

Benefit Provided

CalPERS 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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
Hire date	Prior to 1/1/2013	On or after 1/1/2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 year service	5 year service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits as a % of annual salary	2.0% - 2.5%	1.0% - 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	12.361%	7.732%
Required unfunded liability payment	718,866	10,006

	Safety	Safety PEPRA
Hire date	Prior to 1/1/2013	On or after 1/1/2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 year service	5 year service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50	50 - 57
Monthly benefits as a % of annual salary	3.0%	2.0% - 2.7%
Required employee contribution rates	9%	13%
Required employer contribution rates	22.437%	13.044%
Required unfunded liability payment	572,646	15,013

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contributions to the Plan for the measurement period ended June 30, 2020 were $1,712,678.

7. DEFINED BENEFIT PENSION PLAN, Continued

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $19,903,650.

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportionate of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 were as follows:

Proportion - June 30, 2019	0.17981%
Proportion - June 30, 2020	0.18293%
Change - Increase (decrease)	0.00312%

For the year ended June 30, 2021, the City recognized pension expense of $2,914,325. At June 30, 2021, the City reported deferred outflow of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,260,961	$ -
Changes in assumptions	-	107,579
Net differences between projected actual earnings and actual earnings on plan investments	519,163	-
Changes in employer's proportion	395,177	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	822,769
Pension contributions subsequent to the measurement date	1,803,286	-
Total	$ 3,978,587	$ 930,348

7. DEFINED BENEFIT PENSION PLAN, Continued

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

$1,803,286 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

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

Fiscal Year Ending June 30,		
2022	$	96,138
2023		494,935
2024		400,663
2025		253,217

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal in accordance with the requirement of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.15%
Mortality (1)	Derived by CalPERS membership data for all funds

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

7. DEFINED BENEFIT PENSION PLAN, Continued

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

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans 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 plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)
Total	100.00 %		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(b) An expected inflation of 2.00% used for this period.
(c) An expected inflation of 2.92% used for this period.

7. DEFINED BENEFIT PENSION PLAN, Continued

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	$ 29,144,938
Current Discount Rate	7.15%
Net Pension Liability	$ 19,903,650
1% Increase	8.15%
Net Pension Liability	$ 12,292,094

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2021 the City reported no amount payable for outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

8. OTHER POST EMPLOYMENT BENEFIT PLAN

A. Plan Description

The City administers a single-employer defined benefit post-employment healthcare plan (Plan) which provides post-employment benefits to eligible employees in the form of partial reimbursement for post-retirement health insurance premiums. Eligibility requirements include a minimum of ten years employment with the City and minimum retirement ages of 50 years for safety employees and 55 years for non-safety employees. For eligible employees, the City will pay 31.2% to 100% of the retired employee's health insurance premiums, the exact amount determined by years of service, employee group, and age. In addition, there is a cap on what the City will contribute that is indexed to the cost of CaiPERS post-retirement medical insurance premiums. The Plan does not issue separate financial statements. The obligation of the City to provide these benefits is determined by agreements with the various employee bargaining groups.

8. OTHER POST EMPLOYMENT BENEFIT PLAN, Continued

B. Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:

Inactives currently receiving benefits	41
Active employees	53
Total	94

C. Contribution

The contribution requirements of plan members and the City are established and may be amended by the City. The required contribution is based on a projected pay-as-you-go financing requirements, with additional amounts to prefund benefits determined annually by the City Council. For the fiscal year ended June 30, 2021, the City contributed $568,155 (including implicit subsidy) and zero to prefund benefits. Plan members receiving benefits contributed no amounts to the total premiums. The General Fund has typically been used to liquidate OPEB liabilities for governmental funds.

D. Net OPEB Liability

The City's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 using the following actuarial methods and assumptions:

Actuarial Assumptions:

Contribution policy	No pre-funding
Discount Rate	2.21%
Inflation	2.50%
Salaries Increases	2.75%
Mortality	CalPERS 1997- 2015 Experience Study
Mortality Improvements	Mortality projected fully generationsl with Scale MP-2021
Medical Trend	3.75% to 6.75%

E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The City's OPEB plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

8. OTHER POST EMPLOYMENT BENEFIT PLAN, Continued

F. *Changes in the Total OPEB Liability*

The changes in the total OPEB liability for the OPEB plan are as follows:

		Total OPEB Liability
Balance at June 30, 2020 (Measurement Date)	$	15,524,839
Service cost		595,930
Interest on the total OPEB liability		555,520
Differences between actual and expected experience		(772,346)
Changes in assumptions		269,575
Benefits paid to retirees		(497,535)
Net changes		151,144
Balance at June 30, 2021	$	15,675,983

G. *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2020:

1% Decrease		1.21%
Total OPEB Liability	$	18,250,887
Current Discount Rate		2.21%
Total OPEB Liability	$	15,675,983
1% Increase		3.21%
Total OPEB Liability	$	13,615,792

H. *Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2020:

1% Decrease		2.75% to 5.75%
Total OPEB Liability	$	13,492,705
Current Health Care Trend Rate		3.75% to 6.75%
Total OPEB Liability	$	15,675,983
1% Increase		4.75% to 7.75%
Total OPEB Liability	$	18,431,307

8. OTHER POST EMPLOYMENT BENEFIT PLAN, Continued

I. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of $851,544. At June 30, 2021, the City reported deferred outflow of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 655,324
Changes in assumptions	795,911	972,098
OPEB contributions subsequent to the measurement date	568,155	-
Total	$ 1,364,066	$ 1,627,422

$568,155 is reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (301,228)
2023	(301,228)
2024	(172,866)
2025	2,676
2026	(13,156)
Thereafter	(45,709)

9. COMMITMENTS AND CONTINGENCIES

a) On December 17, 2003, the City entered into a Memorandum of Understanding (MOU) with the Land Trust of Santa Cruz County, a nonprofit organization, for the acquisition of a $1,070,000 endowment, which was established by grant funds from the California Wildlife Conservation Board. The Land Trust preserves approximately 170 acres and is divided into nine parcels owned by the City with portions of one parcel owned by the Scotts Valley Water District. Expenditures for the endowment are overseen by the City and managed by the Land Trust.

On March 21, 2018, the City and Land Trust entered into a Memorandum of Understanding with a retroactive effective date of November 7, 2017, to jointly implement the Long-term Management Plan for the Preserve.

9. COMMITMENTS AND CONTINGENCIES, CONTINUED

All costs associated with the management of the Preserve are paid by investment earnings and principal of this endowment. If the Land Trust is unable to provide management services or if the agreement is terminated, any remaining amount in the endowment trust fund will be returned to the City.

b) Through an agreement with the City of Santa Cruz, the City is obligated to pay 4% of the new outfall facilities operation and maintenance costs in order to use the Santa Cruz sewer outfall facility.

c) The City has construction contract commitments in the amount of $1,845,641 at June 30, 2021 for the following projects:

Project	Commitment
Building Improvements	$ 6,582
Street Improvements	845,360
Parks Improvements	109,435
Sanitary Sewer	269,259
Library Building Improvements	615,005
	$ 1,845,641

10. CLASSIFICATION FUND BALANCE

As of June 30, 2021, fund balances were classified as shown below.

	General Fund	Successor Housing Agency	General Facilities	Traffic Impact Mitigation	Lennar Fund	General Capital Improvements	Nonmajor Governmental Funds	Total
Nonspendable:	$ 139,532	$ -	$ -	$ -	$ -	$ -	$ -	$ 139,532
Restricted:								
Debt service	33,184	-	-	-	-	-	-	33,184
Low mod housing	-	2,661,760	-	-	-	-	-	2,661,760
Impact fees	-	-	-	665,289	-	-	-	665,289
Public works	-	-	-	-	-	930,814	1,966,110	2,896,924
Public safety	-	-	-	-	-	-	563,137	563,137
Parks & recreation	-	-	-	-	-	-	1,956,028	1,956,028
Community development	-	-	-	-	-	-	550,578	550,578
Planning	-	-	-	-	-	-	455,827	455,827
Subtotal	33,184	2,661,760	-	665,289	-	930,814	5,491,680	9,782,727
Assigned:								
Debt service	-	-	-	-	-	-	994,598	994,598
Public works	-	-	-	-	-	-	209,102	209,102
Parks & recreation	-	-	-	-	-	-	126,804	126,804
Subtotal	-	-	-	-	-	-	1,330,504	1,330,504
Unassigned	6,859,758	-	(46,835)	-	-	-	(242,570)	6,570,353
Total	$ 7,032,474	$ 2,661,760	$ (46,835)	$ 665,289	$ -	$ 930,814	$ 6,579,614	$ 17,823,116

11. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

On June 29, 2011, Assembly Bills 1x 26 (the "Dissolution Act") and 1x 27 (the "Continuation Act") were enacted as part of the FY 2011-12 state budget package. The Dissolution Act required each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for impending dissolution. Assembly Bill 1x 27 provided a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program.

The league of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn the Dissolution Act and Assembly Bill 1 x 27 on the grounds that these bills violate the California Constitution.

On December 29, 2011, the California Supreme Court upheld the Dissolution Act and struck down the Continuation Act.

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDS which is the sponsoring community of the Dissolved RDA unless is elected not to serve as the Successor Agency.

On February 1, 2012, the City adopted a Resolution electing to serve as the Successor Agency to the City of Scotts Valley Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards are to administer the wind down of each dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The City of Scotts Valley Housing Authority elected to serve as the Housing Successor Agency on February 1, 2012. Prior to February 1, 2012, the activities of the Dissolved RDA were reported in the governmental funds statements of the City. After the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA are reported in a fiduciary fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have also been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

11. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller, the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs. The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTFF") for each successor agency and depositing into the RPTFF for each six-month period the amount of property taxes that would have otherwise been paid to the Dissolved RDA as property tax increment. The deposit in the RPTFF fund is to be used to pay to the successor agency the amounts due on the successor agency's enforceable obligations for the upcoming six-month period.

The successor agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the successor agency from the RPTFF based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTFF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

11. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

A. *Capital Assets*

Summary of changes in capital asset for the year ended June 30, 2021 is as follows:

	June 30, 2020 Balance	Additions	Reductions	June 30, 2021 Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 5,386,012	$ -	$ -	$ 5,386,012
Total capital assets, not being depreciated	5,386,012	-	-	5,386,012
Capital assets, being depreciated				
Buildings	2,959,278	-	-	2,959,278
Improvements	4,078,690	-	-	4,078,690
Equipment and furnitures	245,037	-	-	245,037
Total capital assets, being depreciated	7,283,005	-	-	7,283,005
Less accumulated depreciation for:				
Buildings	(621,451)	(59,185)	-	(680,636)
Improvements	(1,091,097)	(102,647)	-	(1,193,744)
Equipment and furnitures	(233,874)	(10,163)	-	(244,037)
Total accumulated depreciation	(1,946,422)	(171,995)	-	(2,118,417)
Total capital assets, being depreciated, net	5,336,583	(171,995)	-	5,164,588
Governmental activities capital assets, net	$ 10,722,595	$ (171,995)	$ -	$ 10,550,600

B. *Long-Term Debt*

Summary of changes long-term debt for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020 as restated	Additions	Deletions	Balance June 30, 2021	Due Within One Year
2017 Tax Allocation Refunding Bonds	$ 11,530,000	$ -	$ (530,000)	$ 11,000,000	$ 545,000
Bond issuance premium	80,740	-	(4,480)	76,260	-
Total Refunding Bonds	11,713,044	-	(534,480)	11,076,260	545,000
Advance from the City	3,332,365	-	-	3,332,365	-
Note Payable - Housing Fund	1,709,521	-	(894,958)	814,563	-
Note Payable - Enterprise Fund	1,600,000	-	-	1,600,000	-
Total Successor Agency long-term debt	$ 18,354,930	$ -	$ (1,429,438)	$ 16,823,188	$ 545,000

11. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

B. Long-Term Debt, Continued

Tax Allocation Refunding Bonds

In April 2017, the Scotts Valley Successor Agency issued $9,150,000 par value of Series A Tax Allocation Refunding Bonds and $3,805,000 par value of Taxable Series B Tax Allocation Refunding Bonds. The proceeds were used in part to fully refund the 2006 Tax Allocation Refunding Bonds and to fully refund in October of 2019 the 2009 Lease Revenue, Series A and Series B (Taxable) bonds. The annual repayment installments range from $410,000 to $715,000, plus interest at 3.125% to 4.0% per annum, through 2036. The balance as of June 30, 2021 was $11,000,000

Advances from the City

Advance from the City's General Fund ($3,332,365), former Redevelopment Agency Affordable Housing Fund ($814,563), and Wastewater Enterprise Fund ($1,600,000). The advances will be repaid with tax increment revenues allocated to the Successor Agency Private Trust Fund. The total balance as of June 30, 2021 was $5,746,928.

12. ASSESSMENT DISTRICT BOND OBLIGATIONS

The City acts as an agent for collection of property taxes and repayment of community facilities improvement bonds issued by the Community Facilities District located within the City. Since the City is not obligated in the event of any manner for these special assessment bonds, the debt is not recorded in these financial statements. The outstanding balance of the bond obligations at year end was as follows:

Community Facilities District, 97-1 Series A	$ 2,595,000

13. RISK MANAGEMENT

The City participates in a public entity risk pool that operates as a common risk management and insurance program for nine other local jurisdictions, created pursuant to California law for liability and workers' compensation insurance services. The City pays an annual premium to the pool for its general liability and workers' compensation coverage. Risk of loss is retained for general liability claims by each city per occurrence. The agreement with the pool provides that it will be self-sustaining through member premiums and that excess coverage be carried for general liability claims and for workers' compensation claims in excess per insured event. The amount of unpaid claims was immaterial at fiscal year-end.

The City established a Dental Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss for employee dental care. The Dental Insurance Fund finances employee and dependent claims per participant per calendar year entirely through self-insurance. The amount of unpaid claims was immaterial at fiscal year-end.

The City continues to carry commercial insurance for all other insured risks of loss. The City paid no settlements in excess of insurance coverage in any of the past three fiscal years.

14. JOINT POWERS AUTHORITY

Bay Area Self Insurance Authority (MBASIA). The relationship between the City and the JPA is such that the JPA is not a component of the City for financial reporting purposes.

The Monterey Bay Area Self Insurance Authority (MBASIA) provides workers' compensation and liability insurance for its members: various small cities in the Monterey Bay Area. MBASIA is governed by a board of directors composed of representatives from each of the member cities. This board controls the operations of the MBASIA, including selection of management and approval of operating budgets independent of any influence by the member cities beyond their representation on the Board. Each member city pays a premium based on factors determined by the board.

Financial statements may be obtained from MBASIA c/o Alliant Insurance Services, 100 Pine Street, 11th Floor, San Francisco, CA 94111.

15. PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2021, the City recorded prior period adjustments to record the payment of loan receivable of the Successor Agency, and to correct the duplicated recording of bond premium at issuance for the Successor Agency 2017 Tax Allocation Bond. The City also recorded the prior period adjustments for the implementation of the Accounting Standard GASB 84.

		Prior Period Adjustments						
	Net Position/ Fund Balance as Previously Reported	Notes Receivable - Successor Agency	Bond Premium Payable	Advanced Assessment Collected	Bond reserve Payable	Cash and Investments	Deposits	Net Position/ Fund Balance Net Position as Restated
Fund Financial Statements								
Governmental Fund								
Successor Housing Agency Fund	$ 1,589,318	$ 894,960	$ -	$ -	$ -	$ -	$ -	$ 2,484,278
Fiduciary Funds								
General Trust Fund	-	-	-	-	-	-	237,407	237,407
SVRDA Successor Agency Fund	(5,948,466)	-	102,304	-	-	-	-	(5,846,162)
SV Drive A Redemption Fund	-	-	-	264,378	-	164,192	164,192	428,570
SV Drive A Prepayment Fund	-	-	-	8,376	-	-	-	8,376
SV Drive A Reserve Fund	$ -	$ -	$ -	$ 65,389	$ 358,232	$ -	$ -	$ 423,621

16. DEFERRED COMPENSATION PLAN

Effective September 7, 1977, the City established a 457 Governmental Deferred Compensation Plan with ICMA Retirement Corporation to provide retirement income and other deferred benefits to the Employee of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the Code. All full-time permanent employees are eligible to participate in this plan. In fiscal year 2021, the employees were able to contribute to the plan up to $19,500. Employer did not contribute to the plan as of fiscal year 2021.

