#### PUBLIC ADVISORY REGARDING COVID-19 AND PUBLIC PARTICIPATION

Consistent with Executive Order No. N-29-20 issued by Governor Newsom on March 17, 2020, and the County of Santa Cruz Health Services Agency Shelter In Place Public Health Order dated March 31, 2020, the regular meetings of the:

#### LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA) AND THE LIBRARY JOINT POWERS AUTHORITY (LJPA) BOARD ON THURSDAY, AUGUST 6 2020 AT 9:00 AM

#### This meeting will be held via Zoom teleconference ONLY

Board Members and Library Staff Members will be participating remotely via videoconference.

#### **Public Participation:**

The meeting will be broadcast through the Santa Cruz Libraries YouTube channel <u>https://www.youtube.com/user/SantaCruzPL</u> which you can access through the Santa Cruz Libraries website by scrolling to the bottom of the page and clicking on the YouTube icon.

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: <u>https://zoom.us/j/92086520613</u>

For those joining using a telephone only, please call:

888 788 0099 (Toll Free) or 833 548 0276 (Toll Free) 833 548 0282 (Toll Free) or 877 853 5247 (Toll Free) Slowly enter the Webinar ID: 920 8652 0613 The meetings will be recorded and posted for viewing after the meetings on the Santa Cruz Public Libraries website www.santacruzpl.org

#### How to comment on agenda items via email before the meeting:

Members of the public may provide public comment by sending comments via email to the Library Board Clerk at clerk@santacruzpl.org

- Identify the agenda item number in the subject line of the email.
- Emailed comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time.
- Each emailed comment will be read aloud for up to three minutes.
- Emails received by clerk@santacruzpl.org outside of the comment period outlined above will not be included in the record.

# How to comment on agenda items via Zoom, during the meeting and prior to the close of public comment on an item:

- Using the Q&A feature of the Zoom teleconference participant panel identify the agenda item and then type your comment. (For example: "Item #2 - I think this plan is an excellent use of resources")

#### How to comment on agenda items via telephone, during the meeting and prior to the close of public comment on an item:

- Call 831-427-7713 -
- Identify the agenda item -
- The representative will type your comment Your comment will be read aloud -
- -

Chair Jamie Goldstein Vice Chair Martin Bernal Board Member Tina Friend Board Member Carlos Palacios



## SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA) REGULAR BOARD MEETING THURSDAY AUGUST 6, 2020

## 9:00 A.M.

#### 1. CALL TO ORDER / ROLL CALL

Board Members Jamie Goldstein, Carlos Palacios, Martin Bernal and Tina Friend

#### 2. ADDITIONAL MATERIALS

Additional information submitted after distribution of the agenda packet.

#### 3. ADDITIONS AND DELETIONS TO AGENDA

#### 4. ORAL COMMUNICATION

Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general, 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

#### 5. EXECUTIVE DIRECTOR REPORT

A. Director's Report for August (PG.6-7)

#### 6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

#### 7. CONSENT CALENDAR

- A. Consider the June 4, 2020 LFFA Board Meeting Minutes <u>Staff Recommendation</u>: Approve Board Meeting Minutes (PG.8-9)
- B. Audit Report of 2018-19 and 2019-20 LFFA CFD levy amounts (PG.10-15) <u>Staff Recommendation</u>:
  - 1. Accept the attached NBS Audit Report of the Santa Cruz Libraries Facilities Financing Authority's Community Facilities District No. 2016-1 (the "LFFA CFD") dated February 2020;
  - 2. Request that NBS include any under-levied amounts identified in the audit, combining those amounts along with the new 2020-21 levy amounts, on the 2020-21 tax levy file and that they provide the modified file to the Santa Cruz County Auditor-Controller by the August 10, 2020, deadline or shortly thereafter if an extension is granted;
  - 3. Authorize the LFFA to issuance refund checks of all over-levied amounts as soon as is administratively possible;
  - 4. Direct the LFFA Executive Director, in collaboration with the LFFA Treasurer-Controller, to invoice NBS for the check issuance charges in the amount of \$15 per check.
- C. Agreement with Brown Armstrong, CPAs for Audit Services <u>Staff Recommendation</u>: Approve three-year agreement with Brown Armstrong, CPAs in the annual amount of \$4,980, resulting in a total cost of \$14,940, for audit related services for Fiscal Years 2019-20, 2020-21 and 2021-22, and authorize the Chair of the Board of Directors to sign the agreement. (PG.16-24)
- D. Special Tax Bond Quarterly Financial Statements <u>Staff Recommendation</u>: Accept and file Special Tax Bond Quarterly Financial Statements (PG.25-27)

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.

#### 8. GENERAL BUSINESS

#### None

Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.

#### 9. SCHEDULED UPCOMING MEETINGS

October 1, 2020	Virtual Meeting	Anticipated Upcoming Agenda Items
6:00 pm		Special Tax Bond Quarterly Financial Statements

#### 10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday, October 1, 2020 at 6:00 p.m. via Zoom teleconference.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831)427-7706 at least five days in advance so that we can arrange for such special assistance, or email <u>library admin@santacruzpl.org</u>.