17. DEFICIT FUND BALANCES

At June 30, 2021, the following City funds had deficit fund balances:

- General Facilities Fund – ($46,835). The deficit will be eliminated by future impact fee revenues.
- Recycling Fund – ($151,200). The deficit will be eliminated through a portion of future fees paid by solid waste companies and customers throughout the County of Santa Cruz for disposal of solid waste in County transfer facilities
- Senior Center Fund – ($4,196)
- Estates Landscape Maintenance District Fund – ($1,706)
- Planning Grant Program Fund – ($5,980)
- Recreation Fund – ($3,276,975). The deficit is due to the closing of Recreation Department during COVID-19.

18. COVID-19 PANDEMIC

In March 2020, the World Health Organization declared a global pandemic due to an outbreak of the coronavirus disease (COVID-19). In response to the continued impact of the COVID-19 pandemic, the Federal government enacted two major relief programs for states and local governments.

In March 2020, the U.S. Congress passed the CARES Act stimulus package. Through the Coronavirus Relief Fund, the CARES Act provided a payment to the city in the amount of $144,375. These funds were not accounted for in the budget and were used for necessary expenditures incurred due to the public health emergency in the prior fiscal year.

To combat the continued impact of the COVID-19 pandemic, the American Rescue Plan Act (ARPA) was signed into law in March 2021. The City will receive the funds in two tranches- the first after the U.S. Treasury certifies the proceeds to each jurisdiction and the second payment a year later. To date, the City has received $1,406,262. Eligible uses for these funds fall into four broad categories.

a) Support public health expenditures by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff; or address negative economic impacts caused by the public health emergency, including economic harm to workers, households, small businesses, impacted industries, and the public sector.

b) Replace lost public sector revenue, using recovery funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic.

c) Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical sectors.

d) Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

In accordance with eligible uses, Council approved $805,000 to support improvements to the Public Works facility identified as CIP #45 along with a combination of restoration of services, including public safety services, to pre-pandemic levels.

REQUIRED SUPPLEMENTARY INFORMATION

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1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. Appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function and department. The City manager may make transfers of appropriations within a department. Transfers between departments and other changes require City Council approval. The legal level of control is the department and fund level. The Council made supplemental appropriations during the fiscal year. Encumbrance accounting is not employed in governmental funds.

City of Scotts Valley
Budgetary Comparision Schedule - General Fund
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ 10,010,225	$ 10,010,225	$ 12,074,851	$ 2,064,626
Franchise fees	1,033,000	1,033,000	1,044,899	11,899
Intergovernmental revenues	11,000	11,000	151,875	140,875
Fees and services	968,920	968,920	1,235,634	266,714
Fines and forfeitures	25,100	25,100	17,510	(7,590)
Investment earnings	69,000	69,000	27,816	(41,184)
Miscellaneous revenues	176,100	456,100	416,665	(39,435)
Total revenues	12,293,345	12,573,345	14,969,250	2,395,905
EXPENDITURES:				
Current:				
Legislative	302,644	302,644	400,293	(97,649)
Legal	184,000	184,000	279,171	(95,171)
General government	648,300	648,300	624,097	24,203
Administration	470,919	470,919	470,224	695
Finance	696,015	696,015	705,455	(9,440)
Human resources	40,740	40,740	46,251	(5,511)
Information technology	142,200	142,200	106,586	35,614
Risk management	437,725	437,725	351,059	86,666
Police	5,556,294	5,556,294	4,884,618	671,676
Animal control	120,000	120,000	97,595	22,405
Emergency services	48,305	48,305	45,541	2,764
Planning	691,855	691,855	662,976	28,879
Building	539,800	539,800	561,694	(21,894)
Engineering	713,285	713,285	639,518	73,767
Street maintenance	497,611	497,611	316,179	181,432
Vehicle maintenance	45,038	45,038	10,209	34,829
Park maintenance	336,588	336,588	326,184	10,404
Building maintenance	309,733	309,733	153,002	156,731
Capital outlay	15,000	15,000	83,460	(68,460)
Debt service:				
Principal	455,000	455,000	450,000	5,000
Interest and fiscal charges	267,328	267,328	266,878	450
Total expenditures	12,518,380	12,518,380	11,480,990	1,037,390
REVENUES OVER (UNDER) EXPENDITURES	(225,035)	54,965	3,488,260	3,433,295
OTHER FINANCING SOURCES (USES):				
Transfers in	235,000	235,000	235,000	-
Transfers out	(771,773)	(665,693)	(771,773)	(106,080)
Total other financing sources (uses)	(536,773)	(430,693)	(536,773)	(106,080)
Net change in fund balances	$ (761,808)	$ (375,728)	2,951,487	$ 3,327,215
FUND BALANCE:				
Beginning of year			4,080,987	
End of year			$ 7,032,474	

City of Scotts Valley
Budgetary Comparision Schedule - Successor Housing Agency
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fees and services	$ 50,000	$ 50,000	$ 118,240	$ 68,240
Facility and building rental	106,760	106,760	155,255	48,495
Investment earnings	15,500	15,500	331	(15,169)
Total revenues	173,260	173,260	274,474	101,214
EXPENDITURES:				
Current:				
Planning and building	222,000	222,000	96,992	125,008
Total expenditures	222,000	222,000	96,992	125,008
REVENUES OVER (UNDER) EXPENDITURES	(48,740)	(48,740)	177,482	226,222
Net change in fund balances	$ (48,740)	$ (48,740)	177,482	$ 226,222
FUND BALANCES (DEFICITS):				
Beginning of year, as restated			2,484,278	
End of year			$ 2,661,760	

City of Scotts Valley

Budgetary Comparision Schedule - General Facility

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 10,000	$ 10,000	8,904	$ (1,096)
Investment earnings	1,500	1,500	74	(1,426)
Total revenues	11,500	11,500	8,978	(2,522)
EXPENDITURES:				
Current:				
General government	200	200	139	61
Total expenditures	200	200	139	61
REVENUES OVER (UNDER) EXPENDITURES	11,300	11,300	8,839	(2,461)
Net change in fund balances	$ 11,300	$ 11,300	8,839	$ (2,461)
FUND BALANCES (DEFICITS):				
Beginning of year			(55,674)	
End of year			$ (46,835)	

City of Scotts Valley

Budgetary Comparision Schedule - Traffic Impact Mitigation

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 50,000	$ 50,000	$ 76,474	$ 26,474
Investment earnings	12,000	12,000	650	(11,350)
Total revenues	62,000	62,000	77,124	15,124
EXPENDITURES:				
Current:				
Public works	17,000	17,000	54,715	(37,715)
Total expenditures	17,000	17,000	54,715	(37,715)
REVENUES OVER (UNDER) EXPENDITURES	45,000	45,000	22,409	(22,591)
Net change in fund balances	$ 45,000	$ 45,000	22,409	$ (22,591)
FUND BALANCES (DEFICITS):				
Beginning of year			642,880	
End of year			$ 665,289	

City of Scotts Valley
Budgetary Comparision Schedule - Lennar Fund
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Contributions from non-government	$ 52,000	$ 52,000	-	$ (52,000)
Total revenues	52,000	52,000	-	(52,000)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and building	-	-	-	-
Public works	-	-	-	-
Capital outlay	52,000	52,000	-	52,000
Debt service:			-	
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	52,000	52,000	-	52,000
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCES (DEFICITS):				
Beginning of year			-	
End of year			$ -	

2. DEFINED BENEFIT PENSION PLANS

A. Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years

Fiscal Year End	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.182930%	0.179810%	0.176640%	0.171970%	0.170910%	0.168390%	0.14606%
Proportionate share of the net pension liability	$ 19,903,650	$ 18,424,996	$ 17,021,799	$ 17,054,661	$ 14,789,275	$ 11,558,421	$ 9,088,772
Covered payroll	$ 4,508,129	$ 4,713,092	$ 4,719,986	$ 4,620,961	$ 4,527,362	$ 4,236,936	$ 4,236,936
Proportionate share of the net pension liability as a percentage of covered payroll	441.51%	390.93%	360.63%	369.07%	326.66%	272.80%	214.51%
Plan's share of fiduciary net position as a percentage of total net pension liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 was the 1st year of implementation, therefore there are fewer than 10 years shown.
* CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65 to 7.15% in fiscal year 2018.
* The CalPERS mortality assumptions was adjusted in fiscal year 2019.

2. DEFINED BENEFIT PENSION PLANS

B. Schedule of Contributions - Last 10 Years

Fiscal Year End	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution (actuarially determined)	$ 1,803,286	$ 1,682,514	$ 1,511,426	$ 1,324,761	$ 1,213,139	$ 1,091,041	$ 840,335
Contractually in relation to the actuarially determined contributions	(1,803,286)	(1,712,678)	(1,511,426)	(1,324,761)	(1,213,139)	(1,091,041)	(840,335)
Contributions deficiency (excess)	$ -	$ (30,164)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,024,586	$ 4,508,129	$ 4,713,092	4,719,986	4,620,961	4,527,362	4,236,936
Contributions as a percentage of covered payroll	44.81%	37.32%	32.07%	28.07%	26.25%	24.10%	19.83%

* Fiscal year 2015 was the 1st year of implementation, therefore there are fewer than 10 years shown.

Notes to Schedules for plan above:

The actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2021 were derived from June 30, 2018 funding valuation report.

Actiarial cost method	Entry Age Normal Cost Method
Amortization Method/Period	Level percent of pay, direct rate smoothing
Asset valuation method	Market value of assets
Inflation	2.500%
Salaries increase	Vary by Entry Age and Services
Remaining Amortization Periods	Differs by employer rate plan but not more than 30 years
Investment rate of return	7.00% net of investment and administrative expense
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Fiscal Year End	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:				
Service cost	$ 595,930	$ 525,243	$ 550,034	$ 648,557
Interest on the total pension liability	555,520	556,831	516,005	440,907
Differences between actual and expected experience	(772,346)	-	-	-
Changes in assumptions	269,575	819,261	(613,407)	(1,668,685)
Benefits paid to retirees	(497,535)	(479,307)	(426,690)	(331,549)
Net change in Total OPEB Liability	151,144	1,422,028	25,942	(910,770)
Beginning of Year	$ 15,524,839	$ 14,102,811	$ 14,076,869	$ 14,987,639
End of Year	$ 15,675,983	$ 15,524,839	$ 14,102,811	$ 14,076,869
Total OPEB Liability	$ 15,675,983	$ 15,524,839	$ 14,201,811	$ 14,076,869
Covered Employee Payroll	$ 4,460,277	$ 4,708,708	$ 4,783,183	$ 4,760,794
Total OPEB Liability as a % of covered employee payroll	351.5%	329.7%	294.8%	295.7%

* Fiscal year 2018 was the 1st year of implementation, therefore there are fewer than 10 years shown.
The City does not accumulate assets for the purpose of funding OPEB benefits in accordance of GASB 74 or 75.

SUPPLEMENTARY INFORMATION

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City of Scotts Valley

Budgetary Comparision Schedule - General Capital Improvements Fund

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fees and services	$ 30,000	$ 30,000	$ 79,304	$ 49,304
Investment earnings	20,000	20,000	952	(19,048)
Miscellaneous revenues	-	-	134,634	134,634
Total revenues	50,000	50,000	214,890	164,890
EXPENDITURES:				
Current:				
Public works	22,000	22,000	70,865	(48,865)
Capital outlay	503,835	503,835	209,803	294,032
Total expenditures	525,835	525,835	280,668	245,167
REVENUES OVER (UNDER) EXPENDITURES	(475,835)	(475,835)	(65,778)	410,057
Net change in fund balances	$ (475,835)	$ (475,835)	(65,778)	$ 410,057
FUND BALANCES (DEFICITS):				
Beginning of year			996,592	
End of year			$ 930,814	

City of Scotts Valley

Enterprise Fund Budgetary Comparison Schedule - Recreation Fund

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
OPERATING REVENUES:				
Fees and services	$ 114,700	$ 114,700	$ 32,678	$ (82,022)
Total operating revenues	114,700	114,700	32,678	(82,022)
OPERATING EXPENSES:				
Salaries	265,968	265,968	77,300	188,668
Taxes and benefits	(201,171)	(201,171)	255,938	(457,109)
Maintenance and operations	22,175	22,175	14,848	7,327
Advertising	9,000	9,000	-	9,000
Professional and contractual services	-	-	39	(39)
Utilities and communications	17,500	17,500	5,890	11,610
Insurance and bonds	178,408	178,408	97,220	81,188
Total operating expenses	291,880	291,880	451,235	(159,355)
OPERATING INCOME (LOSS)	(177,180)	(177,180)	(418,557)	(241,377)
Transfers in	-	-	354,905	354,905
Transfers out	(25,069)	(25,069)	(29,981)	(4,912)
Total contributions and transfers	(25,069)	(25,069)	324,924	349,993
Change in net position	$ (202,249)	$ (202,249)	(92,012)	$ 110,237
NET POSITION:				
Beginning of year			(3,184,963)	
End of year			$ (3,276,975)	

City of Scotts Valley
Enterprise Fund Budgetary Comparison Schedule - Wastewater Fund
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
OPERATING REVENUES:				
Fees and services	$ 3,023,500	$ 3,023,500	$ 2,925,142	$ (98,358)
Total operating revenues	3,023,500	3,023,500	2,925,142	(98,358)
OPERATING EXPENSES:				
Salaries	685,291	685,291	504,777	180,514
Taxes and benefits	530,418	530,418	494,366	36,052
Maintenance and operations	1,484,548	1,484,548	813,361	671,187
Professional and contractual services	130,000	130,000	154,247	(24,247)
Utilities and communications	436,000	436,000	387,212	48,788
Insurance and bonds	5,000	5,000	91,180	(86,180)
Depreciation	800,000	800,000	760,601	39,399
Total operating expenses	4,071,257	4,071,257	3,205,744	865,513
OPERATING INCOME (LOSS)	(1,047,757)	(1,047,757)	(280,602)	767,155
NONOPERATING REVENUE (EXPENSES)				
Interest income	17,900	17,900	1,872	(16,028)
Total nonoperating revenues (expenses)	17,900	17,900	1,872	(16,028)
OTHER FINANCING SOURCES (USES):				
Capital contributions	50,000	50,000	116,195	66,195
Transfers out	(157,044)	(157,044)	(50,340)	106,704
Total contributions and transfers	(107,044)	(107,044)	65,855	172,899
Change in net position	$ (1,136,901)	$ (1,136,901)	(212,875)	$ 924,026
NET POSITION:				
Beginning of year			11,479,854	
End of year			$ 11,266,979	

City of Scotts Valley

Combining Balance Sheet

Non-Major Governmental Funds

June 30, 2021

	Special Revenue Funds			
	Recycling Fund	Gas Tax Fund	Drainage Construction Fund	Park and Recreation Facilities Fund
ASSETS				
Cash and investments	$ -	$ 269,139	$ 42,053	$ 1,040,769
Receivables:				
Other	-	-	-	-
Notes receivable	-	-	-	-
Total assets	-	269,139	42,053	1,040,769
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	10,509	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	140,691	-	-	-
Total liabilities	151,200	-	-	-
Fund balances:				
Restricted	-	269,139	42,053	1,040,769
Assigned	-	-	-	-
Unassigned	(151,200)	-	-	-
Total fund balances	(151,200)	269,139	42,053	1,040,769
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 269,139	$ 42,053	$ 1,040,769

Special Revenue Funds								
Police Facility Fund	Senior Center Fund	Mt. Hermon Traffic Mitigation Fund	Green Building Fees Fund	Tree Replacement Fund	Pinewood Estates Landscape Maintenance District Fund	Skypark Landscape Maintenance District Fund	Library Fees Fund	SMIP Fees Fund
$ 331,456	$ 1,497	$ 188,966	$ 450,032	$ 37,277	$ -	$ 556,310	$ 362,026	$ 6,624
-	-	-	-	-	-	544	-	-
-	-	-	-	-	-	-	-	-
331,456	1,497	188,966	450,032	37,277	-	556,854	362,026	6,624
-	5,141	-	238	-	12	3,077	-	591
-	552	-	-	-	-	-	-	-
-	-	-	-	-	1,694	-	-	-
-	5,693	-	238	-	1,706	3,077	-	591
331,456	-	-	449,794	37,277	-	553,233	362,026	6,033
-	-	188,966	-	-	-	544	-	-
-	(4,196)	-	-	-	(1,706)	-	-	-
331,456	(4,196)	188,966	449,794	37,277	(1,706)	553,777	362,026	6,033
$ 331,456	$ 1,497	$ 188,966	$ 450,032	$ 37,277	$ -	$ 556,854	$ 362,026	$ 6,624

City of Scotts Valley
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Community Center Operations Fund	Supplemental Law Enforcement Services Fund	Surface Transportation Projects Grant Fund	Police Development Fees Fund
ASSETS				
Cash and investments	$ 128,356	$ 143,545	$ 366,989	$ 66,742
Receivables:				
Other	-	-	-	-
Notes receivable	-	-	-	-
Total assets	128,356	143,545	366,989	66,742
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,961	-	3,775	-
Accrued liabilities	135	-	-	-
Due to other funds	-	-	-	-
Total liabilities	2,096	-	3,775	-
Fund balances:				
Restricted	-	143,545	363,214	66,742
Assigned	126,260	-	-	-
Unassigned	-	-	-	-
Total fund balances	126,260	143,545	363,214	66,742
Total liabilities, deferred inflows of resources, and fund balances	$ 128,356	$ 143,545	$ 366,989	$ 66,742

	Special Revenue Funds						
EDG Revolving Loan Fund Fund	Homeland Security Grant Fund	Disability Compliance Fund	Library Facilities Fund	Transportation Measure D Fund	Police Budget Act Fund	CalTrans - Get Everyone Moving Fund	Planning Grant Program Fund
$ 578	$ 1,475	$ 18,290	$ 1,315,351	$ 20,103	$ 19,919	$ 17,980	$ -
-	-	1,846	-	92,356	-	-	-
550,000	-	-	-	-	-	-	-
550,578	1,475	20,136	1,315,351	112,459	19,919	17,980	-
-	-	-	78,904	-	-	-	1,380
-	-	-	-	-	-	-	-
-	-	-	-	189,453	-	-	4,600
-	-	-	78,904	189,453	-	-	5,980
550,578	1,475	-	1,236,447	-	19,919	17,980	-
-	-	20,136	-	-	-	-	-
-	-	-	-	(76,994)	-	-	(5,980)
550,578	1,475	20,136	1,236,447	(76,994)	19,919	17,980	(5,980)
$ 550,578	$ 1,475	$ 20,136	$ 1,315,351	$ 112,459	$ 19,919	$ 17,980	$ -

City of Scotts Valley
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Debt Service Funds		
	COP Debt Service Fund	Pension Obligation Bonds Fund	Total Non-major Governmental Funds
ASSETS			
Cash and investments	$ 994,598	$ -	$ 6,380,075
Receivables:			
Other	-	-	94,746
Notes receivable	-	-	550,000
Total assets	994,598	-	7,024,821
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	-	-	105,588
Accrued liabilities	-	-	687
Due to other funds	-	2,494	338,932
Total liabilities	-	2,494	445,207
Fund balances:			
Restricted	-	-	5,491,680
Assigned	994,598	-	1,330,504
Unassigned	-	(2,494)	(242,570)
Total fund balances	994,598	(2,494)	6,579,614
Total liabilities, deferred inflows of resources, and fund balances	$ 994,598	$ -	$ 7,024,821

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City of Scotts Valley

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2021

	Special Revenue Funds			
	Recycling Fund	Gas Tax Fund	Drainage Construction Fund	Park and Recreation Facilities Fund
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	5,000	436,398	-	-
Fees and services	-	-	9,236	119,327
Contributions from non-government	-	-	-	-
Investment earnings	-	8	22	787
Miscellaneous revenues	-	-	-	-
Total revenues	5,000	436,406	9,258	120,114
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and building	-	-	-	-
Public works	85,989	568	60	1,551
Capital outlay	-	230,381	-	12,900
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	85,989	230,949	60	14,451
REVENUES OVER (UNDER) EXPENDITURES	(80,989)	205,457	9,198	105,663
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(235,000)	-	-
Total other financing sources (uses)	-	(235,000)	-	-
Net change in fund balances	(80,989)	(29,543)	9,198	105,663
FUND BALANCES (DEFICITS):				
Beginning of year	(70,211)	298,682	32,855	935,106
End of year	$ (151,200)	$ 269,139	$ 42,053	$ 1,040,769

Police Facility Fund	Senior Center Fund	Mt. Hermon Traffic Mitigation Fund	Green Building Fees Fund	Tree Replacement Fund	Pinewood Estates Landscape Maintenance District Fund	Skypark Landscape Maintenance District Fund	Library Fees Fund	SMIP Fees Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	2,519
20,579	2,600	-	16,900	7,137	-	9,000	15,478	-
-	1,653	-	-	-	-	-	-	-
293	-	203	442	18	-	659	336	6
-	-	-	-	-	5,940	41,224	-	-
20,872	4,253	203	17,342	7,155	5,940	50,883	15,814	2,525
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	6,191	52	-	-	-	2,403
506	62,281	295	-	-	4,912	69,274	557	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
506	62,281	295	6,191	52	4,912	69,274	557	2,403
20,366	(58,028)	(92)	11,151	7,103	1,028	(18,391)	15,257	122
-	54,972	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	54,972	-	-	-	-	-	-	-
20,366	(3,056)	(92)	11,151	7,103	1,028	(18,391)	15,257	122
311,090	(1,140)	189,058	438,643	30,174	(2,734)	572,168	346,769	5,911
$ 331,456	$ (4,196)	$ 188,966	$ 449,794	$ 37,277	$ (1,706)	$ 553,777	$ 362,026	$ 6,033

City of Scotts Valley

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2021

	Special Revenue Funds			
	Community Center Operations	Supplemental Law Enforcement Services	Surface Transportation Projects Grant	Police Development Fees
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	119,042	862,470	-
Fees and services	43,132	-	-	-
Contributions from non-government	-	-	-	-
Investment earnings	212	260	(394)	69
Miscellaneous revenues	-	-	-	-
Total revenues	43,344	119,302	862,076	69
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	324	-	105
Planning and building	-	-	-	-
Public works	61,982	-	400	-
Capital outlay	-	194,401	223,821	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	61,982	194,725	224,221	105
REVENUES OVER (UNDER) EXPENDITURES	(18,638)	(75,423)	637,855	(36)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(18,638)	(75,423)	637,855	(36)
FUND BALANCES (DEFICITS):				
Beginning of year, as restated	144,898	218,968	(274,641)	66,778
End of year	$ 126,260	$ 143,545	$ 363,214	$ 66,742

Special Revenue Funds							
EDG Revolving Loan Fund	Homeland Security Grant	Disability Compliance Fund	Library Facilities Fund	Transportation Measure D Fund	Police Budget Act Fund	CalTrans - Get Everyone Moving Fund	Planning Grant Program
$ -	$ -	$ -	$ 667,905	$ 333,330	$ -	$ -	$ -
-	23,609	-	-	-	-	56,465	-
-	-	6,547	-	-	-	-	-
-	-	-	-	-	-	-	-
1	(1)	10	349	-	27	(1)	-
-	-	-	-	-	-	-	-
1	23,608	6,557	668,254	333,330	27	56,464	-
-	-	-	-	-	-	-	-
1	-	-	-	-	1,924	-	-
-	-	243	-	-	-	-	5,980
-	-	-	9,277	39,439	-	38,484	-
-	-	-	618,990	487,051	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	-	243	628,267	526,490	1,924	38,484	5,980
-	23,608	6,314	39,987	(193,160)	(1,897)	17,980	(5,980)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	23,608	6,314	39,987	(193,160)	(1,897)	17,980	(5,980)
550,578	(22,133)	13,822	1,196,460	116,166	21,816	-	-
$ 550,578	$ 1,475	$ 20,136	$ 1,236,447	$ (76,994)	$ 19,919	$ 17,980	$ (5,980)

City of Scotts Valley

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2021

	Debt Service Funds		
	COP Debt Service	Pension Obligation Bonds	Total Non-major Governmental Funds
REVENUES:			
Taxes and assessments	$ -	$ -	$ 1,001,235
Intergovernmental revenues	-	-	1,505,503
Fees and services	-	-	249,936
Contributions from non-government	-	-	1,653
Investment earnings	1,027	-	4,333
Miscellaneous revenues	-	-	47,164
Total revenues	1,027	-	2,809,824
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	-	2,354
Planning and building	-	-	14,869
Public works	-	-	375,575
Capital outlay	-	-	1,767,544
Debt service:			-
Principal	-	365,000	365,000
Interest and fiscal charges	1,559	78,459	80,018
Total expenditures	1,559	443,459	2,605,360
REVENUES OVER (UNDER) EXPENDITURES	(532)	(443,459)	204,464
OTHER FINANCING SOURCES (USES):			
Transfers in	-	442,217	497,189
Transfers out	-	-	(235,000)
Total other financing sources (uses)	-	442,217	262,189
Net change in fund balances	(532)	(1,242)	466,653
FUND BALANCES (DEFICITS):			
Beginning of year	995,130	(1,252)	6,112,961
End of year	$ 994,598	$ (2,494)	$ 6,579,614

City of Scotts Valley

Budgetary Comparison Schedule - Recycling Fund

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental revenues	$ 75,000	$ 75,000	$ 5,000	$ (70,000)
Investment earnings	100	100	-	(100)
Total revenues	75,100	75,100	5,000	(70,100)
EXPENDITURES:				
Current:				
Public works	70,000	70,000	85,989	(15,989)
Total expenditures	70,000	70,000	85,989	(15,989)
REVENUES OVER (UNDER) EXPENDITURES	5,100	5,100	(80,989)	(86,089)
Net change in fund balances	$ 5,100	$ 5,100	(80,989)	$ (86,089)
FUND BALANCES (DEFICITS):				
Beginning of year			(70,211)	
End of year			$ (151,200)	

City of Scotts Valley
Budgetary Comparison Schedule - Gas Tax Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 495,329	$ 495,329	$ 436,398	$ (58,931)
Investment earnings	3,000	3,000	8	(2,992)
Total revenues	498,329	498,329	436,406	(61,923)
EXPENDITURES:				
Current:				
Public works	700	700	568	132
Capital outlay	295,000	295,000	230,381	64,619
Total expenditures	295,700	295,700	230,949	64,751
REVENUES OVER (UNDER) EXPENDITURES	202,629	202,629	205,457	2,828
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(235,000)	(235,000)
Total other financing sources (uses)	-	-	(235,000)	(235,000)
Net change in fund balances	$ 202,629	$ 202,629	(29,543)	$ (232,172)
FUND BALANCES (DEFICITS):				
Beginning of year			298,682	
End of year			$ 269,139	

City of Scotts Valley
Budgetary Comparison Schedule - Drainage Construction Fun
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 15,000	$ 15,000	$ 9,236	$ (5,764)
Investment earnings	500	500	22	(478)
Total revenues	15,500	15,500	9,258	(6,242)
EXPENDITURES:				
Current:				
Public works	12,000	12,000	60	11,940
Total expenditures	12,000	12,000	60	11,940
REVENUES OVER (UNDER) EXPENDITURES	3,500	3,500	9,198	5,698
Net change in fund balances	$ 3,500	$ 3,500	9,198	$ 5,698
FUND BALANCES (DEFICITS):				
Beginning of year			32,855	
End of year			$ 42,053	

City of Scotts Valley

Budgetary Comparison Schedule - Parks & Recreation Facilities Fund

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fees and services	$ 40,000	$ 40,000	$ 119,327	$ 79,327
Investment earnings	17,500	17,500	787	(16,713)
Total revenues	57,500	57,500	120,114	62,614
EXPENDITURES:				
Current:				
Public works	2,000	2,000	1,551	449
Capital outlay	640,000	640,000	12,900	627,100
Total expenditures	642,000	642,000	14,451	627,549
Net change in fund balances	$ (584,500)	$ (584,500)	105,663	$ 690,163
FUND BALANCES (DEFICITS):				
Beginning of year			935,106	
End of year			$ 1,040,769	

City of Scotts Valley
Budgetary Comparison Schedule - Police Facility Fund
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fees and services	$ 10,000	$ 10,000	$ 20,579	$ 10,579
Investment earnings	6,000	6,000	293	(5,707)
Total revenues	16,000	16,000	20,872	4,872
EXPENDITURES:				
Current:				
Public works	750	750	506	244
Capital outlay	89,000	89,000	-	89,000
Total expenditures	89,750	89,750	506	89,244
Net change in fund balances	$ (73,750)	$ (73,750)	20,366	$ 94,116
FUND BALANCES (DEFICITS):				
Beginning of year			311,090	
End of year			$ 331,456	

City of Scotts Valley

Budgetary Comparison Schedule - Senior Center Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 59,150	$ 59,150	$ 2,600	$ (56,550)
Contributions from non-government	2,500	2,500	1,653	(847)
Miscellaneous revenues	400	400	-	(400)
Total revenues	62,050	62,050	4,253	(57,797)
EXPENDITURES:				
Current:				
Public works	57,761	57,761	62,281	(4,520)
Total expenditures	57,761	57,761	62,281	(4,520)
REVENUES OVER (UNDER) EXPENDITURES	4,289	4,289	(58,028)	(62,317)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	54,972	54,972
Total other financing sources (uses)	-	-	54,972	54,972
Net change in fund balances	$ 4,289	$ 4,289	(3,056)	$ (7,345)
FUND BALANCES (DEFICITS):				
Beginning of year			(1,140)	
End of year			$ (4,196)	

City of Scotts Valley
Budgetary Comparison Schedule - Mt. Hermon Traffic Mitigation Fund
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings	$ 3,500	$ 3,500	$ 203	$ (3,297)
Total revenues	3,500	3,500	203	(3,297)
EXPENDITURES:				
Current:				
Public works	400	400	295	105
Total expenditures	400	400	295	105
Net change in fund balances	$ 3,100	$ 3,100	(92)	$ (3,402)
FUND BALANCES (DEFICITS):				
Beginning of year			189,058	
End of year			$ 188,966	

City of Scotts Valley

Budgetary Comparison Schedule - Green Building Fees Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 21,000	$ 21,000	$ 16,900	$ (4,100)
Investment earnings	8,500	8,500	442	(8,058)
Total revenues	29,500	29,500	17,342	(12,158)
EXPENDITURES:				
Current:				
Planning and building	4,750	4,750	6,191	(1,441)
Total expenditures	4,750	4,750	6,191	(1,441)
Net change in fund balances	$ 24,750	$ 24,750	11,151	$ (13,599)
FUND BALANCES (DEFICITS):				
Beginning of year			438,643	
End of year			$ 449,794	

City of Scotts Valley
Budgetary Comparison Schedule - Tree Replacement Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 1,000	$ 1,000	$ 7,137	$ 6,137
Investment earnings	500	500	18	(482)
Total revenues	1,500	1,500	7,155	5,655
EXPENDITURES:				
Current:				
Planning and building	50	50	52	(2)
Capital outlay	10,000	10,000	-	10,000
Total expenditures	10,050	10,050	52	9,998
Net change in fund balances	$ (8,550)	$ (8,550)	7,103	$ 15,653
FUND BALANCES (DEFICITS):				
Beginning of year			30,174	
End of year			$ 37,277	

City of Scotts Valley

Budgetary Comparison Schedule - Pinewood Estates Landscape Maintenance Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 200	$ 200	$ -	$ (200)
Miscellaneous revenues	6,300	6,300	5,940	(360)
Total revenues	6,500	6,500	5,940	(560)
EXPENDITURES:				
Current:				
Public works	5,520	5,520	4,912	608
Total expenditures	5,520	5,520	4,912	608
Net change in fund balances	$ 980	$ 980	1,028	$ 48
FUND BALANCES (DEFICITS):				
Beginning of year			(2,734)	
End of year			$ (1,706)	

City of Scotts Valley

Budgetary Comparison Schedule - Skypark Landscape Maintenance District

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Fees and services	$ 9,000	$ 9,000	$ 9,000	$ -
Investment earnings	10,200	10,200	659	(9,541)
Miscellaneous revenues	42,000	42,000	41,224	(776)
Total revenues	61,200	61,200	50,883	(10,317)
EXPENDITURES:				
Current:				
Public works	60,000	60,000	69,274	(9,274)
Total expenditures	60,000	60,000	69,274	(9,274)
REVENUES OVER (UNDER) EXPENDITURES	1,200	1,200	(18,391)	(19,591)
Net change in fund balances	$ 1,200	$ 1,200	(18,391)	$ (19,591)
FUND BALANCES (DEFICITS):				
Beginning of year			572,168	
End of year			$ 553,777	