#### August 2020

#### Library Director's Report to the LFFA

#### **Aptos**

The County Board of Supervisors is expected to approve the Aptos Library Design/Build Selection Committee's recommendation at their August 4 meeting. The committee is recommending the contract be awarded to the Bogard Construction/Anderson Brule Architects team. Community design review will take place this autumn. Construction will begin in Summer 2021 and the branch should open at the end of 2022.

#### **Boulder Creek**

The branch closed to the public on February 21. Original project bids exceeded available funding. The project was rebid this summer, vendor selection is underway and construction should begin in the autumn. The Boulder Creek branch should open in the summer of 2021.

#### Branciforte

Construction documents are being prepared. Permits will be submitted this summer. Bidding should take place this fall and construction will begin in early 2021. The remodeled library should open in early 2022.

#### Capitola

Despite the shelter-in-place order, work has been able to continue on the project. The contractor is continuing to make some progress and is following physical distancing and other safe practices protocols. Grand Opening is expected in early 2021.



#### Downtown

Group 4 completed a cost assessment and preliminary design of the Downtown Library as part of a mixed-use project within the existing \$27million budget. Findings were presented to the City Council on June 23, 2020. The Council conceptually approved relocating the Downtown Branch to the ground level of a mixed-use project on Lot 4 to include (at least) 50 low income housing units and a parking garage. **Felton** 

County staff continues to finalize closeout documents but will still need to resolve some stormwater and traffic mitigation issues.

### Garfield

Construction documents are being prepared. Permits will be submitted this summer. Bidding should take place this fall and construction will begin in early 2021. The remodeled library should open in autumn 2021.

#### La Selva Beach

This project has been deemed essential under the Shelter in Place order and construction on the branch is ongoing. The Friends of the Library, having been greatly successful in their fundraising, has used this opportunity to commission a change order to replace a stationary glass wall with a nanawall. The Grand Opening is expected in early 2021.

#### Live Oak

Construction documents have been completed. Construction will begin in the fall of 2020. The branch will remain open with a few interruptions. The remodel should be complete in the spring of 2021.

#### Live Oak Annex

A team is completing the design development package. Construction documents and permitting will occupy most of autumn and winter. Construction is expected to begin in the summer 2021. The project should be complete by summer of 2022.

#### **Scotts Valley**

The teen area booths have been reupholstered. Contractors have been hired for plumbing and fireplace issues. The structural assessment report is complete. Designs for upgrades to the wall/roof attachments are being completed. This work will be completed before the roof and HVAC improvements but will likely begin in September. Roofing bids are being evaluated and vendor should be selected in August. The HVAC bid has been awarded to Airtec. Paving/striping bids are being reviewed. The City is working on a design services contract for interior library improvements.



ChairJamie GoldsteinVice ChairMartin BernalBoard MemberTina FriendBoard MemberCarlos Palacios



## SANTA CRUZ PUBLIC LIBRARIES A CITY-COUNTY SYSTEM

## SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)

## **Virtual Meeting**

## REGULAR MEETING MINUTES THURSDAY JUNE 4, 2020 6:00 P.M.

#### 1. ROLL CALL

**PRESENT:**Jamie Goldstein, Tina Friend, Carlos Palacios and Martin Bernal**STAFF:**Library Director Susan Nemitz, Assistant Director Eric Howard

#### 2. ADDITIONAL MATERIALS

None

#### 3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of June 4, 2020 was approved by consensus.

#### 4. ORAL COMMUNICATIONS

None

#### 5. EXECUTIVE DIRECTOR REPORT

A. Library Director's Report – June 2020

Library Director Susan Nemitz reported on the recent activities of the libraries in light of COVID-19 restrictions and the current limitations to regular library operations.

#### 6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

None

#### 7. CONSENT CALENDAR

#### RESULT: APPROVED CONSENT CALENDAR A. Approved Minutes of May 7, 2020 [UNANIMOUS]

MOVER:Tina FriendSECONDER:Carlos PalaciosAYES:Friend, Goldstein, Bernal, Palacios

#### 8. GENERAL BUSINESS

None

#### 9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 6:08 p.m. to the Regular Meeting on Thursday August 6, 2020 at 9:00 a.m. at the Downtown Branch Library, located at 224 Church Street, Santa Cruz CA 96060 pending the current Health Orders at that time.

ATTEST:

Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries –Library Headquarters Office, 117 Union Street, Santa Cruz.



## STAFF REPORT

AGENDA: August 6, 2020

DATE: July 23, 2020

- TO: Board of Directors
- FROM: Libraries Facilities Financing Authority Treasurer-Controller
- SUBJECT: Audit Report of 2018-19 and 2019-20 LFFA CFD levy amounts.

#### RECOMMENDATION

- 1. Accept the attached NBS Audit Report of the Santa Cruz Libraries Facilities Financing Authority's Community Facilities District No. 2016-1 (the "LFFA CFD") dated February 2020;
- 2. Request that NBS include any under-levied amounts identified in the audit, combining those amounts along with the new 2020-21 levy amounts, on the 2020-21 tax levy file and that they provide the modified file to the Santa Cruz County Auditor-Controller by the August 10, 2020, deadline or shortly thereafter if an extension is granted;
- 3. Authorize the LFFA to issuance refund checks of all over-levied amounts as soon as is administratively possible;
- 4. Direct the LFFA Executive Director, in collaboration with the LFFA Treasurer-Controller, to invoice NBS for the check issuance charges in the amount of \$15 per check.