City of Scotts Valley
Budgetary Comparison Schedule - Library Fees Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 10,000	$ 10,000	$ 15,478	$ 5,478
Investment earnings	6,500	6,500	336	(6,164)
Total revenues	16,500	16,500	15,814	(686)
EXPENDITURES:				
Current:				
Public works	700	700	557	143
Total expenditures	700	700	557	143
REVENUES OVER (UNDER) EXPENDITURES	15,800	15,800	15,257	(829)
Net change in fund balances	$ 15,800	$ 15,800	15,257	$ (543)
FUND BALANCES (DEFICITS):				
Beginning of year			346,769	
End of year			$ 362,026	

City of Scotts Valley
Budgetary Comparison Schedule - SMIP Fee
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 5,000	$ 5,000	$ 2,519	$ (2,481)
Investment earnings	150	150	6	(144)
Total revenues	5,150	5,150	2,525	(2,625)
EXPENDITURES:				
Current:				
Planning and building	5,000	5,000	2,403	2,597
Total expenditures	5,000	5,000	2,403	2,597
REVENUES OVER (UNDER) EXPENDITURES	150	150	122	(5,222)
Net change in fund balances	$ 150	$ 150	122	$ (28)
FUND BALANCES (DEFICITS):				
Beginning of year			5,911	
End of year			$ 6,033	

City of Scotts Valley
Budgetary Comparison Schedule - Community Center Operations
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 68,000	$ 68,000	$ 43,132	$ (24,868)
Investment earnings	-	-	212	212
Miscellaneous revenues	-	-	-	-
Total revenues	68,000	68,000	43,344	(24,656)
EXPENDITURES:				
Current:				
Public works	66,701	66,701	61,982	4,719
Total expenditures	66,701	66,701	61,982	4,719
REVENUES OVER (UNDER) EXPENDITURES	1,299	1,299	(18,638)	(19,937)
Net change in fund balances	$ 1,299	$ 1,299	(18,638)	$ (19,937)
FUND BALANCES (DEFICITS):				
Beginning of year			144,898	
End of year			$ 126,260	

City of Scotts Valley

Budgetary Comparison Schedule - Supplemental Law Enforcement Services

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental revenues	$ 100,000	$ 100,000	$ 119,042	$ 19,042
Investment earnings	2,500	2,500	260	(2,240)
Total revenues	102,500	102,500	119,302	16,802
EXPENDITURES:				
Current:				
Public safety	28,500	28,500	324	28,176
Capital outlay	120,000	120,000	194,401	(74,401)
Total expenditures	148,500	148,500	194,725	(46,225)
Net change in fund balances	$ (46,000)	$ (46,000)	(75,423)	$ (29,423)
FUND BALANCES (DEFICITS):				
Beginning of year			218,968	
End of year			$ 143,545	

City of Scotts Valley
Budgetary Comparison Schedule - Surface Transportation Projects Grant
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 1,844,844	$ 1,844,844	$ 862,470	$ (982,374)
Total revenues	1,844,844	1,844,844	862,076	(982,768)
EXPENDITURES:				
Current:				
Public works	-	-	400	(400)
Capital outlay	1,844,844	1,844,844	223,821	1,621,023
Total expenditures	1,844,844	1,844,844	224,221	1,620,623
Net change in fund balances	$ -	$ -	637,855	$ 637,855
FUND BALANCES (DEFICITS):				
Beginning of year			(274,641)	
End of year			$ 363,214	

City of Scotts Valley

Budgetary Comparison Schedule - Police Development Fees Fund

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings	$ 2,600	$ 2,600	$ 69	$ (2,531)
Total revenues	2,600	2,600	69	(2,531)
EXPENDITURES:				
Current:				
Public safety	300	300	105	195
Total expenditures	300	300	105	195
Net change in fund balances	$ 2,300	$ 2,300	(36)	$ (2,336)
FUND BALANCES (DEFICITS):				
Beginning of year			66,778	
End of year			$ 66,742	

City of Scotts Valley
Budgetary Comparison Schedule - EDG Revolving Loan Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 10	$ 10	$ 1	$ (9)
Total revenues	10	10	1	(9)
EXPENDITURES:				
Current:				
Public safety	1	1	1	-
Total expenditures	1	1	1	-
Net change in fund balances	$ 9	$ 9	-	$ (9)
FUND BALANCES (DEFICITS):				
Beginning of year			550,578	
End of year			$ 550,578	

City of Scotts Valley

Budgetary Comparison Schedule - Homeland Security Grant Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ -	$ -	$ 23,609	$ 23,609
Investment earnings	-	-	(1)	(1)
Total revenues	-	-	23,608	23,608
Net change in fund balances	$ -	$ -	23,608	$ 23,608
FUND BALANCES (DEFICITS):				
Beginning of year			(22,133)	
End of year			$ 1,475	

City of Scotts Valley

Budgetary Comparison Schedule - Disability Compliance Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fees and services	$ 4,000	$ 4,000	$ 6,547	$ 2,547
Investment earnings	250	250	10	(240)
Total revenues	4,250	4,250	6,557	2,307
EXPENDITURES:				
Current:				
Planning and building	5,040	5,040	243	4,797
Total expenditures	5,040	5,040	243	4,797
Net change in fund balances	$ (790)	$ (790)	6,314	$ 7,104
FUND BALANCES (DEFICITS):				
Beginning of year			13,822	
End of year			$ 20,136	

City of Scotts Valley

Budgetary Comparison Schedule - Library Facilities Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ 444,000	$ 444,000	$ 667,905	$ 223,905
Investment earnings	17,000	17,000	349	(16,651)
Total revenues	461,000	461,000	668,254	207,254
EXPENDITURES:				
Current:				
Public works	1,750	1,750	9,277	(7,527)
Capital outlay	750,000	750,000	618,990	131,010
Total expenditures	751,750	751,750	628,267	123,483
Net change in fund balances	$ (290,750)	$ (290,750)	39,987	$ 330,737
FUND BALANCES (DEFICITS):				
Beginning of year			1,196,460	
End of year			$ 1,236,447	

City of Scotts Valley
Budgetary Comparison Schedule - Transportation - Measure D Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ 265,800	$ 265,800	$ 333,330	$ 67,530
Investment earnings	6,000	6,000	-	(6,000)
Total revenues	271,800	271,800	333,330	61,530
EXPENDITURES:				
Current:				
Public works	750	750	39,439	(38,689)
Capital outlay	324,147	324,147	487,051	(162,904)
Total expenditures	324,897	324,897	526,490	(201,593)
Net change in fund balances	$ (53,097)	$ (53,097)	(193,160)	$ (140,063)
FUND BALANCES (DEFICITS):				
Beginning of year			116,166	
End of year			$ (76,994)	

City of Scotts Valley

Budgetary Comparison Schedule - Police Budget Act Fund

For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment earnings	$ 500	$ 500	$ 27	$ (473)
Total revenues	500	500	27	(473)
EXPENDITURES:				
Current:				
Public safety	15,100	15,100	1,924	13,176
Total expenditures	15,100	15,100	1,924	13,176
Net change in fund balances	$ (14,600)	$ (14,600)	(1,897)	$ 12,703
FUND BALANCES (DEFICITS):				
Beginning of year			21,816	
End of year			$ 19,919	

City of Scotts Valley
Budgetary Comparison Schedule - CalTrans - Get Everyone Moving Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 113,000	$ 113,000	$ 56,465	$ (56,535)
Total revenues	113,000	113,000	56,464	(56,536)
EXPENDITURES:				
Current:				
Public works	113,000	113,000	38,484	74,516
Total expenditures	113,000	113,000	38,484	74,516
Net change in fund balances	$ -	$ -	17,980	$ 17,980
FUND BALANCES (DEFICITS):				
Beginning of year			-	
End of year			$ 17,980	

City of Scotts Valley

Budgetary Comparision Schedule - Planning Grants Program Fund

For the year ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
EXPENDITURES:				
Current:				
Planning and building	$ -	$ -	5,980	$ (5,980)
Total expenditures	-	-	5,980	(5,980)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,980)	(5,980)
Net change in fund balances	$ -	$ -	(5,980)	$ (5,980)
FUND BALANCES (DEFICITS):				
Beginning of year			-	
End of year			$ (5,980)	

City of Scotts Valley

Budgetary Comparison Schedule - COP Debt Service

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 22,000	$ 22,000	$ 1,027	$ (20,973)
Total revenues	22,000	22,000	1,027	(20,973)
EXPENDITURES:				
Debt service:				
Interest and fiscal charges	1,000	1,000	1,559	(559)
Total expenditures	1,000	1,000	1,559	(559)
Net change in fund balances	$ 464,745	$ 464,745	(532)	$ (465,277)
FUND BALANCES (DEFICITS):				
Beginning of year			995,130	
End of year			$ 994,598	

City of Scotts Valley
Budgetary Comparison Schedule - Pension Obligation Bonds
For the year ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES:				
Debt service:				
Principal	$ 365,000	$ 365,000	$ 365,000	$ -
Interest and fiscal charges	78,745	78,745	78,459	(286)
Total expenditures	443,745	443,745	443,459	(286)
REVENUES OVER (UNDER) EXPENDITURES	(443,745)	(443,745)	(443,459)	286
OTHER FINANCING SOURCES (USES):				
Transfers in	443,745	443,745	442,217	(1,528)
Total other financing sources (uses)	443,745	443,745	442,217	(1,528)
Net change in fund balances	$ -	$ -	(1,242)	$ (1,242)
FUND BALANCES (DEFICITS):				
Beginning of year			(1,252)	
End of year			$ (2,494)	

City of Scotts Valley

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2021

	General Trust Fund	SV Drive A Redemption	SV Drive A Prepayment	SV Drive A Reserve	Total Custodial Funds
ASSETS					
Cash and investments held for others, restricted	$ 181,502	$ 429,284	$ 8,371	$ 65,354	$ 684,511
Cash and investments held in accordance with bond indentures, restricted	-	-	-	358,180	358,180
Other receivables	-	5,117	-	-	5,117
Total assets	181,502	434,401	8,371	423,534	1,047,808
NET POSITION					
Restricted for					
Bondholders	181,502	434,401	8,371	423,534	1,047,808
Total net position	$ 181,502	$ 434,401	$ 8,371	$ 423,534	$ 1,047,808

City of Scotts Valley

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the year ended June 30, 2021

	General Trust Fund	SV Drive A Redemption	SV Drive A Prepayment	SV Drive A Reserve	Total Custodial Funds
ADDITIONS					
Assessments revenue	$ -	$ 423,357	$ 9	$ 68	$ 423,434
Deposits received	12,650	-	-	-	12,650
Transfers	-	52	-	(52)	-
Total additions	12,650	423,409	9	16	436,084
DELETIONS					
Depoits payment	68,555	-	-	-	68,555
Administrative expenses	-	15,612	14	103	15,729
Debt service payment	-	401,965	-	-	401,965
Total deletions	68,555	417,577	14	103	486,249
Changes in net position	(55,905)	5,832	(5)	(87)	(50,165)
Beginning of the year, as restated	237,407	428,569	8,376	423,621	1,097,973
End of year	$ 181,502	$ 434,401	$ 8,371	$ 423,534	$ 1,047,808

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STATISTICAL SECTION
(Unaudited)

CITY OF SCOTTS VALLEY
NARRATIVE EXPLANATION OF STATISTICAL SECTION CATEGORIES

Financial Trends

The financial trends section provides information to assist the user in understanding and assessing how the City's financial position has changed over time. Tables 1 and 2 present information from the government-wide statements. Tables 3 and 4 present information from the fund financial statements.

Revenue Capacity Information

The revenue capacity information section provides information to assist the user in understanding and assessing the factors affecting the City's ability to generate its own-source revenues. Table 5 presents the assessed value of the residential, commercial and other property within the City. Table 6 presents the general property tax rate as well as tax rates from various school districts. Table 7 presents the top ten property tax payers. Table 8 presents the amount of property taxes levied and collected.

Debt Capacity Information

The debt capacity information section provides information to assist the user in understanding and assessing the City's debt burden and ability to issue additional debt. Table 9 presents the outstanding balance of all direct and overlapping government debt at fiscal year end. Table 10 presents the City's debt by type as well as total debt as a percentage of personal income and total debt per capita. The personal income is of the County of Santa Cruz because there is no information available for the City of Scotts Valley alone. Table 11 presents the maximum amount of debt the City can legally incur. Table 12 presents the coverage of pledged revenue sources to the total debt they service.

Demographic and Economic Information

The demographic and economic information section provides information to assist the user in 1) understanding the socioeconomic environment within which the City operates, and 2) to provide information that facilitates comparisons of financial statement information over time and among governments. Table 13 presents population and unemployment rate for the City of Scotts Valley as well as the population, personal income, and per capita income for the County of Santa Cruz. Table 14 presents the top ten employers in terms of number of employees.

Operating Information

The operating information section provides contextual information about the City's operations and resources to assist readers in using financial statement information to understand and assess the City's economic condition. Table 15 provides the number of full-time equivalent City employees. For example, two half-time employees would equal one full-time equivalent employee. Table 16 provides operating statistics for various city departments. Table 17 presents capital assets by city function.

Financial Trends Information

CITY OF SCOTTS VALLEY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
Governmental Activities:				
Net Investment in Capital Assets	$ 25,583,381	$ 24,557,190	$ 23,343,849	$ 24,579,818
Restricted	9,782,727	8,334,007	8,053,022	6,479,194
Unrestricted	(15,340,391)	(16,604,143)	(13,857,664)	(17,334,416)
Total Governmental Activities	$ 20,025,717	$ 16,287,054	$ 17,539,207	$ 13,724,596
Business-Type Activities:				
Net Investment in Capital Assets	$ 10,341,552	$ 10,704,508	$ 11,132,780	$ 11,732,371
Restricted	746,708	722,596	722,596	2,279,246
Unrestricted	(3,098,256)	(3,132,213)	(3,189,230)	(4,594,758)
Total Business-Type Activities	$ 7,990,004	$ 8,294,891	$ 8,666,146	$ 9,416,859
Primary Government:				
Net Investment in Capital Assets	$ 34,278,715	$ 35,261,698	$ 34,476,629	$ 36,312,189
Restricted	10,529,435	9,056,603	8,775,618	8,758,440
Unrestricted	(16,792,429)	(19,736,356)	(17,046,894)	(21,929,174)
Total Primary Government	$ 28,015,721	$ 24,581,945	$ 26,205,353	$ 23,141,455

Table 1

Fiscal Year					
2017	2016	2015	2014	2013	2012
$ 24,866,903	$ 25,069,334	$ 25,777,811	$ 25,257,926	$ 26,144,045	$ 22,507,403
6,406,654	5,624,316	4,706,893	5,156,689	5,040,899	9,167,537
(10,085,490)	(8,111,236)	(6,941,140)	1,067,845	1,132,287	4,841,149
$ 21,188,067	$ 22,582,414	$ 23,543,564	$ 31,482,460	$ 32,317,231	$ 36,516,089
$ 12,161,439	$ 12,877,519	$ 13,535,881	$ 14,021,485	$ 14,323,746	$ 14,717,231
2,170,321	2,150,421	2,155,781	2,298,653	2,443,372	2,298,653
(2,308,944)	(644,072)	(269,661)	1,835,651	2,469,689	3,260,042
$ 12,022,816	$ 14,383,868	$ 15,422,001	$ 18,155,789	$ 19,236,807	$ 20,275,926
$ 37,028,342	$ 37,946,853	$ 39,313,692	$ 39,279,411	$ 40,467,791	$ 37,224,634
8,576,975	7,774,737	6,862,674	7,455,342	7,484,271	11,466,190
(12,394,434)	(8,755,308)	(7,210,801)	2,903,496	3,601,976	8,101,191
$ 33,210,883	$ 36,966,282	$ 38,965,565	$ 49,638,249	$ 51,554,038	$ 56,792,015