#### DISCUSSION

NBS was contracted to perform analysis of the annual tax levy for the CFD, and to provide the electronic file directly to the Santa Cruz County Auditor-Controller for inclusion on the annual secured property tax bills on the CFD's behalf.

The attached audit report, dated February 2020, reflects NBS's audit of the past levies they prepared for the 2018-19 and 2019-20 tax years. The audit report identifies that some parcels had incorrect amounts levied that need to be corrected. To resolve the errors, The CFD will either levy all missing charges on the 2020-21 tax bill or issue a refund to the parcel owner for any over charges. Once the financial impact of these corrections is finalized, an agenda item will be presented to your board at a future meeting to realign the CFD 2020-21 budget. The Special tax is distributed to the agencies throughout the year with a final 5% retained until year end. The refund checks will be paid out of the 2019-20 final 5% agency distribution that was rolled into the 2020-21 budget reserved for this purpose.



# SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY



# TABLE OF CONTENTS

1.	EXECUTIVE SUMMARY1
	2020 Audit1
	Prior Audit and Corrections 2
2.	2020 AUDIT FINDINGS
	Use Code 015 Audit 3
	Developed vs Undeveloped Audit
	Agricultural-SFR vs SFR Audit6
	Use Code 028 and 029 Updates7
	Private to Public Ownership Audit
	Mixed-Use MFR Audit9
3.	PRIOR AUDIT AND CORRECTIONS
	MFR Dwelling Unit Audit (2017) 10
	Mobile Home Tax Roll Corrections (2019)11
4.	AUDITED DATA

## EXECUTIVE SUMMARY

#### 2020 Audit

An in-depth review of the current and prior year levy amounts for the Santa Cruz Libraries Facilities Financing Authority's Community Facilities District No. 2016-1 (the "CFD") was conducted between January and February 2020. The assessor's data for all parcels was analyzed, an audited special tax was computed for 2018/19 and 2019/20, and both were compared to the respective year's levy amounts placed on the tax roll. In addition, approximately 1,000 parcels were individually reviewed using a combination of GIS data, real estate websites (such as Apartments.com, Zillow.com, etc.), satellite and streetview imagery.

The results of the audit are detailed in this report. Below is a summary of the combined findings for both 2018/19 and 2019/20:

There were 90,612 unique Assessor's parcel numbers identified in the 2018/19 and 2019/20 Assessor's data that are within the boundaries of the CFD.

There were 88,862 parcels (98.1%) levied the correct amount for both 2018/19 and 2019/20 per the audit findings.

The special tax for at least one year was found to be incorrect for the remaining parcels and the recommendations for correction are summarized below:

If a parcel was levied any amount and should not have been levied at all, it is recommended a refund check be sent to the current property owner. This includes 393 parcels that were over-levied a total of \$48,389 across both fiscal years (\$23,155 in 2018/19 and \$25,234 in 2019/20). These 393 parcels have 311 unique owner names per the 2019/20 Assessor's data.

If a parcel should have been levied, but was levied too much, it is recommended the overage be applied as a credit on future tax bills. Approximately 41% of these credits (205 parcels) would be applied over one to three years, approximately 55% of the credits (290 parcels) would be applied over four years, and approximately 4% of the credits would be applied over a period greater than four years (21 parcels). Alternatively, the County may wish to issue refund checks to these 21 parcels as well. The total credit would be \$79,154. The credits applied to the first four years would be approximately as follows: \$27,000, \$21,000, \$14,000, and \$13,000, with subsequent years declining significantly.



If a parcel should have been levied, but was levied too little, it is recommended the shortage be applied to future tax bills as an escaped levy. This includes 807 parcels that were under-levied a total of \$101,447.50 across both fiscal years (\$44,428 in 2018/19 and \$57,019.50 in 2019/20).

A small number of parcels (33) that were over-levied, must be researched because they no longer exist in the 2019/20 Assessor's data. These parcels may require a refund check to be issued or a levy credit.



Recommended Action	Parcels	Parcel Percentage	Levy Difference FY 2018/19	Levy Difference FY 2019/20	Total Levy Difference
No Action: prior two years are correct	88,862	98.1%	\$0.00	\$0.00	\$0.00
Issue refund check	393	0.4%	23,155.00	25,234.00	48,389.00
Credit back via tax roll over 1 year	92	0.1%	3,725.50	2,871.00	6,596.50
Credit back via tax roll over 2 years	106	0.1%	6,086.00	6,565.50	12,651.50
Credit back via tax roll over 3 years	7	0.0%	815.50	914.50	1,730.00
Credit back via tax roll over 4 years	290	0.3%	25,028.50	25,028.50	50,057.00
Credit back via tax roll over 5 years	1	0.0%	495.00	495.00	990.00
Credit back via tax roll over 6 years	17	0.0%	2,303.50	2,303.50	4,607.00
Credit back via tax roll over 8 years	1	0.0%	185.00	185.00	370.00
Credit back via tax roll over 11 years	1	0.0%	742.50	742.50	1,485.00
Credit back via tax roll over 14 years	1	0.0%	333.50	333.50	667.00
Add escaped levy to future tax roll	807	0.9%	(44,428.00)	(57,019.50)	(101,447.50)
Research parcel change history to credit future levy	33	0.0%	1,743.00		1,743.00

The table below is a summary of the descriptions on the prior page:

## Prior Audit and Corrections

In addition to the this most recent audit, a Multi-Family Residential (MFR) dwelling unit audit was performed between December 2016 and April 2017 and the adjustments were implemented beginning with the 2017/18 levy. This audit resulted in a net increase of \$27,522 in special tax revenue. This issue does not require any further action.