CITY OF SCOTTS VALLEY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
Expenses:				
Governmental Activities				
General Government	$ 3,118,926	$ 3,829,666	$ 2,592,377	$ 3,171,897
Public Safety	5,520,484	6,411,762	5,845,546	10,725,905
Planning & Building	1,388,104	1,449,842	1,324,136	1,352,185
Public Works	3,911,638	3,691,894	3,297,140	4,270,705
Redevelopment	-	-	-	-
Interest on Long-Term Debt and Fiscal Agent Charges	336,292	381,759	584,136	541,426
Total Governmental Activities Expense	14,275,444	15,764,923	13,643,335	20,062,118
Business-Type Activities				
Wastewater	3,205,747	2,267,855	3,249,610	4,625,969
Recreation Programs	451,235	2,211,353	1,419,413	1,678,885
Total Business-Type Activities Expense	3,656,982	4,479,208	4,669,023	6,304,854
Total Primary Government Expense	$ 17,932,426	$ 20,244,131	$ 18,312,358	$ 26,366,972
Program Revenues:				
Governmental Activities				
Charges for Services				
Planning and Building fees	$ 1,200,696	$ 834,807	$ 1,095,574	$ 808,419
Police fees	108,240	77,739	161,353	33,428
Senior Center / Community Ctr	99,843	165,304	224,835	147,726
Public Works fees	297,665	342,389	564,862	282,600
Redevelopment	-	-	-	-
Other activities	-	-	-	9,047
Operating Grants and Contributions	1,984,759	1,191,527	1,756,499	555,122
Capital Grants and Contributions	267,145	91,670	977,790	1,430,535
Total Gov'tal Activities Program Revenue	3,958,348	2,703,436	4,780,913	3,266,877
Business-Type Activities				
Charges for Services				
Wastewater fees	2,925,142	3,023,105	2,617,094	2,263,205
Recreational program fees	32,678	710,240	1,092,527	1,179,882
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	116,195	31,204	225,624	318,981
Total Business-Type Activities Program Revenues	3,074,015	3,764,549	3,935,245	3,762,068
Total Primary Gov't Program Revenues	$ 7,032,363	$ 6,467,985	$ 8,716,158	$ 7,028,945

2017	2016	2015	2014	2013	2012
$ 2,801,847	$ 1,905,906	$ 1,841,382	$ 1,942,629	$ 1,813,920	$ 5,563,325
6,609,761	5,332,955	4,614,596	4,432,039	4,590,667	4,855,212
1,690,507	1,223,947	927,748	804,651	3,157,314	1,185,758
4,104,603	3,352,397	3,025,535	2,951,185	2,924,033	2,961,167
-	-	-	-	-	-
575,795	508,274	515,679	712,066	627,398	967,148
15,782,513	12,323,479	10,924,940	10,842,570	13,113,332	15,532,610
4,209,282	2,987,794	2,721,258	2,812,627	2,765,435	3,291,469
1,321,072	1,125,041	1,002,901	988,782	930,671	1,410,728
5,530,354	4,112,835	3,724,159	3,801,409	3,696,106	4,702,197
$ 21,312,867	$ 16,436,314	$ 14,649,099	$ 14,643,979	$ 16,809,438	$ 20,234,807
$ 1,352,630	$ 481,578	$ 684,540	$ 461,104	$ 405,476	$ 366,747
33,023	39,246	35,756	24,781	27,800	46,587
187,678	176,620	154,877	131,248	126,627	126,143
413,312	286,999	120,999	89,839	137,427	99,328
-	-	-	-	-	-
314,261	163,755	109,741	185,953	203,234	240,540
362,647	502,181	595,858	612,003	498,658	670,329
471,761	189,924	1,153,630	646,290	439,962	344,033
3,135,312	1,840,303	2,855,401	2,151,218	1,839,184	1,893,707
1,988,203	1,968,900	1,868,388	1,789,141	1,606,806	1,636,584
1,010,276	981,434	962,819	832,749	737,035	810,703
-	86,720	-	-	-	-
58,280	28,989	78,371	59,964	171,084	137,245
3,056,759	3,066,043	2,909,578	2,681,854	2,514,925	2,584,532
$ 6,192,071	$ 4,906,346	$ 5,764,979	$ 4,833,072	$ 4,354,109	$ 4,478,239

CITY OF SCOTTS VALLEY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
Net (Expense) Revenue				
Governmental Activities	$ (10,317,096)	$ (13,061,487)	$ (8,862,422)	$ (16,795,241)
Business-Type Activities	(582,967)	(714,659)	(733,778)	(2,542,786)
Total Primary Government Net Expense	$ (10,900,063)	$ (13,776,146)	$ (9,596,200)	$ (19,338,027)
General Revenues and Other Changes in Net Position				
General Activities				
Taxes				
Sales tax	$ 6,666,056	$ 4,035,344	$ 4,375,666	$ 3,346,995
Property tax	2,142,631	2,204,764	2,564,344	1,761,638
Franchise fees	1,044,899	1,043,116	1,013,694	986,783
Transient Occupancy Tax	1,261,100	1,520,372	1,907,567	1,588,106
Utility users tax	828,420	794,878	778,650	740,358
Other taxes	517,171	257,716	375,389	390,028
Motor Vehicle-in-lieu	1,266,561	1,205,024	1,152,360	1,082,327
Investment Earnings	34,203	243,666	184,232	52,305
Miscellaneous	569,302	310,683	296,319	301,942
Special Item: Sale of Property			-	-
Transfers	(274,584)	(299,502)	53,411	81,288
Total Governmental Activities	14,055,759	11,316,061	12,701,632	10,331,770
Business-Type Activities				
Investment Earnings	3,493	43,902	36,476	18,117
Miscellaneous	-	-	-	-
Transfers	274,584	299,502	(53,411)	(81,288)
Total Business-Type Activities	278,077	343,404	(16,935)	(63,171)
Total Primary Government	$ 14,333,836	$ 11,659,465	$ 12,684,697	$ 10,268,599
Extraordinary Gain	$ -	$ -	$ -	$ -
Change in Net Position				
Governmental Activities	$ 3,738,663	$ (1,745,426)	$ 3,839,210	$ (6,463,471)
Business-Type Activities	(304,890)	(371,255)	(750,713)	(2,605,957)
Total Primary Government	$ 3,433,773	$ (2,116,681)	$ 3,088,497	$ (9,069,428)

2017	2016	2015	2014	2013	2012
$ (12,647,201)	$ (10,483,176)	$ (8,069,539)	$ (8,691,352)	$ (11,274,148)	$(13,638,903)
(2,473,595)	(1,046,792)	(814,581)	(1,119,555)	(1,181,181)	(2,117,665)
$ (15,120,796)	$ (11,529,968)	$ (8,884,120)	$ (9,810,907)	$ (12,455,329)	$(15,756,568)
$ 3,289,289	$ 3,534,523	$ 3,156,258	$ 2,234,797	$ 1,976,580	$ 1,887,496
1,757,571	1,313,578	1,821,109	1,738,055	1,855,084	2,143,174
994,614	972,951	948,949	798,928	798,514	770,730
1,218,063	1,011,432	1,058,996	926,199	780,648	712,605
747,585	694,552	654,411	637,547	602,892	600,478
438,564	529,092	460,091	397,325	372,313	345,945
1,019,933	960,758	897,721	839,118	828,062	840,480
29,248	38,666	81,574	20,406	60,497	85,866
1,110,461	466,529	588,801	294,999	444,698	450,130
746,924	-	-	-	-	-
(99,398)	(55)	(10,936)	(30,793)	(134,929)	(1,111,294)
11,252,854	9,522,026	9,656,974	7,856,581	7,584,359	6,725,610
13,145	8,604	5,842	7,744	7,133	13,548
-	-	-	-	-	-
99,398	55	10,936	30,793	134,929	1,111,294
112,543	8,659	16,778	38,537	142,062	1,124,842
$ 11,365,397	$ 9,530,685	$ 9,673,752	$ 7,895,118	$ 7,726,421	$ 7,850,452
$ -	$ -	$ -	$ -	$ -	$ 4,552,819
$ (1,394,347)	$ (961,150)	$ 1,587,435	$ (834,771)	$ (3,689,789)	$ (2,360,474)
(2,361,052)	(1,038,133)	(797,803)	(1,081,018)	(1,039,119)	(992,823)
$ (3,755,399)	$ (1,999,283)	$ 789,632	$ (1,915,789)	$ (4,728,908)	$ (3,353,297)

CITY OF SCOTTS VALLEY
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
General Fund				
Nonspendable	$ 139,532	$ 139,532	$ 139,532	$ 100,487
Restricted	33,184	3,397	101,461	3,962,916
Unassigned	6,859,758	3,938,058	4,897,391	
Total General Fund	$ 7,032,474	$ 4,080,987	$ 5,138,384	$ 4,063,403
All Other Governmental Funds				
Restricted	$ 9,749,543	$ 8,330,610	$ 7,951,561	$ 5,618,311
Assigned	1,330,504	1,385,628	1,299,499	1,107,190
Unassigned	(289,405)	(430,161)	(65,377)	(55,117)
Total All Other Governmental Func	$ 10,790,642	$ 9,286,077	$ 9,185,683	$ 6,670,384
Total All Governmental Funds	$ 17,823,116	$ 13,367,064	$ 14,324,067	$ 10,733,787

Table 3

2017	2016	2015	2014	2013	2012
$ 99,356	$ 99,003	$ 98,920	$ 211,940	$ 433,352	$ 433,346
4,131,884	2,896,849	2,830,280	1,507,677	1,434,328	2,719,892
$ 4,231,240	$ 2,995,852	$ 2,929,200	$ 1,719,617	$ 1,867,680	$ 3,153,238
$ 5,264,677	$ 4,464,158	$ 4,471,522	$ 4,882,321	$ 4,734,977	$ 7,081,826
1,042,621	1,058,584	1,031,061	1,025,646	1,297,844	1,474,699
(79,691)	(86,638)	(68,502)	(61,445)	(65,610)	(78,617)
$ 6,227,607	$ 5,436,104	$ 5,434,081	$ 5,846,522	$ 5,967,211	$ 8,477,908
$10,458,847	$ 8,431,956	$ 8,363,281	$ 7,566,139	$ 7,834,891	$ 11,631,146

CITY OF SCOTTS VALLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
Revenues:				
Taxes and Assessments	$14,120,985	$11,117,073	$ 12,167,669	$ 10,314,528
Intergovernmental Revenues	1,657,378	1,048,976	1,744,402	803,971
Fees and Services	1,768,492	1,376,874	2,658,009	1,578,574
Fines and Forfeitures	17,510	31,442	44,265	35,013
Contributions, Non-Gov't	1,653	8,505	18,468	167,840
Facility/Building Rental	155,255	112,354	288,912	32,760
Investment Earnings	34,156	226,309	169,847	93,966
Miscellaneous Revenues	599,111	315,312	336,900	649,132
Total Revenues	18,354,540	14,236,845	17,428,472	13,675,784
Expenditures:				
Current:				
General Government	2,983,275	3,204,004	2,434,443	2,134,089
Public Safety	5,030,108	5,621,165	5,238,107	5,217,774
Planning and Building	1,336,531	1,365,244	1,277,550	1,089,776
Public Works	1,946,247	1,965,277	2,026,962	2,307,435
Capital Outlay	2,060,807	1,772,238	1,901,832	1,757,388
Tax Increment Pass-Through	-	-	-	-
Debt Service				
Principal	815,000	870,000	630,000	600,000
Interest/Finance Charges	346,896	273,769	358,110	375,670
Bond Issuance Costs	-	-	-	-
Total Expenditures	14,518,864	15,071,697	13,867,004	13,482,132
Excess(Deficit) of Revenues over (under) Expenditures	3,835,676	(834,852)	3,561,468	193,652
Other Financing Sources (Uses):				
Transfers In	732,189	694,017	1,270,373	1,442,138
Transfers Out	(1,006,773)	(993,519)	(1,216,962)	(1,360,850)
Proceeds from Debt	-	9,460,000	-	-
Premium on Debt Issued	-	356,636	-	-
Payment to Escrow	-	(9,639,285)	-	-
Sale of Real Property	-	-	-	-
Net Other Sources (Uses)	(274,584)	(122,151)	53,411	81,288
Extraordinary Gain	-	-	-	-
Change in Fund Balances	$ 3,561,092	$ (957,003)	$ 3,614,879	$ 274,940
Debt Services as a Percentage of Noncapital Expenditures	9%	9%	8%	8%

Table 4

2017	2016	2015	2014	2013	2012
$ 9,675,857	$ 9,362,093	$ 9,444,126	$ 8,052,339	$ 7,598,884	$ 7,748,024
288,725	152,753	1,062,025	352,004	110,828	217,028
2,344,647	1,192,986	1,285,952	1,183,852	1,187,315	1,018,433
37,680	35,411	70,470	41,731	54,438	57,815
2,865	2,306	19,911	2,167	46,003	14,340
32,760	44,910	22,500	30,000	32,400	32,100
63,020	54,860	92,967	24,865	68,205	97,544
1,378,011	517,064	525,360	473,808	613,979	542,296
13,823,565	11,362,383	12,523,311	10,160,766	9,712,052	9,727,580
2,216,039	1,942,389	1,814,779	1,850,794	1,763,970	5,407,571
4,960,402	4,927,713	4,511,889	4,223,936	4,297,153	4,495,974
1,336,664	1,182,716	929,264	756,737	4,214,913	1,133,940
1,925,211	1,979,404	1,753,952	1,753,449	1,696,000	1,668,457
1,193,706	446,373	1,902,961	764,110	524,019	687,698
-	-	-	-	-	-
470,000	465,000	445,000	4,995,000	290,353	262,871
342,178	350,058	357,388	354,808	586,970	745,957
-	-	-	304,891	-	158,332
12,444,200	11,293,653	11,715,233	15,003,725	13,373,378	14,560,800
1,379,365	68,730	808,078	(4,842,959)	(3,661,326)	(4,833,220)
1,616,826	725,455	1,228,612	1,316,588	900,381	4,965,711
(1,716,224)	(725,510)	(1,239,548)	(1,347,381)	(1,035,310)	(6,077,005)
-	-	-	4,605,000	-	4,460,000
-	-	-	-	-	-
-	-	-	-	-	-
746,924	-	-	-	-	-
647,526	(55)	(10,936)	4,574,207	(134,929)	3,348,706
-	-	-	-	-	326,046
$ 2,026,891	$ 68,675	$ 797,142	$ (268,752)	$ (3,796,255)	$ (1,158,468)
7%	8%	8%	38%	7%	7%

Revenue Capacity Information

CITY OF SCOTTS VALLEY Table 5
ASSESSED VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial and Other Property	Total Taxable Assessed Value	(1) General Tax Rate
2012	1,413,942,688	642,128,306	2,056,070,994	1.00%
2013	1,414,040,184	598,441,394	2,012,481,578	1.00%
2014	1,483,067,171	564,469,568	2,047,536,739	1.00%
2015	1,627,120,418	571,942,811	2,199,063,229	1.00%
2016	1,753,326,658	601,424,458	2,354,751,116	1.00%
2017	1,850,625,172	647,799,289	2,498,424,461	1.00%
2018	1,966,471,659	684,245,880	2,650,717,539	1.00%
2019	2,083,096,965	736,609,304	2,819,706,269	1.00%
2020	2,185,062,044	759,726,144	2,944,788,188	1.00%
2021	2,309,749,776	790,738,571	3,100,488,347	1.00%

(1) Property tax rates are limited to $1.00 per $100.00 assessed valuation based on a June 1978 state constitutional amendment (Proposition 13). The tax rate (1%) is levied by the County and apportioned to local agencies according to a formula prescribed by the State legislature.

The City's share of the 1% property tax rate for its own General Fund is less than 6.5%. The City established a Redevelopment Agency in 1980. The Agency's Redevelopment Plan was adopted in November 1990. The City's General Fund does not receive any property tax from the tax revenues generated above the base year amount (tax increment revenue). The Agency entered into pass-through agreements with various governmental entities. Approximately 47% of the total tax increment revenue is paid out per these agreements. Another 20% is restricted for low and moderate income housing purposes. California state law eliminated redevelopment agencies effective February 1, 2012. The former tax increment revenue is being collected by the County of Santa Cruz and distributed to the successor redevelopment agencies to the extent of their enforceable obligations. Any revenue collected in excess of the amount of enforceable obligations is distributed to the taxing entities in the same proportion that they receive property taxes.

Source: Santa Cruz County Assessor
HdL 2019/20 CAFR Statistical Basic Package for the City of Scotts Valley

CITY OF SCOTTS VALLEY Table 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

		Overlapping Rates	
Fiscal Year	(1) General Tax Rate	(2) Scotts Valley Unified School District	(2) Cabrillo Community College District
2012	1.00%	0.048	0.039
2013	1.00%	0.046	0.040
2014	1.00%	0.041	0.040
2015	1.00%	0.075	0.037
2016	1.00%	0.051	0.037
2017	1.00%	0.084	0.033
2018	1.00%	0.084	0.024
2019	1.00%	0.069	0.021
2020	1.00%	0.077	0.025
2021	1.00%	0.077	0.025

(1) See explanation on Table 5. Source: Santa Cruz County Treasurer / Tax Collector

CITY OF SCOTTS VALLEY
PRINCIPAL PROPERTY TAX PAYERS
LAST TEN FISCAL YEARS

	2021		
Taxpayer	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation
Ashford Scotts Valley	$ 48,197	1	1.55%
FIT Ren Oak Tree Villa, LLC	28,994	2	0.94%
Carefree Communities California	25,484	3	0.82%
Scotts Valley Hotel	24,713	4	0.80%
Granite Creek Business Center	19,500	5	0.63%
RP and JP	16,565	6	0.53%
Fox Factory Inc	16,450	7	0.53%
Broughton Land LLC	14,155	8	0.46%
Gilbert Trustees	13,052	9	0.42%
Ow, David L. Trustee, et al.	11,598	10	0.37%
McNellis, John E	-	-	-
American Yiluen Dev & Holdings	-	-	-
Comcast	-	-	-
Graham Family Trust	-	-	-
1440 DEVCO, LLC	-	-	-
Kaiser Foundation	-	-	-
Ritchie, T	-	-	-
Bethany College of Assemblies	-	-	-
Threshold Enterprises	-	-	-
Scotts Valley Associates	-	-	-
LBUBS 2004-Enterprise Way LP	-	-	-
Scarborough, Nena, TC, ETAL	-	-	-
S & A Ito Family Partnership	-	-	-
Sammie Rae Abitbol, LLC	-	-	-
Appenrodt Living Trust	-	-	-
CCMS 2005-CD1 La Madrona LP	-	-	-
Santa Cruz-Monterey-Merced	-	-	-
Seagate Technology, LLC	-	-	-
Aviza Technology	-	-	-
General Elec Cr Equities	-	-	-
Top Ten Totals	$218,708		7.04%

Note: Dollar amounts are in thousands.

Source: Santa Cruz County Assessor
HDL 2019/20 CAFR Statistical Basic Package for the City of Scotts Valley.

CITY OF SCOTTS VALLEY
PRINCIPAL PROPERTY TAX PAYERS
LAST TEN FISCAL YEARS

Table 7

	2020			2019		
Taxpayer	Assessed Valuation n thousands)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation
Ashford Scotts Valley	$ 42,584	1	1.45%	$ 41,811	1	1.48%
FIT Ren Oak Tree Villa, LLC	28,425	2	0.97%	27,868	3	0.99%
Scotts Valley Hotel	28,303	3	0.96%	28,505	2	1.01%
Carefree Communities Californi	20,171	4	0.68%	19,786	4	0.70%
Granite Creek Business Center	19,117	5	0.65%	18,742	5	0.66%
RP and JP	16,240	6	0.55%	-	-	-
Fox Factory Inc	15,135	7	0.51%	14,356	8	0.49%
Broughton Land LLC	13,878	8	0.47%	13,438	9	0.48%
Gilbert Trustees	12,796	9	0.43%	-	-	-
Kaiser Foundation	11,598	10	0.39%	-	-	-
McNellis, John E	-	-	-	15,921	6	0.58%
American Yiluen Dev & Holding	-	-	-	13,475	7	0.51%
Comcast	-	-	-	12,762	10	0.45%
Graham Family Trust	-	-	-	-	-	-
1440 DEVCO, LLC	-	-	-	-	-	-
Ow, David L. Trustee, et al.	-	-	-	-	-	-
Ritchie, T	-	-	-	-	-	-
Bethany College of Assemblies	-	-	-	-	-	-
Threshold Enterprises	-	-	-	-	-	-
Scotts Valley Associates	-	-	-	-	-	-
LBUBS 2004-Enterprise Way LP	-	-	-	-	-	-
Scarborough, Nena, TC, ETAL	-	-	-	-	-	-
S & A Ito Family Partnership	-	-	-	-	-	-
Sammie Rae Abitbol, LLC	-	-	-	-	-	-
Appenrodt Living Trust	-	-	-	-	-	-
CCMS 2005-CD1 La Madrona Ll	-	-	-	-	-	-
Santa Cruz-Monterey-Merced	-	-	-	-	-	-
Seagate Technology, LLC	-	-	-	-	-	-
Aviza Technology	-	-	-	-	-	-
General Elec Cr Equities	-	-	-	-	-	-
Top Ten Totals	$208,247		7.05%	$206,664		7.34%

Note: Dollar amounts are in thousands.

Source: Santa Cruz County Assessor
HDL 2019/20 CAFR Statistical Basic Package for the City of Scotts Valley.

CITY OF SCOTTS VALLEY
PRINCIPAL PROPERTY TAX PAYERS
LAST TEN FISCAL YEARS

	2018			2017		
Taxpayer	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation
Ashford Scotts Valley	$ 41,008	1	1.55%	$ 39,063	1	1.56%
FIT Ren Oak Tree Villa, LLC	27,321	2	1.03%	27,163	2	1.09%
Scotts Valley Hotel	-	-	-	-	-	-
Carefree Communities California	19,412	3	0.73%	-	-	-
Granite Creek Business Center	18,375	4	0.69%	13,949	4	0.56%
RP and JP	-	-	-	-	-	-
Fox Factory Inc	11,009	10	0.42%	-	-	-
Broughton Land LLC	11,493	9	0.43%	12,537	8	0.50%
Gilbert Trustees	12,299	8	0.46%	12,058	9	0.48%
Kaiser Foundation	-	-	-	-	-	-
McNellis, John E	-	-	-	-	-	-
American Yiluen Dev & Holdings	13,475	7	0.51%	13,210	6	0.53%
Comcast	-	-	-	13,609	5	0.54%
Graham Family Trust	16,639	5	0.63%	15,303	3	0.61%
1440 DEVCO, LLC	13,498	6	0.51%	13,091	7	0.52%
Ow, David L. Trustee, et al.	-	-	-	10,590	10	0.42%
Ritchie, T	-	-	-	-	-	-
Bethany College of Assemblies	-	-	-	-	-	-
Threshold Enterprises	-	-	-	-	-	-
Scotts Valley Associates	-	-	-	-	-	-
LBUBS 2004-Enterprise Way LP	-	-	-	-	-	-
Scarborough, Nena, TC, ETAL	-	-	-	-	-	-
S & A Ito Family Partnership	-	-	-	-	-	-
Sammie Rae Abitbol, LLC	-	-	-	-	-	-
Appenrodt Living Trust	-	-	-	-	-	-
CCMS 2005-CD1 La Madrona LP	-	-	-	-	-	-
Santa Cruz-Monterey-Merced	-	-	-	-	-	-
Seagate Technology, LLC	-	-	-	-	-	-
Aviza Technology	-	-	-	-	-	-
General Elec Cr Equities	-	-	-	-	-	-
Top Ten Totals	$184,529		6.95%	$170,573		6.82%

2016			2015			2014		
Assessed Valuation n thousands)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation
$ 11,527	7	0.49%	$ 11,853	5	0.54%	$ -	-	-
26,787	1	1.14%	21,241	1	0.97%	21,293	2	1.04%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,683	3	0.62%	12,751	4	0.58%	12,751	4	0.62%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
12,450	6	0.53%	11,538	6	0.52%	10,662	5	0.52%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
13,012	5	0.55%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
15,073	2	0.64%	-	-	-	-	-	-
-	-	-	11,015	7	0.50%	10,125	8	0.49%
10,431	8	0.44%	10,227	9	0.47%	10,180	7	0.50%
13,713	4	0.58%	-	-	-	-	-	-
10,374	9	0.44%	-	-	-	-	-	-
10,239	10	0.43%	-	-	-	-	-	-
-	-	-	16,514	2	0.75%	16,444	3	0.80%
-	-	-	15,250	3	0.69%	29,628	1	1.45%
-	-	-	10,357	8	0.47%	10,521	6	0.51%
-	-	-	9,604	10	0.44%	9,560	9	0.47%
-	-	-	-	-	-	8,129	10	0.40%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$138,289		5.86%	$130,350		5.92%	$139,293		6.82%

CITY OF SCOTTS VALLEY
PRINCIPAL PROPERTY TAX PAYERS
LAST TEN FISCAL YEARS

Table 7
Concluded

	2013			2012		
Taxpayer	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation
Ashford Scotts Valley	$ -	-	-	$ -	-	-
FIT Ren Oak Tree Villa, LLC	21,359	2	1.06%	21,371	3	1.04%
Scotts Valley Hotel	-	-	-	-	-	-
Carefree Communities California	-	-	-	-	-	-
Granite Creek Business Center	12,751	7	0.63%	12,751	8	0.62%
RP and JP	-	-	-	-	-	-
Fox Factory Inc	-	-	-	-	-	-
Broughton Land LLC	10,843	9	0.54%	10,719	10	0.52%
Gilbert Trustees	-	-	-	-	-	-
Kaiser Foundation	-	-	-	-	-	-
McNellis, John E	-	-	-	-	-	-
American Yiluen Dev & Holdings	-	-	-	-	-	-
Comcast	-	-	-	-	-	-
Graham Family Trust	-	-	-	-	-	-
1440 DEVCO, LLC	-	-	-	-	-	-
Ow, David L. Trustee, et al.	9,981	10	0.50%	-	-	-
Ritchie, T	-	-	-	-	-	-
Bethany College of Assemblies	-	-	-	-	-	-
Threshold Enterprises	-	-	-	-	-	-
Scotts Valley Associates	16,118	3	0.80%	14,179	4	0.69%
LBUBS 2004-Enterprise Way LP	33,522	1	1.67%	67,779	1	3.30%
Scarborough, Nena, TC, ETAL	15,116	4	0.75%	12,776	7	0.62%
S & A Ito Family Partnership	-	-	-	-	-	-
Sammie Rae Abitbol, LLC	-	-	-	24,185	2	1.18%
Appenrodt Living Trust	14,063	5	0.70%	13,646	5	0.66%
CCMS 2005-CD1 La Madrona LP	13,805	6	0.69%	13,340	6	0.65%
Santa Cruz-Monterey-Merced	11,124	8	0.55%	10,906	9	0.53%
Seagate Technology, LLC	-	-	-	-	-	-
Aviza Technology	-	-	-	-	-	-
General Elec Cr Equities	-	-	-	-	-	-
Top Ten Totals	$158,682		7.88%	$201,652		9.81%

CITY OF SCOTTS VALLEY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 8

Fiscal Year	(1) Taxes Levied	(2) Current Collections	Percent of Levy Collected
2012	722,279	722,279	100%
2013	737,021	737,021	100%
2014	847,061	847,061	100%
2015	899,215	899,215	100%
2016	852,270	852,270	100%
2017	903,233	903,233	100%
2018	946,313	946,313	100%
2019	995,819	995,819	100%
2020	1,002,540	1,002,540	100%
2021	1,029,139	1,029,139	100%

(1) Levies include real and personal property.

Debt Capacity Information

CITY OF SCOTTS VALLEY Table 9
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

2020-21 Assessed Valuation **$ 3,100,488,347**

	Total Debt June 30, 2021	Percentage Applicable (1)	City's Share of Direct and Overlapping Debt June 30, 2021
Direct and Overlapping Tax and Assessment Debt:			
Cabrillo Joint Community College District	$ 109,958,214	6.062%	6,665,667
Scotts Valley Unified School District	37,220,000	65.128%	24,240,642
Santa Cruz High School District	108,795,968	0.0003%	326
City of Scotts Valley Community Facilities District	**2,595,000**	**100.00%**	**2,595,000**
Santa Cruz Libraries Facilities Financing Authority CFD	38,630,000	6.754%	2,609,070
Total Direct and Overlapping Tax and Assessment Debt	297,199,182		36,110,706
Overlapping General Fund Debt:			
Santa Cruz County Certificates of Participation	65,060,193	6.1080%	3,973,877
Santa Cruz County Office of Education Certificates of Participatio	7,790,192	6.1080%	475,825
Scotts Valley Unified School District Certificates of Participation	9,670,000	65.1280%	6,297,878
Total Direct & Overlapping General Fund Debt	82,520,385		10,747,579
Overlapping Tax Increment Debt			
Successor Agency	**10,550,600**	**100.00%**	**10,550,600**
Total Overlapping Tax Increment Debt	10,550,600		10,550,600
City Direct Debt:			
City of Scotts Valley Certificates of Participation	**8,510,000**	**100.00%**	**8,510,000** (2)
City of Scotts Valley Pension Obligations	**1,615,000**	**100.00%**	**1,615,000**
City of Scotts Valley Water District Installment Note	**70,000**	**100.00%**	**70,000**
Total Direct Debt			10,195,000
Total Direct Debt			**10,195,000**
Total Overlapping Debt			57,408,885
Combined Total Debt			$ 67,603,885 (3)
Ratios to 2020-21 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt			1.85%
Total Direct Debt			0.33%
Combined Total Debt			2.18%

Source: California Municipal Statistics, Inc.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The precentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable precentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
(3) Exculdes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

CITY OF SCOTTS VALLEY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 10

	Governmental Activities					Business-Type Activities			
Fiscal Year	Certificates of Participation	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Bond	Installment Notes	Installment Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2012	6,045	-	-	4,460	-	-	10,505	2.12%	902
2013	5,936	-	-	4,280	-	-	10,216	2.02%	875
2014	5,856	-	-	3,970	-	-	9,826	1.92%	822
2015	5,649	-	-	3,655	110	-	9,414	1.88%	798
2016	5,512	-	-	3,335	105	-	8,952	1.72%	737
2017	5,451	-	-	3,010	100	-	8,561	1.51%	704
2018	6,191	-	-	2,675	95	-	8,961	1.58%	735
2019	5,911	-	-	2,335	85	-	8,331	1.41%	690
2020	8,955	-	-	1,980	75	-	11,010	1.68%	942
2021	8,510	-	-	1,615	70	-	10,195	1.53%	867

Notes: Dollar amounts are in thousands, except for per capita.
See note (3) on Table 12 regarding the above Revenue Bonds.
Details of the City's outstanding debt can be found in Note 5 to the financial statements.
The City of Scotts Valley has no general bonded debt.

Source: City of Scotts Valley Finance Department

CITY OF SCOTTS VALLEY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Table 11

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Assessed Valuation	$ 3,100	$ 2,944	$ 2,820	$ 2,651	$ 2,498	$ 2,355	$ 2,199	$ 2,047	$ 2,035	$ 2,056
Redevelopment Incremental Valuation	-	-	-	-	-	-	-	-	-	-
Net Assessed Valuation	$ 3,100	$ 2,944	$ 2,820	$ 2,651	$ 2,498	$ 2,355	$ 2,199	$ 2,047	$ 2,035	$ 2,056
Debt Limit (15%)	$ 465	$ 442	$ 423	$ 398	$ 375	$ 353	$ 330	$ 307	$ 305	$ 308
Total Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 465	$ 442	$ 423	$ 398	$ 375	$ 353	$ 330	$ 307	$ 305	$ 308

Note: Amounts are in millions.