Finally, following the 2018/19 levy, it was discovered that approximately 2,000 mobile homes were levied, and those special taxes were removed from the tax roll. NBS paid for the County's cost of the corrections. This issue does not require any further action.





#### Use Code 015 Audit

#### Description

Between January and February 2020, parcels with a use code of 015 were reviewed to determine their specific use. Use Code 015 is described by the Assessor as a "Lot w/misc. residential improvements only (garage, pool)." Parcels with this use code are defaulted to the "Undeveloped Property" category per the RMA. If the parcel contains only an ancillary residential use linked to an adjacent property (such as when a home and the garage have been assigned separate parcel numbers), then the parcel is considered "Undeveloped Property" per the RMA, and therefore exempt from the special tax. However, it was observed, based on certain Assessor's secured roll data fields, that some parcels might contain separate or independent residential uses, such as another single-family residence. The purpose of this audit was to confirm whether these use code 015 parcels should be exempt from the special tax.

#### Method

All parcels with use code 015 (225 parcels) were analyzed. Those 149 parcels that were levied in 2019/20 were specifically reviewed. The first level of review included a data review of use code 015 parcels as well as those parcels with an owner matching a use code 015 parcel. The data was sorted by owner name and parcel number. The usual and expected data representation for these groupings includes one parcel with a developed residential use code, a structure value, plus other data points indicating development and a parcel with use code 015 parcels in these groups were deemed to be "Undeveloped Property" per the RMA and should not have been levied.

Parcels with a use code 015 having a structure value, other points indicating development, or the lack of duplicative ownership among adjacent parcels were reviewed in more detail. These parcels were reviewed individually using GIS data, Google Maps (including Streetview) and various real estate websites including Redfin.com, Trulia.com, Zillow.com, and Realtor.com. The ownership of neighboring parcels was incorporated to provide context for a possible rear/side yard or ancillary structure. The nature of each parcel's development was noted, and each parcel was categorized as "Undeveloped Property" or "Single Family Residential Property" as applicable.

#### 2019/20 Results

This audit group included 149 parcels with use code 015 that were levied in 2019/20. Of the total, 88 parcels were individually reviewed in more detail. As a result of the audit, eight discrepancies between the observed use and the secured roll use code of 015 were identified. Therefore, eight parcels were correctly levied in 2019/20 despite the Assessor's use code. Conversely, this means 80 parcels were incorrectly levied as "Single



Family Residential Property" when they should have been exempted as "Undeveloped Property."

This same approach was taken for the 2018/19 levy.

#### Recommendation

It is recommended refund checks be issued to each of the parcels with use code 015 that should not have been levied in 2018/19 and 2019/20.



### Developed vs Undeveloped Audit

#### Description

Between January and February 2020, parcels that were levied and had Assessor's data that was self- conflicting with regards to development status were reviewed. These parcels typically had one or more data points indicating the presence of development but lacked an improvement value or vice versa. The purpose of this audit was to confirm whether specific parcels were in fact developed and should be levied according to the appropriate category in the RMA (i.e. Agricultural, Commercial, Multi Family Residential, Single Family Residential, Recreational) or whether they should be considered "Undeveloped Property."

#### Method

All parcels failing to meet the data-driven criteria for developed as described below but levied as any form of "Developed Property," were identified. These parcels were reviewed individually using GIS data, Google Maps (including Streetview) and various real estate websites including Redfin.com, Trulia.com, Zillow.com, and Realtor.com. Any development identified using these visual aids was noted.

#### Data-Driven Criteria for Developed

A parcel with a use code indicating a <u>developed</u> use must meet one of the two criteria below to be considered "Developed Property" for purposes of the special tax levy.

- (1) Have an improvement value of greater than \$1,000
- (2) Have three or more of the following per the Assessor's secured roll data:
  - a. Building square feet
  - b. Units
  - c. Situs house number
  - d. Homeowner's exemption
  - e. Bedrooms and Bathrooms

A parcel with a use code indicating an <u>undeveloped</u> use must meet one of the two criteria below to be considered "Developed Property" for purposes of the special tax levy.

- (1) Have an improvement value of greater than \$1,000 **AND** two or more of the following
  - a. Building square feet
  - b. Units
  - c. Situs house number
  - d. Homeowner's exemption
  - e. Bedrooms and Bathrooms
- (2) Have an improvement value of greater than \$100,000



#### 2019/20 Results

This audit group included 384 parcels that were levied in 2019/20. As a result of the audit, 234 discrepancies between the observed development status and the criteria above were identified. This means 234 parcels that should have been levied in 2019/20 were levied. Of these 234 parcels, 45 were levied the correct amount. The remaining 189 were under-levied by a total of \$7,159. Conversely, this means 150 parcels were incorrectly levied as "Developed Property" when they should have been exempted as "Undeveloped Property."

This same approach was taken for the 2018/19 levy.



#### Recommendation

It is recommended refund checks be issued for each of the Undeveloped parcels that should not have been levied in 2018/19 and 2019/20.

It is recommended the amounts under-levied on Developed Property that were treated as undeveloped be added to a future years' special tax levy or levies.



#### Agricultural-SFR vs SFR Audit

#### Description

Between January and February 2020, parcels with use codes 501, 511, and 521 were identified as historically levied according to the assumption they were Agricultural SFRs. However, further review of the use code descriptions brought up the possibility these parcels may not universally be used for agriculture. The purpose of this audit was to determine whether these parcels are used for agriculture and should be levied as Agricultural-SFR or just as SFR.

#### Method

These parcels were reviewed individually using GIS data and Google Maps (including Streetview). The key determination for the difference between Agricultural-SFR and SFR was the existence of row crops or other evidence of agriculture as determined by visually inspecting satellite imagery. The existence of any agricultural use was noted, and each parcel was categorized as Agricultural-SFR or "Single Family Residential Property" as applicable.

#### 2019/20 Results

This audit group included 411 parcels that were levied in 2019/20. As a result of the audit, 111 discrepancies between the observed use and the secured roll use code were identified. This means 105 parcels were correctly levied in 2019/20 despite the Assessor's use code and 6 others were correctly categorized as Agricultural-SFR but were levied for multiple units. Conversely, this means 300 parcels were incorrectly levied as Agricultural-SFR when they should have been levied as "Single Family Residential Property." Most of these errors resulted in a levy amount of \$135.50 that should have been \$49.50. This is an over-levy of \$86.

This same approach was taken for the 2018/19 levy.

#### Recommendation

It is recommended the parcels that were over-levied receive a credit on a future years' special tax levy or levies.



#### Use Code 028 and 029 Updates

#### Description

Between January and February 2020, parcels with use codes 028 and 029 were identified as historically being levied for one dwelling unit, essentially ignoring the secondary unit (or granny flat). However, this approach was changed in 2018/19 and certain parcels showing multiple units in the Assessor's secured roll data were levied for more than one dwelling unit.

These parcels were not audited because neither the Assessor's data nor satellite imagery would provide an answer as to whether these parcels contain two legitimate residential dwellings or whether they are in fact one residence along with a secondary unit.

#### Method

All parcels with use codes 028 or 029 should be defaulted to one dwelling unit for purposes of the special tax levy.

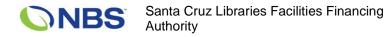
#### 2019/20 Results

There were 1,035 parcels with use codes of 028 or 029 in the 2019/20 Assessor's secured roll data. Of that total, 963 were correctly levied for one dwelling unit. The vast majority (68) of the remaining 71 parcels were levied for multiple dwelling units and 3 were levied as "Commercial Property." Most of these parcels were levied \$99 in 2019/20 when they should have been levied \$49.50. The total amount over-levied for these 71 parcels is approximately \$3,624.

This same approach was taken for the 2018/19 levy.

#### Recommendation

It is recommended the parcels that were over-levied receive a credit on a future years' special tax levy or levies.



#### Private to Public Ownership Audit

#### Description

Publicly owned parcels are exempt from the special tax. However, if property not otherwise exempt from the special tax is acquired by a public entity, the special tax should continue to be levied on the property pursuant to Section E of the RMA. The purpose of this audit was to determine whether any parcel was, at one time, taxable but subsequently became publicly owned.

#### Method

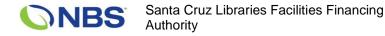
Between January and February 2020, all parcels in the CFD showing a public owner per the Assessor's 2019/20 data were identified and the original (2016/17) ownership (whether public or private) was noted.

#### 2019/20 Results

There were 33 parcels identified as publicly owned per the Assessor's 2019/20 data but privately owned per the Assessor's 2016/17 data. Of those 33 parcels only 5 were levied in 2016/17. Four of those five parcels would be considered "Developed Property," and one would now be considered "Undeveloped Property." Two parcels are owned by the City of Santa Cruz, one is owned by the County of Santa Cruz, and one is owned by the Regents of the University of California.

#### Recommendation

It is recommended these owners be contacted and made aware of their obligation to pay the special tax.



#### Mixed-Use MFR Audit

#### Description

Certain use codes assigned by the Assessor describe a mix of uses on a single parcel. These parcels have a residential use along with a taxable (per the RMA) non-residential use, such as Commercial, Agricultural, or Recreational. Some parcels with these use codes have been assigned multiple units by the Assessor.

However, the existence of multiple units in the Assessor's data does not always correspond with only the residential uses. In other words, the units could reflect multiple business units on a single parcel. For this reason, these mixed-use parcels have historically been levied as one unit of Commercial Property and one unit of Single Family Residential Property. The purpose of this audit was to determine whether the parcels with mixed-use codes and multiple units should be levied for multiple residential units.

#### Method

In February 2020, these parcels were reviewed individually using GIS data and Google Maps (including streetview). Evidence to corroborate the Assessor's unit assignment was sought and noted as applicable.

#### 2019/20 Results

There were 51 parcels identified as part of this audit. Of those parcels, 12 were verified to match the Assessor's unit count and thus were levied correctly. For the remaining parcels, in several cases the residential units could not be specifically verified and so the unit value used to compute the audited special tax was defaulted to one. Additionally, four parcels were found to have *higher* unit counts than used to compute the 2019/20 levy.

This same approach was taken for the 2018/19 levy.

#### Recommendation

It is recommended the parcels that were over-levied receive a credit on a future years' special tax levy or levies. It is also recommended that any special taxes that were under-levied be added to a future years' special tax levy or levies.





As noted in the Executive Summary, in addition to the most recent audit, a MFR dwelling unit audit was performed in 2017 with adjustments implemented beginning with the 2017/18 levy, and special taxes levied on approximately 2,000 mobile homes were removed from the 2018/19 tax roll.

#### MFR Dwelling Unit Audit (2017)

#### Description

Between December 2016 and April 2017, parcels with multi-family residential (MFR) use codes that indicated a possibility of four or greater units were audited. The purpose of this audit was to confirm the proper number of dwelling units on each parcel. This is important because MFR parcels are levied on a per- unit basis.

#### Method

Parcels were reviewed individually using GIS data, Google Maps (including streetview) and various real estate websites including Redfin.com, Trulia.com, Zillow.com, Realtor.com, and Apartments.com. On a few occasions, phone calls were placed to employees of apartment communities and the dwelling units were confirmed via phone interview. The County Assessor's website was also used as a supplement to the Assessor's secured roll data. The County Assessor's website offers a more detailed parcel characteristic profile which includes data for multiple buildings when applicable, whereas the Assessor's secured roll data file typically only includes data for one building.

#### Results

This audit group included 642 parcels. As a result of the audit, 200 discrepancies between the observed units and the secured roll data were identified. The dwelling units for those MFR parcels were updated and the overall change was a net increase of 556 units (or \$27,522 in additional special tax revenue). These changes were implemented beginning with the Fiscal Year 2017/18 levy and no further action is required.



### Mobile Home Tax Roll Corrections (2019)

#### Description

Following the 2019/20 levy submittal, NBS was made aware of approximately 2,000 mobile homes that had been levied the special tax erroneously. The Assessor assigns a "parcel" number to the mobile home to track the value of the personal property. Historically, the underlying parcel of land had been levied the special tax for the applicable number of mobile home units. This approach was changed to also levy the mobile homes themselves.

#### Method

Mobile homes are generally identified (beyond the applicable use codes) by Assessor's "parcel" numbers with nine or more characters and no land value. The Assessor's records were reviewed for these criteria and the special taxes incorrectly levied on mobile homes were removed from the tax roll in the fall of 2019.

#### Results

NBS paid the fees associated with these corrections and no further action is required.





The following pages show the results of the audit for all parcels within the CFD boundary.



## STAFF REPORT

AGENDA: August 6, 2020

DATE: July 17, 2020

TO: LFFA Board of Directors

FROM: Edith Driscoll, LFFA Treasurer-Controller

SUBJECT: Agreement with Brown Armstrong, CPAs for Audit Services

#### RECOMMENDATION

Approve three-year agreement with Brown Armstrong, CPAs in the annual amount of \$4,980, resulting in a total cost of \$14,940, for audit related services for Fiscal Years 2019-20, 2020-21 and 2021-22, and authorize the Chair of the Board of Directors to sign the agreement.

#### DISCUSSION

Pursuant to Section 4 (d) (i) of the Amended and Restated Joint Exercise of Powers Agreement, the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector is designated as the LFFA Treasurer-Controller and is required to "prepare or cause to be prepared an independent audit to be made by a certified public accountant, or a public accountant, as required under Sections 6505, 6505.5 and 6505.6 of the Joint Powers Act."

On January 28, 2020, the Santa Cruz County Board of Supervisors approved the release of a Request for Proposal (RFP) for Professional Audit Services. Four firms responded to the RFP. After review of the responses, the Auditor-Controller and the Santa Cruz County Audit Committee recommend awarding the contract to the CPA firm of Brown Armstrong, CPAs.

The attached three-year agreement with Brown Armstrong, CPAs provides audit related services for Fiscal Years 2019-20, 2020-21 and 2021-22. The cost will not exceed \$4,980 annually for a total three-year cost of \$14,940.

## INDEPENDENT CONTRACTOR AGREEMENT

#### (STANDARD)

This Contract, which is effective on the date it is fully executed, is between the SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY, hereinafter called AGENCY, and BROWN ARMSTRONG, CPAs, hereinafter called CONTRACTOR. The parties agree as follows:

**1. <u>DUTIES</u>.** CONTRACTOR agrees to exercise special skill for the AGENCY to perform auditing services for Fiscal Years 2019-2020 through 2020-2022, as set forth in Exhibit A attached hereto and incorporated herein by this reference.

**2.** <u>COMPENSATION</u>. In consideration for CONTRACTOR accomplishing said result, AGENCY agrees to pay CONTRACTOR as follows:

Audit related services for Fiscal Year 2019-2020	\$4,980
Audit related services for Fiscal Year 2020-2021	4,980
Audit related services for Fiscal Year 2021-2022	4,980
Total for 3-year period	\$14,940

These amounts will be compensation in full for all services to be provided and all costs incurred by CONTRACTOR under this Contract, including but not limited to the audit and expenses incidental to the preparation of the required reports. Payment will be processed after receipt and project manager approval of monthly invoices based upon the amount of actual progress achieved during the preceding month.

**3. <u>TERM</u>**. The term of this Contract shall be: July 1, 2020 through June 30, 2023.

**4. EARLY TERMINATION.** Either party hereto may terminate this Contract at any time by giving thirty (30) days' written notice to the other party.

#### 5. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.

To the fullest extent permitted by applicable law, CONTRACTOR shall exonerate, indemnify, defend, and hold harmless AGENCY (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which AGENCY may sustain or incur or which may be imposed upon it as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Contract, excepting any liability arising out of the sole negligence of the AGENCY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects AGENCY and any insurance or self-insurance maintained by AGENCY shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR

normally carries insurance in an amount greater than the minimum amount required by the AGENCY for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract. Insurance is to be obtained from insurers reasonably acceptable to the AGENCY.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this Contract, unless CONTRACTOR and AGENCY both initial here

### A. <u>Types of Insurance and Minimum Limits</u>

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here \_\_\_\_\_.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and AGENCY both certify to this fact by initialing here \_\_\_\_\_/\_\_\_.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$\_\_\_\_\_\_ combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and AGENCY \_\_\_\_\_/\_\_\_.

#### B. <u>Other Insurance Provisions</u>

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the date first written above (in the first paragraph on page 1), and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover the Santa Cruz Libraries Facilities Financing Authority, its officials, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

## Santa Cruz Libraries Facilities Financing Authority Attn: Edith Driscoll 701 Ocean Street, Room 100

Santa Cruz, CA 95060

Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the AGENCY as a material term of this Contract.

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide AGENCY on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

#### Santa Cruz Libraries Facilities Financing Authority Attn: Edith Driscoll 701 Ocean Street, Room 100 Santa Cruz, CA 95060

(5) CONTRACTOR hereby grants to AGENCY a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against the AGENCY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the AGENCY has received a waiver of subrogation endorsement from the insurer.

**7.** <u>EQUAL EMPLOYMENT OPPORTUNITY</u>. During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Owned Business Enterprises are available from the Santa Cruz County General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the AGENCY.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. <u>INDEPENDENT CONTRACTOR STATUS</u>. CONTRACTOR and AGENCY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of AGENCY. CONTRACTOR is responsible for all insurance (workers' compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. AGENCY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

<u>PRINCIPAL TEST</u>: The CONTRACTOR rather than AGENCY has the right to control the manner and means of accomplishing the result contracted for.

<u>SECONDARY FACTORS</u>: (a) The extent of control which, by agreement, AGENCY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the AGENCY supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of AGENCY; (i) CONTRACTOR and AGENCY believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The AGENCY conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

**9. <u>NONASSIGNMENT</u>**. CONTRACTOR shall not assign the Contract without the prior written consent of the AGENCY.

**10.** <u>ACKNOWLEDGMENT</u>. CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz Libraries Facilities Financing Authority has provided funding to the CONTRACTOR.

11. <u>RETENTION AND AUDIT OF RECORDS</u>. CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by AGENCY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

**12. PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.

**13.** <u>ATTACHMENTS</u>. Should a conflict arise between the language in the body of this Contract and any attachment to this Contract, the language in the body of this Contract controls. This Contract includes the following attachments:

Exhibit A – Scope of Services

**14.** <u>LIVING WAGE</u>. This Contract is covered under Living Wage provisions if this section is initialed by AGENCY\_\_\_\_\_.

If Item # 14 above is initialed by AGENCY, then this Contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, which requires payment of a living wage to covered employees. Non-compliance during the term of the Contract with these Living Wage provisions will be considered a material breach, and may result in termination of the Contract and/or pursuit of other legal or administrative remedies.

CONTRACTOR agrees to comply with Santa Cruz County Code section 2.122.140, if applicable.

**15.** <u>NON-BINDING UNTIL APPROVED</u>. Regardless of whether this Contract has been signed by all parties, if the total compensation identified in Paragraph 2 of this Contract is greater than \$100,000, this Contract is not binding on any party until the Contract has been approved by the Santa Cruz Libraries Facilities Financing Authority Board of Directors.

16. <u>MISCELLANEOUS</u>. This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that this written Contract supersedes any previous written or oral agreements between the parties, and any modifications to this Contract must be made in a written document signed by all parties. The unenforceability, invalidity or illegality of any provision(s) of this Contract shall not render the other provisions unenforceable, invalid or illegal. Waiver by any party of any portion of this Contract shall not constitute a waiver of any other portion thereof. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the County of Santa Cruz, notwithstanding the fact that one of the contracting parties may reside outside of the County of Santa Cruz. This Contract shall be governed by, and interpreted in accordance with, California law.

///

///

///

#### SIGNATURE PAGE

# INDEPENDENT CONTRACTOR AGREEMENT (STANDARD)

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

2. BROWN ARMSTRONG, CPAs	4. SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
By:	By:
Lindsey McGuire	Jamie Goldstein
Company Name: Brown Armstrong, CPAs	
Address: 4200 Truxtun Ave. Suite 300	
Bakersfield, CA 93309	
Telephone: <u>661-324-4971</u>	
Fax: <u>661-324-4997</u>	
Email: Imcguire@bacpas.com	

#### 3. APPROVED AS TO INSURANCE:

Risk	Management

## 1. APPROVED AS TO FORM:

Office of the County Counsel

DISTRIBUTION:

- Auditor-Controller-Treasurer-Tax Collector
- Risk Management
- Contractor

#### EXHIBIT A

#### SCOPE OF SERVICES

#### Annual Audit of Santa Cruz Libraries Facilities Financing Authority

Contractor agrees to:

- 1. Conduct a separate audit of the financial statements of the Santa Cruz Libraries Facilities Financing Authority for a total 3-year period:
  - a) Audit related services for Fiscal Year 2019-2020
  - b) Audit related services for Fiscal Year 2020-2021
  - c) Audit related services for Fiscal Year 2021-2022
- 2. Express an opinion of the fair presentation of those statements in conformity with Generally Accepted Accounting Principles and compliance with provisions of Federal, State, and County statutes, ordinances, rules and regulations.
- 3. Perform the audit in accordance with Generally Accepted Auditing Standards, Generally Accepted Government Auditing Standards (the Yellow Book), and all applicable pronouncements of the American Institute of Certified Public Accountants (AICPA), Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).
- 4. Provide one unbound original report and up to thirty (30) copies of the report to the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector by November 16 of each year of the agreement: Nov. 16, 2020, Nov. 16, 2021, Nov. 16, 2022. Provide all Santa Cruz Libraries Facilities Financing Authority information in an electronic format to be agreed upon with the Auditor.
- 5. Provide the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector with a draft of the "Management Letter" which will include internal control evaluations, findings and recommendations by December 15 of each year of the agreement: Dec. 15, 2020, Dec. 15, 2021, Dec. 15, 2022.



## STAFF REPORT

AGENDA: August 6, 2020	
------------------------	--

- DATE: July 16, 2020
- TO: Board of Directors
- FROM: Libraries Facilities Financing Authority Treasurer-Controller
- SUBJECT: Special Tax Bond Quarterly Financial Statement as of June 30, 2020

#### RECOMMENDATION

Accept and file the attached financial statements as of June 30, 2020.

#### DISCUSSION

Attachment A includes separate statements that reflect the activity and balances of the 2017 and 2020 Special Tax Bond proceeds as of June 30, 2020 and a summary of all activity.

The statements in attachment A provide your Board with a spending status of the funds held at Bank of New York and reflect funds remaining to be drawn down by the cities and county.

The 2017 Special Tax Bond was sold in June 2017 and according to IRS regulations, the funds must be spent within three years. Emphasis should be placed on drawing down those funds to meet this requirement.

#### SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

Community Facilities District No. 2016-1 2017 & 2020 Special Tax Bonds Activity and Balances of Member Accounts Held in Trust at Bank of New York As of June 30, 2020

#### Summary of activity and account balances of bond funds held in trust at Bank of New York

Description	Santa Cruz Cnty	Santa Cruz City		Capitola		Scotts Valley		Total
2017 Bond Proceeds	\$ 13,100,000.00	\$	500,000.00	\$	7,526,447.00	\$	500,000.00	\$ 21,626,447.00
2020 Bond Proceeds	15,386,032.00		-		1,383,730.13		2,094,000.00	18,863,762.13
Excess Cost of Issuance	11,756.08		448.70		6,754.33		448.70	19,407.81
Interest	470,425.91		22,709.86		264,147.84		24,172.47	781,456.08
	\$ 28,968,213.99	\$	523,158.56	\$	9,181,079.30	\$	2,618,621.17	\$ 41,291,073.02
Drawdowns	(11,667,619.09)		(508,790.44)		(9,181,079.30)		(55,858.00)	(21,413,346.83)
June 30, 2020 Balance:	\$ 17,300,594.90	\$	14,368.12	\$	-	\$	2,562,763.17	\$ 19,877,726.19

## SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

Community Facilities District No. 2016-1 2017 & 2020 Special Tax Bonds Activity and Balances of Member Accounts Held in Trust at Bank of New York As of June 30, 2020

#### Summary of activity and account balances of bond funds held in trust at Bank of New York

Description	Santa Cruz Cnty	Sa	nta Cruz City		Capitola	Scotts Valley	Total
2017 Bonds							
Proceeds	\$ 13,100,000.00	\$	500,000.00	\$	7,526,447.00	\$ 500,000.00	\$ 21,626,447.00
Excess Cost of Issuance	11,756.08		448.70		6,754.33	448.70	19,407.81
Interest	464,728.88		22,709.86		263,490.15	23,397.15	774,326.04
Available funds	13,576,484.96		523,158.56		7,796,691.48	523,845.85	22,420,180.85
Drawdowns	(11,667,619.09)		(508,790.44)		(7,796,691.48)	(55,858.00)	(20,028,959.01)
Current balance 2017 Bonds	1,908,865.87		14,368.12		-	467,987.85	2,391,221.84
2020 Bonds							
Proceeds	15,386,032.00		-		1,383,730.13	2,094,000.00	18,863,762.13
Excess Cost of Issuance	-		-		-	-	-
Interest	5,697.03		-		657.69	775.32	7,130.04
Available funds	15,391,729.03		-		1,384,387.82	2,094,775.32	18,870,892.17
Drawdowns	-		-		(1,384,387.82)	-	(1,384,387.82)
Current balance 2020 Bonds	15,391,729.03		-		-	2,094,775.32	17,486,504.35
June 30, 2020 Balar	ice: \$ 17,300,594.9	90 \$	5 14,368.1	2	\$ –	 \$ 2,562,763.17	\$ 19,877,726.19