Source: Santa Cruz County Assessor's Office

CITY OF SCOTTS VALLEY
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 12

Fiscal Year	Special Assessment Bonds: Special Assessment Collections	Debt Service: Principal	Debt Service: Interest	Coverage
2012	1,133,951	605,000	369,952	1.16
2013	1,273,669	725,400	256,505	1.30
2014	799,962	755,400	220,848	0.82
2015	416,039	220,000	185,588	1.03
2016	398,619	225,000	177,623	0.99
2017	414,002	230,000	167,948	1.04
2018	403,145	245,000	157,148	1.00
2019	412,299	255,000	147,124	1.03
2020	444,571	270,000	137,595	1.09
2021	423540	275,000	126,965	1.05

Source: City of Scotts Valley Finance Department

Demographic and Economic Information

CITY OF SCOTTS VALLEY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 13

Fiscal Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2012	11,641	494,836	42,508	5.9%
2013	11,678	504,723	43,220	4.7%
2014	11,954	510,603	42,714	4.3%
2015	11,800	501,476	42,498	7.9%
2016	12,143	520,659	42,877	6.8%
2017	12,163	566,632	46,586	6.3%
2018	12,195	566,915	46,487	4.6%
2019	12,082	589,169	48,764	3.8%
2020	11,693	564,018	55,932	2.7%
2021	11,755	666,417	56,692	6.2%

Source: (1) California State Department of Finance / HdL 2019/20 CAFR Statistical Package
(2) HDL 2019/20 CAFR Statistical Basic Package for the City of Scotts Valley. Figures are for the preceding calendar year (e.g. Fiscal Year 2020 is 2019 calendar year data). Some prior period numbers were revised by HDL and have been restated here.
(3) https://labormarketinfo.edd.ca.gov

CITY OF SCOTTS VALLEY
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

	2021			2020		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Central California Alliance For Health	509	1	9.97%	395	1	7.50%
Threshold Enterprises Ltd	435	2	8.52%	361	2	6.85%
Fox Factory Inc	301	3	5.89%	336	3	6.38%
Bay Photo Lab	203	4	3.97%	326	4	6.19%
Zero Motorcycles, Inc.	179	5	3.50%	169	5	3.21%
Bell Sports, Inc.	101	6	1.98%	141	6	2.68%
The Camp	91	7	1.78%	138	7	2.62%
The Permanente Medical Group, Inc.	83	8	1.63%	138	8	2.62%
Nob Hill Foods #620	72	9	1.41%	91	9	1.73%
Oxford/X-Ray Technology Group	60	10	1.17%	79	10	1.50%
Scarborough Lumber & Building	60	-	-	-	-	-
Safeway Stores Inc. #300	57	-	-	-	-	-
Brookdale Senior Living Solutions	55	-	-	-	-	-
Digital Dynamics Inc	52	-	-	-	-	-
Canepa	50	-	-	-	-	-
Comcast Of Ca/Ma/Mi/Utah, Llc	50	-	-	-	-	-
1440 Multiversity	46	-	-	-	-	-
The Perfumers Apprentice	42	-	-	-	-	-
Tradin Organics Usa, Llc	40	-	-	-	-	-
Paystand, Inc.	37					
Total	2,523		54.54%	2,174		47.00%

Source: HdL business license consultant

Table 14

2019			2018			2017			2016		
Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
568	1	11.38%	515	1	11.13%	573	1	11.49%	621	1	10.63%
419	2	8.40%	389	2	8.41%	372	2	7.46%	325	2	6.02%
297	3	5.95%	305	3	6.59%	278	3	5.57%	276	3	5.49%
-	-	-	-	-	-	226	4	4.53%	201	4	4.25%
152	4	3.05%	-	-	-	-	-	-	-	-	-
136	6	2.72%	127	5	2.75%	119	6	2.39%	133	7	2.13%
136	5	2.72%	130	4	2.81%	154	5	3.09%	166	6	2.96%
128	7	2.56%	114	6	2.46%	102	7	2.04%	98	8	1.75%
77	9	1.54%	68	8	1.47%	83	8	1.66%	77	9	1.58%
-	-	-	-	-	-	-	-	-	-	-	-
79	8	1.58%	-	-	-	-	-	-	-	-	-
71	10	1.42%	69	7	1.49%	-	-	-	-	-	-
-	-	-	68	9	1.47%	-	-	-	-	-	-
-	-	-	66	10	1.43%	63	9	1.26%	-	-	-
-	-	-	-	-	-	61	10	1.22%	73	10	1.54%
	-	-	-	-	-	-	-	-	184	5	3.78%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
2,063		44.60%	1,851		40.01%	2,031		40.71%	2,154		40.13%

CITY OF SCOTTS VALLEY
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

	2015			2014		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Threshold Enterprises, LTD	503	1	10.63%	503	1	10.69%
Central Coast Alliance	285	2	6.02%	241	3	5.12%
Fox Racing Shox	260	3	5.49%	243	2	5.17%
Bay Photo Lab	201	4	4.25%	226	4	4.80%
1440 OPCO, LLC	-	-	-	-	-	-
Universal Audio, Inc.	101	7	2.13%	86	8	1.83%
Bell Sports, Inc	140	6	2.96%	158	6	3.36%
Zero Motorcycles	83	8	1.75%	72	10	1.53%
The Camp	75	9	1.58%	74	9	1.57%
Permanente Medical Group	-	-	-	-	-	-
Brookdale Senior Living	-	-	-	-	-	-
Oxford/X-ray Technology Grp	-	-	-	-	-	-
Safeway Stores, Inc.	-	-	-	-	-	-
Nob Hill Foods	-	-	-	-	-	-
Oak Tree Villa SHP	73	10	1.54%	-	-	-
Seagate Technology	179	5	3.78%	189	5	4.02%
Hilton -Scotts Valley	-	-	-	98	7	2.08%
Comcast Cable	-	-	-	-	-	-
Embarcardero Technologies	-	-	-	-	-	-
Total	1,900		40.13%	1,890		40.17%

Table 14 (Concluded)

2013			2012		
Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
388	1	8.62%	402	1	9.71%
210	4	4.67%	180	2	4.35%
217	3	4.82%	130	5	3.14%
220	2	4.89%	-	-	-
-	-	-	-	-	-
81	7	1.80%	71	8	1.71%
161	6	3.58%	136	4	3.29%
-	-	-	-	-	-
72	9	1.60%	68	10	1.6
-	-	-	70	9	1.69%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
72	10	1.60%	-	-	-
177	5	3.93%	177	3	4.28%
-	-	-	80	6	1.93%
74	8	1.64%	76	7	1.84%
-	-	-	70	9	1.69%
1,672		37.15%	1,460		33.57%

Operating Information

CITY OF SCOTTS VALLEY
FULL-TIME EQUIVALENT POSITIONS
LAST TEN FISCAL YEARS

Table 15

	Fiscal Year									
Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Legislative	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Finance	3.65	2.85	2.85	2.85	2.85	2.85	2.85	3.35	3.35	3.35
Police										
Officers	20.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Dispatch and Support	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Planning	3.00	2.00	2.00	2.00	3.00	3.00	3.50	3.50	3.50	3.50
Building	3.00	-	-	-	-	-	1.00	1.00	1.00	1.00
Public Works										
Engineering	4.00	4.00	4.00	4.00	4.00	3.10	3.30	3.30	3.30	3.30
Street Maintenance	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Vehicle Maintenance	-	-	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Park Maintenance	1.30	1.30	1.30	1.30	1.30	1.30	2.30	2.30	2.30	2.30
Building Maintenance	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Wastewater Treatment Plant	6.15	6.15	6.15	6.15	6.15	7.05	7.05	6.35	7.35	7.35
Recreation	1.00	5.50	5.70	5.70	5.70	5.00	5.00	5.00	5.00	6.00
Redevelopment/Affordable Hsg		-	-	-	-	-	-	-	-	-
Total	55.70	54.40	55.70	55.70	56.70	56.00	58.70	58.50	59.50	60.50

Source: City of Scotts Valley Annual Budget

CITY OF SCOTTS VALLEY
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Table 16

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency Vehicles	15	15	15	15	15	15	15	15	15	15
Public Works:										
Streets (miles)	35	35	35	35	35	35	35	35	35	35
Streetlights	212	212	212	212	212	212	212	212	212	212
Traffic Signals	16	16	16	16	16	16	16	16	16	16
Senior Center	1	1	1	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1	1	1	1
Wastewater										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Recreation										
Parks / Playgrounds	6	6	6	6	6	6	6	6	6	6
Soccer Fields	3	3	3	3	3	3	3	3	3	3
Tennis Courts	4	4	4	4	4	4	4	4	4	4

Source: Various City Departments

CITY OF SCOTTS VALLEY
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
General Government				
Number of Citizen Complaints Received	14	19	28	15
Police				
Total Incident Calls	19,065	20,744	20,820	15,151
Number of Citations Written	638	675	1,398	1,232
Number of Arrests	379	400	667	547
Planning				
Planning Applications Submitted	99	49	92	95
Lot Line Adjustment Apps Processed	-	-	2	-
Building				
Number of Building Inspections	1,676	2,048	2,278	2,249
Building Permits Submitted	515	452	460	388
Building Permits Issued	496	407	457	379
Public Works				
Building Permit Applications Processed	20	21	28	43
Encroachment Permits Processed	78	123	56	53
Transportation Permits Processed	44	13	63	66
Sewer Allocations Issued	2	1	15	7
Subdivision Maps Recorded	3	2	2	3
Wastewater Treatment Plant (all amounts in thousands of gallons)				
Total Flow	242,700	280,168	285,680	203,670
Highest Average Daily Flow	768	1,165	1,056	1,867
Lowest Average Daily Flow	610	678	673	166

Source: Various City departments

Table 17

2017	2016	2015	2014	2013	2012
23	23	16	9	19	14
14,425	18,297	18,310	17,748	18,356	13,732
949	1,447	1,194	1,108	1,095	1,299
479	589	499	468	447	535
109	112	112	93	81	101
-	-	-	-	-	-
1,945	3,766	3,299	1,373	1,122	727
454	402	334	332	295	251
367	382	334	285	285	227
62	58	59	28	25	17
64	43	24	25	20	36
84	67	38	17	55	37
6	10	42	17	49	7
1	2	1	4	2	-
251,869	253,914	288,294	287,580	305,680	325,770
1,394	865	843	882	1,060	1,113
506	508	771	707	737	788

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: March 16, 2022

TO: Honorable Mayor and City Council

FROM: Taylor Bateman, Community Development Director
Jonathan Kwan, City Contract Consultant

APPROVED: Mali LaGoe, City Manager

SUBJECT: **APPROVE ANNUAL PROGRESS REPORT AS SUBMITTED TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

SUMMARY OF ISSUE

California Government Code 65400(a)(2) requires the City to provide an annual report, titled an Annual Progress Report (APR), to the City Council, the State Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD) that includes the following:

(A) The status of the adopted Housing Element and progress in its implementation.
(B) The progress in meeting the City's share of regional housing needs and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The housing element portion of the annual report is prepared using standards, forms, and definitions adopted by HCD.
(C) The number of housing development applications received in the prior year.
(D) The number of units included in all development applications in the prior year.
(E) The number of units approved and disapproved in the prior year.
(F) The degree to which the General Plan complies with the guidelines developed by OPR.
(G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need.
(H) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies.
(I) The number of applications submitted, approvals granted, building permits issued, and number of units constructed pursuant to Senate Bill 35 (2018).

The 2021 Annual Progress Report includes the following tables:

Table A contains data on the number of housing development applications that were submitted and deemed complete in 2021. The number of proposed units in all of the applications deemed complete is 28 units.

Tables A2 contains data on the discretionary housing development applications that were approved (entitled), all building permits issued for housing development and housing construction completed. This data is identified by both household income level, street address and tenure. Table A2 data shows that:

- 28 units were approved for entitlements,
- 36 units were issued building permits, and
- 20 units had building permits “signed off” and finalized. These units were primarily located in The Cove and The Terrace developments.

Table B includes data on the household income levels of the units in 2021 that were issued building permits (36 units). The table also includes data for 2015-2020 by unit count and income level as reported in the APRs for those years. Further, this table demonstrates the City’s progress in meeting its share of the Regional Housing Needs Allocation (RHNA). Please note that only units that secured building permits in 2021 are counted towards meeting the RHNA. In 2021, there were building permits issued for 6 low-income units, all of which are a part of the Acorn Commons project and are “credited” towards the City’s RHNA goals. All the remaining units that were issued a building permit in 2021 were above-moderate income units.

Tables C, E, F, G and H are not applicable to the City of Scotts Valley.

Table D contains information on the status and progress of Housing Element program and policy implementation for all programs described in the 2016 Housing Element.

Summary Table provides a summary of housing units for which applications were submitted and building permits issued in 2021.

FISCAL IMPACT

There is no fiscal impact as there is no cost to the City.

STAFF RECOMMENDATION

It is recommended that the City Council receive public comments and approve the 2021 Annual Progress Report and authorize the submittal of the 2021 Annual Progress Report (APR) to the Department of Housing and Community Development (HCD) and State Office of Planning and Research (OPR).

TABLE OF CONTENTS PAGES

Jurisdiction	Scotts Valley	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Density Bonus Applications		Application Status	Notes
1					2	3	4	5							6	7	8	9	10		11	12
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted+ (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Was a Density Bonus requested for this housing development?	Was a Density Bonus approved for this housing development?	Please indicate the status of the application.	Notes+
Summary Row: Start Data Entry Below								0	0	3	0	0	0	25	28	28	0					
															0							
	22-481-18, 22-481-22	Erba Lane	Bay Village		SFD	O	5/13/2021			1				9	10	10		No	Yes	Yes	Approved	
	022-902-11	4303B Scotts Valley Drive			2 to 4	O	5/13/2021							2	2	2		No	No	N/A	Approved	
	22-732-01, 22-732-48	4104 Scotts Valley Drive	Encore		5+	O	8/12/2021			2				14	16	16		No	No	N/A	Approved	

Jurisdiction	Scotts Valley	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table A2
Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement									Affordability by Household Incomes - Building Permits								
1					2	3	4							5	6	7							8	9
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits
Summary Row: Start Data Entry Below							0	0	3	0	0	0	25		28	0	0	6	0	0	0	30		36
															0									0
	022-941-01	Thomas Terrace (lot #1)	The Terrace		SFA	O									0									0
	022-941-02	Thomas Terrace (lot #2)	The Terrace		SFA	O									0									0
	022-941-03	Thomas Terrace (lot #3)	The Terrace		SFA	O									0									0
	022-941-04	Thomas Terrace (lot #4)	The Terrace		SFA	O									0									0
	022-941-05	Thomas Terrace (lot #5)	The Terrace		SFA	O									0									0
	022-941-06	Thomas Terrace (lot #6)	The Terrace		SFA	O									0									0
	022-941-07	Thomas Terrace (lot #7)	The Terrace		SFA	O									0									0
	022-941-08	Thomas Terrace (lot #8)	The Terrace		SFA	O									0									0
	022-941-09	Thomas Terrace (lot #9)	The Terrace		SFA	O									0									0
	022-352-07	Cove Lane - Dunslee Way Lot #7	The Cove		SFA	O									0									0
	022-352-08	Cove Lane - Dunslee Way Lot #8	The Cove		SFA	O									0									0
	022-352-09	Cove Lane - Dunslee Way Lot #9	The Cove		SFA	O									0									0
	022-352-11	Cove Lane - Dunslee Way Lot #11	The Cove		SFA	O									0									0
	022-352-15	Cove Lane - Dunslee Way Lot #15	The Cove		SFA	O									0									0
	022-352-16	Cove Lane - Dunslee Way Lot #16	The Cove		SFA	O									0									0
	022-352-17	Cove Lane - Dunslee Way Lot #17	The Cove		SFA	O									0									0
	022-352-18	Cove Lane - Dunslee Way Lot #18	The Cove		SFA	O									0									0
	022-352-20	Cove Lane - Dunslee Way Lot #20	The Cove		SFA	O									0									0
	022-352-21	Cove Lane - Dunslee Way Lot #21	The Cove		SFA	O									0									0
	022-352-24	Cove Lane - Dusnlee Way Lot #24	The Cove		SFA	O									0									0
	022-891-02	18 Blake Lane			ADU	R									0							1	4/16/2021	1
	021-292-03	115 Blueberry Drive			SFD	O									0							1	11/18/2021	1
	023-131-03	0 Casa Way			SFD	O									0							1	7/19/2021	1
	023-131-03	0 Casa Way			ADU	R									0							1	7/19/2021	1
	024-391-29	201 Creekside Court (Lot #29)	Polo Ranch		SFD	O									0							1	11/23/2021	1
	024-391-30	203 Creekside Court (Lot #30)	Polo Ranch		SFD	O									0							1	11/23/2021	1
	023-141-18	208 Hacienda Drive			ADU	R									0							1	8/2/2021	1
	022-902-17	100 Coastal Oak Court	Acorn Commons		SFA	O									0			1					1/8/2021	1
	022-902-17	102 Coastal Oak Court	Acorn Commons		SFA	O									0			1					1/8/2021	1
	022-902-17	104 Coastal Oak Court	Acorn Commons		SFA	O									0			1					1/8/2021	1
	022-902-17	200 Coastal Oak Court	Acorn Commons		SFA	O									0			1					1/8/2021	1
	022-902-17	202 Coastal Oak Court	Acorn Commons		SFA	O									0			1					1/8/2021	1
	022-902-17	204 Coastal Oak Court	Acorn Commons		SFA	O									0			1					1/8/2021	1
	024-391-01	413 Polo Ranch Road (Lot # 1)	Polo Ranch		SFD	O									0							1	1/10/2021	1
	024-391-02	415 Polo Ranch Road (Lot # 2)	Polo Ranch		SFD	O									0							1	1/10/2021	1
	024-391-03	417 Polo Ranch Road (Lot # 3)	Polo Ranch		SFD	O									0							1	1/10/2021	1
	024-391-24	412 Polo Ranch Road (Lot #24)	Polo Ranch		SFD	O									0							1	7/8/2021	1
	023-061-15	118 Sawyer Circle			ADU	R									0							1	4/21/2021	1
	024-152-14	122 South Navarra Drive			ADU	R									0							1	5/27/2021	1
	022-741-16	15 Tramell Way			ADU	R									0							1	2/23/2021	1
	024-391-23	100 Village Lane (Lot #23)	Polo Ranch		SFD	O									0							1	7/8/2021	1
	024-391-39	302 Village Lane (Lot #39)	Polo Ranch		SFD	O									0							1	11/23/2021	1
	024-391-40	300 Village Lane (Lot #40)	Polo Ranch		SFD	O									0							1	11/23/2021	1
	024-391-14	101 Village Lane (Lot 14)	Polo Ranch		SFD	O									0							1	7/8/2021	1
	024-391-15	103 Village Lane (Lot 15)	Polo Ranch		SFD	O									0							1	8/5/2021	1
	024-391-16	105 Village Lane (Lot 16)	Polo Ranch		SFD	O									0							1	8/9/2021	1
	024-391-17	107 Village Lane (Lot 17)	Polo Ranch		SFD	O									0							1	8/9/2021	1
	024-391-18	109 Village Lane (Lot 18)	Polo Ranch		SFD	O									0							1	9/17/2021	1
	024-391-19	111 Village Lane (Lot 19)	Polo Ranch		SFD	O									0							1	9/17/2021	1
	024-391-20	106 Village Lane (Lot 20)	Polo Ranch		SFD	O									0							1	9/17/2021	1
	024-391-21	104 Village Lane (Lot 21)	Polo Ranch		SFD	O									0							1	8/5/2021	1
	024-391-22	102 Village Lane (Lot 22)	Polo Ranch		SFD	O									0							1	7/8/2021	1
	024-391-25	113 Village Lane (Lot 25)	Polo Ranch		SFD	O									0							1	10/19/2021	1
	024-391-26	115 Village Lane (Lot 26)	Polo Ranch		SFD	O									0							1	10/19/2021	1
	024-391-27	117 Village Lane (Lot 27)	Polo Ranch		SFD	O									0							1	10/19/2021	1
	024-391-28	120 Village Lane (Lot 28)	Polo Ranch		SFD	O									0							1	10/19/2021	1
	22-481-18, 22-481-22	Erba Lane	Bay Village		SFD	O			1				9	6/16/2021	10									0
	022-902-11	4303B Scotts Valley Drive			SFD	O							2	6/16/2021	2									0
	22-732-01, 22-732-48	4104 Scotts Valley Drive	Encore		5+	O			2				14	9/1/2021	16									0

Project Identifier		Affordability by Household Incomes - Certificates of Occupancy										Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus				Notes
1		10							11	12	13	14	15	16	17	18	19	20			21	22	23	24	25
Current APN	Street Address	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?+	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N+	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple - see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)+	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes+
Summary Row: Start Data Entry Below		0	0	1	0	1	0	18		20	0	0						0		0					
										0															
022-941-01	Thomas Terrace (lot #1)							1	4/28/2021	1		N													
022-941-02	Thomas Terrace (lot #2)			1					4/28/2021	1		N			INC										
022-941-03	Thomas Terrace (lot #3)							1	4/28/2021	1		N													
022-941-04	Thomas Terrace (lot #4)							1	4/28/2021	1		N													
022-941-05	Thomas Terrace (lot #5)							1	4/28/2021	1		N													
022-941-06	Thomas Terrace (lot #6)					1			4/28/2021	1		N			INC										
022-941-07	Thomas Terrace (lot #7)							1	4/28/2021	1		N													
022-941-08	Thomas Terrace (lot #8)							1	4/28/2021	1		N													
022-941-09	Thomas Terrace (lot #9)							1	4/28/2021	1		N													
022-352-07	Cove Lane - Dunslee Way Lot #7							1	1/29/2021	1		N													
022-352-08	Cove Lane - Dunslee Way Lot #8							1	1/20/2021	1		N													
022-352-09	Cove Lane - Dunslee Way Lot #9							1	1/6/2021	1		N													
022-352-11	Cove Lane - Dunslee Way Lot #11							1	1/29/2021	1		N													
022-352-15	Cove Lane - Dunslee Way Lot #15							1	1/29/2021	1		N													
022-352-16	Cove Lane - Dunslee Way Lot #16							1	1/20/2021	1		N													
022-352-17	Cove Lane - Dunslee Way Lot #17							1	1/6/2021	1		N													
022-352-18	Cove Lane - Dunslee Way Lot #18							1	1/20/2021	1		N													
022-352-20	Cove Lane - Dunslee Way Lot #20							1	1/20/2021	1		N													
022-352-21	Cove Lane - Dunslee Way Lot #21							1	1/20/2021	1		N													
022-352-24	Cove Lane - Dusnlee Way Lot #24							1	1/29/2021	1		N													
022-891-02	18 Blake Lane									0		N													
021-292-03	115 Blueberry Drive									0		N													
023-131-03	0 Casa Way									0		N													
023-131-03	0 Casa Way									0		N													
024-391-29	201 Creekside Court (Lot #29)									0		N													
024-391-30	203 Creekside Court (Lot #30)									0		N													
023-141-18	208 Hacienda Drive									0		N													
022-902-17	100 Coastal Oak Court									0		N			INC										
022-902-17	102 Coastal Oak Court									0		N			INC										
022-902-17	104 Coastal Oak Court									0		N			INC										
022-902-17	200 Coastal Oak Court									0		N			INC										
022-902-17	202 Coastal Oak Court									0		N			INC										
022-902-17	204 Coastal Oak Court									0		N			INC										
024-391-01	413 Polo Ranch Road (Lot # 1)									0		N													
024-391-02	415 Polo Ranch Road (Lot # 2)									0		N													
024-391-03	417 Polo Ranch Road (Lot # 3)									0		N													
024-391-24	412 Polo Ranch Road (Lot #24)									0		N													
023-061-15	118 Sawyer Circle									0		N													
024-152-14	122 South Navarra Drive									0		N													
022-741-16	15 Tramell Way									0		N													
024-391-23	100 Village Lane (Lot #23)									0		N													
024-391-39	302 Village Lane (Lot #39)									0		N													
024-391-40	300 Village Lane (Lot #40)									0		N													
024-391-14	101 Village Lane (Lot 14)									0		N													
024-391-15	103 Village Lane (Lot 15)									0		N													
024-391-16	105 Village Lane (Lot 16)									0		N													
024-391-17	107 Village Lane (Lot 17)									0		N													
024-391-18	109 Village Lane (Lot 18)									0		N													
024-391-19	111 Village Lane (Lot 19)									0		N													
024-391-20	106 Village Lane (Lot 20)									0		N													
024-391-21	104 Village Lane (Lot 21)									0		N													
024-391-22	102 Village Lane (Lot 22)									0		N													
024-391-25	113 Village Lane (Lot 25)									0		N													
024-391-26	115 Village Lane (Lot 26)									0		N													
024-391-27	117 Village Lane (Lot 27)									0		N													
024-391-28	120 Village Lane (Lot 28)									0		N													
22-481-18, 22-481-22	Erba Lane									0		N			INC										
022-902-11	4303B Scotts Valley Drive									0		N													
22-732-01, 22-732-48	4104 Scotts Valley Drive									0		N			INC										

Jurisdiction	Scotts Valley	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.

Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

		1	2									3	4
Income Level		**RHNA Allocation by Income Level**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total Units to Date (all years)**	**Total Remaining RHNA by Income Level**
Very Low	Deed Restricted	34	-	-	-	-	-	-	-	-	-	-	34
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-		
Low	Deed Restricted	22	-	-	3	-	-	1	6	-	-	10	12
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-		
Moderate	Deed Restricted	26	-	-	-	3	-	1	-	-	-	8	18
	Non-Deed Restricted		-	-	4	-	-	-	-	-	-		
Above Moderate		58	5	9	38	63	12	8	30	-	-	165	-
Total RHNA		140											
Total Units			5	9	45	66	12	10	36	-	-	183	64

Note: units serving extremely low-income households are included in the very low-income permitted units totals and must be reported as very low-income units.

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will include units that were permitted since the start of the planning period.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction	Scotts Valley	
Reporting Year	2021	(Jan. 1 - Dec. 31)

Table D
Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1 **Name of Program**	2 **Objective**	3 **Timeframe in H.E**	4 **Status of Program Implementation**
1. Sites Inventory Monitoring Program	a) Report on the progress of development in the identified sites inventory in the Annual Progress Report to HCD as required pursuant to Government Code Section 654000 and due April 1 of each year. b) Monitor development approvals on identified sites and ensure that no net loss occurs. c) Continue to implement the City's 15% inclusionary Housing requirement and Title 14 Affordable Housing Production requirements.	Ongoing through December 2023	The City will continue to monitor the remaining sites in the 2016 inventory to assure that land at appropriate densities are available to meet any unmet RHNA needs. The Town Center Site as listed in the 2016 site inventory still represents a significant site for additional housing opportunities. The City continues to implement the 15% Inclusionary Housing requirement and is planning to evaluate the Inclusionary Housing Ordinance and to propose changes as needed to increase its effectiveness in producing affordable housing. The City has also been awarded SB2 funds and has applied for LEAP funds for improved permit processing, an Update of the City's Housing Element and revisions to the ADU program.
2.Planned Unit Development	Continue providing flexible design through the PD Zoning District.	Ongoing through December 2023	The City continues to encourage flexible design options throughout PD Zoning Districts.
3. Secondary Dwelling Unit Program	a) Continue to publicize secondary dwelling unit program by developing brochures, updating the City's website, and making available brochures at the public counter. b) Periodically review program and make adjustments as feasible to facilitate the development of secondary units.	Ongoing through December 2023	The City was awarded SB2 grant funds that will be used to update the City's Accessory Dwelling Unit Program so that it reflects all of the recent legislative changes as mandated by the State of California. These include Assembly Bill 68, Assembly Bill 881 and Senate Bill 13, all of which became effective as of January 1, 2020.
4. Emergency Shelters	a) Continue to monitor the inventory of sites appropriate to accommodate emergecy shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. b) Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low income residents.	Ongoing through December 2023	The City continues to monitor the inventory of sites appropriate to accommodate emergency shelters and works with appropriate organizations.

5. Transitional and Supportive Housing	a) Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and work with the appropriate organizations to ensure the needs of homeless and extremely low income residents are met. b b) Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low income residents whenever possible.	Ongoing through December 2023	Transitional and Supportive housing are permitted by-right in all residential zones.
6. Density Bonus Program	Provide information on the Density Bonus Program at City Hall and on the City's website.	Ongoing through December 2023	Density Bonus Program information is included in Section 17.62 of the SVMC.
7. Code Enforcement	Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City's website.	Ongoing through December 2023	The City continues to implement a proactive code enforcement program.
8. Design Review	Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. The City will give processing priority to affordable housing projects.	Ongoing through December 2023	The City continues to conduct project reviews to ensure consistency with the General Plan and Zoning Ordinance and provides priority process to affordable housing projects as allowed by recent State of California legislation.
9. Monitor and Preserve Affordable Housing	a) Develop and maintain an AB987 database to include detailed information on all subsidized units, including those that have affordability covenants. b) Explore funding sources such as HUD Section 208/811 loans, HOPE II and Homeownership Program Funds, HOME funds, CDBG funds, Low Income Housing Tax Credit Funds, California Housing Finance Agency single-family and multi-family programs and other programs to stimulate private developer and non-profit efforts in the development and financing of housing for lower and moderate-income households. c) Continue to monitor at-risk developments throughout the planning period and pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.	Ongoing through December 2023	The City maintains a data base and annually publishes an inventory of affordable housing opportunities (https://www.housekeys15.com). The City continues to explore available federal and state funding resources that would assist private and non-profit developers in producing affordable housing. The City has an on-going contractual relationship with HouseKeys to provide eligibility and monitoring assistance of affordable units.

10. Mobile Home Park Conversion Ordinance	a) Continue to implement the mobile home park conversion ordinance in an effort to protect existing mobile home parks and the supply of affordable housing. b) Provide information on the mobile home park conversion ordinance and other fair housing information on the City's website and at City Hall.	Ongoing through December 2023	The City continues to implement the mobile home park conversion ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information is available at City Hall and on the City's web site.
11. Mobile Home Park Rent Stabilization Ordianance	a) Continue to implement the mobile home park rent stabilization ordinance to ensure that mobile home owners and residents are protected from unreasonable space rental increases while recognizing the need of mobile home park owners to receive a just and reasonable return on their investment. b) Provide information on the mobile home park rent stabilization ordinance and other fair housing information on the City's website and at City Hall.	Ongoing through December 2023	The City continues to implement the mobile home park rent stablization ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information is available at City Hall and on the City's web site. In addition, the City's Mobile Home Park Rent Review Committee receives, investigates and can hold hearings as needed on proposed rent adjustments.
12. Housing Voucher Program	a) Continue to participate with the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance Program. B) Continue to refer residents to the County program and provide information at City Hall and on the City's website.	Ongoing through December 2023	The City continues to participate with the Housing Authority of Santa Cruz County and provides information about the Housing Aurhority's services.
13. Mortgage Credit Certificate Program.	a) Continue to refer residents to the County program and provide information at City Hall and on the City website.	Ongoing through December 2023	The Housing Authority of the County of Santa Cruz no longer administers a Mortgage Credit Certificate (MCC) Program. They continue the administration of the Reissued Mortgage Credit Certificate (RMCC) program for those MCC's issued by the Housing Authority.
14. Fair Housing	Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and on the City's website. Continue to monitor and respond, as appropriate, to complaints of discrimination, and continue to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.	Ongoing through December 2023	Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers and tenants as well as the general public.

15. Child Care and Day Care Facilities	a) Continue to work with child care providers and the County to promote child care facilities within the community. b) Provide information at City Hall and on the City's website on current zoning regulations that apply to child care and day care facilities. c) Continue to encourage new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.	Ongoing through December 2023	The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continues to encourage the provision of child care and day care facilties in all new proposed development activities.
16. Reasonable Accommodation	a) Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures. b) Continue to work with developers and individual homeowners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.	Ongoing through December 2023	Chapter 17.60 of the City's Municipal Code provides Reasonable Accommodation standards and procedures. The Municipal Code is on the City's website as well as at City Hall.
17. Housing for Persons with Developmental Disabilities	a) Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with development disabilities. b) Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities. c) Work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities. d) Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.	Ongoing through December 2023	The City continues to seek available funding and provide regulatory incentives to assist projects for persons with developmental disabilities. The City also continues to work with non profit developers who intend to provide housing for persons with developmental disabilities. Information on housing and services for persons with developmental disabilities is available at City Hall and on the City's web site.

18. Housing for Lower Income Households	Encourage the development of housing for lower income households, including extremely low, very low and low income, through a variety of activities, such as outreaching to housing developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and offering additional incentives beyond density bonus provisions.	Ongoing through December 2023	The City continues to encourage lower income housing (including low, very low and extremely low income) by providing information and assistance to both private and non profit developers.
19. Definition of "Family"	Amend, as appropriate, the definition of "family" to be consistent with State and federal fair housing laws.	Within one year of Housing Element adoption	An updated definition of "family" is scheduled to be reviewed at the time of the General Plan Update.
20. Agricultural Employee Housing	Amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.	Within one year of Housing Element adoption	The City continues to review Health and Safety Codes as they relate to agricultural employee housing in order to amend the Zoning Ordinance if necessary.
21. Hillside Development and Design	Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	Ongoing through December 2023	The City continues to enforce the various standards as identified in the Hillside Residential Combining District.
22. Resource Conservation	Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit processes.	Ongoing through December 2023	The City reviews energy conservation measures and devices through the Design Review process and the building permit review.
23. Water and Sewer Providers	Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.	Ongoing through December 2023	The 2016 Housing Element has been submitted to local water and sewer providers. Future amendments to the 2016 Housing Element will also be submitted to local water and sewer providers.
24. Cultural Resources	Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	Ongoing through December 2023	The City continues to monitor proposed development actiivity in areas designed as "moderate or high cultural resource sensitivity zones" in the General Plan.

Jurisdiction	Scotts Valley	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	6
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		30
Total Units		**36**

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Units by Structure Type	**Entitled**	**Permitted**	**Completed**
SFA	0	6	20
SFD	12	24	0
2 to 4	0	0	0
5+	16	0	0
ADU	0	6	0
MH	0	0	0
Total	**28**	**36**	**20**

Housing Applications Summary	
Total Housing Applications Submitted:	3
Number of Proposed Units in All Applications Received:	28
Total Housing Units Approved:	28
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	**Rental**	**Ownership**	**Total**
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas