



Santa Cruz Local Agency Formation Commission
701 Ocean Street # 318D
Santa Cruz CA 95060
Phone: (831) 454-2055
Email: joe@santacruzlafco.org
Website: www.santacruzlafco.org

February 8, 2021

John Walbridge, Fire Chief
Central Fire District of Santa Cruz County
930 17th Avenue
Santa Cruz CA 95062

Subject: Central and Aptos / La Selva Fire Consolidation (Project No. DC 20-02)

Dear Chief Walbridge:

The fire consolidation involving Central and Aptos/La Selva Fire Protection Districts was recorded on February 4, 2021. The effective date of this consolidation, creating the new "Central Fire District of Santa Cruz County," was the date of recordation.

Pursuant to requirements of State law, the following documents relative to the subject consolidation are attached for your records. These recorded documents were also sent to the State Board of Equalization to update the tax roll.

1. Executive Officer's Certificate of Completion
2. Signed Copy of Resolution No. 2020-30 (without exhibits)
3. Vicinity Map

The resolution's exhibits were not included in this letter due to the large amount of pages (over 300 pages in total). If you would like a copy of the exhibits (hard copy or PDF), please send a request to LAFCO and copies will be provided. Feel free to contact the LAFCO office if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe A. Serrano', is written over a horizontal line.

Joe A. Serrano
Executive Officer

cc: Don Jarvis, Interim Fire Chief, Aptos/La Selva FPD

<p>Recorded at the request of: LAFCO</p> <p>When recorded, mail to: Local Agency Formation Commission 701 Ocean Street Room 318 D Santa Cruz CA 95060</p>	 <p>2021-0006674 02/04/2021 08:25:21 AM</p> <p>OFFICIAL RECORDS OF Santa Cruz County Sean Saldavia Recorder RECORDING FEE: \$0.00 COUNTY TAX: \$0.00 CITY TAX: \$0.00</p>  <p>CCOP 373 PGS RCD172</p>
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FREE RECORDING

(Space above for Recorder's use only)
In accordance with Government Code Sections 6103 and 27383

CERTIFICATE OF COMPLETION

Pursuant to Government Code Section 57200, this Certificate is issued by the Executive Officer of the Local Agency Formation Commission of Santa Cruz County, California.

1. Short-form designation, as designated by LAFCO is:
 - **"Central and Aptos/La Selva Fire Consolidation" (Project No. DC 20-02)**
2. The name of the district involved in this annexation and the kind or type of reorganization ordered for this district is as follows:
 - City or District: **Central Fire Protection District (FPD); Aptos/La Selva FPD**
 - Change of Organization: **Consolidation (with concurrent sphere amendment)**
3. The above listed agency(ies) are located within Santa Cruz County.
4. The subject territory is inhabited (approximately 90,000 residents).
5. LAFCO Resolution No. 2020-30 was approved by the Local Agency Formation Commission of Santa Cruz County on November 4, 2020. The terms and conditions of the change of organization, as set forth in the LAFCO resolution approving the change, are contained in the attached resolution.
6. A description of the boundaries of the above cited consolidation is shown on the attached resolution, marked **Exhibit A** by reference incorporated herein.
7. A description of the pension obligations of the above cited consolidation is shown on the attached resolution, marked **Exhibit B** by reference incorporated herein.

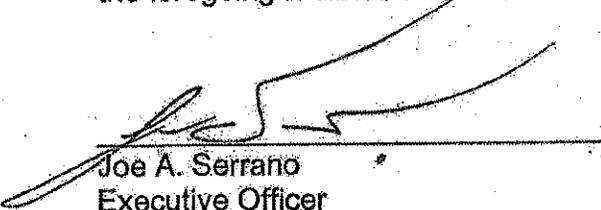
"Central and Aptos/La Selva Fire Consolidation" (DC 20-02)

Certificate of Completion

Page 1 of 2

8. A description of the successor agency's board composition of the above cited consolidation is shown on the attached resolution, marked **Exhibit C** by reference incorporated herein.
9. A description of the successor agency's employment contracts of the above cited consolidation is shown on the attached resolution, marked **Exhibit D** by reference incorporated herein.
10. The effective date of this action is February 4, 2021.

I, Joe Serrano, say that I am the Executive Officer of the Santa Cruz Local Agency Formation Commission (LAFCO), and as such make this verification on behalf of Santa Cruz LAFCO; that I have read the above Certificate of Completion, and know the contents thereof, and that the facts stated therein are true. I declare under penalty of perjury that the foregoing is true and correct.



Joe A. Serrano
Executive Officer
Local Agency Formation Commission
of Santa Cruz County

Attachment: Adopted LAFCO Resolution dated 11/4/20 (with updated appendices)

Dated: February 4, 2021

cc: Craig Scholer, Assembly Member Mark Stone's Office
Maureen McCarty, Assembly Member Mark Stone's Office
John Walbridge, Central FPD, Fire Chief
Don Jarvis, Aptos/La Selva FPD, Fire Chief
Carl Steinmetz, Local 3535, Union President
Michael Botill, Local 3605, Union President

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-30

On the motion of Commissioner
duly seconded by Commissioner
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE
“CENTRAL AND APTOS/LA SELVA FIRE CONSOLIDATION”
(LAFCO PROJECT NO. DC 20-02)

WHEREAS, a joint application by Central Fire Protection District and Aptos/La Selva Fire Protection District (collectively, “fire districts” or “applicants”) for the proposed consolidation in the County of Santa Cruz (“County”) was filed with the Executive Officer of this Local Agency Formation Commission (“LAFCO” or “Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, pursuant to Government Code Section 56853(a), if substantially similar resolutions are adopted making proposals for consolidation, the Commission shall approve, or conditionally approve, the proposal. The Board of Directors for Aptos/La Selva and Central Fire Protection Districts adopted similar initiating resolutions on July 16, 2019, and July 23, 2019, respectively; and

WHEREAS, the proposal involves the existing jurisdictional boundaries of both fire districts, which encompasses approximately 25,000 acres and includes over 30,000 parcels. The proposal is not proposing any additional changes to the fire districts’ boundaries other than consolidating both fire districts into a new single “successor” agency (“successor agency” or “newly-consolidated district”); and

WHEREAS, the purpose of the proposal is to facilitate the efficient delivery of fire protection to individuals and property owners within the affected territory. If approved, the consolidation will preserve the current levels of service, maintain local demand expectations, and continue to use existing funding sources; and

WHEREAS, the vast majority of the proposal area is within unincorporated county territory. The City of Capitola is within Central Fire Protection District’s service and sphere boundaries. The application does not propose any changes to the existing land use designations found in the general plans for Capitola or the County; and

WHEREAS, the proposal area is inhabited and is located east of the City of Santa Cruz and west of the City of Watsonville. A vicinity map of the subject territory is attached and identified as Exhibit A; and

WHEREAS, no other change of organization is required. The proposal area will continue to receive water from the existing service providers, including but not limited to Central Water District, Soquel Creek Water District, and the City of Santa Cruz; and

WHEREAS, the application consists of the following changes of organization: (1) consolidation of two existing fire districts into a new single successor agency; and (2) coterminous sphere determination to reflect the change of organization; and

WHEREAS, correspondence summarizing the proposed consolidation was sent to all affected and interested agencies requesting comments on January 13, 2020. LAFCO did not receive any opposition following the conclusion of the comment period; and

WHEREAS, California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected agencies before LAFCO can consider a jurisdictional change. The County Board of Supervisors acting as the authorizing body for the two fire districts regarding property tax adjustments adopted a property tax exchange agreement on March 24, 2020; and

WHEREAS, the Executive Officer conducted an analysis of the proposal and prepared a report including staff's recommendations, and presented staff's findings for Commission consideration; and

WHEREAS, a public hearing by the Commission was held on November 4, 2020; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented; and

NOW, THEREFORE, the Local Agency Formation Commission of Santa Cruz County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The proposed consolidation of the Central Fire Protection District and Aptos/La Selva Fire Protection District is categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15320, Class 20(b) because the two fire protection districts have identical powers and the change in the organization or reorganization of the fire districts do not change the geographical area in which previously existing powers are exercised.

Section 3. The Commission considered the requirements set forth for consolidations in the Cortese-Knox-Hertzberg Act, Government Code Section 57500, and found the proposal to be consistent with those requirements as set forth below:

- a) Initiating Resolutions: Pursuant to Government Code Section 56853(a), if substantially similar resolutions are adopted making proposals for consolidation, the Commission shall approve, or conditionally approve, the proposal. The Board of Directors for Aptos/La Selva and Central Fire Protection Districts adopted similar initiating resolutions on July 16, 2019 and July 23, 2019, respectively.
- b) Application: A consolidation was initiated by Aptos/La Selva and Central Fire Protection Districts following the adoption of two substantially similar resolutions. LAFCO received the application on December 30, 2019. The applicants did not propose any additional changes to their boundaries other than consolidating both fire districts into a new single successor agency.

- c) Plan for Service: Pursuant to Government Code Section 56653, the applicants shall submit a plan for providing services within the affected territory (“Plan for Service”). The Plan for Service shall include all of the following information and any additional information required by LAFCO: (1) An enumeration and description of the services currently provided or to be extended to the affected territory; (2) The level and range of those services; (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed; (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed; and (5) Information with respect to how those services will be financed. An administrative copy of the Plan for Service was provided to LAFCO on October 1, 2020. For additional transparency, the Aptos/La Selva and Central Fire Protection Districts Boards of Directors adopted the Plan for Service on October 8, 2020, and October 13, 2020, respectively. The adopted version was provided to LAFCO on October 14, 2020.
- d) Environmental Review: Compliance with CEQA has been met by a categorical exemption pursuant to CEQA Guidelines Section 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidation of two or more districts having identical powers.
- e) Sphere Determination: The current sphere of influence of both fire districts will be combined and will represent the sphere of influence boundary for the successor agency, as shown in Exhibit A.

Section 4. The Commission determined that the proposal is consistent with LAFCO’s Policies and Procedures Relating to Proposals and Sphere Amendments as set forth below:

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agencies have submitted a written endorsement indicating its willingness to provide services if the Commission approves the request. The Boards of Directors for Aptos/La Selva and Central Fire Protection Districts adopted similar initiating resolutions on July 16, 2019 and July 23, 2019, respectively.
- b) Fee Deposit: The applicants shall pay the costs of processing the application as specified in the Commission’s Schedule of Fees and Deposits. The two fire districts, as part of the joint application, submitted a fee deposit of \$2,100.
- c) Map & Legal Description: A map of any proposed boundary changes shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The proposed jurisdictional and sphere boundaries for the successor agency are shown on Exhibit A. The consolidated area encompasses 55 square miles and includes the City of Capitola, and the communities of Live Oak, Soquel, Aptos, Rio Del Mar, and La Selva Beach.

- d) General Plan/Zoning Designation: The vast majority of the proposal area is within unincorporated county territory. The City of Capitola is within Central Fire Protection District's current service and sphere boundaries. The consolidation does not change the existing land use designations found in the general plans for Capitola or the County of Santa Cruz.
- e) Other Municipal Services: No other change of organization is required as part of the consolidation. The consolidated area will continue to receive water from the existing service providers, including but not limited to Central Water District, Soquel Creek Water District, and the City of Santa Cruz.
- f) Commission Hearing: The Commission shall consider the consolidation after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the consolidation in the Santa Cruz Sentinel on October 7, 2020, and in the Aptos Times on October 15, 2020. The public notices indicated that the consolidation was scheduled for Commission consideration on November 4, 2020. Information on how to participate in the LAFCO Meeting was included in the public notices.

Section 5. The applicants shall agree, as a condition of the approval of the consolidation, to be bound by the LAFCO Indemnification and Defense Form signed on December 30, 2019.

Section 6. The Certificate of Completion for the consolidation shall not be issued until all of the following terms and conditions are met:

- a) Transfer of Functions and Responsibilities: Upon the effective date of the consolidation, the functions of the Central Fire Protection District and the Aptos/La Selva Fire Protection District will transfer to the newly-consolidated district as the successor agency. All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedures that have been enacted, adopted or passed by the affected fire districts for the successor agency prior to the effective date of consolidation shall remain in effect after the consolidation until superseded, amended, modified or deleted by the Board of Directors of the successor agency.
- b) Transfer of Assets & Liabilities: All equipment, assets, liabilities, debts, obligations, facilities, property, cash, fund balances or other fiscal matters of the affected fire districts shall accrue to the newly-consolidated district as the successor agency.
- c) Pension Obligations: Upon the effective date of the consolidation, and concurrent with Assembly Bill 1140, attached and identified as Exhibit B, the successor agency shall retain the existing obligations under CalPERS attributed to Central and Aptos/La Selva Fire Protection Districts or other contractual obligations related to retirement approved by the successor agency for all suppression, safety, prevention, and administrative employees.

- d) Board Action Prior to Consolidation: All decisions or actions affecting the proposed consolidation and made prior to the effective date of consolidation shall require the majority approval of the boards of directors of both fire districts.
- e) Current Staff Members: Upon the effective date of the consolidation, all employees of the two fire districts shall become employees of the successor agency without interruption in service, compensation, seniority, and benefits. Said employees shall be retained in their respective or equivalent capacities and shall be subject to the same terms and conditions of employment that governed the employees in their prior employment by the respective consolidated districts; provided however, that the successor agency may alter such terms and conditions of employment from time to time as provided by law. The successor agency shall follow the staffing structure in the Plan for Service until it is determined by the successor agency's board of directors that fiscal or service requirements justify staffing changes.
- f) Successor Agency Board Composition: Pursuant to Government Code Section 56886(n), the initial board of directors of the successor agency shall be comprised of board members from the two affected districts. Upon the effective date, and in accordance with the adopted resolutions shown in Exhibit C, the successor agency will be comprised of board members from both districts: three (3) from Aptos/La Selva Fire Protection District and two (2) from Central Fire Protection District. Such board members will serve their terms until their respective expiration dates, after which an election will be held accordingly. The successor agency, following consolidation, shall have full authority to modify the election process in accordance its Principal Act and state law (Health & Safety Code §13800 et seq.). This may include transitioning from at-large to district elections using Census Data (available June 2021) such that the five electoral districts may be in place by June 2022, in time for the November 2022 elections.
- g) Successor Agency Name: The newly-consolidated district, to be known as the "Central Fire District of Santa Cruz County", shall operate under the provisions of the Fire Protection District Law of 1987 (commencing with Health and Safety Code Section 13800). The new district will make efforts to identify existing communities within the consolidated district on stations and apparatus.
- h) Successor Agency Fire Chief: John Walbridge will serve as the interim fire chief of the successor agency until otherwise determined by the newly-consolidated district's board of directors.
- i) Successor Agency Revenue Source: The successor agency will be financed by the property taxes, benefit assessments, special assessments, special taxes, fees, and charges currently in effect and being collected by each of the existing fire districts. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within the two districts shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency's board of directors. The successor agency shall have full authority to impose, administer, and collect said special taxes and fire suppression benefit assessments in the same manner as the existing districts within the applicable portions of the successor agency.

- j) Santa Cruz County Financial Services: The County of Santa Cruz shall serve as the treasury for the successor agency. The Fire Chief for the successor agency, in coordination with the successor agency's Finance Director, will be responsible in preparing and managing the annual budgets. Investment and pooled cash shall be held with the treasury.
- k) Plan for Service: Upon the effective date, the successor agency shall serve the affected territory through the implementation of the Plan for Service until it is determined by the successor agency's board of directors that fiscal or service requirements justify changes to the Plan for Service.
- l) State Board of Equalization: The applicants shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
- m) LAFCO Processing Fees: The applicants shall pay any remaining processing fees in this Commission's Schedule of Fees and Deposits.

Section 7. The newly-consolidated district shall honor all memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts), in effect when the LAFCO Certificate of Completion is recorded with the Santa Cruz County Recorder's Office, until such agreements expire on their own terms or are superceded by labor contracts negotiated through the collective bargaining process. Exhibit D identifies all existing employment contracts as of November 4, 2020. Any memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts) adopted after November 4, 2020 but prior to the date of recordation shall be honored by the newly-consolidated district. All labor contracts shall remain in effect until expiration or until superceded by new labor contracts.

Section 8. The effective date of this consolidation is subject to completion of terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202 and will be effective upon recordation of the Certificate of Completion.

Section 9. Pursuant to Government Code Section 56853(a), if substantially similar resolutions are adopted making proposals for consolidation, the Commission shall approve, or conditionally approve, the proposal.

Section 10. The Executive Officer will hereby conduct a 30-day request for reconsideration in accordance with Government Code Section 56895. Th reconsideration period is schedule for November 5 to December 4, 2020.

Section 11. The Executive Officer will hereby conduct a 30-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for December 4, 2020 to January 6, 2021. A protest hearing will be held on January 6, 2021.

Section 12. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Government Code Section 56882.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 4th day of November 2020.

AYES: Commissioners Jim Anderson, Cummings, Estrada, Friend, Lather, Leopold and Chairperson Roger Anderson

NOES: None

ABSENT: None



ROGER W. ANDERSON, CHAIRPERSON

Attest:



Joe A. Serrano
Executive Officer

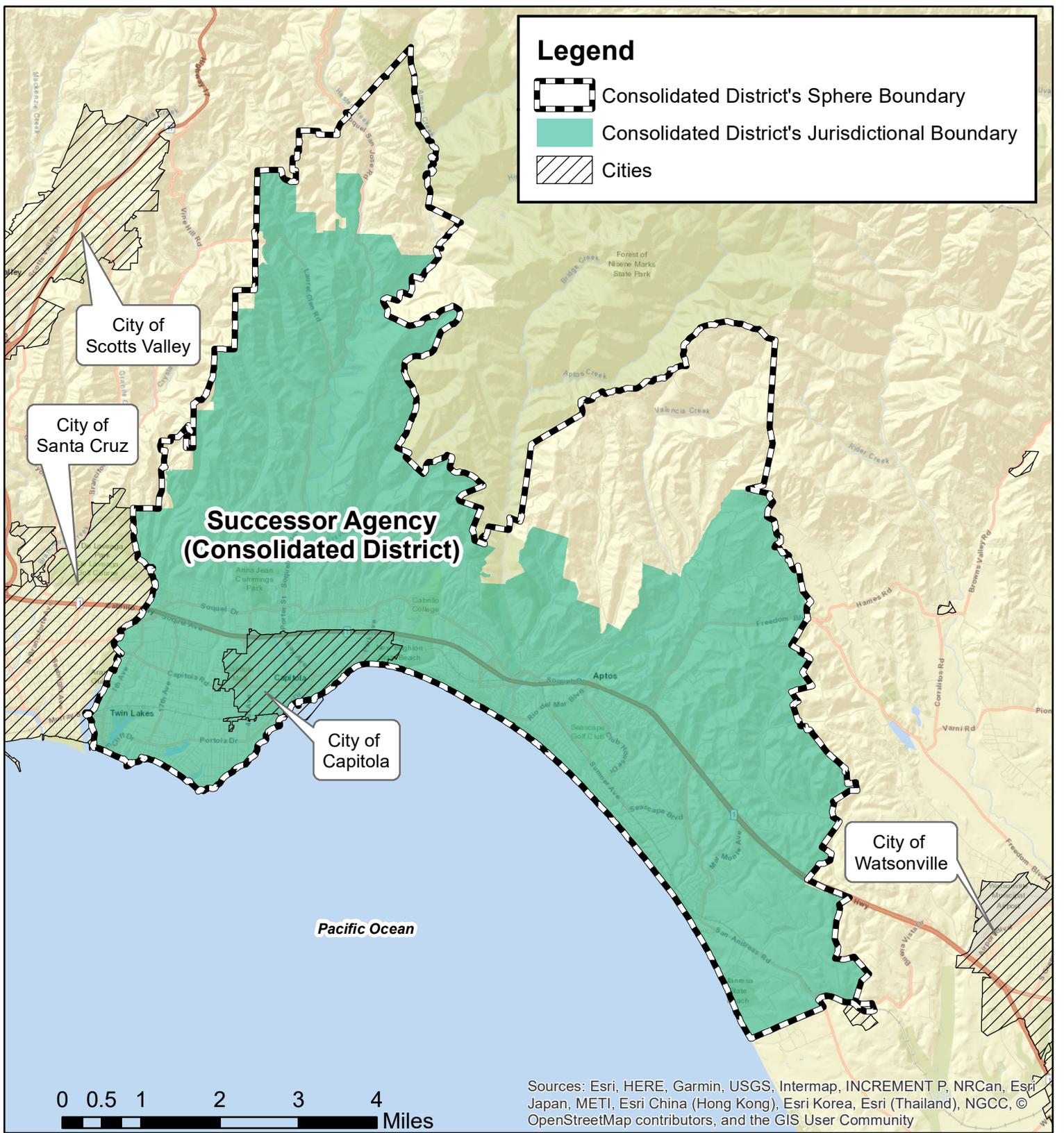
Approved as to form:



Daniel H. Zazueta
LAFCO Counsel

EXHIBIT A

VICINITY MAP



Proposed "Central & Aptos/La Selva Fire Consolidation" (LAFCO Project No. DC 20-02)



Joint Application for Consolidation submitted on December 30, 2019

Proposed Consolidation and Sphere Designation approved on November 4, 2020

EXHIBIT B

ASSEMBLY BILL 1140 (PENSION OBLIGATIONS)

Assembly Bill No. 1140

CHAPTER 65

An act to add Section 20508.5 to the Government Code, relating to public employees' retirement.

[Approved by Governor September 11, 2020. Filed with
Secretary of State September 11, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1140, Mark Stone. Public Employees' Retirement System: contracting agencies: consolidation.

Existing law, the Public Employees' Retirement Law (PERL), establishes the Public Employees' Retirement System (PERS), which provides a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. PERL authorizes any public agency to make its employees members of PERS by contract. Under existing law, when a contracting agency is succeeded by another agency, the successor agency may become a contracting agency of PERS. Existing law provides that if the successor agency contracts with PERS, the contract of the former agency shall merge with the contract of the succeeding agency.

This bill would authorize a successor agency for the Central Fire Protection District and the Aptos/La Selva Fire Protection District to provide employees the defined benefit plan or formula that those employees received from their respective employer prior to the consolidation.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Santa Cruz.

The people of the State of California do enact as follows:

SECTION 1. Section 20508.5 is added to the Government Code, to read:
20508.5. On and after June 30, 2020, a successor agency, pursuant to Section 20508, for the Central Fire Protection District and the Aptos/La Selva Fire Protection District may provide employees the defined benefit plan or formula that those employees received from their respective employer prior to the consolidation. The successor agency shall designate the surviving contract within 180 days of the consolidation.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need to consolidate fire protection districts in the County of

Santa Cruz to remove redundancies while continuing fire and emergency response services.

O



California Public Employees' Retirement System
Financial Office
P.O. Box 942703
Sacramento, CA 94229-2703
TTY: (877) 249-7442
www.calpers.ca.gov

January 27, 2021

John Walbridge
Fire Chief
Central Fire Protection District of Santa Cruz County
930 17th Avenue
Santa Cruz, CA 95062

RE: Merger Amendment Between Central Fire Protection District of Santa Cruz County and Aptos/La Selva Fire Protection District

Dear Mr. Walbridge,

This letter to acknowledge receipt of the merger request between Central and Aptos/La Selva Fire Protection Districts, pursuant to the Assembly Bill No. 1140.

Central Fire Protection District will become the successor agency. The contract of Aptos/La Selva Fire will be merged into the contract of the Central Fire. Former employees of both Districts (retirees and separated employees) will continue to receive the defined benefits that was offered to them prior to the merger. The Central Fire active employees at the merger effective date will continue to receive the defined benefits that was offered to them from Central Fire. The Aptos/La Selva active employees at the merger effective date will continue to receive the defined benefits that was offered to them from Aptos/La Selva Fire. Any new hired after the merger effective date will subjected to the defined benefits available for them from Central Fire.

Enclosed are the valuation results of the merger. These reports show the Aptos/La Selva liabilities transferring over to the Central Fire's plans after contract merger effective date. To complete the contract merger amendment process, our staff will work with the District to complete the Schedule of Agency Actions Forms.

CalPERS is committed to working with the Districts to complete this merger in the timely manner. If you have any questions regarding this merger process, please contact me directly at (916) 795-7702 or email at pensioncontracts@calpers.ca.gov.

Sincerely,

A handwritten signature in cursive script that reads "Andy Nguyen".

Andy Nguyen
Assistant Division Chief
Pension Contracts & Prefunding Programs Division
Financial Office

Enclosures

Cc: Gena Finch, Human Resources Director, Central Fire Protection District
Theo Akana, Pension Contract and Prefunding Program Division Manager, CalPERS



California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone • (916) 795-2744 fax
www.calpers.ca.gov

January 25, 2021

CALPERS ID: 6612195742
Employer Name: Central Fire Protection District of Santa Cruz County
Rate Plan: PEPR Safety Fire Plan

Dear Requestor:

An amendment cost analysis for the valuation(s) requested and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed amendment, is displayed on page 3.

If you are aware of others interested in this information (i.e., payroll staff, county court employees, port districts, etc.), please inform them. Sections 20463 (b) and (c) of the California Public Employees' Retirement Law require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

This cost analysis expires July 1, 2021. A Resolution of Intention (R of I) approved by the agency governing body to create the amendment must be received by this office on or before July 1, 2021 and the amendment effective date must be before July 1, 2021. If either of these two conditions is not met, an updated cost analysis is required to create the amendment. An updated cost analysis may be available as early as November 2021.

To complete the contract amendment process based on the enclosed analysis, you must do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the R of I form for adoption.
- Complete and return the adopted R of I to CalPERS on or before July 1, 2021. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract. Please ask to speak to me for questions about this cost analysis.

A handwritten signature in black ink, appearing to read "David Clement".

DAVID CLEMENT, ASA, MAAA, EA
Senior Pension Actuary, CalPERS

Introduction

This report presents the June 30, 2019 actuarial valuation results of the merger involving the PEPRA Safety Fire plans under Aptos/La Selva Fire Protection Agency and Central Fire Protection District of Santa Cruz County, pursuant to Assembly Bill No. 1140. This bill authorizes the successor agency, Central Fire, to provide employees the defined benefit plan they received from Aptos/La Selva prior to consolidation. In this valuation, the Aptos/La Selva PEPRA members/participants will retain the defined benefit plan that was in place prior to the merger.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68. A separate accounting valuation report for annual GASB reporting purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

PEPRA Safety Fire Plan of Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the merger of Aptos/La Selva PEPRA Safety Fire Plan (CID 5403166948) into Central FPD PEPRA Safety Fire Plan (CID 6612195742).

Required Employer Contributions

The following tables show the change in the plans' employer contribution requirements for fiscal year 2021-22 due to the merger. If the effective date of the amendment is prior to July 1, 2021, the contribution requirements for the remainder of fiscal year 2020-21 will remain unchanged.

	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
	2021-22	2021-22	2021-22	2021-22
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula Surcharge for Class 1 Benefits ¹	26.13%	N/A	26.13%	26.13%
None	0.00%	N/A	0.00%	0.00%
Phase out of Normal Cost Difference ²	<u>0.00%</u>	<u>N/A</u>	<u>0.00%</u>	<u>0.00%</u>
Plan's Total Normal Cost	26.13%	N/A	26.13%	26.13%
Plan's Employee Contribution Rate	<u>13.00%</u>	<u>N/A</u>	<u>13.00%</u>	<u>13.00%</u>
Employer Normal Cost Rate	13.13%	N/A	13.13%	13.13%
Projected Payroll for Contribution Fiscal	\$1,179,934	N/A	\$1,141,391	\$2,321,325
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	\$154,925	N/A	\$149,865	304,790
Plan's Payment on Amortization Bases	23,289	N/A	26,991	50,280
% of Projected Payroll (illustrative only)	1.97%	N/A	2.36%	2.17%
Estimated Total Employer Contribution	\$178,214	N/A	\$176,856	355,070
% of Projected Payroll (illustrative only)	15.10%	N/A	15.49%	15.30%
Required Employer Contributions				
Employer Normal Cost Rate	13.13%	N/A	13.13%	13.13%
<i>Plus, Either</i>				
1) Monthly Employer Dollar UAL Payment, Or	\$ 1,940.75	\$ N/A	\$ 2,249.25	\$ 4,190.00
2) Annual UAL Prepayment	\$ 22,514	\$ N/A	\$ 26,093	\$ 48,608

The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).

**Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Any prepayment totaling over \$5 million requires a 72-hour notice email to FCSD_public_agency_wires@calpers.ca.gov. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

In accordance with Sections 20537 and 20572 of the Public Employees' Retirement Law, if a contracting agency fails to remit the required contributions when due, interest and penalties may apply.

¹ The Section 2 report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

² The normal cost difference is phased out over a five-year period. The phase out of normal cost difference is 100% for the first year of pooling and is incrementally reduced by 20% of the original normal cost difference for each subsequent year. This is non zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

Plan's Funded Status

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
1. Present Value of Projected Benefits (PVB)	4,342,886	N/A	4,833,368	9,176,254
2. Entry Age Normal Accrued Liability (AL)	862,458	N/A	536,061	1,398,519
3. Plan's Market Value of Assets (MVA)	778,840	N/A	497,563	1,276,403
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	83,618	N/A	38,498	122,116
5. Funded Ratio [(3) / (2)]	90.3%	N/A	92.8%	91.3%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members.

Projected Employer Contributions

The tables below show the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. As of the preparation date of this report, the year to date return for the 2019-20 fiscal year was well below the 7% assumed return. Actual contribution rates during this projection period could be significantly higher than the projection shown below.

**Aptos/La Selva
Before Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	13.13%	13.10%	13.10%	13.10%	13.10%	13.10%
UAL Payment	\$23,289	\$23,000	\$23,000	\$23,000	\$0	\$0

**Aptos/La Selva
After Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	N/A	N/A	N/A	N/A	N/A	N/A
UAL Payment	N/A	N/A	N/A	N/A	N/A	N/A

**Central Fire
Before Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	13.13%	13.10%	13.10%	13.10%	13.10%	13.10%
UAL Payment	\$26,991	\$0	\$0	\$0	\$0	\$0

**Central Fire
After Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	13.13%	13.10%	13.10%	13.10%	13.10%	13.10%
UAL Payment	\$50,280	\$23,000	\$23,000	\$23,000	\$0	\$0

Schedule of Plan's Amortization Bases

On the next page is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2019.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2021-22.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made.

Schedule of Plan's Amortization Bases (Continued)

Aptos/La Selva (Before Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Fresh Start	6/30/19	No Ramp		0.00%	4	83,618	(5,467)	95,126	19,517	81,598	23,289
Total						83,618	(5,467)	95,126	19,517	81,598	23,289

Aptos/La Selva (After Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
N/A	N/A	N/A		0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A	N/A	N/A	N/A	N/A	N/A

Central Fire (Before Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Fresh Start	6/30/19	No Ramp		0.00%	1	38,498	(3,235)	44,539	20,846	26,093	26,991
Total						38,498	(3,235)	44,539	20,846	26,093	26,991

Central Fire (After Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Central Fire	6/30/19	No Ramp		0.00%	1	38,498	(3,235)	44,539	20,846	26,093	26,991
Aptos/La Selva	6/30/19	No Ramp		0.00%	4	83,618	(5,467)	95,126	19,517	81,598	23,289
Total						122,116	(8,702)	139,665	40,363	107,691	50,280

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2019-20, 2020-21, 2021-22 and 2022-23). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2023. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Aptos/La Selva (Before Merger)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$24,000	\$27,000	\$30,000	\$12,000
4.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$24,000	\$25,000	\$27,000	\$6,000
7.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$23,000	\$23,000	\$23,000	\$0
9.0%				
Normal Cost	13.5%	13.8%	13.6%	13.9%
UAL Contribution	\$23,000	\$23,000	\$0	\$0
12.0%				
Normal Cost	13.5%	13.8%	13.6%	13.9%
UAL Contribution	\$22,000	\$0	\$0	\$0

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

PEPRA Safety Fire Plan of Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the merger of Aptos/La Selva PEPRA Safety Fire Plan (CID 5403166948) into Central FPD PEPRA Safety Fire Plan (CID 6612195742).

Central Fire (Before Merger)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$750	\$2,200	\$4,500	\$7,500
4.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$370	\$1,100	\$2,300	\$3,800
7.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$0	\$0	\$0	\$0
9.0%				
Normal Cost	13.5%	13.8%	13.6%	13.9%
UAL Contribution	\$0	\$0	\$0	\$0
12.0%				
Normal Cost	13.5%	13.8%	13.6%	13.9%
UAL Contribution	\$0	\$0	\$0	\$0

Central Fire (After Merger)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$24,750	\$29,200	\$34,500	\$19,500
4.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$24,370	\$26,100	\$29,300	\$9,800
7.0%				
Normal Cost	13.1%	13.1%	13.1%	13.1%
UAL Contribution	\$23,000	\$23,000	\$23,000	\$0
9.0%				
Normal Cost	13.5%	13.8%	13.6%	13.9%
UAL Contribution	\$23,000	\$23,000	\$0	\$0
12.0%				
Normal Cost	13.5%	13.8%	13.6%	13.9%
UAL Contribution	\$22,000	\$0	\$0	\$0

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2019 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

The following tables indicate the sensitivity of key valuation results, both pre- and post-merger, to changes in the discount rate.

Sensitivity to the Real Rate of Return Assumption

Aptos/La Selva (Before Merger)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	32.60%	26.13%	21.20%
b) Accrued Liability	\$1,082,561	\$862,458	\$691,971
c) Market Value of Assets	\$778,840	\$778,840	\$778,840
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$303,721	\$83,618	(\$86,869)
e) Funded Status	71.9%	90.3%	112.6%

Central Fire (Before Merger)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	32.60%	26.13%	21.20%
b) Accrued Liability	\$687,583	\$536,061	\$419,270
c) Market Value of Assets	\$497,563	\$497,563	\$497,563
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$190,020	\$38,498	(\$78,293)
e) Funded Status	72.4%	92.8%	118.7%

Central Fire (After Merger)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	32.60%	26.13%	21.20%
b) Accrued Liability	\$1,770,144	\$1,398,519	\$1,111,241
c) Market Value of Assets	\$1,276,403	\$1,276,403	\$1,276,403
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$493,741	\$122,116	(\$165,162)
e) Funded Status	72.1%	91.3%	114.9%

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

PEPRA Safety Fire Plan of Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the merger of Aptos/La Selva PEPRA Safety Fire Plan (CID 5403166948) into Central FPD PEPRA Safety Fire Plan (CID 6612195742).

Sensitivity to the Price Inflation Assumption**Aptos/La Selva (Before Merger)**

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	1.5%	2.5%	3.5%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	28.10%	26.13%	23.94%
b) Accrued Liability	\$924,851	\$862,458	\$789,061
c) Market Value of Assets	\$778,840	\$778,840	\$778,840
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$146,011	\$83,618	\$10,221
e) Funded Status	84.2%	90.3%	98.7%

Central Fire (Before Merger)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	1.5%	2.5%	3.5%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	28.10%	26.13%	23.94%
b) Accrued Liability	\$572,851	\$536,061	\$492,198
c) Market Value of Assets	\$497,563	\$497,563	\$497,563
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$75,288	\$38,498	(\$5,365)
e) Funded Status	86.9%	92.8%	101.1%

Central Fire (After Merger)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	1.5%	2.5%	3.5%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	28.10%	26.13%	23.94%
b) Accrued Liability	\$1,497,702	\$1,398,519	\$1,281,259
c) Market Value of Assets	\$1,276,403	\$1,276,403	\$1,276,403
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$221,299	\$122,116	\$4,856
e) Funded Status	85.2%	91.3%	99.6%

Mortality Rate Sensitivity

The following tables look at the change in the June 30, 2019 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

Aptos/La Selva (Before Merger)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	26.50%	26.13%	25.79%
b) Accrued Liability	\$877,419	\$862,458	\$848,485
c) Market Value of Assets	\$778,840	\$778,840	\$778,840
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$98,579	\$83,618	\$69,645
e) Funded Status	88.8%	90.3%	91.8%

Central Fire (Before Merger)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	26.50%	26.13%	25.79%
b) Accrued Liability	\$545,517	\$536,061	\$527,399
c) Market Value of Assets	\$497,563	\$497,563	\$497,563
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$47,954	\$38,498	\$29,836
e) Funded Status	91.2%	92.8%	94.3%

Central Fire (After Merger)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	26.50%	26.13%	25.79%
b) Accrued Liability	\$1,422,936	\$1,398,519	\$1,375,884
c) Market Value of Assets	\$1,276,403	\$1,276,403	\$1,276,403
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$146,533	\$122,116	\$99,481
e) Funded Status	89.7%	91.3%	92.8%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Aptos/La Selva (Before Merger)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	551,580	862,458
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Central Fire (Before Merger)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	265,891	536,061
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Central Fire (After Merger)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	817,471	1,398,519
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Maturity Measures (Continued)

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Aptos/La Selva (Before Merger)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	8	9
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (Before Merger)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	12	13
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (After Merger)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	20	22
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Shown in the tables on the next page is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Also shown in the following tables is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

Maturity Measures (Continued)

Aptos/La Selva (Before Merger)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$499,039	\$778,840
2. Payroll	911,540	1,087,708
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.5	0.7
4. Accrued Liability	\$551,580	\$862,458
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.6	0.8

Central Fire (Before Merger)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$249,392	\$497,563
2. Payroll	802,650	1,052,177
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.3	0.5
4. Accrued Liability	\$265,891	\$536,061
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.3	0.5

Central Fire (After Merger)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$748,431	\$1,276,403
2. Payroll	\$1,714,190	\$2,139,885
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.4	0.6
4. Accrued Liability	\$817,471	\$1,398,519
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.5	0.7

Participant Data

The table below summarizes changes in the plan’s member data as result of the merger.

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
Reported Payroll	\$1,087,708	N/A	\$1,052,177	\$2,139,885
Projected Payroll for Contribution Purposes	\$1,179,934	N/A	\$1,141,391	\$2,321,325
Number of Members				
Actives	9	N/A	13	22
Transferred	1	N/A	2	3
Separated	0	N/A	0	0
Retired	0	N/A	0	0
Total	10	N/A	15	25

Additional Disclosure

If your agency is requesting cost information for two or more benefit changes, the cost of adopting more than one of these changes **may not** be obtained by adding the individual costs. Instead, a separate valuation must be done to provide a cost analysis for the combination of benefit changes.

Please note that the cost analysis provided in this document **may not** be relied upon after July 1, 2021. If you have not taken action to contract by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2019 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions differ from what was used in this study.

Certification

This actuarial valuation for the proposed merger is based on the participant, benefits, and asset data used in the June 30, 2019 annual valuation, with the benefits modified if necessary to reflect what is currently provided under your contract with CalPERS, and further modified to reflect the proposed merger. The valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees’ Retirement Law.



DAVID CLEMENT, ASA, MAAA, EA
 Senior Pension Actuary, CalPERS



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January 25, 2021

CALPERS ID: 6612195742
Employer Name: Central Fire Protection District of Santa Cruz County
Rate Plan: Miscellaneous Plan

Dear Requestor:

An amendment cost analysis for the valuation(s) requested and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed amendment, is displayed on page 3.

If you are aware of others interested in this information (i.e., payroll staff, county court employees, port districts, etc.), please inform them. Sections 20463 (b) and (c) of the California Public Employees' Retirement Law require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

This cost analysis expires July 1, 2021. A Resolution of Intention (R of I) approved by the agency governing body to create the amendment must be received by this office on or before July 1, 2021 and the amendment effective date must be before July 1, 2021. If either of these two conditions is not met, an updated cost analysis is required to create the amendment. An updated cost analysis may be available as early as November 2021.

To complete the contract amendment process based on the enclosed analysis, you must do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the R of I form for adoption.
- Complete and return the adopted R of I to CalPERS on or before July 1, 2021. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract. Please ask to speak to me for questions about this cost analysis.

A handwritten signature in black ink, appearing to read "David Clement".

DAVID CLEMENT, ASA, MAAA, EA
Senior Pension Actuary, CalPERS

Introduction

This report presents the June 30, 2019 actuarial valuation results of the merger involving Aptos/La Selva Fire Protection Agency and Central Fire Protection District of Santa Cruz County, pursuant to Assembly Bill No. 1140. This bill authorizes the successor agency, Central Fire, to provide employees the defined benefit plan they received from Aptos/La Selva prior to consolidation. **The Miscellaneous Plan under Aptos/La Selva has a combination of benefit plan provisions that do not correspond to any preexisting plan offered by the successor agency. Consequently, this plan must be adopted by Central Fire and effectively transferred.**

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68. A separate accounting valuation report for annual GASB reporting purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Employer Contributions

The following tables show the change in the plans' employer contribution requirements for fiscal year 2021-22 due to the merger. If the effective date of the amendment is prior to July 1, 2021, the contribution requirements for the remainder of fiscal year 2020-21 will remain unchanged.

	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
	2021-22	2021-22	2021-22	2021-22
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula Surcharge for Class 1 Benefits ¹	22.34%	N/A	N/A	22.34%
a) FAC 1	0.71%	N/A	N/A	0.71%
Phase out of Normal Cost Difference ²	<u>0.00%</u>	N/A	N/A	<u>0.00%</u>
Plan's Total Normal Cost	23.05%	N/A	N/A	23.05%
Plan's Employee Contribution Rate	<u>7.80%</u>	N/A	N/A	<u>7.80%</u>
Employer Normal Cost Rate	15.25%	N/A	N/A	15.25%
Projected Payroll for Contribution Fiscal	\$234,509	N/A	N/A	\$234,509
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	\$35,763	N/A	N/A	\$35,763
Plan's Payment on Amortization Bases	47,588	N/A	N/A	47,588
% of Projected Payroll (illustrative only)	20.29%	N/A	N/A	20.29%
Estimated Total Employer Contribution	\$83,351	N/A	N/A	\$83,351
% of Projected Payroll (illustrative only)	35.54%	N/A	N/A	35.54%
Required Employer Contributions				
Employer Normal Cost Rate	15.25%	N/A	N/A	15.25%
<i>Plus, Either</i>				
1) Monthly Employer Dollar UAL Payment, Or	\$ 3,965.67	\$ N/A	\$ N/A	\$ 3,965.67
2) Annual UAL Prepayment	\$ 46,005	\$ N/A	\$ N/A	\$ 46,005

The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).

**Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Any prepayment totaling over \$5 million requires a 72-hour notice email to FCSD_public_agency_wires@calpers.ca.gov. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

In accordance with Sections 20537 and 20572 of the Public Employees' Retirement Law, if a contracting agency fails to remit the required contributions when due, interest and penalties may apply.

¹ The Section 2 report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

² The normal cost difference is phased out over a five-year period. The phase out of normal cost difference is 100% for the first year of pooling and is incrementally reduced by 20% of the original normal cost difference for each subsequent year. This is non zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Plan's Funded Status

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
1. Present Value of Projected Benefits (PVB)	3,009,661	N/A	N/A	3,009,661
2. Entry Age Normal Accrued Liability (AL)	2,727,908	N/A	N/A	2,727,908
3. Plan's Market Value of Assets (MVA)	2,104,600	N/A	N/A	2,104,600
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	623,308	N/A	N/A	623,308
5. Funded Ratio [(3) / (2)]	77.2%	N/A	N/A	77.2%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members.

Projected Employer Contributions

The tables below show the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. As of the preparation date of this report, the year to date return for the 2019-20 fiscal year was well below the 7% assumed return. Actual contribution rates during this projection period could be significantly higher than the projection shown below.

Aptos/La Selva Before Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	15.25%	15.30%	15.30%	15.30%	15.30%	15.30%
UAL Payment	\$47,588	\$53,000	\$57,000	\$60,000	\$62,000	\$64,000

Aptos/La Selva After Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	N/A	N/A	N/A	N/A	N/A	N/A
UAL Payment	N/A	N/A	N/A	N/A	N/A	N/A

Central Fire Before Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	N/A	N/A	N/A	N/A	N/A	N/A
UAL Payment	N/A	N/A	N/A	N/A	N/A	N/A

Central Fire After Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	15.25%	15.30%	15.30%	15.30%	15.30%	15.30%
UAL Payment	\$47,588	\$53,000	\$57,000	\$60,000	\$62,000	\$64,000

Schedule of Plan's Amortization Bases

The next page displays the Aptos/La Selva amortization base schedule that will be transferred to Central Fire. Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2019.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2021-22.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Schedule of Plan's Amortization Bases (Continued)

Aptos/La Selva (Before Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.75%	15	171,231	14,292	168,433	14,503	165,221	14,902
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	(12,477)	(837)	(12,485)	(847)	(12,483)	(870)
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	182,593	12,248	182,705	12,394	182,674	12,735
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	1	199	11	202	13	203	210
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	25	(180,595)	(9,586)	(183,321)	(12,122)	(183,614)	(12,456)
Assumption Change	6/30/14	100%	Up/Down	2.75%	15	111,742	8,311	110,967	10,552	107,820	10,842
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	(9,505)	(379)	(9,778)	(511)	(9,934)	(657)
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	119,758	4,779	123,198	6,444	125,156	8,276
Non-Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	(16,886)	(456)	(17,596)	(692)	(18,112)	(947)
Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	142,076	3,838	148,051	5,818	152,396	7,971
Assumption Change	6/30/16	80%	Up/Down	2.75%	17	41,655	1,538	42,980	2,340	43,568	3,206
Non-Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	(3,555)	(49)	(3,753)	(100)	(3,912)	(154)
Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	(71,552)	(994)	(75,532)	(2,008)	(78,742)	(3,094)
Assumption Change	6/30/17	60%	Up/Down	2.75%	18	46,721	883	49,078	1,790	50,662	2,758
Non-Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	10,302	0	11,023	151	11,638	309
Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	(21,473)	0	(22,976)	(314)	(24,260)	(645)
Method Change	6/30/18	40%	Up/Down	2.75%	19	20,151	(99)	21,664	404	22,763	830
Assumption Change	6/30/18	40%	Up/Down	2.75%	19	72,057	(1,490)	78,642	1,466	82,630	3,013
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	20	10,527	0	11,264	0	12,052	1,100
Investment (Gain)/Loss	6/30/19	20%	Up Only	0.00%	20	10,339	0	11,063	0	11,837	259
Total						623,308	32,010	633,829	39,281	637,563	47,588

Aptos/La Selva (After Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
N/A	N/A	N/A		0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A	N/A	N/A	N/A	N/A	N/A

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Central Fire (Before Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
N/A	N/A	N/A		0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A	N/A	N/A	N/A	N/A	N/A

Central Fire (After Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.75%	15	171,231	14,292	168,433	14,503	165,221	14,902
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Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	182,593	12,248	182,705	12,394	182,674	12,735
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	1	199	11	202	13	203	210
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	25	(180,595)	(9,586)	(183,321)	(12,122)	(183,614)	(12,456)
Assumption Change	6/30/14	100%	Up/Down	2.75%	15	111,742	8,311	110,967	10,552	107,820	10,842
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	(9,505)	(379)	(9,778)	(511)	(9,934)	(657)
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	119,758	4,779	123,198	6,444	125,156	8,276
Non-Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	(16,886)	(456)	(17,596)	(692)	(18,112)	(947)
Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	142,076	3,838	148,051	5,818	152,396	7,971
Assumption Change	6/30/16	80%	Up/Down	2.75%	17	41,655	1,538	42,980	2,340	43,568	3,206
Non-Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	(3,555)	(49)	(3,753)	(100)	(3,912)	(154)
Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	(71,552)	(994)	(75,532)	(2,008)	(78,742)	(3,094)
Assumption Change	6/30/17	60%	Up/Down	2.75%	18	46,721	883	49,078	1,790	50,662	2,758
Non-Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	10,302	0	11,023	151	11,638	309
Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	(21,473)	0	(22,976)	(314)	(24,260)	(645)
Method Change	6/30/18	40%	Up/Down	2.75%	19	20,151	(99)	21,664	404	22,763	830
Assumption Change	6/30/18	40%	Up/Down	2.75%	19	72,057	(1,490)	78,642	1,466	82,630	3,013
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	20	10,527	0	11,264	0	12,052	1,100
Investment (Gain)/Loss	6/30/19	20%	Up Only	0.00%	20	10,339	0	11,063	0	11,837	259
Total						623,308	32,010	633,829	39,281	637,563	47,588

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections on the following page provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2019-20, 2020-21, 2021-22 and 2022-23). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2023. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Future Investment Return Scenarios (Continued)

Aptos/La Selva (Before Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	15.30%	15.30%	15.30%	15.30%
UAL Contribution	\$56,000	\$66,000	\$79,000	\$94,000
4.0%				
Normal Cost	15.30%	15.30%	15.30%	15.30%
UAL Contribution	\$55,000	\$61,000	\$70,000	\$78,000
7.0%				
Normal Cost	15.30%	15.30%	15.30%	15.30%
UAL Contribution	\$53,000	\$57,000	\$60,000	\$62,000
9.0%				
Normal Cost	15.50%	15.80%	16.10%	16.40%
UAL Contribution	\$52,000	\$54,000	\$56,000	\$54,000
12.0%				
Normal Cost	15.50%	15.80%	16.10%	16.40%
UAL Contribution	\$51,000	\$49,000	\$45,000	\$37,000

Aptos/La Selva (After Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
4.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
7.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
9.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
12.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Central Fire (Before Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
4.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
7.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
9.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
12.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A

Central Fire (After Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	15.30%	15.30%	15.30%	15.30%
UAL Contribution	\$56,000	\$66,000	\$79,000	\$94,000
4.0%				
Normal Cost	15.30%	15.30%	15.30%	15.30%
UAL Contribution	\$55,000	\$61,000	\$70,000	\$78,000
7.0%				
Normal Cost	15.30%	15.30%	15.30%	15.30%
UAL Contribution	\$53,000	\$57,000	\$60,000	\$62,000
9.0%				
Normal Cost	15.50%	15.80%	16.10%	16.40%
UAL Contribution	\$52,000	\$54,000	\$56,000	\$54,000
12.0%				
Normal Cost	15.50%	15.80%	16.10%	16.40%
UAL Contribution	\$51,000	\$49,000	\$45,000	\$37,000

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2019 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

The following tables on the next page indicate the sensitivity of key valuation results, both pre- and post-merger, to changes in the discount rate.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Sensitivity to the Real Rate of Return Assumption

Aptos/La Selva (Before Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	28.87%	23.05%	18.61%
b) Accrued Liability	\$3,128,746	\$2,727,908	\$2,401,410
c) Market Value of Assets	\$2,104,600	\$2,104,600	\$2,104,600
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$1,024,146	\$623,308	\$296,810
e) Funded Status	67.3%	77.2%	87.6%

Aptos/La Selva (After Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (Before Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (After Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	28.87%	23.05%	18.61%
b) Accrued Liability	\$3,128,746	\$2,727,908	\$2,401,410
c) Market Value of Assets	\$2,104,600	\$2,104,600	\$2,104,600
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$1,024,146	\$623,308	\$296,810
e) Funded Status	67.3%	77.2%	87.6%

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Sensitivity to the Price Inflation Assumption

Aptos/La Selva (Before Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	24.59%	23.05%	21.25%
b) Accrued Liability	\$2,873,521	\$2,727,908	\$2,533,526
c) Market Value of Assets	\$2,104,600	\$2,104,600	\$2,104,600
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$768,921	\$623,308	\$428,926
e) Funded Status	73.2%	77.2%	83.1%

Aptos/La Selva (After Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (Before Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (After Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	24.59%	23.05%	21.25%
b) Accrued Liability	\$2,873,521	\$2,727,908	\$2,533,526
c) Market Value of Assets	\$2,104,600	\$2,104,600	\$2,104,600
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$768,921	\$623,308	\$428,926
e) Funded Status	73.2%	77.2%	83.1%

Mortality Rate Sensitivity

The following tables look at the change in the June 30, 2019 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

Aptos/La Selva (Before Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	23.44%	23.05%	22.69%
b) Accrued Liability	\$2,777,731	\$2,727,908	\$2,681,822
c) Market Value of Assets	\$2,104,600	\$2,104,600	\$2,104,600
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$673,131	\$623,308	\$577,222
e) Funded Status	75.8%	77.2%	78.5%

Aptos/La Selva (After Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (Before Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (After Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	23.44%	23.05%	22.69%
b) Accrued Liability	\$2,777,731	\$2,727,908	\$2,681,822
c) Market Value of Assets	\$2,104,600	\$2,104,600	\$2,104,600
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$673,131	\$623,308	\$577,222
e) Funded Status	75.8%	77.2%	78.5%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Aptos/La Selva (Before Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	1,628,435	1,634,396
2. Total Accrued Liability	2,531,267	2,727,908
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.64	0.60

Aptos/La Selva (After Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	N/A	N/A
2. Total Accrued Liability	N/A	N/A
3. Ratio of Retiree AL to Total AL [(1) / (2)]	N/A	N/A

Central Fire (Before Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	N/A	N/A
2. Total Accrued Liability	N/A	N/A
3. Ratio of Retiree AL to Total AL [(1) / (2)]	N/A	N/A

Central Fire (After Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	1,628,435	1,634,396
2. Total Accrued Liability	2,531,267	2,727,908
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.64	0.60

Maturity Measures (Continued)

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Aptos/La Selva (Before Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	2	2
2. Number of Retirees	8	8
3. Support Ratio [(1) / (2)]	0.25	0.25

Aptos/La Selva (After Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	N/A	N/A
2. Number of Retirees	N/A	N/A
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (Before Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	N/A	N/A
2. Number of Retirees	N/A	N/A
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (After Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	2	2
2. Number of Retirees	8	8
3. Support Ratio [(1) / (2)]	0.25	0.25

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Shown in the tables on the next page is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Also shown in the following tables is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Aptos/La Selva (Before Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$1,944,995	\$2,104,600
2. Payroll	205,507	216,179
3. Asset Volatility Ratio (AVR) [(1) / (2)]	9.5	9.7
4. Accrued Liability	\$2,531,267	\$2,727,908
5. Liability Volatility Ratio (LVR) [(4) / (2)]	12.3	12.6

Aptos/La Selva (After Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	N/A	N/A
2. Payroll	N/A	N/A
3. Asset Volatility Ratio (AVR) [(1) / (2)]	N/A	N/A
4. Accrued Liability	N/A	N/A
5. Liability Volatility Ratio (LVR) [(4) / (2)]	N/A	N/A

Central Fire (Before Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	N/A	N/A
2. Payroll	N/A	N/A
3. Asset Volatility Ratio (AVR) [(1) / (2)]	N/A	N/A
4. Accrued Liability	N/A	N/A
5. Liability Volatility Ratio (LVR) [(4) / (2)]	N/A	N/A

Central Fire (After Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$1,944,995	\$2,104,600
2. Payroll	205,507	216,179
3. Asset Volatility Ratio (AVR) [(1) / (2)]	9.5	9.7
4. Accrued Liability	\$2,531,267	\$2,727,908
5. Liability Volatility Ratio (LVR) [(4) / (2)]	12.3	12.6

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Miscellaneous Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Participant Data

The table below summarizes changes in the plan's member data as result of the merger.

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
Reported Payroll	\$216,179	N/A	N/A	\$216,179
Projected Payroll for Contribution Purposes	\$234,509	N/A	N/A	\$234,509
Number of Members				
Actives	2	N/A	N/A	2
Transferred	1	N/A	N/A	1
Separated	1	N/A	N/A	1
Retired	8	N/A	N/A	8
Total	12	N/A	N/A	12

Additional Disclosure

If your agency is requesting cost information for two or more benefit changes, the cost of adopting more than one of these changes **may not** be obtained by adding the individual costs. Instead, a separate valuation must be done to provide a cost analysis for the combination of benefit changes.

Please note that the cost analysis provided in this document **may not** be relied upon after July 1, 2021. If you have not taken action to contract by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2019 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions differ from what was used in this study.

Certification

This actuarial valuation for the proposed merger is based on the participant, benefits, and asset data used in the June 30, 2019 annual valuation, with the benefits modified if necessary to reflect what is currently provided under your contract with CalPERS, and further modified to reflect the proposed merger. The valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.



DAVID CLEMENT, ASA, MAAA, EA
Senior Pension Actuary, CalPERS



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January 25, 2021

CALPERS ID: 6612195742
Employer Name: Central Fire Protection District of Santa Cruz County
Rate Plan: Safety Plan

Dear Requestor:

An amendment cost analysis for the valuation(s) requested and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed amendment, is displayed on page 3.

If you are aware of others interested in this information (i.e., payroll staff, county court employees, port districts, etc.), please inform them. Sections 20463 (b) and (c) of the California Public Employees' Retirement Law require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

This cost analysis expires July 1, 2021. A Resolution of Intention (R of I) approved by the agency governing body to create the amendment must be received by this office on or before July 1, 2021 and the amendment effective date must be before July 1, 2021. If either of these two conditions is not met, an updated cost analysis is required to create the amendment. An updated cost analysis may be available as early as November 2021.

To complete the contract amendment process based on the enclosed analysis, you must do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the R of I form for adoption.
- Complete and return the adopted R of I to CalPERS on or before July 1, 2021. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract. Please ask to speak to me for questions about this cost analysis.

A handwritten signature in black ink, appearing to read "David Clement".

DAVID CLEMENT, ASA, MAAA, EA
Senior Pension Actuary, CalPERS

Introduction

This report presents the June 30, 2019 actuarial valuation results of the merger involving Aptos/La Selva Fire Protection Agency and Central Fire Protection District of Santa Cruz County, pursuant to Assembly Bill No. 1140. This bill authorizes the successor agency, Central Fire, to provide employees the defined benefit plan they received from Aptos/La Selva prior to consolidation. **The Safety Plan under Aptos/La Selva has a combination of benefit plan provisions that do not correspond to any preexisting plan offered by the successor agency. Consequently, this plan must be adopted by Central Fire and effectively transferred.**

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68. A separate accounting valuation report for annual GASB reporting purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Employer Contributions

The following tables show the change in the plans' employer contribution requirements for fiscal year 2021-22 due to the merger. If the effective date of the amendment is prior to July 1, 2021, the contribution requirements for the remainder of fiscal year 2020-21 will remain unchanged.

	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
	2021-22	2021-22	2021-22	2021-22
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula Surcharge for Class 1 Benefits ¹	29.63%	N/A	N/A	29.63%
a) FAC 1	1.15%	N/A	N/A	1.15%
Phase out of Normal Cost Difference ²	<u>0.00%</u>	N/A	N/A	<u>0.00%</u>
Plan's Total Normal Cost	30.78%	N/A	N/A	30.78%
Plan's Employee Contribution Rate	<u>8.99%</u>	N/A	N/A	<u>8.99%</u>
Employer Normal Cost Rate	21.79%	N/A	N/A	21.79%
Projected Payroll for Contribution Fiscal	\$3,765,666	N/A	N/A	\$3,765,666
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	\$820,539	N/A	N/A	\$820,539
Plan's Payment on Amortization Bases	1,465,647	N/A	N/A	1,465,647
% of Projected Payroll (illustrative only)	38.92%	N/A	N/A	38.92%
Estimated Total Employer Contribution	\$2,286,186	N/A	N/A	\$2,286,186
% of Projected Payroll (illustrative only)	60.71%	N/A	N/A	60.71%
Required Employer Contributions				
Employer Normal Cost Rate	21.79%	N/A	N/A	21.79%
<i>Plus, Either</i>				
1) Monthly Employer Dollar UAL Payment, Or	\$ 122,137.25	\$ N/A	\$ N/A	\$ 122,137.25
2) Annual UAL Prepayment	\$ 1,416,894	\$ N/A	\$ N/A	\$ 1,416,894

The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).

**Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Any prepayment totaling over \$5 million requires a 72-hour notice email to FCSD_public_agency_wires@calpers.ca.gov. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

In accordance with Sections 20537 and 20572 of the Public Employees' Retirement Law, if a contracting agency fails to remit the required contributions when due, interest and penalties may apply.

¹ The Section 2 report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

² The normal cost difference is phased out over a five-year period. The phase out of normal cost difference is 100% for the first year of pooling and is incrementally reduced by 20% of the original normal cost difference for each subsequent year. This is non zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

Plan's Funded Status

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
1. Present Value of Projected Benefits (PVB)	78,124,871	N/A	N/A	78,124,871
2. Entry Age Normal Accrued Liability (AL)	71,188,296	N/A	N/A	71,188,296
3. Plan's Market Value of Assets (MVA)	51,583,343	N/A	N/A	51,583,343
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	19,604,953	N/A	N/A	19,604,953
5. Funded Ratio [(3) / (2)]	72.5%	N/A	N/A	72.5%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members.

Projected Employer Contributions

The tables below show the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. As of the preparation date of this report, the year to date return for the 2019-20 fiscal year was well below the 7% assumed return. Actual contribution rates during this projection period could be significantly higher than the projection shown below.

Aptos/La Selva Before Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	21.79%	21.80%	21.80%	21.80%	21.80%	21.80%
UAL Payment	\$1,465,647	\$1,636,000	\$1,740,000	\$1,846,000	\$1,902,000	\$1,952,000

Aptos/La Selva After Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	N/A	N/A	N/A	N/A	N/A	N/A
UAL Payment	N/A	N/A	N/A	N/A	N/A	N/A

Central Fire Before Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	N/A	N/A	N/A	N/A	N/A	N/A
UAL Payment	N/A	N/A	N/A	N/A	N/A	N/A

Central Fire After Transfer

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	21.79%	21.80%	21.80%	21.80%	21.80%	21.80%
UAL Payment	\$1,465,647	\$1,636,000	\$1,740,000	\$1,846,000	\$1,902,000	\$1,952,000

Schedule of Plan's Amortization Bases

The next page displays the Aptos/La Selva amortization base schedule that will be transferred to Central Fire. Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2019.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2021-22.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Aptos/La Selva (Before Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.75%	16	4,663,583	374,414	4,602,737	379,794	4,532,067	390,238
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	(445,704)	(29,896)	(445,979)	(30,254)	(445,903)	(31,086)
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	6,921,492	464,273	6,925,749	469,822	6,924,564	482,742
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	25	65,242	3,463	66,227	4,379	66,333	4,500
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	25	(5,213,313)	(276,734)	(5,291,989)	(349,943)	(5,300,444)	(359,566)
Side Fund	2013 or Prior	No Ramp		2.75%	0	2	0	2	2	0	0
Assumption Change	6/30/14	100%	Up/Down	2.75%	15	3,472,558	258,269	3,448,482	327,913	3,350,680	336,931
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	(11,668)	(466)	(12,003)	(628)	(12,194)	(806)
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	3,200,089	127,710	3,291,991	172,185	3,344,321	221,150
Non-Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	(634,984)	(17,154)	(661,689)	(26,003)	(681,110)	(35,625)
Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	3,931,049	106,197	4,096,371	160,982	4,216,596	220,545
Assumption Change	6/30/16	80%	Up/Down	2.75%	17	1,214,040	44,811	1,252,670	68,201	1,269,809	93,436
Non-Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	47,194	656	49,819	1,324	51,937	2,041
Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	(1,916,000)	(26,619)	(2,022,585)	(53,764)	(2,108,552)	(82,863)
Assumption Change	6/30/17	60%	Up/Down	2.75%	18	1,496,135	28,260	1,571,632	57,310	1,622,364	88,329
Non-Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	259,995	0	278,195	3,800	293,738	7,808
Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	(557,145)	0	(596,145)	(8,142)	(629,453)	(16,732)
Method Change	6/30/18	40%	Up/Down	2.75%	19	478,493	(1,138)	513,165	9,568	539,189	19,662
Assumption Change	6/30/18	40%	Up/Down	2.75%	19	2,079,810	(49,295)	2,276,388	42,442	2,391,833	87,219
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	20	300,264	0	321,282	0	343,772	31,370
Investment (Gain)/Loss	6/30/19	20%	Up Only	0.00%	20	253,821	0	271,588	0	290,599	6,354
Total						19,604,953	1,006,751	19,935,908	1,228,988	20,060,146	1,465,647

Aptos/La Selva (After Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
N/A	N/A	N/A		0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A	N/A	N/A	N/A	N/A	N/A

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Central Fire (Before Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
N/A	N/A	N/A		0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A	N/A	N/A	N/A	N/A	N/A

Central Fire (After Transfer)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.75%	16	4,663,583	374,414	4,602,737	379,794	4,532,067	390,238
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	(445,704)	(29,896)	(445,979)	(30,254)	(445,903)	(31,086)
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	24	6,921,492	464,273	6,925,749	469,822	6,924,564	482,742
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	25	65,242	3,463	66,227	4,379	66,333	4,500
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	25	(5,213,313)	(276,734)	(5,291,989)	(349,943)	(5,300,444)	(359,566)
Side Fund	2013 or Prior	No Ramp		2.75%	0	2	0	2	2	0	0
Assumption Change	6/30/14	100%	Up/Down	2.75%	15	3,472,558	258,269	3,448,482	327,913	3,350,680	336,931
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	(11,668)	(466)	(12,003)	(628)	(12,194)	(806)
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	26	3,200,089	127,710	3,291,991	172,185	3,344,321	221,150
Non-Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	(634,984)	(17,154)	(661,689)	(26,003)	(681,110)	(35,625)
Investment (Gain)/Loss	6/30/16	80%	Up/Down	2.75%	27	3,931,049	106,197	4,096,371	160,982	4,216,596	220,545
Assumption Change	6/30/16	80%	Up/Down	2.75%	17	1,214,040	44,811	1,252,670	68,201	1,269,809	93,436
Non-Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	47,194	656	49,819	1,324	51,937	2,041
Investment (Gain)/Loss	6/30/17	60%	Up/Down	2.75%	28	(1,916,000)	(26,619)	(2,022,585)	(53,764)	(2,108,552)	(82,863)
Assumption Change	6/30/17	60%	Up/Down	2.75%	18	1,496,135	28,260	1,571,632	57,310	1,622,364	88,329
Non-Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	259,995	0	278,195	3,800	293,738	7,808
Investment (Gain)/Loss	6/30/18	40%	Up/Down	2.75%	29	(557,145)	0	(596,145)	(8,142)	(629,453)	(16,732)
Method Change	6/30/18	40%	Up/Down	2.75%	19	478,493	(1,138)	513,165	9,568	539,189	19,662
Assumption Change	6/30/18	40%	Up/Down	2.75%	19	2,079,810	(49,295)	2,276,388	42,442	2,391,833	87,219
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	20	300,264	0	321,282	0	343,772	31,370
Investment (Gain)/Loss	6/30/19	20%	Up Only	0.00%	20	253,821	0	271,588	0	290,599	6,354
Total						19,604,953	1,006,751	19,935,908	1,228,988	20,060,146	1,465,647

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections on the following page provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2019-20, 2020-21, 2021-22 and 2022-23). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2023. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Future Investment Return Scenarios (Continued)

Aptos/La Selva (Before Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	21.80%	21.80%	21.80%	21.80%
UAL Contribution	\$1,713,000	\$1,972,000	\$2,309,000	\$2,674,000
4.0%				
Normal Cost	21.80%	21.80%	21.80%	21.80%
UAL Contribution	\$1,674,000	\$1,857,000	\$2,082,000	\$2,300,000
7.0%				
Normal Cost	21.80%	21.80%	21.80%	21.80%
UAL Contribution	\$1,636,000	\$1,740,000	\$1,846,000	\$1,902,000
9.0%				
Normal Cost	22.20%	22.60%	22.90%	23.30%
UAL Contribution	\$1,616,000	\$1,684,000	\$1,736,000	\$1,716,000
12.0%				
Normal Cost	22.20%	22.60%	22.90%	23.30%
UAL Contribution	\$1,577,000	\$1,564,000	\$1,487,000	\$1,285,000

Aptos/La Selva (After Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
4.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
7.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
9.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
12.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Central Fire (Before Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
4.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
7.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
9.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A
12.0%				
Normal Cost	N/A	N/A	N/A	N/A
UAL Contribution	N/A	N/A	N/A	N/A

Central Fire (After Transfer)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	21.80%	21.80%	21.80%	21.80%
UAL Contribution	\$1,713,000	\$1,972,000	\$2,309,000	\$2,674,000
4.0%				
Normal Cost	21.80%	21.80%	21.80%	21.80%
UAL Contribution	\$1,674,000	\$1,857,000	\$2,082,000	\$2,300,000
7.0%				
Normal Cost	21.80%	21.80%	21.80%	21.80%
UAL Contribution	\$1,636,000	\$1,740,000	\$1,846,000	\$1,902,000
9.0%				
Normal Cost	22.20%	22.60%	22.90%	23.30%
UAL Contribution	\$1,616,000	\$1,684,000	\$1,736,000	\$1,716,000
12.0%				
Normal Cost	22.20%	22.60%	22.90%	23.30%
UAL Contribution	\$1,577,000	\$1,564,000	\$1,487,000	\$1,285,000

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2019 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

The following tables on the next page indicate the sensitivity of key valuation results, both pre- and post-merger, to changes in the discount rate.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Sensitivity to the Real Rate of Return Assumption

Aptos/La Selva (Before Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	38.39%	30.78%	24.94%
b) Accrued Liability	\$79,758,422	\$71,188,296	\$64,005,898
c) Market Value of Assets	\$51,583,343	\$51,583,343	\$51,583,343
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$28,175,079	\$19,604,953	\$12,422,555
e) Funded Status	64.7%	72.5%	80.6%

Aptos/La Selva (After Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (Before Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (After Transfer)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	38.39%	30.78%	24.94%
b) Accrued Liability	\$79,758,422	\$71,188,296	\$64,005,898
c) Market Value of Assets	\$51,583,343	\$51,583,343	\$51,583,343
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$28,175,079	\$19,604,953	\$12,422,555
e) Funded Status	64.7%	72.5%	80.6%

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Sensitivity to the Price Inflation Assumption

Aptos/La Selva (Before Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	32.95%	30.78%	28.31%
b) Accrued Liability	\$74,931,242	\$71,188,296	\$66,310,715
c) Market Value of Assets	\$51,583,343	\$51,583,343	\$51,583,343
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$23,347,899	\$19,604,953	\$14,727,372
e) Funded Status	68.8%	72.5%	77.8%

Aptos/La Selva (After Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (Before Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (After Transfer)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	32.95%	30.78%	28.31%
b) Accrued Liability	\$74,931,242	\$71,188,296	\$66,310,715
c) Market Value of Assets	\$51,583,343	\$51,583,343	\$51,583,343
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$23,347,899	\$19,604,953	\$14,727,372
e) Funded Status	68.8%	72.5%	77.8%

Mortality Rate Sensitivity

The following tables look at the change in the June 30, 2019 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

Aptos/La Selva (Before Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	31.22%	30.78%	30.37%
b) Accrued Liability	\$72,508,413	\$71,188,296	\$69,966,486
c) Market Value of Assets	\$51,583,343	\$51,583,343	\$51,583,343
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$20,925,070	\$19,604,953	\$18,383,143
e) Funded Status	71.1%	72.5%	73.7%

Aptos/La Selva (After Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (Before Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	N/A	N/A	N/A
b) Accrued Liability	N/A	N/A	N/A
c) Market Value of Assets	N/A	N/A	N/A
d) Unfunded Liability/(Surplus) [(b) - (c)]	N/A	N/A	N/A
e) Funded Status	N/A	N/A	N/A

Central Fire (After Transfer)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	31.22%	30.78%	30.37%
b) Accrued Liability	\$72,508,413	\$71,188,296	\$69,966,486
c) Market Value of Assets	\$51,583,343	\$51,583,343	\$51,583,343
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$20,925,070	\$19,604,953	\$18,383,143
e) Funded Status	71.1%	72.5%	73.7%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Aptos/La Selva (Before Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	44,992,203	49,238,018
2. Total Accrued Liability	69,146,098	71,188,296
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.65	0.69

Aptos/La Selva (After Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	N/A	N/A
2. Total Accrued Liability	N/A	N/A
3. Ratio of Retiree AL to Total AL [(1) / (2)]	N/A	N/A

Central Fire (Before Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	N/A	N/A
2. Total Accrued Liability	N/A	N/A
3. Ratio of Retiree AL to Total AL [(1) / (2)]	N/A	N/A

Central Fire (After Transfer)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	44,992,203	49,238,018
2. Total Accrued Liability	69,146,098	71,188,296
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.65	0.69

Maturity Measures (Continued)

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Aptos/La Selva (Before Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	26	24
2. Number of Retirees	59	60
3. Support Ratio [(1) / (2)]	0.44	0.40

Aptos/La Selva (After Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	N/A	N/A
2. Number of Retirees	N/A	N/A
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (Before Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	N/A	N/A
2. Number of Retirees	N/A	N/A
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (After Transfer)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	26	24
2. Number of Retirees	59	60
3. Support Ratio [(1) / (2)]	0.44	0.40

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Shown in the tables on the next page is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Also shown in the following tables is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Aptos/La Selva (Before Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$50,624,605	\$51,583,343
2. Payroll	3,664,958	3,471,333
3. Asset Volatility Ratio (AVR) [(1) / (2)]	13.8	14.9
4. Accrued Liability	\$69,146,098	\$71,188,296
5. Liability Volatility Ratio (LVR) [(4) / (2)]	18.9	20.5

Aptos/La Selva (After Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	N/A	N/A
2. Payroll	N/A	N/A
3. Asset Volatility Ratio (AVR) [(1) / (2)]	N/A	N/A
4. Accrued Liability	N/A	N/A
5. Liability Volatility Ratio (LVR) [(4) / (2)]	N/A	N/A

Central Fire (Before Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	N/A	N/A
2. Payroll	N/A	N/A
3. Asset Volatility Ratio (AVR) [(1) / (2)]	N/A	N/A
4. Accrued Liability	N/A	N/A
5. Liability Volatility Ratio (LVR) [(4) / (2)]	N/A	N/A

Central Fire (After Transfer)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$50,624,605	\$51,583,343
2. Payroll	3,664,958	3,471,333
3. Asset Volatility Ratio (AVR) [(1) / (2)]	13.8	14.9
4. Accrued Liability	\$69,146,098	\$71,188,296
5. Liability Volatility Ratio (LVR) [(4) / (2)]	18.9	20.5

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the transfer of the Aptos/La Selva Fire Protection Agency Safety Plan (CID 5403166948) to Central Fire Protection District of Santa Cruz County (CID 6612195742).

Participant Data

The table below summarizes changes in the plan's member data as result of the merger.

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
Reported Payroll	\$3,471,333	N/A	N/A	\$3,471,333
Projected Payroll for Contribution Purposes	\$3,765,666	N/A	N/A	\$3,765,666
Number of Members				
Actives	24	N/A	N/A	24
Transferred	5	N/A	N/A	5
Separated	0	N/A	N/A	0
Retired	60	N/A	N/A	60
Total	89	N/A	N/A	89

Additional Disclosure

If your agency is requesting cost information for two or more benefit changes, the cost of adopting more than one of these changes **may not** be obtained by adding the individual costs. Instead, a separate valuation must be done to provide a cost analysis for the combination of benefit changes.

Please note that the cost analysis provided in this document **may not** be relied upon after July 1, 2021. If you have not taken action to contract by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2019 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions differ from what was used in this study.

Certification

This actuarial valuation for the proposed merger is based on the participant, benefits, and asset data used in the June 30, 2019 annual valuation, with the benefits modified if necessary to reflect what is currently provided under your contract with CalPERS, and further modified to reflect the proposed merger. The valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.



DAVID CLEMENT, ASA, MAAA, EA
Senior Pension Actuary, CalPERS



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www.calpers.ca.gov

January 25, 2021

CALPERS ID: 6612195742
Employer Name: Central Fire Protection District of Santa Cruz County
Rate Plan: PEPRM Miscellaneous Plan

Dear Requestor:

An amendment cost analysis for the valuation(s) requested and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed amendment, is displayed on page 3.

If you are aware of others interested in this information (i.e., payroll staff, county court employees, port districts, etc.), please inform them. Sections 20463 (b) and (c) of the California Public Employees' Retirement Law require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

This cost analysis expires July 1, 2021. A Resolution of Intention (R of I) approved by the agency governing body to create the amendment must be received by this office on or before July 1, 2021 and the amendment effective date must be before July 1, 2021. If either of these two conditions is not met, an updated cost analysis is required to create the amendment. An updated cost analysis may be available as early as November 2021.

To complete the contract amendment process based on the enclosed analysis, you must do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the R of I form for adoption.
- Complete and return the adopted R of I to CalPERS on or before July 1, 2021. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract. Please ask to speak to me for questions about this cost analysis.

A handwritten signature in black ink, appearing to read "David Clement".

DAVID CLEMENT, ASA, MAAA, EA
Senior Pension Actuary, CalPERS

Introduction

This report presents the June 30, 2019 actuarial valuation results of the merger involving the PEPRA Miscellaneous plans under Aptos/La Selva Fire Protection Agency and Central Fire Protection District of Santa Cruz County, pursuant to Assembly Bill No. 1140. This bill authorizes the successor agency, Central Fire, to provide employees the defined benefit plan they received from Aptos/La Selva prior to consolidation. In this valuation, the Aptos/La Selva PEPRA members/participants will retain the defined benefit plan that was in place prior to the merger.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68. A separate accounting valuation report for annual GASB reporting purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019
PEPRA Miscellaneous Plan of Central Fire Protection District of Santa Cruz County
CALPERS ID: 6612195742
Benefit Description: To provide for the merger of Aptos/La Selva PEPRA Miscellaneous Plan (CID 5403166948)
into Central FPD PEPRA Miscellaneous Plan (CID 6612195742).

Required Employer Contributions

The following tables show the change in the plans' employer contribution requirements for fiscal year 2021-22 due to the merger. If the effective date of the amendment is prior to July 1, 2021, the contribution requirements for the remainder of fiscal year 2020-21 will remain unchanged.

	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
	2021-22	2021-22	2021-22	2021-22
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula Surcharge for Class 1 Benefits ¹	14.34%	N/A	14.34%	14.34%
None	0.00%	N/A	0.00%	0.00%
Phase out of Normal Cost Difference ²	<u>0.00%</u>	<u>N/A</u>	<u>0.00%</u>	<u>0.00%</u>
Plan's Total Normal Cost	14.34%	N/A	14.34%	14.34%
Plan's Employee Contribution Rate	<u>6.75%</u>	<u>N/A</u>	<u>6.75%</u>	<u>6.75%</u>
Employer Normal Cost Rate	7.59%	N/A	7.59%	7.59%
Projected Payroll for Contribution Fiscal	\$143,525	N/A	\$481,015	\$624,540
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	\$10,894	N/A	\$36,509	47,403
Plan's Payment on Amortization Bases	6,772	N/A	8,882	15,654
% of Projected Payroll (illustrative only)	4.72%	N/A	1.85%	2.51%
Estimated Total Employer Contribution	\$17,666	N/A	\$45,391	63,057
% of Projected Payroll (illustrative only)	12.31%	N/A	9.44%	10.10%
Required Employer Contributions				
Employer Normal Cost Rate	7.59%	N/A	7.59%	7.59%
<i>Plus, Either</i>				
1) Monthly Employer Dollar UAL Payment, Or	\$ 564.33	\$ N/A	\$ 740.17	\$ 1,304.50
2) Annual UAL Prepayment	\$ 6,547	\$ N/A	\$ 8,587	\$ 15,134

The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).

**Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Any prepayment totaling over \$5 million requires a 72-hour notice email to FCSD_public_agency_wires@calpers.ca.gov. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

In accordance with Sections 20537 and 20572 of the Public Employees' Retirement Law, if a contracting agency fails to remit the required contributions when due, interest and penalties may apply.

¹ The Section 2 report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

² The normal cost difference is phased out over a five-year period. The phase out of normal cost difference is 100% for the first year of pooling and is incrementally reduced by 20% of the original normal cost difference for each subsequent year. This is non zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

Plan's Funded Status

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
1. Present Value of Projected Benefits (PVB)	314,205	N/A	903,075	1,217,280
2. Entry Age Normal Accrued Liability (AL)	108,147	N/A	281,476	389,623
3. Plan's Market Value of Assets (MVA)	96,255	N/A	262,968	359,223
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	11,892	N/A	18,508	30,400
5. Funded Ratio [(3) / (2)]	89.0%	N/A	93.4%	92.2%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members.

Projected Employer Contributions

The tables below show the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. As of the preparation date of this report, the year to date return for the 2019-20 fiscal year was well below the 7% assumed return. Actual contribution rates during this projection period could be significantly higher than the projection shown below.

**Aptos/La Selva
Before Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	7.59%	7.60%	7.60%	7.60%	7.60%	7.60%
UAL Payment	\$6,772	\$0	\$0	\$0	\$0	\$0

**Aptos/La Selva
After Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	N/A	N/A	N/A	N/A	N/A	N/A
UAL Payment	N/A	N/A	N/A	N/A	N/A	N/A

**Central Fire
Before Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	7.59%	7.60%	7.60%	7.60%	7.60%	7.60%
UAL Payment	\$8,882	\$0	\$0	\$0	\$0	\$0

**Central Fire
After Merger**

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	7.59%	7.60%	7.60%	7.60%	7.60%	7.60%
UAL Payment	\$15,654	\$0	\$0	\$0	\$0	\$0

Schedule of Plan's Amortization Bases

On the next page is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2019.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2021-22.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made.

Schedule of Plan's Amortization Bases (Continued)

Aptos/La Selva (Before Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escala -tion Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Fresh Start	6/30/19	No Ramp		0.00%	1	11,892	1,183	11,501	5,566	6,547	6,772
Total						11,892	1,183	11,501	5,566	6,547	6,772

Aptos/La Selva (After Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escala -tion Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
N/A	N/A	N/A		0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A	N/A	N/A	N/A	N/A	N/A

Central Fire (Before Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escala -tion Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Fresh Start	6/30/19	No Ramp		0.00%	1	18,508	5,866	13,736	5,906	8,587	8,882
Total						18,508	5,866	13,736	5,906	8,587	8,882

Central Fire (After Merger)

Reason for Base	Date Est.	Ramp Level 2021-22	Ramp Shape	Escala -tion Rate	Amort. Period	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Minimum Required Payment 2021-22
Central Fire	6/30/19	No Ramp		0.00%	1	18,508	5,866	13,736	5,906	8,587	8,882
Aptos/La Selva	6/30/19	No Ramp		0.00%	1	11,892	1,183	11,501	5,566	6,547	6,772
Total						30,400	7,049	25,237	11,472	15,134	15,654

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2019-20, 2020-21, 2021-22 and 2022-23). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2023. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Aptos/La Selva (Before Merger)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$140	\$440	\$870	\$1,500
4.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$72	\$220	\$450	\$750
7.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$0	\$0	\$0	\$0
9.0%				
Normal Cost	7.80%	7.90%	7.40%	7.50%
UAL Contribution	\$0	\$0	\$0	\$0
12.0%				
Normal Cost	7.80%	7.90%	7.40%	7.50%
UAL Contribution	\$0	\$0	\$0	\$0

CALPERS AMENDMENT ACTUARIAL VALUATION - June 30, 2019

PEPRA Miscellaneous Plan of Central Fire Protection District of Santa Cruz County

CALPERS ID: 6612195742

Benefit Description: To provide for the merger of Aptos/La Selva PEPRA Miscellaneous Plan (CID 5403166948) into Central FPD PEPRA Miscellaneous Plan (CID 6612195742).

Central Fire (Before Merger)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$390	\$1,200	\$2,400	\$4,000
4.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$200	\$600	\$1,200	\$2,000
7.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$0	\$0	\$0	\$0
9.0%				
Normal Cost	7.80%	7.90%	7.40%	7.50%
UAL Contribution	\$0	\$0	\$0	\$0
12.0%				
Normal Cost	7.80%	7.90%	7.40%	7.50%
UAL Contribution	\$0	\$0	\$0	\$0

Central Fire (After Merger)

Assumed Annual Return From 2019-20 through 2022-23	Projected Employer Contributions			
	2022-23	2023-24	2024-25	2025-26
1.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$530	\$1,640	\$3,270	\$5,500
4.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$272	\$820	\$1,650	\$2,750
7.0%				
Normal Cost	7.60%	7.60%	7.60%	7.60%
UAL Contribution	\$0	\$0	\$0	\$0
9.0%				
Normal Cost	7.80%	7.90%	7.40%	7.50%
UAL Contribution	\$0	\$0	\$0	\$0
12.0%				
Normal Cost	7.80%	7.90%	7.40%	7.50%
UAL Contribution	\$0	\$0	\$0	\$0

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2019 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

The following tables indicate the sensitivity of key valuation results, both pre- and post-merger, to changes in the discount rate.

Sensitivity to the Real Rate of Return Assumption

Aptos/La Selva (Before Merger)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	17.78%	14.34%	11.71%
b) Accrued Liability	\$136,511	\$108,147	\$86,564
c) Market Value of Assets	\$96,255	\$96,255	\$96,255
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$40,256	\$11,892	(\$9,691)
e) Funded Status	70.5%	89.0%	111.2%

Central Fire (Before Merger)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	17.78%	14.34%	11.71%
b) Accrued Liability	\$351,001	\$281,476	\$227,386
c) Market Value of Assets	\$262,968	\$262,968	\$262,968
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$88,033	\$18,508	(\$35,582)
e) Funded Status	74.9%	93.4%	115.6%

Central Fire (After Merger)

As of June 30, 2019	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	2.50%	2.50%	2.50%
Real Rate of Return	3.50%	4.50%	5.50%
a) Total Normal Cost	17.78%	14.34%	11.71%
b) Accrued Liability	\$487,512	\$389,623	\$313,950
c) Market Value of Assets	\$359,223	\$359,223	\$359,223
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$128,289	\$30,400	(\$45,273)
e) Funded Status	73.7%	92.2%	114.4%

Sensitivity to the Price Inflation Assumption

Aptos/La Selva (Before Merger)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	15.33%	14.34%	13.16%
b) Accrued Liability	\$116,049	\$108,147	\$98,883
c) Market Value of Assets	\$96,255	\$96,255	\$96,255
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$19,794	\$11,892	\$2,628
e) Funded Status	82.9%	89.0%	97.3%

Central Fire (Before Merger)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	15.33%	14.34%	13.16%
b) Accrued Liability	\$301,957	\$281,476	\$256,839
c) Market Value of Assets	\$262,968	\$262,968	\$262,968
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$38,989	\$18,508	(\$6,129)
e) Funded Status	87.1%	93.4%	102.4%

Central Fire (After Merger)

As of June 30, 2019	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.00%	7.00%	8.00%
Inflation	1.50%	2.50%	3.50%
Real Rate of Return	4.50%	4.50%	4.50%
a) Total Normal Cost	15.33%	14.34%	13.16%
b) Accrued Liability	\$418,006	\$389,623	\$355,722
c) Market Value of Assets	\$359,223	\$359,223	\$359,223
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$58,783	\$30,400	(\$3,501)
e) Funded Status	85.9%	92.2%	101.0%

Mortality Rate Sensitivity

The following tables look at the change in the June 30, 2019 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

Aptos/La Selva (Before Merger)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	14.61%	14.34%	14.09%
b) Accrued Liability	\$110,059	\$108,147	\$106,407
c) Market Value of Assets	\$96,255	\$96,255	\$96,255
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$13,804	\$11,892	\$10,152
e) Funded Status	87.5%	89.0%	90.5%

Central Fire (Before Merger)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	14.61%	14.34%	14.09%
b) Accrued Liability	\$286,921	\$281,476	\$276,418
c) Market Value of Assets	\$262,968	\$262,968	\$262,968
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$23,953	\$18,508	\$13,450
e) Funded Status	91.7%	93.4%	95.1%

Central Fire (After Merger)

As of June 30, 2019	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	14.61%	14.34%	14.09%
b) Accrued Liability	\$396,980	\$389,623	\$382,825
c) Market Value of Assets	\$359,223	\$359,223	\$359,223
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$37,757	\$30,400	\$23,602
e) Funded Status	90.5%	92.2%	93.8%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Aptos/La Selva (Before Merger)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	111,562	108,147
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Central Fire (Before Merger)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	188,195	281,476
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Central Fire (After Merger)

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2018	June 30, 2019
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	299,757	389,623
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Maturity Measures (Continued)

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Aptos/La Selva (Before Merger)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	3	2
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (Before Merger)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	4	5
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Central Fire (After Merger)

Support Ratio	June 30, 2018	June 30, 2019
1. Number of Actives	7	7
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Shown in the tables on the next page is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Also shown in the following tables is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

Maturity Measures (Continued)

Aptos/La Selva (Before Merger)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$102,662	\$96,255
2. Payroll	243,416	132,307
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.4	0.7
4. Accrued Liability	\$111,562	\$108,147
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.5	0.8

Central Fire (Before Merger)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$176,102	\$262,968
2. Payroll	322,062	443,418
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.5	0.6
4. Accrued Liability	\$188,195	\$281,476
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.6	0.6

Central Fire (After Merger)

Contribution Volatility	June 30, 2018	June 30, 2019
1. Market Value of Assets	\$278,764	\$359,223
2. Payroll	565,478	575,725
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.5	0.6
4. Accrued Liability	\$299,757	\$389,623
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.5	0.7

Participant Data

The table below summarizes changes in the plan’s member data as result of the merger.

June 30, 2019	Aptos/La Selva (Before)	Aptos/La Selva (After)	Central Fire (Before)	Central Fire (After)
Reported Payroll	\$132,307	N/A	\$443,418	\$575,725
Projected Payroll for Contribution Purposes	\$143,525	N/A	\$481,015	\$624,540
Number of Members				
Actives	2	N/A	5	7
Transferred	1	N/A	1	2
Separated	0	N/A	0	0
Retired	0	N/A	0	0
Total	3	N/A	6	9

Additional Disclosure

If your agency is requesting cost information for two or more benefit changes, the cost of adopting more than one of these changes **may not** be obtained by adding the individual costs. Instead, a separate valuation must be done to provide a cost analysis for the combination of benefit changes.

Please note that the cost analysis provided in this document **may not** be relied upon after July 1, 2021. If you have not taken action to contract by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2019 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions differ from what was used in this study.

Certification

This actuarial valuation for the proposed merger is based on the participant, benefits, and asset data used in the June 30, 2019 annual valuation, with the benefits modified if necessary to reflect what is currently provided under your contract with CalPERS, and further modified to reflect the proposed merger. The valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees’ Retirement Law.



DAVID CLEMENT, ASA, MAAA, EA
 Senior Pension Actuary, CalPERS

EXHIBIT C

BOARD COMPOSITION (ADOPTED RESOLUTIONS)

**BEFORE THE BOARD OF DIRECTORS
OF THE APTOS-LA SELVA FIRE PROTECTION DISTRICT**

RESOLUTION 15-19

A RESOLUTION TO DECLARATE THE INITIAL BOARD OF DIRECTORS OF THE SUCCESSOR DISTRICT OF THE CONSOLIDATION OF THE APTOS-LA SELVA FIRE PROTECTION DISTRICT WITH THE CENTRAL FIRE PROTECTION DISTRICT.

WHEREAS, the Board of Directors of the Aptos-La Selva Fire Protection District (“Aptos-La Selva”) has initiated proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 *et. seq.*, concurrently with the Central Fire Protection District (“Central”) for the consolidation of Aptos-La Selva with Central; and,

WHEREAS, the affected territory proposed to be consolidated is inhabited, and is constituted by the respective boundaries of Aptos-La Selva and Central; and,

WHEREAS, Aptos-La Selva and Central exercise identical powers as authorized by the Fire Protection District Law of 1987 (California Health and Safety Code Section 13800 *et. seq.*); and,

WHEREAS, this proposal is consistent with the Sphere of Influence of Aptos-La Selva and Central; and,

WHEREAS, Aptos-La Selva and Central agreed the proposed consolidation of Aptos-La Selva and Central would be subject to the following terms and conditions, among others:

- (1) The specific provisions of the Service Plan jointly initiated by Aptos-La Selva and Central for the affected territory;
- (2) The completed Service Plan, as jointly finalized by Aptos-La Selva and Central; and,
- (3) The paid employees and the active volunteer firefighters of Aptos-La Selva and Central will become a portion of the Successor District.
- (4) All Tax Rate Areas will be maintained and all revenue mechanisms currently existing in Aptos-La Selva and Central will be maintained post-consolidation.
- (5) Such other provisions as required by applicable law or as may be agreed by the parties.

WHEREAS, it is necessary for Aptos-La Selva and Central to agree upon the initial board of directors (“District Board”) for the successor District.

WHEREAS, this Board anticipates that the declaration of initial board of directors for the successor District pursuant to consolidation is categorically exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines section 15320(b), which exempts special district consolidations where changes in organization of local governmental agencies do not change the geographical area in which the previously existing powers are exercised, such as here; and,

NOW, THEREFORE BE IT RESOLVED that this Resolution of Declaration of Initial Board of Directors and terms of office for the successor District to the consolidation and reorganization of Aptos-La Selva and Central is adopted and approved by the Board of Directors of the Aptos-La Selva Fire Protection District as follows:

John Lucchesi – 2-year term

Barry Franchi – 2-year term

George Lucchesi – 2-year term

Obrad Darbo – 4-year term

John Scanlon – 4-year term

NOW, THEREFORE BE IT FURTHER RESOLVED THAT: (to be determ.) shall be the initial Chair of the Board of Directors for the successor District to the consolidation and reorganization of Aptos-La Selva and Central.

PASSED and ADOPTED by the Board of Directors of the Aptos-La Selva Fire Protection District at a regular meeting thereof held on the 14th of November, 2019, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTAIN: 0

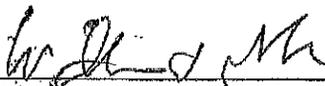
Dated: 11-14-19

ATTEST:



George Lucchesi, Board Chair

APPROVED AS TO FORM:



William Ross, Special District Counsel

APPROVED AS TO CONTENT:



Aaron Lowe, Fire Chief

**BEFORE THE BOARD OF DIRECTORS
OF THE CENTRAL FIRE PROTECTION DISTRICT**

RESOLUTION 2019- 12

A RESOLUTION TO DECLARE THE INITIAL BOARD OF DIRECTORS OF THE SUCCESSOR DISTRICT OF THE CONSOLIDATION OF THE APTOS-LA SELVA FIRE PROTECTION DISTRICT WITH THE CENTRAL FIRE PROTECTION DISTRICT.

WHEREAS, the Board of Directors of the Central Fire Protection District ("Central") has initiated proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 *et. seq.* for the consolidation of Central with the Aptos-La Selva Fire Protection District ("Aptos-La Selva"); and,

WHEREAS, the affected territory proposed to be consolidated is inhabited, and is constituted by the respective boundaries of Central and Aptos-La Selva; and,

WHEREAS, Central and Aptos-La Selva exercise identical powers as authorized by the Fire Protection District Law of 1987 (California Health and Safety Code Section 13800 *et. seq.*); and,

WHEREAS, the proposal is consistent with the Sphere of Influence of Central and Aptos-La Selva; and,

WHEREAS, Central and Aptos-La Selva agreed the proposed consolidation of Central and Aptos-La Selva would be subject to the following terms and conditions, among others:

- (1) The specific provisions of the Service Plan jointly initiated by Aptos-La Selva and Central for the affected territory;
- (2) The completed Service Plan, as jointly finalized by Aptos-La Selva and Central; and,
- (3) The paid employees and the active volunteer firefighters of Aptos-La Selva and Central will become a portion of the Successor District.
- (4) All Tax Rate Areas will be maintained and all revenue mechanisms currently existing in Aptos-La Selva and Central will be maintained post-consolidation.
- (5) Such other provisions as required by applicable law or as may be agreed by the parties.

WHEREAS, it is necessary for Central and Aptos-La Selva to agree upon the initial board of directors ("District Board") for the successor District.

WHEREAS, this Board anticipates that the declaration of initial District Board for the successor District pursuant to consolidation is categorically exempt from review under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15320(b), which exempts special district consolidations where changes in organization of local governmental agencies do not change the geographical area in which the previously existing powers are exercised, such as here; and,

NOW, THEREFORE BE IT RESOLVED that this Resolution of Declaration of Initial Board of Directors and terms of office for the successor District to the consolidation and reorganization of Central and Aptos-La Selva is adopted and approved by the Board of Directors of the Central Fire Protection District as follows:

John Lucchesi -- 2-year term

Barry Franchi – 2-year term

George Lucchesi – 2-year term

Obrad Darbo – 4-year term

John Scanlon – 4-year term

NOW, THEREFORE BE IT FURTHER RESOLVED THAT: TRD shall be the initial Chair of the Board of Directors for the successor District to the consolidation and reorganization of Central and Aptos-La Selva.

PASSED and ADOPTED by the Board of Directors of the Central Fire Protection District at a regular meeting thereof held on the 12th of November, 2019, by the following vote:

AYES: MILLER, BURHAM, FRANCHI, WALTER

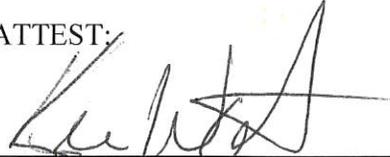
NOES:

ABSENT: LUCCHESI

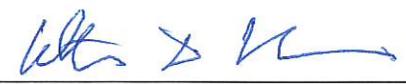
ABSTAIN:

Dated:

ATTEST:


ON BEHALF OF JOHN LUCCHESI
John Lucchesi, Board Chair

APPROVED AS TO FORM:


William Ross, Special District Counsel

APPROVED AS TO CONTENT:


Steven Hall, Fire Chief

BEFORE THE BOARD OF DIRECTORS
OF THE APTOS/LA SELVA FIRE PROTECTION DISTRICT

RESOLUTION 01-21
(Amends and replaces Resolution 15-19)

A RESOLUTION TO DECLARE APTOS/LA SELVA FIRE PROTECTION DISTRICT'S APPOINTMENTS TO THE INITIAL BOARD OF DIRECTORS OF THE SUCCESSOR DISTRICT TO THE CONSOLIDATION OF THE APTOS-LA SELVA FIRE PROTECTION DISTRICT AND CENTRAL FIRE PROTECTION DISTRICT OF SANTA CRUZ COUNTY.

WHEREAS, the Board of Directors of the Aptos/La Selva Fire Protection District ("Aptos-La Selva") has initiated proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 et. seq. for the consolidation of Central Fire Protection District ("Central") with the Aptos-La Selva; and,

WHEREAS, the affected territory proposed to be consolidated is inhabited, and is constituted by the respective boundaries of Central and Aptos-La Selva; and,

WHEREAS, Central and Aptos-La Selva exercise identical powers as authorized by the Fire Protection District Law of 1987 (California Health and Safety Code Section 13800 et. seq.); and,

WHEREAS, the proposal is consistent with the Sphere of Influence of Central and Aptos-La Selva; and,

WHEREAS, Central and Aptos-La Selva agreed the proposed consolidation of Central and Aptos-La Selva would be subject to the following terms and conditions, among others:

- (1) The specific provisions of the Service Plan jointly initiated by Aptos-La Selva and Central for the affected territory;
- (2) The completed Service Plan, as jointly finalized by Aptos-La Selva and Central; and,
- (3) The paid employees and the active volunteer firefighters of Aptos-La Selva and Central will become a portion of the Successor District.
- (4) All Tax Rate Areas will be maintained and all revenue mechanisms currently existing in Aptos-La Selva and Central will be maintained post-consolidation.
- (5) Such other provisions as required by applicable law or as may be agreed by the parties.

WHEREAS, it is necessary for Central and Aptos-La Selva to appoint an initial board of directors for the successor district ("Successor District Board")

WHEREAS, this Board's declaration of Successor District Board after consolidation is categorically exempt from review under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15320(b), which exempts special district consolidations where changes in organization of local governmental agencies do not change the geographical area in which the previously existing powers are exercised, such as here; and,

WHEREAS, this Board on or about November 14, 2019 by Resolution 15-19 appointed three members of this Board to serve on the Successor District Board; and,

WHEREAS, the three members appointed by Resolution 15-19 to serve on the Successor District Board desire to be reaffirmed as appointees to the Successor District Board.

NOW, THEREFORE BE IT RESOLVED that the following three members of this District's Board are hereby appointed to serve on the Successor District Board:

	Name	Term Expiring
1	George Lucchesi	2024
2	Orbrad Darbro	2022
3	John Scanlon	2022

PASSED and ADOPTED by the Board of Directors of the Aptos/La Selva Fire Protection District at a regular meeting thereof held on January 14, 2021, by the following vote:

AYES: 4

NOES: 1

ABSENT: 0

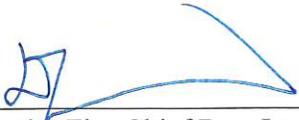
ABSTAIN: 0

Dated: 1/14/21

ATTEST:



John Scanlon, Board President



Interim Fire Chief Don Jarvis, Secretary to the Board

BEFORE THE BOARD OF DIRECTORS
OF THE CENTRAL FIRE PROTECTION DISTRICT

RESOLUTION 2021-01
(Amends and replaces Resolution 2019-12)

A RESOLUTION TO DECLARE A CHANGE OF CENTRAL FIRE PROTECTION DISTRICT OF SANTA CRUZ COUNTY APPOINTMENTS TO THE INITIAL BOARD OF DIRECTORS OF THE SUCCESSOR DISTRICT OF THE CONSOLIDATION OF THE APTOS-LA SELVA FIRE PROTECTION DISTRICT WITH THE CENTRAL FIRE PROTECTION DISTRICT.

WHEREAS, the Board of Directors of the Central Fire Protection District ("Central") has initiated proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 et. seq. for the consolidation of Central with the Aptos-La Selva Fire Protection District ("Aptos-La Selva"); and,

WHEREAS, the affected territory proposed to be consolidated is inhabited, and is constituted by the respective boundaries of Central and Aptos-La Selva; and,

WHEREAS, Central and Aptos-La Selva exercise identical powers as authorized by the Fire Protection District Law of 1987 (California Health and Safety Code Section 13800 et. seq.); and,

WHEREAS, the proposal is consistent with the Sphere of Influence of Central and Aptos-La Selva; and,

WHEREAS, Central and Aptos-La Selva agreed the proposed consolidation of Central and Aptos-La Selva would be subject to the following terms and conditions, among others:

- (1) The specific provisions of the Service Plan jointly initiated by Aptos-La Selva and Central for the affected territory;
- (2) The completed Service Plan, as jointly finalized by Aptos-La Selva and Central; and,
- (3) The paid employees and the active volunteer firefighters of Aptos-La Selva and Central will become a portion of the Successor District.
- (4) All Tax Rate Areas will be maintained and all revenue mechanisms currently existing in Aptos-La Selva and Central will be maintained post-consolidation.
- (5) Such other provisions as required by applicable law or as may be agreed by the parties.

WHEREAS, it is necessary for Central and Aptos-La Selva to appoint an initial board of directors for the successor district ("Successor District Board")

WHEREAS, this Board's declaration of the Successor District Board after consolidation is categorically exempt from review under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15320(b), which exempts special district consolidations where changes in organization of local governmental agencies do not change the geographical area in which the previously existing powers are exercised, such as here; and,

WHEREAS this Board on or about November 12, 2019 by Resolution 2019-12 appointed two members of this Board to serve on the Successor District Board; and,

WHEREAS, the two members appointed by this Board to serve on the Successor District Board are no longer able to serve on the Successor District Board.

NOW, THEREFORE BE IT RESOLVED that the following individual members of this District's Board are hereby appointed to serve on the Successor District Board for terms of four years in place of those members appointed by Resolution 2019-12:

Ken Radliff— 4-year term

David Ronco — 4-year term

PASSED and ADOPTED by the Board of Directors of the Central Fire Protection District at a regular meeting thereof held on the 12th of January, 2021, by the following vote:

AYES: *FRANCHI, LUCCHESI, RADLIEFF, RONCO, TRASK*

NOES: *0*

ABSENT: *0*

ABSTAIN: *0*

Dated: *1/12/2021*

ATTEST:

Barry Franchi

Barry Franchi, Board Chair

John Walbridge

Interim Fire Chief John Walbridge, Secretary to the Board

EXHIBIT D

EMPLOYMENT CONTRACTS (LABOR AGREEMENTS)

**EXHIBIT D
(PART 1 OF 3)**

**EMPLOYMENT CONTRACTS
(APTOS/LA SELVA FPD)**



IAFF LOCAL 3535

LETTER OF UNDERSTANDING

REQUIREMENTS FOR FUTURE MERGERS, CONSOLIDATIONS OR JOINT POWERS AUTHORITIES

BETWEEN

IAFF LOCAL 3535

AND

THE APTOS/LA SELVA FIRE DISTRICT

This Letter of Understanding (LOU) is entered into between IAFF Local 3535(Union) and the Aptos/La Selva Fire District prohibiting the District from entering into any merger, consolidation or joint powers authority agreement with any other agency, fire protection district, or provider of fire protection services without providing by contract with such agency, fire protection district, or provider of fire protection services for the continuation of retirement benefits and retirement defined benefit plans or formulas that employees of the District received from the District pursuant to the provisions of the California Government Code prior to the exercise of a power to contract for any merger, consolidation, or joint powers authority. Any dispute over the interpretation or application of this LOU will be resolved through arbitration pursuant to the Memorandum of Understanding in effect from January, 1, 2019 through December 31, 2021.

This LOU is effective from January 1, 2019 through December 31, 2021.

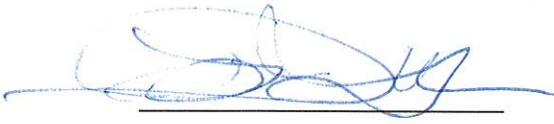
Aptos/La Selva Fire District Signatures


DONALD HEVIS for
Fire Chief Aaron Lowe


President George Lucchesi

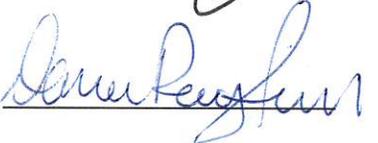

Director John Scanlon


Director Joe Foster


Director Orbrad Darbro


Director Bob Spisak


President Carl Steinmetz


Vice President Dana Rayfield


Secretary Daniel Biagiotti


Treasurer Luke Carson

IAFF Local 3535 Signatures

MEMORANDUM
OF UNDERSTANDING

APTOS/LA SELVA FIRE PROTECTION DISTRICT
AND
THE ADMINISTRATIVE GROUP

JANUARY 1, 2020

Through

DECEMBER 31, 2022

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Appendix A Salary Schedule

MEMORANDUM OF UNDERSTANDING

I PREAMBLE

This Memorandum of Understanding (hereinafter referred to as "Agreement" or "MOU") is entered into by and between the Aptos/La Selva Fire Protection District (hereinafter referred to as "District" or "Employer") and the Administrative Group of the Aptos/La Selva Fire Protection District (hereinafter referred to as "Group"), pursuant to the Meyers-Milias-Brown Act commencing with Section 3500 et. seq. of the California Government Code.

II RECOGNITION

The Administrative Group is hereby acknowledged by the Employer as the recognized and exclusive representative organization for all District employees assigned to the job classifications of Administrative Assistant and Fire Inspector as listed by title in the attached Salary Schedule ("Exhibit A") for the purpose of meeting and conferring on matters within the scope of representation. Any new classifications established and assigned to the Administrative Group shall be incorporated into this Agreement.

III MANAGEMENT RIGHTS

The Administrative Group acknowledges that the Employer's responsibilities and rights, management responsibilities and rights, and all applicable state laws are neither abrogated nor made subject to the meet and confer process by approval of the terms of this Agreement. The parties acknowledge that it is the Employer's exclusive right to generally govern the work of the Employer and conduct of its employees. The Employer has exclusive and inherent management rights with respect to matters of policy, which include, among others: the exclusive right to determine the mission of the Employer; to set standards of service; to determine the procedures and standards of selection for employment and promotion of employees; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to establish work schedules; to determine the content of job classifications; to hire or promote employees; to lay off or relieve employees for lack of work, funds or other legitimate reasons; to expand or diminish services; to determine the methods, means, and number and kinds of personnel by which Employer operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to contract out in its sole discretion; to exercise complete control and discretion over its organization and the technology of performing its work; and to establish, implement, publish and modify Employer rules, regulations, general orders and directives consistent with the law and the specific provisions of this Agreement. The Employer's exercise of the above- listed rights shall be in accordance with law and the specific provisions of this Agreement, including the provisions regarding Advance Notice when applicable.

IV MAINTENANCE OF BENEFITS

All rights, terms, and conditions in writing, subject to the meet and confer process, not specifically covered in this Agreement shall remain in effect until change is effected through the

meet and confer process and may then be a part of this Agreement insofar as these changes should be included in this Agreement.

The Employer and the Administrative Group or its properly designated representatives, shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the Administrative Group or the District on behalf of its members prior to arriving at a determination of policy or course of action.

V DISCRIMINATION

No District employee shall be discriminated against pursuant to all applicable Federal and State laws.

The District is committed to maintaining and promoting a working environment free from discrimination, and to providing all current and prospective employees with equal opportunity in employment with the District regardless of race, creed, color, national origin, ancestry, religion, disability, medical condition, sex, gender (including gender identity and gender expression), physical characteristics, marital status, age, sexual orientation, organizational affiliation and participation including this Administrative Group, or veteran status ("Protected Categories").

This policy pertains to all aspects of employment with the District including, but not limited to recruitment, selection, placement, assignment or reassignment, compensation, benefits, training, transfer, promotion, evaluation, discipline and termination. Discrimination shall not be tolerated, condoned or trivialized. The District is responsible for promptly taking action to end discriminating conduct.

The grievance procedure contained in this Agreement is not mandatory on matters of discrimination. No employee shall be subject to retaliation or threats of retaliation, nor shall any employee be restrained, coerced or otherwise interfered with in the exercise of his/her applicable Federal and State rights on matters of discrimination.

VI COMPENSATION

A. Salary

The District will pay the salary rates reflected in the Salary Schedule set forth in Appendix A. During the term of the Agreement, wages for all represented classifications will receive a cost of living adjustment (COLA) as follows:

First full pay period including January 1, 2020 - 5%

First full pay period including January 1, 2021 - 5%

First full pay period including January 1, 2022 - 5%

B. Education Incentive Plan

Employees may pursue the Employer Education Incentive Plan set forth.

To participate in the Education Incentive Plan, the employee must possess either a Certificate of Proficiency in a field of study related to job services performed, an Associate Degree, Bachelor's Degree or Master's Degree issued by an accredited college or university which meets with approval from the Employer.

Certificate of Proficiency: shall receive \$80 a month as incentive pay.

Associate's Degree shall receive \$150 a month as incentive pay.

Bachelor's Degree shall receive \$220 a month as incentive pay.

Master's Degree shall receive \$300 a month as incentive pay.

C. Step Increases

All step increases in salary are merit steps and shall be executed annually according to the salary schedule with approval of the Fire Chief. All newly hired employees shall start at step 1 of the merit salary schedule associated with their position, or at the discretion of the Fire Chief. Step increases will be effective on the first day of the pay period immediately following the anniversary of the previous step increase.

D. Longevity

Upon completion of ten (10) years of service an employee shall receive a 2% pay increase. Longevity is calculated from date of hire.

E. Working out of Class Compensation

Working out of class pay will be implemented when an employee is designated to perform or becomes responsible for performing responsibilities of a higher classification. All working out of class pay will be at the salary step of the higher classification (with a minimum of a 5% increase).

VII HOURS OF WORK

Regular work-week days and work hours:

Hours and days of work from 0800-1700, Monday through Friday.

One (1) hour lunch/workday and two (2) 15-minute breaks/workday.

Alternative work-week days and hours:

Full-time, 40-hour per week employees may be permitted to work a temporary, alternative schedule related to a work assignment when it is deemed to benefit the District and does not conflict with District operational needs, and subject to the approval of the employee's direct supervisor and Fire Chief.

Less-than Full-time (40-hour per week) employees will be assigned work schedules as determined by their immediate supervisor and subject to the approval of the Fire Chief.

VIII OVERTIME

A. FLSA Work Week or Work Period

For those employees who are not engaged in "fire protection services", the work week begins on at 12:00 a.m. on Saturday and ends at 11:59 p.m. on Friday, except that the work for employees on an alternative work schedule (e.g., a 9/80 schedule) shall be as designated for that schedule.

B. Overtime

Employees shall be compensated at the rate of one and one half times their hourly step rate indicated in the Salary Schedule (Appendix A) for all hours worked in excess of:

1. Any time over the regularly scheduled hours worked in a single day.
2. For employees working less than 40 hours, any hours worked in excess of 40 hours in a week.

Overtime compensation shall be accumulated in one-quarter (1/4) hour increments.

C. Compensatory Time Off

Administrative Group employees are eligible to receive earned overtime in the form of compensatory time off with the approval of their Supervisor. The maximum allowable hours that may be contained in an employee's compensatory time off bank is 40 hours.

IX RETIREMENT BENEFITS

The Employer contracts with the California Public Employees' Retirement System (CalPERS) for the purpose of providing pension benefits. Benefits provided under the Employers' CalPERS contract shall include the following elements:

Classic employees hired prior to January 1, 2011; The Employer is a participant in the California Public Employees Retirement System, Miscellaneous, 3% of final year compensation at age 60 plan. (Gov. Code Section 20042). For employees in this classification, the District will pay 100% of the employee's individual account (Gov. Code section 20615 Employer Paid Member Contribution or EPMC)

Classic employees hired on or after January 1, 2011; The Employer is a participant in the California Public Employees Retirement System, Miscellaneous, 2.5% average of final three years compensation at age 55 plan. (Gov. Code Section 21354.4 & 20037). Employees in this classification will pay the employee contribution rate as set annually by CalPERS.

New employees hired on or after January 1, 2013; The Employer is a participant in the California Public Employees Retirement System, Miscellaneous, 2.0% average of the final three years compensation at age 62 plan.

The Employer shall provide tax deferral of the employees' contributions to CalPERS to the extent provided in the Internal Revenue Code.

The following additional provisions of the California Government Code apply to all members of the Administrative Group:

California Government Code Section 20042 (one-year final compensation)

Public Employees' Pension Reform Act of 2013 (2% at age 62 – effective 1/1/13 for new members)

California Government Code Section 21574.5 (1959 Survivors allowance)

California Government Code Section 20965 (credit for unused sick leave)

California Government Code Section 21329 (Cost of living adjustment at 2%)

X CLOTHING ALLOWANCE

Those employees required to wear a District uniform shall be provided all required and necessary elements, replacement and maintenance as needed, as determined by the District.

XI HOLIDAYS

Establish Definitions:

Employees shall receive twelve (12) paid holidays. Holidays are designated as follows:

New Year's Day	Veterans Day
Martin Luther King Jr	Thanksgiving Day
Presidents Day	Friday after Thanksgiving Day
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	New Year's Eve

NOTE: Holidays falling on a Saturday will be observed the preceding Friday and holidays falling on a Sunday will be observed on the following Monday. Employees working flex work schedule, shall observe that holiday on his/her next scheduled work day if the holiday falls on their scheduled day off.

Other Administrative Benefits:

Employees shall receive six (6) administrative days; less-than Full-Time employees will receive pro-rated hours according to their authorized work schedule. Part-Time employees will not receive administrative days off. Administrative days may be taken off anytime during the calendar year with the approval of the employee's supervisor. All administrative days must be used during the calendar year with no carry-over. An administrative day is equivalent to one work day. New hires will receive pro-rated administrative days during their probationary year. Employees hired on or after January 1, 2020 shall receive three (3) administrative days; less-than Full-Time employees will receive pro-rated hours according to their authorized work schedule.

XII SICK LEAVE

Employees will accrue sick leave at the rate of 8 hours for each full month of continuous service. Employees working less-than Full-Time and Part-Time will accrue pro-rated sick leave hours based on authorized hours worked, up to a maximum of 8 hours per each full month.

Sick leave is for personal illness, or physical incapacity, the illness of a member of the immediate family or the death of a member of the immediate family. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion, but shall be allowed only in cases of necessity as herein set forth.

To receive compensation while absent on sick leave, the employee shall notify his/her immediate supervisor in the manner provided in the Employer's Policy and Procedures Manual. Where an employee is absent due to illness for more than four (4) consecutive scheduled work days, the employee may be required to provide a written note from a Medical Doctor to his/her immediate supervisor upon return to duty.

A. Sick leave payout upon separation

Employees may accumulate an unlimited amount of sick leave hours. Upon service retirement, or retirement due to disability, an employee is eligible to either:

1. Convert the entire balance of his/her accumulated sick leave to service credit under California Government Code Section 20965; or
2. Receive cash payment for the total of his/her accumulated sick leave, up to a maximum payout of 520 hours, and convert the remaining sick leave balance, to service credit under California Government Code Section 20965. The cash payment shall be at the rate of pay upon retirement, including any approved educational incentive pay.

Employees who separate employment for any reason other than service or disability retirement will not be eligible to receive any payment for accrued and unused sick leave.

B. Annual sick leave payout

Employees with accumulated sick leave balances in excess of 2080 hours at the end of each calendar year may elect to receive cash payment for twenty-five percent (25%) of that calendar year's net accrual.

The payout amount will be based on the rate of pay that is in effect during the last full pay period of that calendar year, including any approved educational incentive pay. Such election must be made no later than the end of the first full pay period of the new calendar year.

XIII BEREAVEMENT

Employees shall be granted bereavement leave with pay in the case of the death of the following family members:

- The spouse or registered domestic partner of the employee
- The parents of the employee, the parents of the employee's spouse or domestic partner
- The step-parents of the employee, the step-parents of the employee's spouse or domestic partner
- The grandparents of the employee
- The siblings of the employee
- The children, step-children, adopted children of the employee or of the employee's spouse or registered domestic partner

Such leave shall be limited to 40 hours per occurrence.

XIV VACATION LEAVE

Employees shall accrue vacation hours at the rates listed below. The rate at which an employee accrues vacation hours and the maximum number of hours that can be accrued is determined by an employee's length of service. Employees working less than Full-Time and Part-Time will accrue pro-rated vacation hours based on authorized hours worked.

ADMINISTRATIVE PERSONNEL - 40 HOUR				
YEARS OF SERVICE	HOURS ACCRUED PER PAY PERIOD	MAXIMUM NUMBER OF DAYS PER YEAR	MAXIMUM NUMBER OF HOURS PER YEAR	MAXIMUM NUMBER OF HOURS THAT CAN BE ACCRUED
1-5	4.62	15	120	(180)
6-11	6.46	21	168	(252)
12-17	7.69	25	200	(300)
18+	9.23	30	240	(360)

Employees may be granted vacation on an hour-for-hour basis in no less than half hour increments.

Employees may not use more vacation than they have earned.

On or before December 15th, if employees elect to receive compensation for unused vacation, the request will be made in writing to the Personnel/Payroll Specialist. The request for pay will designate the number of hours, not to exceed half (1/2) of the employees "maximum number of hours per year," for which they are requesting compensation. The hours shall be paid at straight time, including any approved educational incentive pay. Payment for unused vacation shall be processed no later than the first full pay period in January of each year, and shall be paid at the rate of the last calendar year's accrual.

A newly hired employee may not take vacation leave until completion of at least six (6) months of service; and thereafter, vacation is subject to approval of the Fire Chief, until completion of the initial probationary period.

XV LIFE INSURANCE AND SALARY CONTINUANCE INSURANCE

A. CURRENT EMPLOYEES

The Employer shall pay all premiums on behalf of Full Time and less than Full-Time employees for the Life Insurance. The current Life Insurance Plan provides the following life insurance benefit for employees:

- Age 64 and below- \$100,000
- Age 65-69- \$65,000
- Age 70 and above- \$50,000

For Full Time and less than Full-Time employees, a death benefit of \$10,000 for spouse and \$5,000 per child is provided.

The employer will provide Long Term Disability Plan, after a sixty (60) day waiting period, a monthly disability benefit equal to three-fourths (3/4) of the employee's salary, to a maximum of Plan B benefit levels. The employer shall pay all premiums on behalf of the employee.

XVI MEDICAL INSURANCE

A. MEDICAL INSURANCE

The Employer shall provide medical health insurance to its Full-Time and less than Full-Time employees and dependents, including retired employees and dependents, through CalPERS Health Benefits Program and shall contribute to the monthly premium for the health insurance plan as follows:

Employees may choose any health plan offered by CalPERS.

For the 2020 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

- Employee only- \$915
- Employee plus one dependent- \$1829
- Employee plus two or more dependents- \$2378

For the 2021 medical insurance plan year, the District's contribution to the monthly premium will be increased by 5% over the previous year's contribution. The District's contribution to the monthly premium will be as follows:

- Employee only- \$961
- Employee plus one dependent- \$1921
- Employee plus two or more dependents- \$2497

For the 2022 medical insurance plan year, the District's contribution to the monthly premium will be increased by 5% over the previous year's contribution. The District's contribution to the monthly premium will be as follows:

- Employee only- \$1009
- Employee plus one dependent- \$2017
- Employee plus two or more dependents- \$2622

The District will provide education and information to each employee regarding the health insurance options provided to them.

Employees working less than 1,000 hours per fiscal year may enroll and self-pay all costs at the group rate for health, dental or vision benefits. The employee cost shall include prepayment for benefit coverage and any administrative expense associated with managing the employees' enrollment in said benefits. There shall be no employer cost associated with participation in group coverage.

C. Post-Retirement Benefits

Contingent upon the 2020-2022 ratified MOU of 3535.

XVII DENTAL INSURANCE

The Employer shall provide dental insurance to its employees and dependents as provided through Delta Dental Plan of California and shall pay the monthly premium for the dental insurance coverage. As of January 1, 2020, the District shall pay for the Delta plan level of coverage which provides for \$2000.00 maximum per year.

As an option, retirees may purchase dental insurance through the Employer's dental plan, but must pay 100% of the premium.

XVIII VISION CARE

The Employer shall provide vision care to its Full-Time employees and their dependents. Coverage shall be as outlined in the VSP Vision Plan, provided through the current provider. The Employer shall pay the monthly premiums for Full-Time employees and their dependents.

As an option, retirees may purchase vision insurance through Employer's vision plan, but must pay 100% of the premium. The Employer will not invoice retirees for the vision coverage. Invoicing is through the current third party administrator.

XIX EDUCATION TIME OFF

Full-time and Less-than Full-Time employees are entitled to thirty-six (36) hours' leave per fiscal year for educational purposes not related to required certifications and/or licensing.

- A. The thirty-six (36) hours shall be used to attend classes related to the Fire Service, or classes that are required for a college degree and/or applicable to employee's positions.
- B. If thirty-six (36) hours, or any increment of the thirty-six (36) hours is not used in any given fiscal year, it is forfeited by the employee. An employee shall not receive monetary compensation for unused hours.
- C. The employee will be able to attend classes as long as educational time is available, it does not adversely impact staffing levels, and funding is available, and the leave is approved by your supervisor.
- D. Should the employee use all allotted time (36 hours), additional time off, shall require the approval of the Fire Chief or designee.

Employees hired on or after January 1, 2020 will not receive Education Time Off.

XX GRIEVANCE PROCEDURES GRIEVANCE DEFINED/SCOPE

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential to sound employee/employer relations and to the continuation of excellent service to the community. Therefore, it is agreed that during the term of this Agreement, grievances shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the date of occurrence or discovery discuss the matter with their immediate supervisor (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor.

- a. The written grievance shall contain information, which identifies:
 - i. The aggrieved employee.
 - ii. The specific nature of the grievance.

- iii. The time and place of its occurrence or discovery.
 - iv. The provision of this Agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
 - v. The consideration given or steps taken to attempt informal resolution.
 - vi. The corrective action desired.
- b. A decision by the aggrieved employee's supervisor shall be made in writing within (10) calendar days of receipt of the written grievance and delivered to the aggrieved employee.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee, may within ten (10) calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10) days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10) calendar days after the receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4) members; two (2) chosen by the Fire Chief or his/her designee, and two (2) members chosen by the Administrative Group. The panel will meet, review the facts, and make its recommendation in writing to both parties involved. The result of the panel may be accepted by the aggrieved employee or the matter may be referred to arbitration if within the scope of the grievance

NOTE: With regard to a dispute, which arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may bypass STEP 1 & STEP 2 aforementioned. A grievance filed by the Administrative Group shall start at STEP 3, unless the above "NOTE" applies.

STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration if within the scope of the grievance. The arbitration request must be in writing to the Fire Chief. This must be completed no longer than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this Agreement.

- a. The aggrieved employee and the Fire Chief, or designee, shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact State of California Mediation and Conciliation Service to request that a list of seven (7) arbitrators be provided. The loser of a single coin toss will eliminate the first name of the possible (7) arbitrators. The parties shall alternately

strike names from the list provided until there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- b. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter and transcripts shall be borne equally by the Administrative Group employee and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- c. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
- d. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
- e. Any monetary award in favor of the grievant is limited to lost wages suffered (measured from the date of the grievance forward). In no event will the arbitrator award any other type of monetary award, including, but not limited to, attorneys' fees.
- f. Failure on the part of the Administrative Group or the aggrieved employee to appear in any case before an arbitrator without good cause shall result in forfeiture of the case and responsibility for payment of all costs of arbitration

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

Note: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

XXI LAYOFF AND REHIRE PROCEDURES

In the event that a layoff should become necessary, it may become necessary for personnel to be re-assigned to other positions at the discretion of the Fire Chief. In such event, layoff shall be conducted in the following manner:

- 1. Employees within a classification shall be laid off on a strict seniority basis with the last employee hired to be the first laid off.

2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Aptos/La Selva Fire Protection District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.

3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a permanent, paid employee.

REHIRE PROCEDURE

If within a period of eighteen (18) months after the effective date of the layoff, funds become available for rehiring; the process shall be as follows:

The last employee laid off shall be the first to be rehired. All personnel being rehired may be required to have a physical examination. Any person unable to pass the physical examination shall not be rehired. The cost of the physical examination shall be borne by the Employer.

The rehired employee will resume the same classification and step at the time of layoff. The above procedure shall apply for a period of eighteen (18) months years from time of layoff.

XXII VOLUNTARY REASSIGNMENT PROCEDURE

Circumstances may arise that would dictate to an employee to evaluate his/her position of employment with his/her Employer. As a result, an employee may desire to return to a lower classification position of employment with his/her Employer, which the employee previously held. In order for this reassignment to take place, all of the following must occur:

1. A current vacancy in the lower classification must exist.
2. The employee requesting reassignment must meet the current job requirements of the lower classification position.
3. A qualified and willing employee (currently on a valid hiring list for that position) must be available to advance into the higher classification being vacated (switching positions). If there is no qualified and willing employee to accept the promotion, the employee requesting reassignment will not be granted his/her request. No employee will be allowed to displace another employee in the lower classification. The employee requesting reassignment must wait for an opening in that lower classification.
4. Reassignment privileges may only be exercised within the assigned job classification (i.e. Full Time or Part-time employees).

5. All requests for reassignment of employees must be approved by the Fire Chief or his designated representative.
6. For the purpose of seniority calculation, the reassigned employee will carry back all seniority earned in the higher classification(s) to the lower classification. The objective is that no employee will lose total seniority by reassignment to a lower classification.
7. A reassigned employee shall assume the top step position of the lower classification, with a corresponding reduction in pay and related benefits to the top step of the position.

XXV TERM

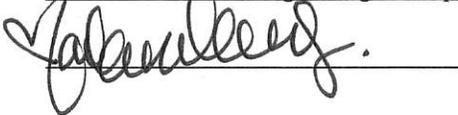
After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement without engaging in the meet and confer process. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the agreement into this Agreement. After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing January 1, 2020, except as noted herein. This is subject to the Employer's emergency powers under the Government Code Section 3504.5.

Except as otherwise specifically provided herein, this Agreement shall be effective January 1, 2020 through December 31, 2022.

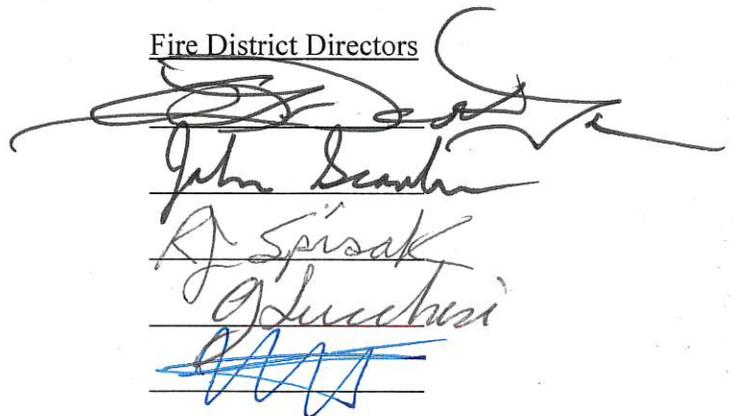
This Memorandum of Understanding is entered into this 9th day of January 2020, in the County of Santa Cruz, California.

XXVI SIGNATURES

Administrative Bargaining Group



Fire District Directors



APPENDIX A

2020					1ST ED	2ND ED	3RD ED	4TH ED
					PPP	PPP	PPP	PPP
5% - PP#2-2020								
FIRE INSPECTOR	STEP	Monthly	Bi-Weekly	Hourly				
	1	\$ 7,783.41	\$ 3,592.34	\$ 44.90	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 8,172.58	\$ 3,771.96	\$ 47.15	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 8,581.20	\$ 3,960.55	\$ 49.51	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,010.26	\$ 4,158.58	\$ 51.98	\$36.92	\$69.23	\$101.54	\$138.46
ADMIN ASSISTANT	5% - PP#2-2020							
	1	\$ 4,749.87	\$ 2,192.25	\$ 27.40	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 4,987.35	\$ 2,301.85	\$ 28.77	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,236.72	\$ 2,416.95	\$ 30.21	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 5,498.57	\$ 2,537.80	\$ 31.72	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46

2021					1ST ED	2ND ED	3RD ED	4TH ED
					PPP	PPP	PPP	PPP
5% - PP#1-2021								
FIRE INSPECTOR	STEP	Monthly	Bi-Weekly	Hourly				
	1	\$ 8,172.58	\$ 3,771.96	\$ 47.15	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 8,581.21	\$ 3,960.56	\$ 49.51	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 9,010.26	\$ 4,158.58	\$ 51.98	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,460.77	\$ 4,366.51	\$ 54.58	\$36.92	\$69.23	\$101.54	\$138.46
ADMIN ASSISTANT	5% - PP#1-2021							
	1	\$ 4,987.36	\$ 2,301.86	\$ 28.77	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,236.72	\$ 2,416.95	\$ 30.21	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,498.56	\$ 2,537.80	\$ 31.72	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,062.17	\$ 2,797.92	\$ 34.97	\$36.92	\$69.23	\$101.54	\$138.46

2022					1ST ED	2ND ED	3RD ED	4TH ED
					PPP	PPP	PPP	PPP
5% - PP#1-2022								
FIRE INSPECTOR	STEP	Monthly	Bi-Weekly	Hourly				
	1	\$ 8,581.21	\$ 3,960.56	\$ 49.51	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 9,010.27	\$ 4,158.59	\$ 51.98	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 9,460.77	\$ 4,366.51	\$ 54.58	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,933.81	\$ 4,584.83	\$ 57.31	\$36.92	\$69.23	\$101.54	\$138.46
ADMIN ASSISTANT	5% - PP#1-2022							
	1	\$ 5,236.73	\$ 2,416.95	\$ 30.21	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,498.55	\$ 2,537.79	\$ 31.72	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,062.17	\$ 2,797.92	\$ 34.97	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,365.27	\$ 2,937.82	\$ 36.72	\$36.92	\$69.23	\$101.54	\$138.46

**MEMORANDUM
OF
UNDERSTANDING**

APTOS/LA SELVA FIRE PROTECTION DISTRICT

AND

**APTOS/LA SELVA FIRE DISTRICT
CHIEFS OFFICEERS' ASSOCIATION**

JANUARY 1, 2020

Through

DECEMBER 31, 2021

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I. PREAMBLE

This Memorandum of Understanding (MOU) is entered into by and between the Aptos/La Selva Fire Protection District (Employer or District) and the Aptos/La Selva Fire District Chief Officers' Association (Employees or Association) pursuant to the Meyers-Milias Brown Act (Gov. Code §§ 3500-3511) and has been jointly prepared by the parties.

II. RECOGNITION

The Association is hereby acknowledged by the District as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the Chief Officers' bargaining unit, which consists of the following full-time positions: Division Chiefs and Battalion Chiefs.

III. MANAGEMENT RIGHTS

The District has exclusive and inherent management rights with respect to matters of policy. These include, among others: the exclusive right to determine the mission of the District; to set standards of service; to determine the procedures and standards for selection for employment; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to relieve its employees from duty because of lack of work, funds or other legitimate reasons; to maintain the efficiency of District operations; to determine the methods, means and the number and kinds of personnel by which District operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to exercise its discretion to organize and reorganize its department and affairs, and to otherwise exercise complete control and discretion over its organization and the technology of performing its work; to determine the content of job classifications; to implement rules, regulations and directives consistent with the law and the specific provisions of this MOU. The District's exercise of the above listed rights shall be in accordance with law and the specific provisions of this MOU, including the provision regarding advance notice when applicable.

IV. MAINTENANCE OF BENEFITS

All rights, terms and conditions of employment, subject to the meet and confer process, not specifically covered by this Agreement shall remain in effect until changed by mutual agreement.

The District and the Association or their properly designated representatives shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both

parties shall consider fully such presentations as are made by the Association or the District prior to arriving at a determination of policy or course of action.

The District agrees to maintain all benefits for the duration of this contract.

V. DISCRIMINATION

There shall be no discrimination by the Association, the District, or any District employee because of sex, race, color, ancestry, religion, national origin, physical or mental disability, medical condition, age, marital status, the taking of family and medical leave per the Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), pregnancy, sexual orientation, gender identity, or participation in legitimate Union activities. Complaints alleging discrimination based on legitimate Association activities shall be processed as grievances under this agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment and retaliation.

VI. WAGES & HOURS

During the term of this contract, the following salary raises will be in effect:

- Effective the first full pay period in January 2020 - 1.5%
- Effective the first full pay period in January 2021 - 3%

For purposes of determining the hourly rate for 40 hour employees, the annual salary is divided by 2080 and for purposes of determining the hourly rate for 56 hour employees, the annual salary is divided by 2920.

The agreed difference between steps is 5%. The agreed difference between the ranks of Battalion Chief 3 and Division Chief 1 is 14%. The agreed difference between the ranks of Captain 3 (outlined in appendix A of the current MOU of IAFF L3535) and Battalion Chief 1 is 7%.

The Employer will pay the salary rates reflected in the Salary Schedule set forth in Appendix A.

All step increments in salary are merit steps and occur annually. Step increases are effective the first day of the pay period following the employee's anniversary date.

All active employees represented by this Agreement shall be assigned to weekly work shifts (40 hours or 56 hours average), unless on special assignments as designated by the Fire Chief of the District. For the duration of this Agreement, the 40 hour work schedule for Division Chiefs will be four days per week, ten hours per day and the 56 hour work schedule for Battalion Chiefs will remain a 48 hours on and 96 hours off shift pattern.

Flexible Work Schedule — "Flex Time" is a temporary accommodation in a Division Chief's work schedule related to a work assignment requirement. Flex Time allows a Division Chief to work a scheduled day off and then reciprocate by being absent on a regularly scheduled day. In order to work Flex Time the Division Chief must, 1) Provide advance notice to and receive advance approval from the Fire Chief, 2) The Flex Time events (both the unscheduled day worked and the reciprocal scheduled day not worked) shall be closed within thirty (30) calendar days of each other.

A. OUT OF CLASS COMPENSATION

Those employees required to work out of class (upward) shall be compensated at the same rate of pay that they would receive if appointed to that position; however, such employees, not including the 40 hour safety employee, shall not be compensated at a rate that exceeds the lowest paid employee regularly assigned to that higher level position, exclusive of any incentives. Additionally, employees who are scheduled to work out of class for more than 8 work days (for the 40 hour employee) or four (4) consecutive shifts (for the 56 hour employee) shall receive the higher pay rate as compensation for vacation, sick leave, and any other compensated time off that occurs while working out of class. Once the employee returns to their regular class, their compensated time off reverts to their regular pay rate.

Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, title 2, Section 571 as Temporary Upgrade Pay. Premium compensation for Upgrade Pay for overtime hours is not reportable.

Those employees electing to work out of class (downward) shall be compensated at their regular rate of pay as working in their normally assigned position.

Out Of Class Pay is not reportable to CalPERS for PEPRA members.

B. OVERTIME

Section 1.

Fair Labor Standards Act (FLSA) (Battalion Chief Rank Only)

As set by the Department of Labor, work periods for public safety employees can vary from seven to 28 days (section 207(k)). Based on the set work period, safety employees are entitled to FLSA overtime for hours actually worked in excess of the threshold set by the Department of Labor. (For FLSA purposes Aptos/La Selva Fire pays FLSA overtime for all time worked or "deemed" to have been worked including all paid time off).

Aptos/La Selva Fire has established a 24 day work period and therefore 56 hour employees are entitled to FLSA overtime for hours worked in excess of 182 hours. The regular scheduled hours worked for our shift employees is 192 (eight, 24 hour shifts) within a 24 day work period. Since the regular scheduled hours exceeds the 182 hour threshold, there are ten hours of scheduled overtime for safety employees each 24 day FLSA work period. Since the employee's salary is intended to compensate for the scheduled 192 hours, the overtime premium for the hours between 182 and 192 is at half-time of the employee's "Regular Rate of Pay".

- There are 15.208 FLSA Cycles a year ($365 / 24 = 15.208$)
- There are typically 26 pay periods per year
- 2920 is the assumed hours worked per year (2,080 hours for forty hour employees)
- FLSA Pay is reportable special compensation to CalPERS for pension calculation

Regular Rate of Pay

An employee who works overtime will be compensated for those overtime hours at a rate of one and one half times the employee's "Regular Rate of Pay." The "Regular Rate of Pay" includes all remuneration paid to the employee including base salary as defined in the salary schedule plus any additional pay the employee receives such as but not limited to Paramedic Pay, Special assignment Pay and Education Incentive. Holiday Pay is not included in the "Regular Rate Of Pay". All included compensation will be converted into an hourly rate to calculate FLSA pay as well as the Overtime Rate of Pay.

Section 2. Overtime (FLSA is reportable special compensation & overtime is not reportable.) (Battalion Chief Rank Only)

Employees shall be entitled to premium overtime compensation at the rate of one and one half (1.5) times the employee's "regular rate of pay", as that term is defined under the FLSA, for all time worked or deemed to have been worked in excess of 182 hours in a 24 day work period.

For the purpose of determining overtime, the words "deemed to have been worked" shall include all paid leave time.

Overtime compensation shall be accumulated in one-half hour increments.

Section 3. Compensatory Time Off (May not be reportable compensation to CalPERS) (Battalion Chief Rank Only)

Battalion Chiefs are eligible to receive earned overtime in the form of compensatory time off. The method by which overtime is paid (CTO or cash) is at the discretion of the employee. The maximum accumulated compensatory hours will not exceed 120 hours.

Employees may use accrued CTO hours as time off in accordance with the vacation time off process set forth in this MOU. The use of CTO will not result in force hiring.

An employee who is promoted to a higher position shall have one half of his/her accrued CTO hours paid off at the time of the promotional appointment, at the regular rate of pay for the previous class.

Section 4. Overtime (Division Chiefs)

Division Chiefs, when available, will respond to emergencies as prescribed in our Operational Policies (EOGs and SOPs). This may include direct support of an incident, district coverage, and disaster operations or out of county assignments.

Actual response to such incidents will be compensated at time and one-half, with a one hour minimum and one-half hour increments thereafter.

In the event an Employee is assigned as a strike team leader/overhead for an emergency incident response, Member will receive their normal compensation for their normally assigned work hours. Any hours beyond their normally assigned work hours will be compensated for at time and one-half.

C. EDUCATION INCENTIVE

The District will not reduce the amount of Education Incentive received by Employees prior to January 1, 2017. If Employees were receiving a total of 4% of Step 1 Firefighter/Paramedic pay EP as of January 1, 2017, they will retain the 4% of Step 1 Firefighter/Paramedic pay but are not eligible for additional education incentive. If Employees were receiving less than 4% of Step 1 Firefighter/Paramedic pay as of January 1, 2017, they are eligible to receive additional education incentive up to 4% of Step 1 Firefighter/Paramedic pay upon successful completion of requirements listed below in Section B.

When an employee elects to convert his/her time into monetary compensation, the education incentive will be considered to be part of an employee's hourly rate.

As of January 1, 2017, Employees are eligible for Education Incentive, not to exceed four (4%) of Step 1 Firefighter/Paramedic pay, as follows:

1. Four percent (4%) of Step 1 Firefighter/Paramedic pay for successful completion of a BA/BS Degree completed prior to or during employment.
2. Two percent (2%) of Step 1 Firefighter/Paramedic pay for successful completion of an AA/AS Degree completed prior to or during employment.
3. One percent (1%) of Step 1 Firefighter/Paramedic pay for every nine (9) semester or equivalent quarter units of accredited college fire science classes, taken and completed during employment with the District.

4. One percent (1%) of Step 1 Firefighter/Paramedic pay for every nine (9) semester or equivalent quarter units of accredited college business, management, computer science or similar discipline deemed to benefit the District taken and completed during employment with the District may be included with prior approval of the Fire Chief.
5. One percent (1%) of Step 1 Firefighter/Paramedic pay for every 360 hours (40 hours = 1 semester unit) of non-accredited job related/certified classes taken and completed during employment with the District may be included with prior approval of the Fire Chief.

Excluded are: (1) all paramedic training and continuing education, (2) units for which the District paid registration, transportation, meals and lodging and the Member received his/her normal salary while attending the school.

D. SPECIAL ASSIGNMENTS

Bargaining unit employees may be appointed to perform the duties of one or more special assignments. Employees appointed to a special assignment will be required to meet the minimum requirements of that assignment, including any continuing education requirements (which generally consist of a minimum of 24-hours of continuing education per year, including didactic and manipulative training, i.e. hands-on, drills, exercises, etc.) The Training Division shall coordinate all courses and/or trainings respective to a special assignment.

NOTE: All employees appointed to a special assignment shall complete any initial or minimum training required, including receipt of any required certifications or passage of any applicable medical examinations necessary to obtain a certification or license. Employees who do not meet applicable Federal, State and Local requirements for the position will not be eligible for initial appointment. Once appointed, employees are required to maintain all applicable certifications and complete required continuing education mandates. Employees appointed to a position who are required to attend training off duty to meet this requirement will be paid overtime compensation for such work.

The Fire Chief, in consultation with the Fire District Training Chief and related agencies that the Fire District interfaces with (e.g., State Fire Training, California Specialized Training Institute [CSTI]), shall establish the certification requirements and continuing educational requirements for the special assignments listed below.

Employees who wish to be removed from a special assignment may request to be removed by submitting a letter, requesting removal, to their Supervisor following the appropriate chain of command. The letter will then be forwarded to the Fire Chief who will determine if the request will be granted or denied.

Compensation for specialty pay will be paid biweekly.

D. 1. Hazardous Materials Technician

Employees may be eligible for appointment to assignment as a Hazardous Materials Technician. Employees assigned as a Hazardous Materials Technician will be required to have specialized training, increased responsibilities on incidents and subject to an increased safety risk due to increased exposure to toxic, radioactive, explosive or other hazardous substances. To be eligible for appointment to this assignment, an employee must possess certification from the State of California, in accordance with State Fire Training as a Hazardous Materials Technician or above. Employees in this assignment will be required to satisfy the continuing education requirements as required by CAL/OSHA, maintain annual Haz-Mat related physical (medical) requirements and satisfy all requirements to be an employee of the Santa Cruz Hazardous Materials Incident Team (SCHMIT). Employees appointed to this assignment must maintain an active role in the Santa Cruz Hazardous Materials Incident Team (SCHMIT) and are routinely and consistently required to respond to situations involving exposure to hazardous materials. Employees appointed to this position will be eligible to receive special assignment pay, which will be equal to 5% of the step one monthly salary for the firefighter/paramedic classification. Hazardous Materials Technician incentive is reportable special compensation to CalPERS for pension calculation.

D. 2. Fire Investigator

Employees may be eligible for appointment to the Fire Investigation Unit. This Unit is responsible for investigating the cause and origin of destructive fires, including suspected arson fires. To be eligible for appointment to this assignment, at minimum, an employee must be certified by the State of California as a Fire Investigator I (State Fire Training, 2017) and/or as an Apprentice Fire Investigator recognized by the California Conference of Arson Investigators (CCAI) Certified Fire Investigator program (March, 2017). Employees appointed to this assignment will be required to routinely and consistently participate in the Fire Investigation Unit. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the step one monthly salary for the firefighter/paramedic classification. Fire Investigator incentive is reportable special compensation to CalPERS for pension calculation.

E. LONGEVITY

Employees hired on or before December 31, 2019 will receive a 2.5 % salary increase after the completion of ten (10) years or service to the District

VII. PROBATIONARY PERIOD

A. LENGTH OF PROBATIONARY PERIOD

All current personnel appointees and new hires to a position shall serve a probation period for twelve (12) months.

B. PERFORMANCE EVALUATION PROCESS

Probationary new Employees are subject to dismissal during the probationary period at the discretion of the Fire Chief.

A Member serving a probationary period after a promotion may be returned to his/her former position if the Fire Chief determines that he/she is incapable of fulfilling the new duties within the period of probation.

Upon successful completion of the probationary period, a Member shall be considered for permanent status.

C. PERFORMANCE REPORTS

It is the policy of the District that regular reports be made as to the efficiency, competency, conduct and merit of its Employees. To this end, it is declared to be the responsibility of the Fire Chief and his/her subordinate supervisors that these evaluations be prepared for Employees in accordance with District Resolution.

VIII. 40-HOUR SAFETY EMPLOYEE

The 40-hour safety employee shall receive 5 administrative holidays, which may be taken off anytime during the calendar year with approval of the Fire Chief. The total number of hours will be based on the employee's work schedule as approved by the Fire Chief. All administrative holidays must be used during the calendar year with no carry over to the next administrative year. Administrative holidays will be pro-rated based upon appointment date.

The 40-hour safety employee shall receive the same benefits and accruals as the 56-hour employee including holiday pay. Holiday pay will be paid out at the 40 hour rate. If the employee chooses to take a holiday off he/she must use paid vacation or one of their administrative holidays for those hours.

The 40 – hour safety employee shall continue to receive the same sick leave and vacation accrual, as the 56-hour employee.

At the end of the first calendar year of assignment, the employee may roll over a maximum of 132 hours of vacation leave to be used in the following calendar year. All vacation hours must be used during the second year of assignment. If the employee has unused vacation leave at the end of each subsequent calendar year, the employee may receive compensation for up to a maximum of 132 hours. All other vacation leave hours must be used or forfeited prior to the end of the calendar year. Requests to rollover hours or receive compensation must be submitted to the Personnel/Payroll Specialist no later than December 31st. Payout requests shall be processed at the 40 hour rate of pay.

The 40 – hour safety employee will be allowed to take callbacks and collect recall pay only when they are off duty, and shall not be force hired. Overtime earned shall be at the 40-hour overtime rate of pay.

IX. STAFFING

It is the intent of the Employer to maintain a minimum daily staffing of 10 line personnel consisting of one battalion chief or acting battalion chief, three engine companies staffed by one fire captain or acting fire captain and a combination of 1 firefighter and 1 firefighter/paramedic. The District shall retain the right to re-distribute and re assign personnel as deemed appropriate. The employer also has the right to make emergency staffing adjustments based on unforeseen emergency staffing needs of the Fire District. Any long term/permanent reduction in the above referenced staffing levels shall occur only after the parties have engaged in the meet and confer process.

X. RETIREMENT

- A. Classic members, 3% at 55 single highest year, as determined by CalPERS, shall pay 12% contribution to CalPERS. The District shall pay the employer contribution to CalPERS.

In addition to the basic benefits, the following benefits are included:

<u>20042</u>	One Year Final Compensation
<u>20965</u>	Sick Leave Credit
<u>21427</u>	Increase in Non-Job Related Disability Retirement Allowances
<u>21548</u>	Pre-Retirement Optional Settlement 2 Death Benefit
<u>21571</u>	1959 Survivor Benefits
<u>21572</u>	Increased Level of 1959 Survivor Benefits
<u>21573</u>	Third Level of 1959 Survivor Benefits
<u>21574</u>	Fourth Level of 1959 Survivor Benefits
<u>21024</u>	Military Service Credit as Public Service

B. PERS “PEPRA” Employees are under a “2.7% at 57” PERS contract and will contribute fifty percent (50%) of the “normal cost” as determined by CalPERS.

- 20042 Three Year Average Final Compensation
- 20965 Sick Leave Credit
- 21427 Increase in Non-Job Related Disability Retirement Allowances
- 21548 Pre-Retirement Optional Settlement 2 Death Benefit
- 21571 1959 Survivor Benefits
- 21572 Increased Level of 1959 Survivor Benefits
- 21573 Third Level of 1959 Survivor Benefits
- 21574 Fourth Level of 1959 Survivor Benefits
- 21024 Military Service Credit as Public Service

XI. HOLIDAYS

56 hour Employees (Battalion Chiefs) earn twenty-six (26) hours per month which will be taken in pay, at the Member's base hourly rate.

Compensation for holiday pay will be paid biweekly.

Additionally, Battalion Chiefs shall receive five administrative floating holidays, which may be taken off anytime during the calendar year with the approval of the Battalion Chief's supervisor. These hours will be added to the Employee’s “Admin Floating Holiday” time off bank in Crew Sense. All administrative holidays must be used during the calendar year with no carry-over and no cash value.

Division Chief’s will receive the following observed holidays off without loss of wages or accrued leave:

New Year’s Day	Thanksgiving
Martin Luther King’s Day	Friday following Thanksgiving
President’s Day	Last working day before Christmas
Memorial Day	Christmas
Independence Day	New Year’s Eve
Labor Day	Floating Holiday
Veteran's Day	

January 1 of each calendar year, the Division Chiefs will be credited 130 hours of Holiday time off in Crew Sense as follows:

For the Holidays listed above, the number of hours the employee is scheduled to work will be added to the “Admin National Holiday” bank and will be taken off and deducted on said day.

For the Holidays listed above that fall on an employee's regularly scheduled day off, the hours will be added to the employee's "Admin Floating Holiday" bank and may be used during the remainder of the calendar year subject to advanced approval of the Fire Chief. One (1) "Floating Holiday" each year will be added to the same time off bank. All Holiday time off will be used in the calendar year accrued and not carried over to the next calendar year.

All requests to take Floating Holiday Time off shall be submitted to the immediate supervisor with a minimum of twenty-four (24) hours in advance. This notice may be waived with approval of the Fire Chief.

Once a Floating Holiday has been granted it may not be rescinded without the Employee's approval.

XII. SICK LEAVE

Employees shall accrue sick leave at the rate of twenty-four (24) hours each month for 56-hour employees and sixteen (16) hours each month for 40-hour employees. Sick leave may be used for personal illness, physical incapacity, or the illness of a family employee. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion but shall be allowed only in cases of necessity as herein set forth.

For 56-hour employees, where absence is due to the illness of the employee for more than two consecutive twenty four hour shifts or more than two consecutive work days for 40-hour employees, the employee may be required to provide a paper copy of a medical excuse from a Physician or authorized representative upon the request of his/her immediate supervisor or the Fire Chief. Upon return to duty, this document will be submitted to the immediate supervisor who will then submit it to the Human Resources Director as soon as possible.

At the end of each calendar year; for 56-hour Employees, a maximum of 144 hours of the annual accumulated sick leave in excess of 2400 hours may be paid at the employee's regular hourly rate of pay or for 40-hour Employees, a maximum of 96 hours of the annual accumulated sick leave in excess of 1600 hours may be paid at the employee's regular hourly rate of pay in effect on December 31st. The request will be made in writing to the Personnel/Payroll Specialist by December 31st. Payouts will be processed no later than the second full pay period following December 31st. Any employee with a sick leave balance below 2400/1600 hours, may not cash in hours.

Employees may accumulate an unlimited amount of sick leave hours.

Upon retirement, employees shall have the option of:

- A. Convert the entire balance of his/her accumulated sick leave to service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965); or
- B. Division Chiefs receive compensation for 400 hours of unused sick leave plus one half (1/2) of the employee's current calendar year accrual, at the employee's current rate of pay, and convert their remaining sick leave balance to service credit under California Government Code Section 20965.
- C. Battalion Chiefs receive compensation for 600 hours of unused sick leave plus one half (1/2) of the employee's current calendar year accrual, at the employee's current rate of pay, and convert their remaining sick leave balance to service credit under California Government Code Section 20965.

Upon retirement, any payout will be at the employee's current rate of pay.

Sick Leave Payout shall not be reported to CalPERS for pension calculation.

UNCOMPENSATED SICK LEAVE BANK

All hours in an employee's "uncompensated sick leave bank" as of January 1, 2020, will be converted to regular sick leave hours. As of that date, the uncompensated sick leave banks will be terminated.

XIII. PERSONAL LEAVE

Full-Time Permanent "Employees"

1. Personal Leave is leave necessary for reasons other than injury or illness directly to the Employee.
2. Personal leave will be charged against any time the Employee has accrued, such as sick leave and vacation time, as approved by the Fire Chief.
3. All permanent Employees shall be entitled to Personal Leave as follows:
 - a) Not more than twelve (12) days for forty (40) hour personnel, or six (6) shifts for shift personnel, of leave each calendar year in case an "Employee's" presence is required elsewhere because of sickness, disability or childbirth of an Employee of her/his immediate family, or any other bona fide circumstances as approved by the Fire

Chief. Proof of need must be approved by the Fire Chief or his/her designee prior to leave. (Fire Chief may grant additional days if, in the Chief's opinion, additional leave is warranted.)

- b) An Employee may be granted one (1) day/shift personal leave to attend the funeral of a relative (not defined as immediate family) at the discretion of the Fire Chief.
- c) An Employee required to appear before a court (for other than subpoenas due to actions as a District employee or jury duty) will receive the necessary time as paid personal leave, providing:
 - a. Employee notifies his/her supervisor in advance, with adequate time remaining so that a relief may be obtained.
 - b. The Employee must return to duty immediately after being released.

4. No Employee shall be entitled to personal leave with pay while on a District granted Leave of Absence.

XIV. EXECUTIVE LEAVE

Division Chiefs are not entitled to earn or accrue compensatory time; however, Division Chiefs shall be granted Executive Leave. In all instances of Executive Leave, the first and foremost consideration shall be the effective and efficient operation of the District.

- a. At the beginning of each calendar year, the Division Chiefs shall be credited with fifty-six (56) hours of Executive Leave.
- b. Executive Leave may be taken as vacation or for any other purpose at any time as approved by the Fire Chief.
- c. Should the Member terminate her/his employment during a given calendar year, he/she shall receive compensation for that portion of Executive Leave not used computed at 3-1/3 hours per month for each full month or fraction thereof, of service, at the normal hourly rate. In the event that more Leave has been taken at time of termination than would be accrued at 3-1/3 hours per month, the District may request reimbursement from the Member for the amount of executive leave in question.
- d. Executive Leave shall be taken in the calendar year granted. It shall not be accumulated or carried over to the succeeding year.

XV. BEREAVEMENT LEAVE

In the event of a death in the employee's immediate family, the employee shall be granted, three (3) shifts for 56 hour Battalion Chiefs and 40 hours for Division Chiefs paid bereavement leave.

Immediate family members consist of:

- The parents of the employee,
- The employees' spouse or domestic partner,
- The parents of the employee's spouse or domestic partner,
- The stepparents of the employee and/or employee's spouse or domestic partner,
- The grandparents of the employee,
- The siblings of the employee
- The children, stepchildren, and/or adopted children of the employee and/or the employees' spouse or domestic partner

XVI. VACATION LEAVE

- a. Employees shall be entitled to at least fifteen (15) consecutive calendar days of vacation per year.
- b. 56 Hour Battalion Chiefs shall earn and accrue vacation time as follows:

Year of Employment	Monthly Accrual Rate	Shifts Per Year
1-5	16 hours	8
6	20 hours	10
7 - 8	22 hours	11
9 - 10	24 hours	12
11 - 13	26 hours	13
14	28 hours	14
15 - 16	30 hours	15
17 and on	32 hours	16

The total number of hours to be earned in any one (1) calendar year shall not exceed three hundred eighty-four (384) hours (16 shifts).

Vacation hours must be taken during the calendar year in which they have been accrued and may not be saved nor passed on from year to year.

All efforts will be made to reschedule vacation hours not taken due to duty-related illness and/or injury or operational needs beyond the Member's control so as not to impact the District fiscally through payment of overtime wages; however, when unable to do so, the accrued time will be compensated for at the Member's hourly rate of pay.

- c. 40-Hour Division Chiefs shall earn and accrue vacation time as follows:

Year of Employment	Monthly Accrual Rate	Hours Per Year
1-5	10 hours	120
6-11	14 hours	168
12	15 hours	180
13	16 hours	192
14	17 hours	204
15	18 hours	216
16	19 hours	228
17 +	20 hours	240

The total number of hours to be earned in any one (1) calendar year shall not exceed 240 hours after 17 years.

The Division Chiefs shall be permitted to carry-over or accrue vacation to the maximum established below, after which time, no further hours will be earned or accrued:

- 1 to 5 yrs. of service - 240 hrs.
- 6 to 11 yrs. of service - 336 hrs.
- Over 11 yrs. of service - 434 hrs.

The Division Chiefs shall be permitted to convert up to eighty (80) hours of earned and accrued vacation time into monetary compensation each calendar year. The Employee shall be compensated at their regular hourly rate of pay for each hour so converted.

Vacation hours not taken due to duty-related illness and/or injury or operational needs beyond the Employee's control may be compensated for at the Employee's hourly rate of pay at the Fire Chief's discretion.

- d. Full-Time Employees

1. Any full time Employee in continuous full-time service of the District who terminates her/his employment and has earned vacation time shall be paid for such time on the effective date of such termination. When separation is caused by death of Employee, payment shall be made to the estate of such Employee.
2. Any Employee incurring a serious injury or illness which requires the Employee to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and vacation days restored accordingly, provided the

Employee has sufficient sick leave accrued and the period of hospitalization and/or confinement is certified by a physician's written statement.

e. Vacation Conversion

When an Employee is promoted, transferred, on a temporary assignment or light duty from shift to forty (40) hour workweek or the opposite, no conversion formula shall apply. If the new work assignment is temporary, all existing earned and accrued leave hours under the original assignment shall remain in place, all new leave hours shall be earned and accrued under the original assignment basis, and all leave hours used shall be based on the new actual work schedule. If the new work assignment is permanent, all existing earned and accrued vacation hours under the original assignment shall remain in place, all new leave hours shall be earned and accrued under the new assignment basis, and all leave hours used shall be based on the new actual work schedule.

f. No vacation with pay is allowable to part-time, emergency, relief, seasonal, or extra help Employees, nor to Employees paid solely on an hourly basis.

g. Battalion Chiefs may convert up to one hundred and thirty-two (132) hours of accrued vacation time into monetary compensation at the Employee's regular base hourly rate each calendar year. Employees may convert 24 hour or 12 hour accrued vacation periods only (24 hour shifts may not be split for the purposes of conversion.)

XVII. LIFE INSURANCE AND SALARY CONTINUANCE INSURANCE

a. CURRENT EMPLOYEES

The Employer shall pay all premiums on behalf of employees for the Life Insurance and the C.A.P.F.F. Long Term Disability Plan. For all full-time employees, the life insurance plan will provide a death benefit of \$10,000 for a spouse, and \$5,000 per child.

The life insurance plan will provide the following benefit for employees:

All employees to age 64	\$100,000.00
Employees age 65 – 69	\$65,000.00
Employees age 70 +	\$50,000.00

The C.A.P.F.F. Long Term Disability Plan provides, after a sixty (60) day waiting period, a maximum pay out benefit based on the C.A.P.F.F. Long Term Disability Insurance benefit (Plan A).

b. RETIREES

Retirees may purchase life insurance through the employer's plan but must pay 100% of the premium.

XVIII. MEDICAL HEALTH/DENTAL INSURANCE

MEDICAL INSURANCE

The District shall provide medical health insurance to employees and their dependents through the CalPERS Health Benefits Program and shall pay the monthly premium for the health insurance plan as follows:

Employees may choose any health plan offered by CalPERS. The District will make the following contributions to the monthly premium. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis.

- For the 2020 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$915
Employee plus one dependent- \$1829
Employee plus two or more dependents- \$2378

- For the 2021 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$961
Employee plus one dependent- \$1920
Employee plus two or more dependents- \$2497

If the District's contribution does not pay 100% of the monthly premium of at least four plans offered in the district's region, the parties will meet and confer.

Effective the pay period following approval by the Board of Directors, employees will no longer receive compensation for waiving health care.

RETIREE TIER ONE

Those persons retired prior to January 1, 2020; the district will contribute \$350 per month into a CalGovVeba account. This contribution shall terminate on the retirees 65th birthday or upon their death, whichever occurs first.

RETIREE TIER TWO

Those persons hired on or before December 31, 2019, the District will contribute the following upon retirement:

- From the date of retirement until age 65, shall receive retiree medical benefit contribution of \$1800 per month into a CalGovVeba account.
- At age 65, the monthly retiree medical benefit contribution will be \$900 per month into a CalGovVeba account.

RETIREE TIER THREE

Those persons hired on or after January 1, 2020, upon retirement after 15 years of service to the district, the District will contribute \$900 per month into a CalGovVeba account.

At age 65, the monthly retiree medical benefit contribution will be \$450 per month into a CalGovVeba account.

DENTAL INSURANCE

The Employer shall provide dental insurance to its employees and dependents and shall pay the monthly premium for the dental insurance coverage. The District shall pay for the Delta plan level of coverage which provides for \$2000.00 maximum per year.

RETIREE

Retirees may elect to join on to the district's group policy but will be responsible for 100% of the cost.

XIX. VISION CARE

The Employer shall provide vision care to employees and their dependents. The Employer shall pay the monthly premiums for employees and their dependents. Retirees may elect to join on to the district's group policy but will be responsible for 100% of the cost and will be billed directly by the current provider.

XX. CLOTHING

The District will provide non-safety and safety attire. Employees will be responsible for maintenance of all non-safety clothing.

The District will report to CalPERS a uniform allowance of \$300.00 per year as special compensation for each Classic CalPERS employee. The uniform allowance will be reported in twenty six (26) equal installments of \$11.54.

For PEPRAs employees, a \$300.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty six (26) equal installments of \$11.54. The uniform allowance for PEPRAs employees will not be reported to CalPERS.

For all employees, this uniform allowance will hold the employee responsible for maintenance of all clothing other than safety clothing. This amount is the average reportable value of non-safety clothing provided to each employee of the District.

XXI. PROFESSIONALIZATION

All "related duties" assigned to Division Chiefs and Battalion Chiefs are to be tasks directly related to the fire service, as determined by the Fire Chief. "Related Duties" can pertain to stations, facilities, apparatus, and equipment maintenance/improvement.

XXII. GRIEVANCE PROCEDURES

GRIEVANCE DEFINED/SCOPE

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential. Therefore, it is agreed that during the term of this Agreement, grievances of all manner, including disciplinary matters, shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the events giving rise to the grievance or within ten (10) calendar days of the time the grievant became aware or reasonably should have become aware of the facts giving rise to the grievance shall discuss the matter with his/her immediate supervisor (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor (formal procedure).

A. The written grievance shall contain information, which identifies:

1. The aggrieved employee.
2. The specific nature of the grievance.
3. The time and place of its occurrence or discovery.
4. The existing rule, written policy, regulation or agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
5. The consideration given or steps taken to attempt informal resolution.
6. The corrective action desired.

B. A decision by the aggrieved employee's supervisor shall be made in writing within (10) calendar days of receipt of the written grievance.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee may, within ten (10) calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10) days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10) calendar days after receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4) employees; two (2) chosen by the Association, and two (2) employees chosen by the Fire Chief or his/her designee. The panel will meet, review the facts, and make its recommendation in writing to both parties.

NOTE: With regard to a dispute that arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may bypass STEP 1 & STEP 2, aforementioned.

A grievance filed by the Association shall start at STEP 3, unless the above "NOTE" applies.

STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration with approval of at least two employees of the Association's

Executive Board. The arbitration request must be in writing to the Chair of the Board of Directors. This must be completed no later than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this agreement.

The aggrieved employee and the Fire Chief or designee shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact the State of California Mediation and Conciliation Service to request that a list of seven (7) possible arbitrators be provided. Upon receipt of seven (7) possible arbitrators the parties will meet to select the final arbitrator. The loser of a single coin toss will eliminate the first name of the possible seven (7) arbitrators. The parties shall then alternately strike names from the list of seven (7) arbitrators until such time as there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- A. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter, and transcripts shall be borne equally by the employee (grievances) or Union (disciplinary appeal) and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- B. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
- C. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
- D. Any monetary award in favor of the grievant is limited to lost wages suffered from the date of the grievance forward.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

BINDING ARBITRATION

Request for binding arbitration must go before the voters of the Aptos/La Selva Fire Protection District.

XXIII. LAYOFF AND REHIRE PROCEDURE

LAYOFF PROCEDURES

In the event that a layoff should become necessary, it will be conducted in the following manner:

1. Firefighters from the rank of probationary Firefighter through and including permanent Battalion Chief shall be laid off on a strict seniority basis, with the last employee hired to be the first laid off.
2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Aptos/La Selva Fire Protection District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.
3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a full-time, paid employee.

REHIRE PROCEDURE

When funds become available for rehiring, the process shall be as follows: The last employee laid off shall be the first to be rehired. Any person being rehired must pass a physical examination equivalent to that required for initial hiring into the District. Any person unable to pass the physical examination shall not be rehired. Cost of the physical examination shall be borne by the Employer.

There shall be no time-limit for this rehire procedure.

XXIV. PARAMEDIC BATTALION CHIEFS

Any Battalion Chief wishing to maintain his/her paramedic license will be compensated 2.5% of step one firefighter/paramedic pay per month. Paramedic incentive is reportable special compensation to CalPERS for pension calculation.

Battalion Chiefs wishing to discontinue their paramedic duties must submit a letter of intent via inter-office memorandum to their supervisor following the appropriate chain of command. The letter will then be forwarded to the Fire Chief.

The District will pay Paramedic license renewal fees for all employees who hold a CA State Paramedic license.

XXV. COMMENCEMENT OF NEGOTIATIONS

The Employer and the Association shall commence negotiations for a subsequent memorandum of understanding not later than four months before the expiration of this agreement.

XXVI. EFFECTIVE DATE

After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement, except upon mutual agreement between the contracting parties. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the mutual agreement into this Agreement.

After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing 1/1/2020, except as noted herein.

This Agreement shall remain in effect through 12/31/2021, or until a new agreement is agreed upon by the parties, subject to the Employer's emergency powers under Government Code Section 3504.5.

XXVII. TERM

Except as may be otherwise specifically provided herein, this Agreement shall be effective January 1, 2020 through December 31, 2021.

SIGNATURES

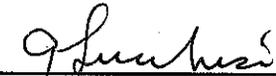
**FOR THE CHIEF OFFICERS'
ASSOCIATION**



Signature

Signature

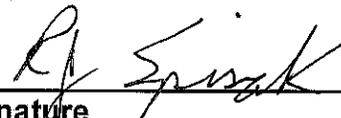
**FOR THE EMPLOYER – APTOS/LA
SELVA FIRE DISTRICT**



Signature



Signature



Signature

Signature

Signature

L3535 CAPTAIN III

\$11,683.20

\$140,198.40

\$155,178.50

**Salary Steps 5%
POSITION**

					w/ Hol Pay
DIVISION CHIEF III		\$17,322.38	\$207,868.60	\$99.94	
	II	\$16,497.51	\$197,970.09	\$95.18	
	I 14%(3%)	\$15,711.91	\$188,542.94	\$90.65	
BATTALION CHIEF III		\$13,782.38	\$165,388.55	\$56.64	\$183,060.20
	II	\$13,126.08	\$157,512.90	\$53.94	\$174,343.05
	I 7%	\$12,501.02	\$150,012.29	\$51.37	\$166,041.00
40 HR BATTALION CHIEF III		\$13,782.38	\$165,388.55	\$79.51	
	II	\$13,126.08	\$157,512.90	\$75.73	
	I	\$12,501.02	\$150,012.29	\$72.12	

**CY 2020
POSITION**

DIVISION CHIEF III		\$17,582.22	\$210,986.62	\$101.44
	II	\$16,744.97	\$200,939.64	\$96.61
	I 14%(3%)	\$15,947.59	\$191,371.09	\$92.01
BATTALION CHIEF III		\$13,989.11	\$167,869.38	\$57.49
	II	\$13,322.97	\$159,875.60	\$54.75
	I 7%	\$12,688.54	\$152,262.47	\$52.14
40 HR BATTALION CHIEF III		\$13,989.11	\$167,869.38	\$80.71
	II	\$13,322.97	\$159,875.60	\$76.86
	I	\$12,688.54	\$152,262.47	\$73.20

**CY 2021
POSITION**

DIVISION CHIEF III		\$18,109.69	\$217,316.22	\$104.48
	II	\$17,247.32	\$206,967.83	\$99.50
	I 14%(3%)	\$16,426.02	\$197,112.22	\$94.77
BATTALION CHIEF III		\$14,408.79	\$172,905.46	\$59.21
	II	\$13,722.66	\$164,671.86	\$56.39
	I 7%	\$13,069.20	\$156,830.35	\$53.71
40 HR BATTALION CHIEF III		\$14,408.79	\$172,905.46	\$83.13
	II	\$13,722.66	\$164,671.86	\$79.17
	I	\$13,069.20	\$156,830.35	\$75.40

**MEMORANDUM OF UNDERSTANDING BETWEEN THE EMS CHIEF AND
APTOS/LA SELVA FIRE PROTECTION DISTRICT**

This Memorandum of Understanding (MOU) is made and entered into at Aptos, California, this August 13 2020 by and between the Emergency Medical Services (EMS) CHIEF and the APTOS/LA SELVA FIRE PROTECTION DISTRICT. All references regarding Aptos/La Selva Fire Protection District EMS Chief will hereby be referred to as "Employee". All references to the Aptos/La Selva Fire Protection District will be referred to as "District".

ARTICLE I. POSITION

Pursuant to the provisions of applicable state law, the position of EMS Chief is hereby recognized as an "overtime exempt, non-safety employee".

ARTICLE II. PURPOSE AND UNDERSTANDING

The purpose of this Memorandum of Understanding is to promote and provide harmonious relations, cooperation and understanding between the Employee and the District; to provide an orderly and equitable means of resolving differences which may arise under this Memorandum, and to set forth the agreements of the parties reached as a result of meeting and conferring in good faith.

This Agreement sets forth the understanding of the parties regarding the matters covered herein, and any or all prior or existing memoranda of understanding are hereby superseded.

Unless specifically modified by the terms of this Agreement, the District's Personnel Rules, Policies and Procedures, as set forth in District Resolution 2-10 shall apply to the Employee. To the extent there is a conflict between specific provisions of this Agreement and other District Rules, Policies and Procedures addressing a subject covered by this Agreement, the terms of this Agreement shall govern.

ARTICLE III. DISTRICT RIGHTS

Except as expressly limited by this Agreement, and as thereafter amended or modified, it is understood and agreed by the Employee that the District retains all of its powers to direct, manage and control the affairs of the District to the full extent of the law. Included in, but not limited to, those duties and powers is the District's right to determine its organization; direct the work of its employees; determine the times and hours of operation; determine the kinds and levels of services to be provided and the methods and means of providing them; establish District policies, goals and objectives; maintain the efficiency of District operations; acquire District property; build, move or modify District facilities; establish budget

MOU 2020-2022 EMS Chief

procedures and determine budgetary allocation; determine the methods of raising revenue; and contract out work. In addition, the District retains the right to increase, decrease or reassign the work force; hire, promote, demote; discharge or discipline for cause; or reclassify special work requirements. The District has the sole absolute right to assign or reassign District equipment including motor vehicles, to or from employees during, after, or before hours of duty without consultation of meeting and conferring with the employee.

ARTICLE IV. COMPENSATION

SECTION 1. SALARY

a. **The District will pay the salary rates reflected in the Salary Schedule set forth in appendix A.** During the term of this agreement, the employee will receive a cost of living adjustment (COLA) as follows:

- First full pay period in January 2020 — 3%
- First full pay period in January 2021 — 4%
- First full pay period in January 2022 — 3%

SECTION 2. EMPLOYEE GROUP INSURANCE

a. **Medical Insurance**

The District shall provide medical health insurance to the employee and his/her dependents through the CalPERS Health Benefits Program. The District's contribution to the monthly premium will be equal to the PERS Choice PPO premium.

Employees may choose any health plan offered by CalPERS. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis.

Health premium contribution upon retirement:

- For one full month following the month of an Employee's retirement, the District will provide the same monthly contribution toward health plan premiums that the employee received during the final month of employment with the District.

b. **Dental Insurance**

The Employer shall provide dental insurance to its employees and dependents and shall pay the monthly premium for the dental insurance coverage.

c. **Vision Insurance**

The Employer shall provide vision care to employees and their dependents and shall pay the monthly premiums.

d. **Post Retirement Longevity Benefit**

The District has established a CALGOVEBA ("VEBA") account for retiree healthcare. All plan design features of VEBA have been negotiated and are mandatory as described in this section. Employer-level administrative fees or maintenance charges for the VEBA will be paid by the District.

Employees hired after March 31, 2005 shall participate in a Post Retirement Longevity Benefit program. The new Employee shall receive a District contribution into their VEBA in the amount of thirty-five dollars (\$35.00) per month for each month of their employment. The new Employee shall make a mandatory monthly contribution equal to one-half of the District monthly contribution. The District contribution to the VEBA shall vest to the new Employee only in the event that the new Employee retires from the District for service or service-connected disability.

In addition, all Employees, upon service or disability related retirement, shall have all terminal sick leave and vacation leave payoff funds contributed directly into the Employee's account. Any other form of separation from employment will result in terminal sick and vacation leave payoffs being made directly to the terminating employee.

Employee and retiree participation in the VEBA is mandatory in order to receive any Post Retirement Longevity Benefit. All mandatory contributions to the VEBA described herein shall be made on the first business day of the month or as close to that as is practical. In the event that Employee or new Employee mandatory contributions are not made for any reason the District is relieved of its obligation to make contributions. VEBA deposits, withdrawals, and related income tax consequences are governed by the Internal Revenue Code and Internal Revenue Service and both the District and all Employees understand this.

e. **The District will pay one hundred percent (100%) of the premium for group life insurance for employee for coverage in the amount of fifty thousand dollars (\$50,000.00).**

f. **Long Term Disability**

The District will provide long term disability insurance and shall pay the premium for the employee.

SECTION 3. RETIREMENT

a. **Employer Paid Member Contribution (EPMC).** The District will pay one hundred percent (100%) of the Employee's contribution for PERS. This contribution is to be

MOU 2020-2022 EMS Chief

credited to the Employee's individual account as per Section 20615 of the Public Employees' Retirement Law.

- b. Miscellaneous personnel are under a "3% at 60" contract, effective January 1, 2006, and in addition to the basic benefits, the following benefits are included:

One-year Final Compensation
Credit for Unused Sick Leave
Reporting the Value of Employer Paid Member Contribution (EPMC)

SECTION 4. PAY PERIODS

The annual base pay amount shall be divided by 26 and the resulting amount shall be paid on a regular biweekly basis.

SECTION 5. FLEXIBLE WORK SCHEDULE

Employee's normal workday is working between 0800- and 1800-hours Monday through Thursday. When it is deemed to be to the benefit of the District and does not conflict with District operational needs, the Fire Chief may approve temporary rearrangement of the employee's work schedule for a particular day.

- a. The District acknowledges that there may be benefits both to the District and the employee in alternative schedules. Employee may request that the Fire Chief consider alternate scheduling of their work. Examples of alternate schedules include flex-time, job sharing, 9/80 and 4/10 plans. The Fire Chief may give consideration to such requests within existing law and policy but is not obligated to change an employee's schedule. Also included in the concept of alternative schedules and flex time are assignments such as other professional development and training techniques. Employee requests for alternate schedules will be made in writing, on a form mutually agreeable to the Employee and the District. Rejection of an employee's request for an alternative work schedule option shall be made in writing from the Fire Chief and shall cite the reason(s) for rejecting the request.

SECTION 6. CONTINUING EDUCATION

In the interest of developing the Employee's knowledge, skills, and abilities related to job responsibilities, the District will from time-to-time provide education and training opportunities and assignments to the Employee. Such education and training opportunities and assignments shall be approved in advance by the Fire Chief and will be reimbursable to the Employee under applicable District expense reimbursement policy.

ARTICLE V. PERFORMANCE REPORTS

SECTION 1. POLICY

It is the policy of the District that regular reports be made as to the efficiency, competency, conduct and merit of its employees. To this end, it is declared to be the responsibility of the Fire Chief that these evaluations be made.

SECTION 2. PROCEDURE

- a. Pre-evaluations will be prepared for Employee within thirty (30) days past the beginning of Employee's hire date.
- b. Written reports shall be prepared for Employee for a salary increase in accordance with District Personnel Policies. Copies of the reports shall be furnished to the Employee.

SECTION 3. REVIEW

Each performance report shall be reviewed with the Employee as a tool for improving performance. The Employee shall sign the report to acknowledge this review and is entitled to submit a signed statement, to be attached, if employee does not concur with the contents of said report.

SECTION 4. DISTRIBUTION

Reports shall be prepared in two (2) copies. After review by the appointing authority, one copy (1) shall be retained for file, one (1) copy shall be returned to the Employee.

ARTICLE VI. LEAVES

SECTION 1. HOLIDAYS

- a. Employee shall earn holiday leave currently approved: Thirteen days per year designated as follows:

New Year's Day	Thanksgiving
Martin Luther King's Day	Friday following Thanksgiving
President's Day	Last working day before Christmas
Memorial Day	Christmas
Independence Day	New Year's Eve
Labor Day	Floating Holiday
Veteran's Day	

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- 1) All requests to take Floating Holiday Time off shall be submitted to the Fire Chief with a minimum of twenty-four (24) hours in advance. This notice may be waived with approval of the Fire Chief.
- 2) Once a Floating Holiday has been granted, it may not be rescinded without the employee's approval.
- 3) If a holiday falls on a day that is assigned as a scheduled day off the holiday leave may be used during the remainder of the calendar year subject to the advance approval of the Fire Chief.

SECTION 2. VACATIONS

a. Employee shall earn and accrue vacation time as follows:

- 1) From time of appointment as a full-time permanent employee until completion of the fifth year, employee shall earn ten (10) hours per month (15 working days per year).
- 2) For the sixth (6th) through the eleventh (11) years of employment, at the rate of fourteen (14) hours of vacation per month (21 working days per year)..
- 3) After completion of the eleventh (11th) year, an employee will be given one (1) additional vacation day for each additional year of service, to a maximum of thirty (30) days after twenty (20) years of service with the District.
- 4) Employee shall be permitted to carryover or accrue vacation to the maximum established below after which no further hours will be earned or accrued:

1 to 5 yrs. of service	240 hrs.
6 to 11 yrs. of service	336 hrs.
Over 11 yrs. of service	368 hrs.

Maximum accrual excludes those days accrued in the current calendar year.

b. Full-Time Employee

- 1) Any full-time employee in continuous full-time service of the District who terminates employment and has earned vacation time shall be paid for such time on the effective date of such termination. When separation is caused by death of an employee, payment shall be made to the estate of such employee.

- 2) Any employee incurring a serious injury or illness which requires the employee to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and vacation days restored accordingly, provided the employee has sufficient sick leave accrued and the period of hospitalization and/or confinement is certified by a physician's written statement.

SECTION 3. SICK LEAVE

a. Full-Time Employees

- 1) Sick leave is that amount of time allocated by the District each calendar year from January 1st through December 31st.
- 2) All Employees shall be entitled to sick leave as follows:

Employees shall accrue sick leave at the rate of sixteen (16) hours per month (192 hours per year), with a maximum accumulation of 1600 hours. At the end of each calendar year, one-half (1/2) of the accumulated sick leave in excess of 1600 hours shall be paid at the Employees base hourly rate of pay.

Maximum accrual excludes those days accrued in the current calendar year.

- 3) Sick leave shall not be considered as a right which an Employee may use at their discretion but shall be allowed only in case of necessity or as required by law.
- 4) An Employee is entitled to sick leave with pay who are unable to work because of their own illness or disability, for the illness or disability of an eligible family employee and other purposes required by federal and state law.
- 5) No Employee shall be entitled to sick leave with pay while on a District granted Leave of Absence without pay.
- 6) Notification and Verification
 - a) Advance Notice Requirement. In order for sick leave to be granted, Employee who, because of illness or injury, is unable to report to work, shall notify the Administration Office in accordance with District regulations or policies. Failure to notify the Administration Office without good reason will result in an unauthorized leave of absence without pay. The determination in this regard shall be made by the Fire Chief.

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- b) Where the length of absence due to injury or illness is not known at the outset, it shall be the responsibility of the Employee to remain in contact with the Administration Office of the District.
- c) Verification.
 - 1) In the case of injury, Employees shall present to District Administration Office a physician's "release to return to work" prior to or upon reporting for duty.
 - 2) In the case of illness, the Employee may be required to file a physician's certificate or a personal affidavit with the Fire Chief, stating the cause of absence in the case of:
 - (a) An Employee's absence for three or more consecutive workdays which is due to illness;
 - (b) Whenever the Fire Chief reasonably believes that cause exists to request such verification.
- d) The Fire Chief may require a medical examination before allowing an Employee to return to work. Such examination shall be performed by a physician selected by the District and shall be at the District's expense.

b. Pay for Sick Leave

- 1) At the end of each calendar year, one-half (1/2) of the accumulated sick leave in excess of 1600 hours shall be paid at the Employee's regular hourly rate of pay.

Upon retirement, any accumulated sick pay not compensated for, may be applied as service credit as provided for by Public Employee's Retirement Law, Section 20862.8

The Employee will receive payoff for accumulated sick leave upon termination except for discharge for upheld cause (for which payoff shall be forfeited). Payoff of accumulated sick leave will be limited to 800 hours, plus the current year's accumulation. One-half (1/2) of the above 800 hours, plus one-half (1/2) of the current year's accumulation, shall be paid at the Employee's regular hourly rate of pay, with any accumulated sick leave not compensated for applied as service credit as provided for by Public Employee's Retirement Law, Section 20862.8

- 2) Employees retiring on a service or disability pension shall have the option of:

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- a) Being paid for their unused sick leave. This shall apply to one-half (1/2) of the first 800 (eight hundred) hours accumulation plus one-half of the current calendar year accumulation. This shall be paid at the Employee's current regular hourly rate of pay; or
 - b) Taking their unused sick leave as time off to increase the time credit for pension purposes. This shall apply to one-half (1/2) of the first 800 (eight hundred) hours accumulation plus one-half of the current calendar year accumulation. Vacation, sick leave, and holiday hours or any other benefits shall not accrue while using this option.
- 3) An Employee discharged for upheld cause shall forfeit all the right to any payment for accumulated sick leave.
 - 4) An Employee resigning shall not qualify for payment of any accumulated sick leave.
 - 5) The survivor(s) of any Employee will be paid for that Employee's accumulated sick leave, not to exceed that amount entitled the Employee upon retirement.

SECTION 4. PERSONAL LEAVE

- a. Personal Leave is leave necessary for reasons other than injury or illness directly to the employee.
- b. Personal leave will be charged against any time the employee has accrued, such as sick leave and vacation time, as approved by the Fire Chief.
- c. Employee shall be entitled to Personal Leave as follows:
 - 1) Not more than twelve (12) days of leave each calendar year in case a employee's presence is required elsewhere because of sickness, disability or childbirth of an employee or his/her immediate family as defined in the District Personnel Policies. Proof of need must be approved by Fire Chief or designee prior to leave.
 - 2) An employee may be granted one (1) day personal leave to attend the funeral of a relative (not defined as immediate family) at the discretion of the Fire Chief.
 - 3) An employee required to appear before a court (for other than subpoenas due to actions as a District employee or jury duty) will receive the necessary time as paid personal leave, providing:
 - a) Employee notifies Fire Chief in advance, with adequate time remaining so that a relief may be obtained.

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- b) The employee must return to duty immediately after being released.
- d. No employee shall be entitled to personal leave with pay while on a District granted Leave of Absence.

SECTION 5. BEREAVEMENT LEAVE

In the event of a death in the employee's immediate family, the employee shall be granted five (5) working days paid bereavement leave.

SECTION 6. MILITARY LEAVE

Military leave shall be provided in accordance with Federal and State Law.

SECTION 7. JURY DUTY

Jury Duty benefits will be provided in accordance with current District policies.

SECTION 8. EXECUTIVE LEAVE

The Employee shall be credited with fifty-six (56) hours of Executive Leave annually at the beginning of each calendar year. Executive Leave shall be taken in the calendar year granted. It shall not be accumulated or carried over to a succeeding year. There shall be no payoff for unused Executive Leave.

ARTICLE VII. TERM OF AGREEMENT

1. Term

After execution by all parties to this Agreement, no changes, amendments, or adjustments to this Agreement shall be made by any party to this Agreement without engaging in the meet and confer process. Any such mutual agreement shall be evidenced in writing setting forth the mutual agreement of the parties and incorporating the agreement into this Agreement. After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing January 1, 2020, except as noted herein subject to the Employer's emergency powers under the Government Code Section 3504.5. Except as otherwise specifically provided herein, this Agreement shall be effective January 1, 2020 through December 31, 2022.

2. Savings Clause

In the event any portion of this Agreement is declared null and void by a court of competent jurisdiction, the remaining portions of the Agreement shall continue in full force and effect, and the parties shall immediately commence negotiations to ensure

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that the superseded portion(s) are rewritten to conform as nearly as possible to the original intent.

3. Amendments Clause

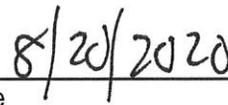
Amendments to this contract on non-economic,(no cost to the District), non-substantive issues which are agreeable to both sides, and do not require negotiation, may be accomplished with the use of an addendum which shall be dated, signed and attached to this MOU.

APTOS/LA SELVA FIRE PROTECTION DISTRICT:


George Lucchesi, Board President


Date


Scott Vahradian, EMS Chief


Date

3757 (201)

3757 (201)

MEMORANDUM

OF

UNDERSTANDING

APTOS/LA SELVA FIRE PROTECTION DISTRICT

AND

THE PROFESSIONAL FIREFIGHTERS UNION

IAFF LOCAL - 3535

JANUARY 1, 2020

Through

DECEMBER 31, 2021

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I. PREAMBLE

This Memorandum of Understanding (MOU) is entered into by and between the Aptos/La Selva Fire District (Employer or District) and the Professional Firefighters Union, IAFF Local - 3535 (Union) pursuant to the Meyers-Milias Brown Act (Gov. Code §§ 3500-3511) and has been jointly prepared by the parties.

II. RECOGNITION

The Union is hereby acknowledged by the District as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the firefighter bargaining unit, which consists of the following full-time positions: Fire Captains, Fire Captain Specialist, 40 Hour Safety Employee, Firefighter/Paramedics, and Firefighters.

The District shall deduct from a represented employees pay Union membership dues, designated fees, premiums for insurance programs, political action fund contributions and any special membership assessments (collectively "contributions"), as is established and may be changed from time to time by the Union upon either a written certification from the Union that it has and maintains individual employee authorizations, or a pre-existing employee dues deduction authorization and remits such contributions to the Union.

Any employee desiring revoke his or her authorization for union contributions shall proceed as follows: For those employees who signed a membership card or other authorization form which provides terms of revocation, the exclusive method of revocation set by the card or other authorization form; for employees whose membership card or other authorization form does not provide terms of revocation, the employee may revoke by submitting a written revocation to the Union and the District during the month of June of any year.

When the Union determines that a represented employee timely revokes his or her membership or contribution authorization as provided above, Union shall notify the District in writing with fourteen (14) days. The District shall cease contribution deductions by the next qualifying pay period after receiving the notice of revocation from the Union.

Employee requests to cancel or change notice of dues deductions must be directed to the union, rather than to the District.

The Union shall defend, indemnify, and hold the District and its officers and employee's harmless from any and all claims, demands, suits or other actions arising from the maintenance of any contributions and/or from complying with any third party demand regarding the Union request for union contributions made pursuant to this provision, provided that the District provides notice to the Union within the statutory requirements of any claim, demand, suit, or other action served on the District for which is it seeking

defense and/or indemnification. With regard to any such claim, demand, suit or other action, the Union will have the exclusive right to appoint and direct counsel, control the defense of any action or proceeding, and determine whether any such action or proceeding shall or shall not be compromised, resisted, defended, tried or appealed. In no event shall the District be required to pay from its own funds Union contributions its employees are obligated to pay, but failed to pay, regardless of the reasons.

The Union will be allowed one (1) representative at all District orientations where new employees represented by the Union will be attending, consistent with Government Code § 3550-3559. Union representative shall be allowed twenty (20) minutes to make a presentation and answer questions to and from employees in classifications represented by the Union. The District will notify the union thirty (30) days in advance of such orientation sessions.

Except as otherwise provided in this section, and in accordance with SB 866 (2018) and AB 119 (2017), each pay period, the District shall remit all sums so deducted to the Union, and in each quarter of the year (January 1, April 1, July 1, and October 1), the District shall provide a report with the following information: employee name, job title, work location, work, home, and personal cellular telephone contact number in district records, personal email addresses on file with the District, and home addresses of all employees and amounts deducted, including an accumulated total annual amount deducted per employee.

III. MANAGEMENT RIGHTS

The District has exclusive and inherent management rights with respect to matters of policy. These include, among others: the exclusive right to determine the mission of the District; to set standards of service; to determine the procedures and standards for selection for employment; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to relieve its employees from duty because of lack of work, funds or other legitimate reasons; to maintain the efficiency of District operations; to determine the methods, means and the number and kinds of personnel by which District operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to exercise its discretion to organize and reorganize its department and affairs, and to otherwise exercise complete control and discretion over its organization and the technology of performing its work; to determine the content of job classifications; to implement rules, regulations and directives consistent with the law and the specific provisions of this MOU. The District's exercise of the above listed rights shall be in accordance with law and the specific provisions of this MOU, including the provision regarding advance notice when applicable.

IV. MAINTENANCE OF BENEFITS

All rights, terms and conditions of employment, subject to the meet and confer process, not specifically covered by this Agreement shall remain in effect until changed by mutual agreement.

The District and the Union or their properly designated representatives shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the Union or the District prior to arriving at a determination of policy or course of action.

The District agrees to maintain all benefits for the duration of this contract.

V. DISCRIMINATION

There shall be no discrimination by the Union, the District, or any District employee because of sex, race, color, ancestry, religion, national origin, physical or mental disability, medical condition, age, marital status, the taking of family and medical leave per the Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), pregnancy, sexual orientation, gender identity, or participation in legitimate Union activities. Complaints alleging discrimination based on legitimate Union activities shall be processed as grievances under this agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment and retaliation.

VI. WAGES & HOURS

During the term of this contract, the following salary raises will be in effect:

- Effective the first full pay period in January 2020 – 1.5%
- Effective the first full pay period in January 2021- 3%

For purposes of determining the hourly rate for 56 hour employees, the annual salary is divided by 2920.

The agreed difference between steps is 5%. The agreed difference between the ranks of Firefighter 3 and Captain 1 is 14%. The agreed difference between the ranks of Firefighter/Paramedic 3 and Captain 1 is 7%.

The Employer will pay the salary rates reflected in the Salary Schedule set forth in Appendix A.

All step increments in salary are merit steps and occur annually. Step increases are effective the first day of the pay period following the employee's anniversary date.

All active employees represented by this Agreement shall be assigned to weekly work shifts (56 hours average or 40 hours), unless on special assignments as designated by a chief officer of the District. For the duration of this Agreement, the 56 hour work schedule will remain a 48 hours on and 96 hours off shift pattern.

A. OUT OF CLASS COMPENSATION

Those employees required to work out of class (upward) shall be compensated at the same rate of pay that they would receive if appointed to that position; however, such employees, not including the 40 hour safety employee, shall not be compensated at a rate that exceeds the lowest paid employee regularly assigned to that higher level position, exclusive of any incentives. Additionally, employees who are scheduled to work out of class for more than-four (4) consecutive shifts shall receive the higher pay rate as compensation for vacation, sick leave, and any other compensated time off that occurs while working out of class. Once the employee returns to their regular class, their compensated time off reverts to their regular pay rate.

Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, title 2, Section 571 as Temporary Upgrade Pay. Premium compensation for Upgrade Pay for overtime hours is not reportable.

Those employees electing to work out of class (downward) shall be compensated at their regular rate of pay as working in their normally assigned position.

Out Of Class Pay is not reportable to CalPERS for PEPRA members.

B. OVERTIME

Section 1.

Fair Labor Standards Act (FLSA)

As set by the Department of Labor, work periods for public safety employees can vary from seven to 28 days (section 207(k)). Based on the set work period, safety employees are entitled to FLSA overtime for hours actually worked in excess of the threshold set by the Department of Labor. (For FLSA purposes Aptos/La Selva Fire pays FLSA overtime for all time worked or "deemed" to have been worked including all paid time off).

Aptos/La Selva Fire has established a 24 day work period and therefore employees are entitled to FLSA overtime for hours worked in excess of 182 hours. The regular scheduled hours worked for our shift employees is 192 (eight, 24 hour shifts) within a 24 day work period. Since the regular scheduled hours exceeds the 182 hour threshold, there are ten hours of scheduled overtime for safety employees each 24 day FLSA work period. Since the employee's salary is intended to compensate for the scheduled 192

hours, the overtime premium for the hours between 182 and 192 is at half-time of the employee's "Regular Rate of Pay".

- There are 15.208 FLSA Cycles a year ($365 / 24 = 15.208$)
- There are typically 26 pay periods per year
- 2920 is the assumed hours worked per year (2,080 hours for forty hour employees)
- FLSA Pay is reportable special compensation to CalPERS for pension calculation

Regular Rate of Pay

An employee who works overtime will be compensated for those overtime hours at a rate of one and one half times the employee's "Regular Rate of Pay." The "Regular Rate of Pay" includes all remuneration paid to the employee including base salary as defined in the salary schedule plus any additional pay the employee receives such as but not limited to Paramedic Pay, Special assignment Pay and Education Incentive. Holiday Pay is not include in the "Regular Rate Of Pay". All included compensation will be converted into an hourly rate to calculate FLSA pay as well as the Overtime Rate of Pay.

Section 2. Overtime (FLSA is reportable special compensation & overtime is not reportable.)

Employees shall be entitled to premium overtime compensation at the rate of one and one half (1.5) times the employee's "regular rate of pay", as that term is defined under the FLSA, for all time worked or deemed to have been worked in excess of 182 hours in a 24 day work period.

For the purpose of determining overtime, the words "deemed to have been worked" shall include all paid leave time.

Overtime compensation shall be accumulated in one-half hour increments.

Section 3. Compensatory Time Off (May not be reportable compensation to CalPERS)

Bargaining unit employees are eligible to receive earned overtime in the form of compensatory time off. The method by which overtime is paid (CTO or cash) is at the discretion of the employee. The maximum accumulated compensatory hours will not exceed 120 hours.

Employees may use accrued CTO hours as time off in accordance with the vacation time off process set forth in this MOU. The use of CTO will not result in force hiring.

An employee who is promoted to a higher position shall have one half of his/her accrued CTO hours paid off at the time of the promotional appointment, at the regular rate of pay for the previous class.

C. EDUCATION INCENTIVE

The District will not reduce the amount of Education Incentive received by Employees prior to January 1, 2017. If Employees were receiving a total of 4% of Step 1 Firefighter/Paramedic pay EP as of January 1, 2017, they will retain the 4% of Step 1 Firefighter/Paramedic pay but are not eligible for additional education incentive. If Employees were receiving less than 4% of Step 1 Firefighter/Paramedic pay as of January 1, 2017, they are eligible to receive additional education incentive up to 4% of Step 1 Firefighter/Paramedic pay upon successful completion of requirements listed below in Section B.

When an employee elects to convert his/her time into monetary compensation, the education incentive will be considered to be part of an employee's hourly rate.

As of January 1, 2017, Employees are eligible for Education Incentive, not to exceed four (4%) of Step 1 Firefighter/Paramedic pay, as follows:

1. Four percent (4%) of Step 1 Firefighter/Paramedic pay for successful completion of a BA/BS Degree completed prior to or during employment.
2. Two percent (2%) of Step 1 Firefighter/Paramedic pay for successful completion of an AA/AS Degree completed prior to or during employment.
3. One percent (1%) of Step 1 Firefighter/Paramedic pay for every nine (9) semester or equivalent quarter units of accredited college fire science classes, taken and completed during employment with the District.
4. One percent (1%) of Step 1 Firefighter/Paramedic pay for every nine (9) semester or equivalent quarter units of accredited college business, management, computer science or similar discipline deemed to benefit the District taken and completed during employment with the District may be included with prior approval of the Fire Chief.
5. One percent (1%) of Step 1 Firefighter/Paramedic pay for every 360 hours (40 hours = 1 semester unit) of non-accredited job related/certified classes taken and completed during employment with the District may be included with prior approval of the Fire Chief.

Excluded are: (1) all paramedic training and continuing education, (2) units for which the District paid registration, transportation, meals and lodging and the Member received his/her normal salary while attending the school.

D. SPECIAL ASSIGNMENTS

Bargaining unit employees may be appointed to perform the duties of one or more special assignments. Bargaining unit employees appointed to a special assignment will be required to meet the minimum requirements of that assignment, including any continuing education requirements (which generally consist of a minimum of 24-hours of continuing education per year, including didactic and manipulative training, i.e. hands-on, drills, exercises, etc.) The Training Division shall coordinate all courses and/or trainings respective to a special assignment.

NOTE: All employees appointed to a special assignment shall complete any initial or minimum training required, including receipt of any required certifications or passage of any applicable medical examinations necessary to obtain a certification or license. Employees who do not meet applicable Federal, State and Local requirements for the position will not be eligible for initial appointment. Once appointed, employees are required to maintain all applicable certifications and complete required continuing education mandates. Employees appointed to a position who are required to attend training off duty to meet this requirement will be paid overtime compensation for such work.

The Fire Chief, in consultation with the Fire District Training Chief and related agencies that the Fire District interfaces with (e.g., State Fire Training, California Specialized Training Institute [CSTI]), shall establish the certification requirements and continuing educational requirements for the special assignments listed below.

Employees who wish to be removed from a special assignment may request to be removed by submitting a letter, requesting removal, to their Battalion Chief following the appropriate chain of command. The letter will then be forwarded to the Fire Chief who will determine if the request will be granted or denied.

Compensation for specialty pay will be paid biweekly.

D. 1. Hazardous Materials Technician

Employees may be eligible for appointment to assignment as a Hazardous Materials Technician. Eligibility for Hazardous Material Technician team and pay will be outlined in the most current Hazardous Material Technician SOP. Employees assigned as a Hazardous Materials Technician will be required to have specialized training, increased responsibilities on incidents and subject to an increased safety risk due to increased exposure to toxic, radioactive, explosive or other hazardous substances. To be eligible for appointment to this assignment, an employee must possess certification from the State of California, in accordance with State Fire Training as a Hazardous Materials Technician or above. Employees in this assignment will be required to satisfy the continuing education requirements as required by CAL/OSHA, maintain annual Haz-Mat related physical (medical)

requirements and satisfy all requirements to be an employee of the Santa Cruz Hazardous Materials Incident Team (SCHMIT). Employees appointed to this assignment must maintain an active role in the Santa Cruz Hazardous Materials Incident Team (SCHMIT) and are routinely and consistently required to respond to situations involving exposure to hazardous materials. Employees appointed to this position will be eligible to receive special assignment pay, which will be equal to 5% of the step one monthly salary for the firefighter/paramedic classification. Hazardous Materials Technician incentive is reportable special compensation to CalPERS for pension calculation.

D. 2. Fire Investigator

Employees may be eligible for appointment to the Fire Investigation Unit. Eligibility for Fire Investigator unit and pay will be outlined in the most current Fire Investigator SOP. This Unit is responsible for investigating the cause and origin of destructive fires, including suspected arson fires. To be eligible for appointment to this assignment, at minimum, an employee must be certified by the State of California as a Fire Investigator I and/or as an Apprentice Fire Investigator recognized by the California Conference of Arson Investigators (CCAI) Certified Fire Investigator program. Employees appointed to this assignment will be required to routinely and consistently participate in the Fire Investigation Unit. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the step one monthly salary for the firefighter/paramedic classification. Fire Investigator incentive is reportable special compensation to CalPERS for pension calculation.

D. 3. Aquatic Response Rescue Team

Employees may be eligible for appointment to the Aquatic Response Rescue Team (ARRT). Eligibility for Aquatic Response Rescue Team and pay will be outlined in the most current Aquatic Response Rescue Team SOP. This team is responsible for responding to incidents that require specialized expertise in conducting hazardous water rescues and who are subjected to increased safety risk. To be eligible for appointment to the ARRT, an employee must successfully meet all District and United States Lifesaving Association (USLA) requirements, and as those requirements are updated from time to time. Employees appointed to this assignment will be required to routinely and consistently participate as an employee of the ARRT. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the step one monthly salary for the firefighter/paramedic classification. Aquatic Response Rescue Team incentive is reportable special compensation to CalPERS for pension calculation.

D. 5. Rescue Technician

Employees may be eligible for appointment to a Rescue Technician assignment. Eligibility for Rescue Technician team and pay will be outlined in the most current Rescue Technician SOP. Rescue Technicians are routinely and consistently responsible for responding to certain life and safety rescue situations such as high angle or cliff rescues, trench or subterranean rescues or rescues in confined spaces which require enhanced training and specialized expertise due to increased hazards that pose a significant safety risk. To be eligible for appointment to a Rescue Technician assignment, an employee must have successfully completed the following specialized classes:

- Rope Rescue Technician
- Rescue Systems 1
- Rescue Systems 2
- Rescue Systems 3
- Confined Space Rescue (Operations)
- Trench Rescue (Operations)

Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the step one monthly salary for the firefighter/paramedic classification. Rescue Technician incentive is reportable special compensation to CalPERS for pension calculation.

E. LONGEVITY

Employees hired on or before December 31, 2019 will receive a 2.5 % salary increase after the completion of ten (10) years or service to the District

VII. PROBATIONARY PERIOD

A. LENGTH OF PROBATIONARY PERIOD

All current personnel appointees to a position shall serve a probation period for twelve (12) months. All new hires shall serve a probation period of eighteen (18) months. The probationary period can be extended for up to 6 months with approval by the Fire Chief or his/her designee.

The probationary period shall not include the time served under any temporary appointment to a permanent position.

B. PERFORMANCE EVALUATION PROCESS

Probationary new Employees are subject to dismissal during the probationary period at the discretion of the Fire Chief.

A Member serving a probationary period after a promotion may be returned to his/her former position if the Fire Chief determines that he/she is incapable of fulfilling the new duties within the period of probation.

Upon successful completion of the probationary period, a Member shall be considered for permanent status.

C. PERFORMANCE REPORTS

It is the policy of the District that regular reports be made as to the efficiency, competency, conduct and merit of its Employees. To this end, it is declared to be the responsibility of the Fire Chief and his/her subordinate supervisors that these evaluation be prepared for Employees in accordance with District Resolution.

VIII 40 HOUR SAFETY EMPLOYEE

The 40-hour safety employee shall receive 5 administrative holidays, which may be taken off anytime during the calendar year with approval of the Fire Chief. The total number of hours will be based on the employee's work schedule as approved by the Fire Chief. All administrative holidays must be used during the calendar year with no carry over to the next administrative year. Administrative holidays will be pro-rated based upon appointment date.

The 40-hour safety employee shall receive the same benefits and accruals as the 56-hour employee including holiday pay. Holiday pay will be paid out at the 40 hour rate. If the employee chooses to take a holiday off he/she must use paid vacation or one of their administrative holidays for those hours.

The 40 – hour safety employee shall continue to receive the same sick leave and vacation accrual, as the 56-hour employee.

At the end of the first calendar year of assignment, the employee may roll over a maximum of 132 hours of vacation leave to be used in the following calendar year. All vacation hours must be used during the second year of assignment. If the employee has unused vacation leave at the end of each subsequent calendar year, the employee may receive compensation for up to a maximum of 132 hours. All other vacation leave hours must be used or forfeited prior to the end of the calendar year. Requests to rollover hours or receive compensation must be submitted to the

Personnel/Payroll Specialist no later than December 31st. Payout requests shall be processed at the 40 hour rate of pay.

The 40 – hour safety employee will be allowed to take callbacks and collect recall pay only when they are off duty, and shall not be force hired. Overtime earned shall be at the 40-hour overtime rate of pay.

The 40-hour safety employee shall be eligible for assignment to Training Captain. The Training Captain provides specialized training instructions routinely and consistently to employees for the duration of the assignment. The Training Captain shall serve as both training instructor and a safety officer/training coordinator and be eligible and entitled to a stipend equal to 5% of base pay while in the position. The incentive is reportable special compensation to CalPERS for pension calculation.

IX. STAFFING

It is the intent of the Employer to maintain a minimum daily staffing of 9 line personnel consisting of three engine companies staffed by one fire captain or acting fire captain and a combination of 1 firefighter and 1 firefighter/paramedic. The District shall retain the right to re-distribute and re assign personnel as deemed appropriate. The employer also has the right to make emergency staffing adjustments based on unforeseen emergency staffing needs of the Fire District. Any long term/permanent reduction in the above referenced staffing levels shall occur only after the parties have engaged in the meet and confer process. The district and Local 3535 will meeting annually to review ongoing staffing needs.

X. RETIREMENT

- A. Classic members, 3% at 55 single highest year, as determined by CalPERS, shall pay 12% contribution to CalPERS. The District shall pay the employer contribution to CalPERS.

In addition to the basic benefits, the following benefits are included:

<u>20042</u>	One Year Final Compensation
<u>20965</u>	Sick Leave Credit
<u>21427</u>	Increase in Non-Job Related Disability Retirement Allowances
<u>21548</u>	Pre-Retirement Optional Settlement 2 Death Benefit
<u>21571</u>	1959 Survivor Benefits
<u>21572</u>	Increased Level of 1959 Survivor Benefits
<u>21573</u>	Third Level of 1959 Survivor Benefits
<u>21574</u>	Fourth Level of 1959 Survivor Benefits

21024 Military Service Credit as Public Service

B. PERS "PEPRA" Employees are under a "2.7% at 57" PERS contract and will contribute fifty percent (50%) of the "normal cost" as determined by CalPERS.

- 20042 Three Year Average Final Compensation
- 20965 Sick Leave Credit
- 21427 Increase in Non-Job Related Disability Retirement Allowances
- 21548 Pre-Retirement Optional Settlement 2 Death Benefit
- 21571 1959 Survivor Benefits
- 21572 Increased Level of 1959 Survivor Benefits
- 21573 Third Level of 1959 Survivor Benefits
- 21574 Fourth Level of 1959 Survivor Benefits
- 21024 Military Service Credit as Public Service

XI. HOLIDAYS

Employees earn twenty-six (26) hours per month which will be taken in pay, at the Member's base hourly rate.

Compensation for holiday pay will be paid biweekly.

XII. SICK LEAVE

56 hour employees shall accrue sick leave at the rate of twenty-four (24) hours each month. Sick leave may be used for personal illness, physical incapacity, or the illness of a family employee. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion, but shall be allowed only in cases of necessity as herein set forth.

For 56 hour employees, where absence is due to the illness of the employee for more than two consecutive twenty four hour shifts or more than two consecutive work days for 40 hour employees, the employee may be required to provide a paper copy of a medical excuse from a Physician or authorized representative upon the request of his/her immediate supervisor, the supervising Battalion Chief or the Fire Chief. Upon return to duty, this document will be submitted to the immediate supervisor who will then submit it to the Human Resources Director as soon as possible.

At the end of each calendar year, a maximum of 144 hours of the annual accumulated sick leave in excess of 2400 hours may be paid at the employee's regular hourly rate of pay in effect on December 31st. The request will be made in writing to the Personnel/Payroll Specialist by December 31st. Payouts will be processed no later than the second full pay period following December 31st. Any employee with a sick leave balance below 2400 hours, may not cash in hours.

Employees may accumulate an unlimited amount of sick leave hours.

Upon retirement, employees shall have the option of:

- A. Convert the entire balance of his/her accumulated sick leave to service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965); or
- B. Receive compensation for 600 hours of unused sick leave plus one half (1/2) of the employees current calendar year accrual, at the employee's current rate of pay, and convert their remaining sick leave balance to service credit under California Government Code Section 20965.

Upon retirement, any payout will be at the employee's current rate of pay.

If an employee is unable to complete their Firefighter or Firefighter/Paramedic probationary period, no sick leave payout is awarded.

Sick Leave Payout shall not be reported to CalPERS for pension calculation.

UNCOMPENSATED SICK LEAVE BANK

All hours in an employee's "uncompensated sick leave bank" as of January 1, 2020, will be converted to regular sick leave hours. As of that date, the uncompensated sick leave banks will be terminated.

XIII. PERSONAL LEAVE

Full-Time Permanent "Employees"

1. Personal Leave is leave necessary for reasons other than injury or illness directly to the Member.
2. Personal leave will be charged against any time the Member has accrued, such as sick leave and vacation time, as approved by the Fire Chief.
3. All permanent Employees shall be entitled to Personal Leave as follows:
 - a) Not more than twelve (12) days for forty (40) hour personnel, or six (6) shifts for shift personnel, of leave each calendar year in case a "Member's" presence is required elsewhere because of sickness, disability or childbirth of a Member of her/his immediate family, or any other bona fide circumstances as approved by the Fire Chief. Proof of need must be approved by the Fire Chief or his/her

designee prior to leave. (Fire Chief may grant additional days if, in the Chief's opinion, additional leave is warranted.)

- b) A Member may be granted one (1) day/shift personal leave to attend the funeral of a relative (not defined as immediate family) at the discretion of the Fire Chief.
- c) A Member required to appear before a court (for other than subpoenas due to actions as a District employee or jury duty) will receive the necessary time as paid personal leave, providing:
 - 1) Member notifies his/her supervisor in advance, with adequate time remaining so that a relief may be obtained.
 - 2) The Member must return to duty immediately after being released.

4. No Member shall be entitled to personal leave with pay while on a District granted Leave of Absence.

XIV. BEREAVEMENT LEAVE

In the event of a death in the employee's immediate family, the employee shall be granted three (3) shifts paid bereavement leave.

Immediate family members consist of:

- The parents of the employee,
- The employees spouse or domestic partner,
- The parents of the employee's spouse or domestic partner,
- The step-parents of the employee and/or employee's spouse or domestic partner,
- The grandparents of the employee,
- The siblings of the employee
- The children, step-children, and/or adopted children of the employee and/or the employees spouse or domestic partner

XV. VACATION LEAVE

- a. Employees shall be entitled to at least fifteen (15) consecutive calendar days of vacation per year.
- b. Employees shall earn and accrue vacation time as follows:

Year of Employment	Monthly Accrual Rate	Shifts Per Year
1-5	16 hours	8
6	20 hours	10

7 - 8	22 hours	11
9 - 10	24 hours	12
11 - 13	26 hours	13
14	28 hours	14
15 - 16	30 hours	15
17 and on	32 hours	16

The total number of hours to be earned in any one (1) calendar year shall not exceed three hundred eighty four (384) hours (16 shifts).

Vacation hours must be taken during the calendar year in which they have been accrued and may not be saved nor passed on from year to year.

All efforts will be made to reschedule vacation hours not taken due to duty-related illness and/or injury or operational needs beyond the Member's control so as not to impact the District fiscally through payment of overtime wages; however, when unable to do so, the accrued time will be compensated for at the Member's hourly rate of pay.

c. Full-Time Employees

1. Any full time Member in continuous full-time service of the District who terminates her/his employment and has earned vacation time shall be paid for such time on the effective date of such termination. When separation is caused by death of Member, payment shall be made to the estate of such Member.
2. Any Member incurring a serious injury or illness which requires the Member to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and vacation days restored accordingly, provided the Member has sufficient sick leave accrued and the period of hospitalization and/or confinement is certified by a physician's written statement.

d. Vacation Conversion

When a Member is promoted, transferred, on a temporary assignment or light duty from shift to forty (40) hour workweek or the opposite, no conversion formula shall apply. If the new work assignment is temporary, all existing earned and accrued leave hours under the original assignment shall remain in place, all new leave hours shall be earned and accrued under the original assignment basis, and all leave hours used shall be based on the new actual work schedule. If the new work assignment is permanent, all existing earned and accrued vacation hours under the original assignment shall remain in place, all new leave hours shall be earned and accrued under the new assignment basis, and all leave hours used shall be based on the new actual work schedule.

- e. No vacation with pay is allowable to part-time, emergency, relief, seasonal, or extra help Employees, nor to Employees paid solely on an hourly basis.
- f. Probationary Employees
Vacation time off shall not be taken within the first six (6) months from original date of employment.
- g. Employees shall be entitled to schedule and use vacation leave such that at any time three (3) Employees may be on vacation leave at a time as long as it does not require a force hire. Employees with one to five years of service, once eligible to use vacation, may use up to a combined total of two (2) doubled-up vacation shifts (V2) or tripled-up vacation shifts (V3) per calendar year. Employees with six to eleven years of service may use up to a combined total of three (3) V2 or V3 vacation leave shifts per calendar year. Employees with more than twelve years of service may use up to a combined total of four (4) V2 or V3 vacation leave shifts per calendar year. The bargaining unit as a whole may not use more than one hundred four (104) V2 or V3 vacation leave shifts per calendar year, regardless of whether any individual member has used that Member's total allowable V2 or V3 vacation leave opportunities.

Definitions:

Doubled-up Leave: Any combination of vacation leave granted to two employees during the same time period.

Tripled-up Leave: Any combination of vacation leave granted to three employees during the same time period.

The total cost of overtime hired to maintain staffing to accommodate all doubled-up leaves and all tripled-up leaves will not exceed 104 overtime shifts per year.

- h. Employees may convert up to one hundred and thirty-two (132) hours of accrued vacation time into monetary compensation at the Member's regular base hourly rate each calendar year. Employees may convert 24 hour or 12 hour accrued vacation periods only (24 hour shifts may not be split for the purposes of conversion.)

XVI. LIFE INSURANCE AND SALARY CONTINUANCE INSURANCE

A. CURRENT EMPLOYEES

The Employer shall pay all premiums on behalf of employees for the Life Insurance and the C.A.P.F.F. Long Term Disability Plan. For all full-time employees, the life insurance plan will provide a death benefit of \$10,000 for a spouse, and \$5,000 per child.

The life insurance plan will provide the following benefit for employees:

All employees to age 64	\$100,000.00
Employees age 65 – 69	\$65,000.00
Employees age 70 +	\$50,000.00

The C.A.P.F.F. Long Term Disability Plan provides, after a sixty (60) day waiting period, a maximum pay out benefit based on the C.A.P.F.F. Long Term Disability Insurance benefit (Plan A).

B. RETIREES

Retirees may purchase life insurance through the employer's plan but must pay 100% of the premium.

XVII. MEDICAL HEALTH/DENTAL INSURANCE

MEDICAL INSURANCE

The District shall provide medical health insurance to employees and their dependents through the CalPERS Health Benefits Program and shall pay the monthly premium for the health insurance plan as follows:

Employees may choose any health plan offered by CalPERS. The District will make the following contributions to the monthly premium. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis.

- For the 2020 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$915
Employee plus one dependent- \$1829
Employee plus two or more dependents- \$2378

- For the 2021 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$961
Employee plus one dependent- \$1920
Employee plus two or more dependents- \$2497

If the District's contribution does not pay 100% of the monthly premium of at least four plans offered in the districts region, the parties will meet and confer.

Effective the pay period following approval by the Board of Directors, employees will no longer receive compensation for waiving health care.

RETIREE TIER ONE

Those persons retired prior to January 1, 2020, the district will contribute \$350 per month into a CALGOVEBA account. This contribution shall terminate on the retirees 65th birthday or upon their death, whichever occurs first.

RETIREE TIER TWO

Those persons hired on or before December 31, 2019, the District will contribute the following upon retirement:

- From the date of retirement until age 65, shall receive retiree medical benefit contribution of \$1800 per month into a CALGOVEBA account.
- At age 65, the monthly retiree medical benefit contribution will be \$900 per month into a CALGOVEBA account.

RETIREE TIER THREE

Those persons hired on or after January 1, 2020, upon retirement after 15 years of service to the district, the District will contribute \$900 per month into a CALGOVEBA account.

At age 65, the monthly retiree medical benefit contribution will be \$450 per month into a CALGOVEBA account.

DENTAL INSURANCE

The Employer shall provide dental insurance to its employees and dependents and shall pay the monthly premium for the dental insurance coverage. The District shall pay for the Delta plan level of coverage which provides for \$2000.00 maximum per year.

RETIREE

Retirees may elect to join on to the District's group policy, but will be responsible for 100% of the cost.

XVIII. VISION CARE

The Employer shall provide vision care to employees and their dependents. The Employer shall pay the monthly premiums for employees and their dependents. Retirees may elect to join on to the district's group policy, but will be responsible for 100% of the cost and will be billed directly by the current provider.

XIX. CLOTHING

The District will provide non-safety and safety attire. Employees will be responsible for maintenance of all non-safety clothing.

The District will report to CalPERS a uniform allowance of \$300.00 per year as special compensation for each Classic CalPERS employee. The uniform allowance will be reported in twenty six (26) equal installments of \$11.54.

For PEPRA employees, a \$300.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty six (26) equal installments of \$11.54. The uniform allowance for PEPRA employees will not be reported to CalPERS.

For all employees, this uniform allowance will hold the employee responsible for maintenance of all clothing other than safety clothing. This amount is the average reportable value of non-safety clothing provided to each employee of the District.

XX. PROFESSIONALIZATION

All "related duties" assigned to Firefighters and Captains are to be tasks directly related to the fire service, as determined by the Fire Chief. "Related Duties" can pertain to stations, facilities, apparatus, and equipment maintenance/improvement.

XXI. GRIEVANCE PROCEDURES

GRIEVANCE DEFINED/SCOPE

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential. Therefore, it is agreed that during the term of this Agreement, grievances of all manner, including disciplinary matters, shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the events giving rise to the grievance or within ten (10) calendar days of the time the grievant became aware or reasonably should have become aware of the facts giving rise to the grievance shall discuss the matter with his/her immediate supervisor (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor (formal procedure).

- A. The written grievance shall contain information, which identifies:
 - 1. The aggrieved employee.
 - 2. The specific nature of the grievance.
 - 3. The time and place of its occurrence or discovery.
 - 4. The existing rule, written policy, regulation or agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
 - 5. The consideration given or steps taken to attempt informal resolution.
 - 6. The corrective action desired.
- B. A decision by the aggrieved employee's supervisor shall be made in writing within (10} calendar days of receipt of the written grievance.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee may, within ten (10} calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10} days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10} calendar days after receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4} employees; two (2} chosen by the Union, and two (2} employees chosen by the Fire Chief or his/her designee. The panel will meet, review the facts, and make its recommendation in writing to both parties.

NOTE: With regard to a dispute that arises out of the action of the Fire Chief (as distinguished from a lower level supervisor}, the aggrieved employee may bypass STEP 1 & STEP 2, aforementioned.

A grievance filed by the Union shall start at STEP 3, unless the above "NOTE" applies.

STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration with approval of at least three employees of the Union's Executive Board. The arbitration request must be in writing to the Chair of the Board of Directors. This must be completed no later than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this agreement.

The aggrieved employee and the Fire Chief or designee shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact the State of California Mediation and Conciliation Service to request that a list of seven (7) possible arbitrators be provided. Upon receipt of seven (7) possible arbitrators the parties will meet to select the final arbitrator. The loser of a single coin toss will eliminate the first name of the possible seven (7) arbitrators. The parties shall then alternately strike names from the list of seven (7) arbitrators until such time as there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- A. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter, and transcripts shall be borne equally by the employee (grievances) or Union (disciplinary appeal) and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- B. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
- C. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
- D. Any monetary award in favor of the grievant is limited to lost wages suffered from the date of the grievance forward.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

BINDING ARBITRATION

Request for binding arbitration must go before the voters of the Aptos/La Selva Fire Protection District.

XXII. LAYOFF AND REHIRE PROCEDURE

LAYOFF PROCEDURES

In the event that a layoff should become necessary, it will be conducted in the following manner:

1. Firefighters from the rank of probationary Firefighter through and including permanent Battalion Chief shall be laid off on a strict seniority basis, with the last employee hired to be the first laid off.
2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Aptos/La Selva Fire Protection District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.
3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a full-time, paid employee.

REHIRE PROCEDURE

When funds become available for rehiring, the process shall be as follows: The last employee laid off shall be the first to be rehired. Any person being rehired must pass a physical examination equivalent to that required for initial hiring into the District. Any person unable to pass the physical examination shall not be rehired. Cost of the physical examination shall be borne by the Employer. There shall be no time-limit for this rehire procedure.

XXIII. PARAMEDIC CAPTAINS

Any Captain wishing to maintain his/her paramedic license will be compensated 2.5% of step one firefighter/paramedic pay per month. Paramedic incentive is reportable special compensation to CalPERS for pension calculation.

Captains wishing to discontinue their paramedic duties must submit a letter of intent via inter-office memorandum to their Battalion Chief following the appropriate chain of command. The letter will then be forwarded to the Fire Chief.

The District will pay Paramedic license renewal fees for all employees who hold a CA State Paramedic license.

XXIV. COMMENCEMENT OF NEGOTIATIONS

The Employer and the Union shall commence negotiations for a subsequent memorandum of understanding not later than four months before the expiration of this agreement.

XXV. EFFECTIVE DATE

After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement, except upon mutual agreement between the contracting parties. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the mutual agreement into this Agreement.

After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing 1/1/2020, except as noted herein.

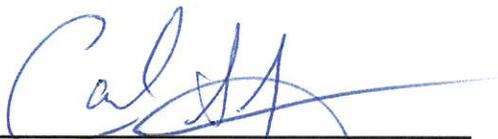
This Agreement shall remain in effect through 12/31/2021, or until a new agreement is agreed upon by the parties, subject to the Employer's emergency powers under Government Code Section 3504.5.

XXVI. TERM

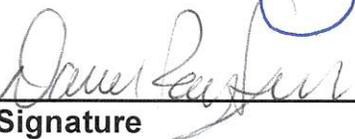
Except as may be otherwise specifically provided herein, this Agreement shall be effective January 1, 2020 through December 31, 2021.

SIGNATURES

FOR THE UNION – LOCAL 3535



Signature



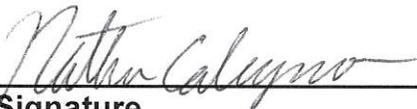
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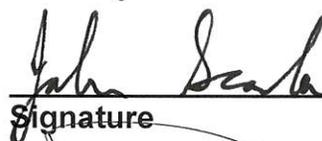
FOR THE EMPLOYER – APTOS/LA
SELVA FIRE PROTECTION DISTRICT



Signature



Signature



Signature



Signature

Signature

Exhibit "A" Aptos/La Selva Firefighter Local 3535 MCO		All Members Receive Base and Holiday Pay										Members must meet certain eligibility requirements or be assigned to certain specialties in order to receive the pay listed below.					
CY 2020 POSITION	Base Monthly	Base Annually	Holiday Monthly	Holiday Annually	Shift	1.5 Shift	EP Monthly	EP Annually	ARRT Monthly	ARRT Annually	HazMat Monthly	HazMat Annually	CFIT Monthly	CFIT Annually	RT Monthly	RT Annually	Longevity > 10 Yrs
CAPTAIN / PARAMEDIC III	\$12,087.37	\$145,048.46	\$1,281.53	\$15,498.33	\$1,182.18	\$1,786.27	\$388.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
II	\$11,522.68	\$138,272.20	\$1,231.19	\$14,774.29	\$1,136.46	\$1,704.78	\$368.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
I	\$10,964.88	\$131,818.62	\$1,173.73	\$14,084.73	\$1,083.44	\$1,625.16	\$365.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
CAPTAIN III	\$11,859.45	\$142,301.38	\$1,267.07	\$15,204.80	\$1,183.60	\$1,754.40	\$389.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
II	\$11,293.76	\$135,520.12	\$1,206.73	\$14,480.77	\$1,113.91	\$1,670.96	\$386.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
I	\$10,735.86	\$129,071.55	\$1,148.27	\$13,791.21	\$1,060.86	\$1,591.28	\$366.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
FIREFIGHTER / PARAMEDIC III	\$10,085.51	\$121,148.10	\$1,078.70	\$12,944.38	\$995.72	\$1,455.58	\$366.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
II	\$9,614.77	\$116,377.24	\$1,027.33	\$12,327.98	\$948.31	\$1,422.48	\$366.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
I	\$9,158.92	\$109,883.09	\$978.41	\$11,740.83	\$903.15	\$1,354.72	\$366.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
PROBATIONARY	\$7,762.78	\$93,353.17	\$831.58	\$9,978.00	\$767.82	\$1,151.42	\$366.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
FIREFIGHTER III	\$8,436.05	\$101,230.65	\$1,008.13	\$12,097.65	\$920.69	\$1,336.87	\$368.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
II	\$8,085.77	\$107,630.20	\$980.12	\$11,591.48	\$898.27	\$1,293.40	\$368.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
I	\$8,657.87	\$102,884.47	\$914.40	\$10,972.85	\$844.60	\$1,226.10	\$368.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%
PROBATIONARY	\$7,277.99	\$87,335.92	\$777.65	\$9,331.78	\$717.53	\$1,076.74	\$368.28	\$4,365.32	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	\$457.85	\$5,494.15	2.50%

PER DIEM STRUCTURE:	Hourly	Shift-Regular		Shift 1.5
		Hourly 7.5	Shift-Regular	
ACTG CAPT - FF	\$5.43	\$2.14	\$130.28	\$165.42
ACTG CAPT - FFRM	\$2.71	\$4.07	\$88.14	\$97.71
CAPT - DUTY CHIEF COVERAGE	\$13.16	\$19.74	\$315.84	\$473.76
Training Captain			5% Base Pay	
Hazardous Materials Technician			5% Firefighter/Paramedic Base Pay	
Aquatics Rescue Response Team			5% Firefighter/Paramedic Base Pay	
Fire Investigator			5% Firefighter/Paramedic Base Pay	
Rescue Technician			5% Firefighter/Paramedic Base Pay	
Education Pay			Max 4% Firefighter/Paramedic Base Pay	

Exhibit "A" Aptos/La Selva Firefighter Local 3535 MCO		All Members Receive Base and Holiday Pay										Members must meet certain eligibility requirements or be assigned to certain specialties in order to receive the pay listed below.					
CY 2021 POSITION	Base Monthly	Base Annually	Holiday Monthly	Holiday Annually	Shift	1.5 Shift	EP Monthly	EP Annually	ARRT Monthly	ARRT Annually	HazMat Monthly	HazMat Annually	CFIT Monthly	CFIT Annually	RT Monthly	RT Annually	Longevity > 10 Yrs
CAPTAIN / PARAMEDIC III	\$12,449.99	\$149,399.81	\$1,330.27	\$15,983.28	\$1,227.94	\$1,841.82	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
II	\$11,889.36	\$142,430.37	\$1,286.13	\$15,214.52	\$1,170.58	\$1,758.97	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
I	\$11,314.43	\$135,773.18	\$1,208.94	\$14,507.27	\$1,115.94	\$1,673.82	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
CAPTAIN III	\$12,214.20	\$146,570.42	\$1,305.08	\$15,660.95	\$1,204.69	\$1,807.03	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
II	\$11,652.57	\$139,590.88	\$1,242.93	\$14,915.19	\$1,147.32	\$1,720.88	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
I	\$11,078.64	\$132,943.89	\$1,183.75	\$14,204.94	\$1,092.69	\$1,639.03	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
FIREFIGHTER / PARAMEDIC III	\$10,368.37	\$124,780.48	\$1,111.06	\$13,332.71	\$1,025.69	\$1,539.39	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
II	\$9,803.21	\$118,838.66	\$1,059.15	\$12,687.82	\$976.75	\$1,465.13	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
I	\$9,431.65	\$113,179.88	\$1,007.76	\$12,089.16	\$930.24	\$1,385.38	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
PROBATIONARY	\$8,016.25	\$96,194.87	\$856.03	\$10,278.37	\$780.84	\$1,165.87	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
FIREFIGHTER III	\$9,718.11	\$116,617.27	\$1,038.37	\$12,460.48	\$958.50	\$1,437.75	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
II	\$9,255.34	\$111,094.07	\$988.89	\$11,867.12	\$912.88	\$1,369.28	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
I	\$8,814.61	\$105,775.31	\$941.83	\$11,302.02	\$869.39	\$1,304.08	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%
PROBATIONARY	\$7,489.33	\$89,958.00	\$800.88	\$9,911.74	\$739.35	\$1,103.05	\$377.27	\$4,527.18	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	\$471.58	\$5,658.98	2.50%

PER DIEM STRUCTURE:	Hourly	Shift-Regular		Shift 1.5
		Hourly 7.5	Shift-Regular	
ACTG CAPT - FF	\$5.54	\$2.21	\$132.89	\$199.33
ACTG CAPT - FFRM	\$2.77	\$4.15	\$88.44	\$98.67
CAPT - DUTY CHIEF COVERAGE	\$13.16	\$19.74	\$316.84	\$473.76
Training Captain			5% Base Pay	
Hazardous Materials Technician			5% Firefighter/Paramedic Base Pay	
Aquatics Rescue Response Team			5% Firefighter/Paramedic Base Pay	
Fire Investigator			5% Firefighter/Paramedic Base Pay	
Rescue Technician			5% Firefighter/Paramedic Base Pay	
Education Pay			Max 4% Firefighter/Paramedic Base Pay	

RESOLUTION NO. 02-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE APTOS/LA SELVA FIRE PROTECTION DISTRICT REGARDING EMPLOYMENT BENEFITS AND SALARY RATES FOR UNREPRESENTED EMPLOYEES

WHEREAS, the Board of Directors of the Aptos/La Selva Fire Protection District previously entered into individual written agreements with employees in unrepresented job classifications;

WHEREAS, the Board of Directors desires and intends to consolidate the number of documents which detail the employment benefits and salary rates for full-time employees in unrepresented job classifications in order to ensure consistency and provide for greater efficiencies in personnel administration;

WHEREAS, on December 13, 2018, the Board of Directors adopted Resolution 12-18 providing for the employment benefits and salary rates for full-time employees in the classifications of Director of Business Services and Administrative Assistant;

WHEREAS, the Board of Directors desires to amend Resolution 12-18 to include the classification of Deputy Fire Marshal and to clarify the benefits that are available for part-time and temporary employees in the classifications listed in the resolution;

NOW, THEREFORE, the Board of Directors of the Aptos/La Selva Fire Protection District, does hereby rescind Resolution 12-18 and in its place, resolves, declares, determines and orders as follows:

Section 1. Monthly Salary Ranges.

Effective January 1, 2019, the annual/monthly pay ranges for full-time employees in the below listed job classifications shall be as follows:

	Step A	Step B	Step C	Step D	Step E
Director of Business Services (at 5% difference between steps)	\$9,091.89 (monthly) / \$109,102.67 (annually)	\$9,546.48 (monthly) / \$114,557.81 (annually)	\$10,023.81 (monthly) / \$120,285.72 (annually)	\$10,525.00 (monthly) / \$126,300.00 (annually)	\$11,051.25 (monthly) / \$132,615.00 (annually)
Deputy Fire Marshal	\$8,365.83 (monthly) / \$100,389.96 (annually)	\$8,784.12 (monthly) / \$105,409.44 (annually)	\$9,223.33 (monthly) / \$110,679.96 (annually)	\$9,684.49 (monthly) / \$116,213.88 (annually)	\$10,168.72 (monthly) / \$122,024.64 (annually)
Administrative Assistant (at 5% difference between steps)	\$4,023.00 (monthly) / \$48,276.00 (annually)	\$4,224.15 (monthly) / \$50,689.80 (annually)	\$4,435.36 (monthly) / \$53,224.32 (annually)	\$4,657.13 (monthly) / \$55,885.56 (annually)	\$4,889.99 (monthly) / \$58,679.88 (annually)

In converting an annual salary to an hourly rate, the annual salary shall be divided by 2,080 hours.

An employee newly appointed to a classification shall be appointed to the first step of the salary range applicable to the assigned classification. A new employee appointed to the first step of a classification having merit steps in the salary range shall be eligible for a merit increase or advancement through the salary schedule on the first day of the pay period following completion of one year of service. Employees will be eligible for subsequent merit increases on the first day of the pay period following the completion of one year of service following any in-range salary adjustment. Advancement within a salary range is based on merit and performance and requires the approval of the Fire Chief. Advancement through the steps of a salary range are not automatic. Increases of more than one step for outstanding performance require the approval of the Fire Chief.

Section 2. Group Insurance Benefits.

A. Employee Health, Dental, and Vision Benefits

Full-time employees in the classification of Director of Business Services and Deputy Fire Marshal shall be provided medical, dental, and vision benefits under the same terms as employees represented by the Aptos/La Selva Fire Chief Officers' Association.

Full-time employees in the classification of Administrative Assistant shall be provided medical, dental, and vision benefits under the same terms as employees represented by the Aptos/La Selva Firefighters' Local 3535.

Part-time and temporary employees will not be eligible to receive medical, dental and/or vision benefits unless otherwise required by law.

B. Post-Retirement Longevity Benefit

The District has established the ICMA Retirement Health Saving Plan (RHS) in March 2005. Employees are eligible to receive contributions to the RHS as follows:

1. Employees Hired On or Before March 31, 2005: For full-time employees hired on or before March 31, 2005, the District will contribute three hundred and fifty dollars (\$350.00) per month into the employee's RHS upon retirement, provided the retirement is for service (or service connected disability) and the retiring employee has a minimum of fifteen (15) years of employment with the District. This contribution shall terminate on the retiree's 65th birthday or death, whichever comes first. During employment, employees shall make a mandatory ten dollar (\$10.00) month contribution into their RHS and the District shall match that contribution equally each month. The District's matching contribution to the RHS shall vest to the employee only in the event that the employee meets the fifteen (15) year service requirement and retires from the District for service (or service connected disability).

Employees hired after March 31, 2005 are not eligible to receive any benefits under this paragraph.

2. Employees Hired After March 31, 2005: Full-time employees hired after March 31, 2005 shall receive a District contribution into their RHS in the amount of thirty-five dollars (\$35.00) per month for each month of employment. During employment, employees shall make a mandatory monthly contribution equal to one-half of the District's monthly contribution. The District's contribution to the RHS shall vest to an employee only in the event that the employee retires from the District for service or service connected disability.
3. Leave Banks: All employees who retire from District service, whether service retirement or disability related retirement, shall have any sick leave and vacation leave payouts due upon termination contributed directly to the Employee's RHS. Any other form of separation from employment will result in terminal sick and vacation leave payoffs being made directly to the separating employees as provided under the sick and vacation leave sections of this Resolution.

Participation in the RHS is mandatory in order to receive any Post-Retirement Longevity Benefit. All mandatory contributions to the RHS described herein shall be made on the first business day of the month, or as close to that day as is practical. In the event that an employee's mandatory RHS contributions are not made for any reason, the District is relieved of its obligation to make a District contribution. RHS deposits, withdrawals, and related income tax consequences are governed by the Internal Revenue Code and Internal Revenue Service. Employer-level administrative fees or maintenance charges for the RHS will be paid by the District.

C. Life Insurance

The District will pay one hundred percent (100%) of the premium for group life insurance coverage for employees for coverage in the amount of fifty thousand dollars (\$50,000.00).

D. Long-Term Disability

The California State Firefighters' Association Group Term Disability Insurance Partial Self-Funded 6- Day Wait program will be provided as an option available for employee purchase under the Flex Benefit Program.

Section 3. Retirement.

Employees will be eligible to participate in CalPERS pension plans in accordance with the requirements of applicable law, including the Public Employees Retirement Law and the Public Employees' Pension Reform Act.

Employees who qualify as “classic” miscellaneous members of CalPERS may be eligible to participate in the 3% at 60 pension plan. For “classic” miscellaneous members, the District will pay 100% of the employee’s contribution towards CalPERS benefits. This contribution is to be credited to the employee’s individual account as per Government Code section 20615 (Employer Paid Member Contribution or EPMC).

Employees who qualify as “new” miscellaneous members of CalPERS may be eligible to participate in the 2% at 62 pension plan. For “new” miscellaneous members, the employee and the District shall each contribute the employee and employer contribution rates as set annually by CalPERS.

Section 4. Longevity.

Employees are eligible to receive a longevity incentive benefit equal to 2.5% of salary after ten (10) years of service.

Section 5. Pay Periods.

Employees are to be paid on a bi-weekly basis.

Section 6. Hours of Work.

The District’s regular business hours are between 0800 and 1700 hours, Monday through Friday. Each employee’s actual work schedule is to be determined by the Fire Chief and based on the needs of the District. Full-time employees are generally scheduled to work at least 8 hours per day, 5 days per week. When it is deemed to be to the benefit of the District and it does not conflict with District operational needs, the Fire Chief may approve a temporary alternative work schedule. Employees are expected to be in attendance during assigned hours and shall not absent themselves during working hours for any reason without prior approval of the Fire Chief or designee.

Section 7. Overtime.

It is the policy of the District that overtime work is kept to a minimum and shall be authorized and approved in advance by the Fire Chief or designee. Overtime eligible employees are not permitted to work overtime except as authorized and approved in advance. Working overtime without advance approval is grounds for disciplinary action.

For employees on a 7-day work week, overtime is defined as all hours worked an overtime-eligible employee actually works in excess of 40 hours in the employee’s workweek. Overtime will be compensated at 1.5 times the employee’s regular rate of pay, as defined under the Fair Labor Standards Act (“FLSA”). Only actual hours worked shall be counted toward the applicable threshold for calculating overtime owed under the FLSA. Overtime shall be calculated in accordance with District policy.

An employee's eligibility to receive overtime compensation for services performed shall be determined in accordance with the FLSA. Those employees who are classified as "exempt" under the FLSA shall not be eligible to receive overtime compensation.

Section 8. Employment Status and Probationary Period

The positions of the Director of Business Services and Deputy Fire Marshal are considered at-will positions and do not serve a probationary period. At-will employees are free to leave employment with the District at any time, with or without a reason and with or without notice. The District also has the right to end an individual's employment at any time, with or without reason and with or without notice. Although the District may choose to end the employment of an at-will employee for cause, cause is not required. Only the Board has the authority to enter into an agreement providing for employment for a specific period of time or to make any agreement contrary to this provision. No other official or employee, including the Fire Chief, has the authority to make any such agreement. Only the Board has the authority to make any such agreement, and even then, such an agreement is enforceable only if it is in writing.

Full-time employees appointed to the classification of Administrative Assistant are required to serve a probationary period of twelve (12) months. The probationary period shall be regarded as part of the selection process and shall be utilized for closely observing the employee's work and for securing the most effective adjustment of an employee to the employee's position. An employee's probationary period may be extended one or more times with the approval of the Fire Chief, for a total probationary period extension not to exceed an additional six (6) months. Employees will receive notice of any extension of the probationary period. Following successful completion of the probationary period, an employee in the classification of Administrative Assistant may be disciplined for cause and in accordance with District policy. Employees who have not completed probation are considered "at-will" employees, who may be separated with or without cause and with or without notice. "At-will" employees are not entitled to appeal or grieve any disciplinary action taken against them.

Section 9. Holidays

The District observes the following holidays:

New Year's Day	Veteran's Day
Martin Luther King Day	Thanksgiving Day
President's Day	Friday after Thanksgiving
Memorial Day	Last business day before Christmas
Independence Day	Christmas Day
Labor Day	New Year's Eve

Full-time employees are eligible to receive eight (8) hours of pay for each holiday when it is observed. If a holiday falls on a Saturday, it will be observed by the District on the Friday preceding. If a holiday falls on a Sunday, it shall be observed by the District on the Monday following. To be eligible to receive holiday pay, an employee must be in paid status on the

regularly scheduled work day immediately preceding and immediately following the holiday. Employees on an unpaid leave of absence are not eligible for holiday pay.

Full-time employees who are in paid status on July 1 will receive eight (8) hours of floating holiday time once a year. Floating holiday hours will be provided to eligible employees on July 1. Once granted, the number of hours shall remain available for the employee's use during the fiscal year. Floating holiday hours must be used before any vacation time is taken by the employee. Employees requesting to use their floating holiday must receive advance approval from their supervisor by submitting a written request to take time off. Unused floating holiday hours will be cashed out on pay day associated with the first full pay period following the end of the fiscal year. Any unused floating holiday hours will be cashed out upon separation.

Section 10. Vacation

Full-time employees are eligible to earn paid vacation leave. Vacation leave begins accruing upon the employee's date of hire and accrues as an employee performs work. The rate at which an employee accrues vacation is determined by an employee's length of service. Full-time employees are eligible to accrue vacation as follows:

From the time of appointment until completion of the fifth year of employment, a full-time employee will accrue vacation at the rate of ten (10) hours per month (120 hours or 15 days per year), up to a maximum accrual of 240 hours of vacation.

After completion of the fifth year of employment and through the eleventh year of employment, a full-time employee will accrue vacation at the rate of fourteen (14) hours per month (168 hours or 21 days per year), up to a maximum accrual of 336 hours.

After completion of the eleventh year of employment, an employee will accrue at a rate that includes one additional vacation day for each additional year of service up to a maximum accrual of thirty vacation days per year (240 hours) after twenty years of service with the District. Employees with more than 11 years of service may accrue up to 480 hours of vacation.

At no time may an employee have a total balance of vacation hours in excess of the maximums described above. When an employee reaches the maximum accrual, the employee shall cease earning additional vacation leave until such time that vacation hours are used and the employee's vacation balance falls below the maximum accrual.

The use of vacation leave will be scheduled in advance and approved by the Fire Chief. Vacation leave will not be authorized if it interferes with the operation of the District as determined by the Fire Chief or designee. Vacation may be used in increments as small as half an hour. At no time will paid vacation leave be granted if it exceeds the vacation leave time the employee has earned and accumulated in the employee's vacation bank. Paid vacation that has not been accrued will not be approved. Employees will not accrue vacation while in unpaid status.

Employees who separate employment with the District will receive payment at their base rate of pay for any accrued and unused vacation hours. Employees who separate for reasons other than retirement will receive direct payment for the value of any accrued and unused vacation leave. Employees who separate for reasons of retirement will have the value of any accrued and unused vacation hours deposited in the employee's RHS as provided in Section 2 above.

If a District holiday falls during an authorized vacation day, that day shall not be charged against the employee's vacation leave time. An employee incurring a serious injury or illness which requires the employee to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and vacation days restored accordingly, provided that the employee has sufficient sick leave accrued and the period of hospitalization or confinement is certified by a physician's written statement.

An Employee may sell back up to forty (40) hours of accrued vacation leave at the employee's current base rate of pay once each calendar year. Election to sell back vacation shall be consistent with District policy.

Part-time and temporary employees are not eligible to accrue vacation hours.

Section 11. Sick Leave.

Full-time employees will accrue sick leave at the rate of eight (8) hours for each full month of continuous service, up to a maximum accrual of 1,600 hours. This maximum accrual excludes those days accrued in the current calendar year. Employees are not entitled to accrue sick leave while on an unpaid leave of absence.

Part-time and temporary employees will accrue sick leave at the rate of one (1) hour for every thirty (30) hours worked up to a maximum up forty-eight (48) hours. Part-time and temporary employees will be eligible to use up to twenty-fours (24) hours of sick leave in a fiscal year. Part-time and temporary employees may use sick leave beginning on the 90th day of employment.

Employees may use accrued sick leave for any of the following purposes:

- For the employee's own illness, injury or medical condition;
- For the purpose of providing care or assistance to a spouse, registered domestic partner, child, parent, legal guardian or ward, sibling, grandparent, or grandchild who has an illness, injury, medical condition, need for medical diagnosis or treatment or other medical condition;
- By an employee who is a victim of domestic violence, sexual assault or stalking for absences due to: seeking medical attention or treatment; psychological counseling; obtaining services from a domestic violence shelter, program or rape crisis center; safety planning; or seeking judicial relief arising from domestic violence, sexual assault, or stalking.

To be eligible to receive paid sick leave, employees must provide reasonable advance notice of a pre-scheduled or foreseeable absence. When an employee has an unforeseeable need to use sick leave, the employee must provide notice as soon as possible. Non-exempt employees will be paid at their regular rate of pay for sick leave hours used. Exempt employees will be paid for sick leave hours used as the rate that applies to other paid time off hours. An employee may be required to provide verification to support the use of sick leave, as allowed by law.

Deductions from sick leave balances will be made in accordance with District policy. Non-exempt employees will not receive compensation for absences due to illness or injury once they use all of their accrued sick leave. Exempt employees who exhaust their sick leave and continue to be absent for reasons of injury or illness will have deductions made from their salary for full day absences only, unless their absences have been designated as intermittent leave under the Family Medical Leave Act ("FMLA"). In cases of FMLA intermittent leave, the deductions from an exempt employee's salary will be made consistent with the FMLA's requirements.

Upon retirement (either service or disability retirement), an employee will be eligible to receive payment for accrued and unused sick leave. Any payment provided will be limited to one-half of the employee's accrued and unused sick leave hours, up to a maximum of 800 hours. Payment for any accrued and unused sick leave shall be made at the employee's base hourly rate of pay and deposited in the employee's RHS. Any accumulated sick leave hours not compensated for, may be applied as service credit as provided by the Public Employee's Retirement Law and the terms of the District's contract with CalPERS for pension benefits.

Employees who separate employment with the District for any reason other than retirement will not be eligible to receive payment for any accrued and unused sick leave hours.

Section 12. Bereavement Leave.

In the case of a death in an employee's immediate family, the employee shall be granted up to five (5) consecutive scheduled workdays off with pay in order to attend the funeral/memorial service, or to take care of family affairs related to the immediate family member's death. Employees who need to be absent for more than five (5) days may be permitted to use vacation hours for approved absences. For purposes of this benefit, "immediate family" means an employee's current spouse, current registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in-law. The employee's supervisor may approve the use of accrued vacation time to extend the leave. An employee may be required to provide proof to support an employee's receipt of this benefit.

Section 13. Military Leave.

Military leave shall be granted in accordance with the provisions of federal and state law. Whenever possible, an employee shall notify the Fire Chief or designee of any need for military leave at least ten (10) working days in advance of the beginning date of such leave.

Section 14. Jury Duty.

An employee who is summoned to jury duty or selected to serve on a jury will be given leave to fulfill his/her civic obligations. Upon receipt of a proposed jury summons, employees must notify the Fire Chief or designee. If an employee is called as a juror during a particularly busy time in the office, the District may ask the employee to request the court to postpone his/her jury duty to a more convenient time, as permitted by law.

A leave of absence with pay will be granted to all required to report for jury duty, provided the employee remits to the District all fees as soon as received by the employee for such duties. Compensation for mileage or subsistence allowances shall not be considered as a fee and shall be retained by the employee. Time spent on jury duty is not work time for purposes of calculating overtime compensation.

If an employee is required to report to jury duty within 2.5 hours of the scheduled start of the workday, the employee is not required to report to work at the start of the workday, but shall report directly to jury duty. If an employee is released from jury duty with more than one-half of his/her workday remaining, the employee is required to report to work to complete the regularly scheduled workday. Employees who fail to comply with these reporting requirements will not be eligible to receive pay for time spent performing jury duty.

Section 15. Amendments.

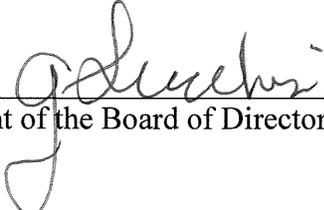
The District expressly reserves the right, in its sole discretion, at any time and from time to time, to amend or rescind any provision of this Resolution or any benefits or salary provisions, or to terminate any benefits or salary provisions to the greatest extent allowed by law. Such changes may apply to current and/or future employees, retirees or their family members.

Section 16. Effective Date.

This resolution shall become effective on January 1, 2019, on which date it shall supersede any memorandum of understanding related to wages and benefits for any classification discussed in the resolution.

PASSED AND ADOPTED by the Board of Directors of the Aptos/La Selva Fire Protection District, County of Santa Cruz, State of California, this 10th day of January 2019, by the following vote:

AYES: 5
NOES: 0
ABSENT: N/A
ABSTAIN: N/A



President of the Board of Directors

ATTEST:



Secretary to the Board

**EXHIBIT D
(PART 2 OF 3)**

**EMPLOYMENT CONTRACTS
(CENTRAL FPD)**

MEMORANDUM

OF

UNDERSTANDING

CENTRAL FIRE PROTECTION DISTRICT

OF

SANTA CRUZ COUNTY

AND

THE PROFESSIONAL FIREFIGHTERS UNION

IAFF LOCAL - 3605

JANUARY 1, 2019

Through

DECEMBER 31, 2021

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I. PREAMBLE

This Memorandum of Understanding (MOU) is entered into by and between the Central Fire Protection District of Santa Cruz County (Employer or District) and the Professional Firefighters Union, IAFF Local - 3605 (Union) pursuant to the Meyers-Milias Brown Act (Gov. Code §§ 3500-3511) and has been jointly prepared by the parties.

II. RECOGNITION

The Union is hereby acknowledged by the District as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the firefighter bargaining unit, which consists of the following full-time positions: Battalion Chiefs, 40 Hour Battalion Chief, Fire Captains, Fire Captain Specialist, 40 Hour Safety Employee, Firefighter/Paramedics, and Firefighters.

The District shall deduct from a represented employees pay Union membership dues, designated fees, premiums for insurance programs, political action fund contributions and any special membership assessments (collectively "contributions"), as is established and may be changed from time to time by the Union upon either a written certification from the Union that it has and maintains individual employee authorizations, or a pre-existing employee dues deduction authorization and remits such contributions to the Union.

Any employee desiring revoke his or her authorization for union contributions shall proceed as follows: For those employees who signed a membership card or other authorization form which provides terms of revocation, the exclusive method of revocation set by the card or other authorization form; for employees whose membership card or other authorization form does not provide terms of revocation, the member may revoke by submitting a written revocation to the Union and the District during the month of June of any year.

When the Union determines that a represented employee timely revokes his or her membership or contribution authorization as provided above, Union shall notify the District in writing with fourteen (14) days. The District shall cease contribution deductions by the next qualifying pay period after receiving the notice of revocation from the Union.

Employee requests to cancel or change notice of dues deductions must be directed to the union, rather than to the District.

The Union shall defend, indemnify, and hold the District and its officers and employee's harmless from any and all claims, demands, suits or other actions arising from the maintenance of any contributions and/or from complying with any third party demand regarding the Union request for union contributions made pursuant to this provision, provided that the District provides notice to the Union within the statutory requirements of any claim, demand, suit, or other action served on the District for which is it seeking defense and/or indemnification. With regard to any such claim, demand, suit or other action, the Union will have the exclusive right to appoint and direct counsel, control the defense of any action or proceeding, and determine whether any such action or proceeding shall or shall not be compromised, resisted, defended, tried or appealed. In no event shall the District be required to pay from its own funds Union contributions its employees are obligated to pay, but failed to pay, regardless of the reasons.

The Union will be allowed one (1) representative at all District orientations where new employees represented by the Union will be attending, consistent with Government Code § 3550-3559. Union representative shall be allowed twenty (20) minutes to make a presentation and answer questions to and from employees in classifications represented by the Union. The District will notify the union thirty (30) days in advance of such orientation sessions.

Except as otherwise provided in this section, and in accordance with SB 866 (2018) and AB 119 (2017), each pay period, the District shall remit all sums so deducted to the Union, and in each quarter of the year (January 1, April 1, July 1, and October 1), the District shall provide a report with the following information: employee name, job title, work location, work, home, and personal cellular telephone contact number in district records, personal email addresses on file with the District, and home addresses of all employees and amounts deducted, including an accumulated total annual amount deducted per employee.

III. MANAGEMENT RIGHTS

The District has exclusive and inherent management rights with respect to matters of policy. These include, among others: the exclusive right to determine the mission of the District; to set standards of service; to determine the procedures and standards for selection for employment; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to relieve its employees from duty because of lack of work, funds or other legitimate reasons; to maintain the efficiency of District operations; to determine the methods, means and the number and kinds of personnel by which District operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to exercise its discretion to organize and reorganize its department and affairs, and to otherwise exercise complete control and discretion over its organization and the technology of performing its work; to determine the content of job classifications; to implement rules, regulations and directives consistent with the law and the specific provisions of this MOU. The District's exercise of the above listed rights shall be in accordance with law and the specific provisions of this MOU, including the provision regarding advance notice when applicable.

IV. MAINTENANCE OF BENEFITS

All rights, terms and conditions of employment, subject to the meet and confer process, not specifically covered by this Agreement shall remain in effect until changed by mutual agreement.

The District and the Union or their properly designated representatives shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the Union or the District prior to arriving at a determination of policy or course of action.

The District agrees to maintain all benefits for the duration of this contract.

V. DISCRIMINATION

There shall be no discrimination by the Union, the District, or any District employee because of sex, race, color, ancestry, religion, national origin, physical or mental disability, medical condition, age, marital status, the taking of family and medical leave per the Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), pregnancy, sexual orientation, gender identity, or participation in legitimate Union activities. Complaints alleging discrimination based on legitimate Union activities shall be processed as grievances under this agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment and retaliation.

VI. WAGES & HOURS

During the term of this contract, the following salary raises will be in effect:

- Effective the first full pay period in January 2019- see holiday pay section
- Effective the first full pay period in July 2019- 3%
- Effective the first full pay period in January 2020- 3%
- Effective the first full pay period in July 2020- 3%
- Effective the first full pay period in January 2021- 3%
- Effective the first full pay period in July 2021- 3%

For purposes of determining the hourly rate for 56 hour employees, the annual salary is divided by 2912.

The agreed difference between steps is 5%. The agreed difference between the ranks of Firefighter 6 and Captain 1 is 14%. The agreed difference between the ranks of Captain 3 and Battalion Chief 1 is 12%. In order to correct the current compaction between Captain 3 and Battalion Chief 1 and reach the 12% goal, the Battalion Chief salary will include an additional 2% wage increase to all steps effective the first full pay period in January 2019.

The District and Local 3605 will work together to provide an Appendix A that is easy to read and comprehend. The Employer will pay the salary rates reflected in the Salary Schedule set forth in Appendix A.

All step increments in salary are merit steps as outlined in Central Fire Protection District's Career Development Handbook.

All active employees represented by this Agreement shall be assigned to weekly work shifts (56 hours average or 40 hours), unless on special assignments as designated by a chief officer of the District. For the duration of this Agreement, the 56 hour work schedule will remain a 48 hours on and 96 hours off shift pattern.

A. OUT OF CLASS COMPENSATION

Those employees required to work out of class (upward) shall be compensated at the same rate of pay that they would receive if appointed to that position; however, such employees, not including the 40 hour safety employee, shall not be compensated at a rate that exceeds the lowest paid employee regularly assigned to that higher level position, exclusive of any incentives. Additionally, employees who are scheduled to work out of class for more than-four (4) consecutive shifts shall receive the higher pay

rate as compensation for vacation, sick leave, and any other compensated time off that occurs while working out of class. Once the employee returns to their regular class, their compensated time off reverts to their regular pay rate.

Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, title 2, Section 571 as Temporary Upgrade Pay. Premium compensation for Upgrade Pay for overtime hours is not reportable.

Those employees electing to work out of class (downward) shall be compensated at their regular rate of pay as working in their normally assigned position.

B. OVERTIME

Section 1.

Fair Labor Standards Act (FLSA)

As set by the Department of Labor, work periods for public safety employees can vary from seven to 28 days (section 207(k)). Based on the set work period, safety employees are entitled to FLSA overtime for hours actually worked in excess of the threshold set by the Department of Labor. (For FLSA purposes Central Fire pays FLSA overtime for all time worked or "deemed" to have been worked including all paid time off).

Central Fire has established a 24 day work period and therefore employees are entitled to FLSA overtime for hours worked in excess of 182 hours. The regular scheduled hours worked for our shift employees is 192 (eight, 24 hour shifts) within a 24 day work period. Since the regular scheduled hours exceeds the 182 hour threshold, there are ten hours of scheduled overtime for safety employees each 24 day FLSA work period. Since the employee's salary is intended to compensate for the scheduled 192 hours, the overtime premium for the hours between 182 and 192 is at half-time of the employee's "Regular Rate of Pay".

- There are 15.208 FLSA Cycles a year ($365 / 24 = 15.208$)
- There are typically 26 pay periods per year
- 2,912 is the assumed hours worked per year (2,080 hours for forty hour employees)
- FLSA Pay is reportable special compensation to CalPERS for pension calculation

Regular Rate of Pay

An employee who works overtime will be compensated for those overtime hours at a rate of one and one half times the employee's "Regular Rate of Pay." The "Regular Rate of Pay" includes all remuneration paid to the employee including base salary as defined in the salary schedule plus any additional pay the employee receives such as but not limited to Holiday Pay, Paramedic Pay, Special assignment Pay and Education Incentive. All included compensation will be converted into an hourly rate to calculate FLSA pay as well as the Overtime Rate of Pay.

Section 2. Overtime (FLSA is reportable special compensation & overtime is not reportable.)

Effective June 26, 2010, employees shall be entitled to premium overtime compensation at the rate of one and one half (1.5) times the employee's "regular rate of pay", as that term is defined under the FLSA, for all time worked or deemed to have been worked in excess of 182 hours in a 24 day work period.

For the purpose of determining overtime, the words "deemed to have been worked" shall include all paid leave time.

Overtime compensation shall be accumulated in one-half hour increments.

Section 3. Compensatory Time Off (May not be reportable compensation to CalPERS)

Bargaining unit employees are eligible to receive earned overtime in the form of compensatory time off. The method by which overtime is paid (CTO or cash) is at the discretion of the employee. The maximum allowable hours will be as follows:

- Effective the first full pay period in January 2019, any member with more than 120 hours of CTO may not accrue more CTO hours.
- Effective the first full pay period in January 2019, the maximum accumulated hours will not exceed 360 hours. As of the last full pay period in December 2018, any hours in excess of 360 will be paid to the employee at the regular rate of pay.
- Effective the first full pay period in January 2020, the maximum accumulated hours will not exceed 240 hours. As of the last full pay period in December 2019, any hours in excess of 240 will be paid to the employee at the regular rate of pay.
- Effective the pay period including December 31, 2020, the maximum accumulated hours will not exceed 120 hours. Any hours in excess of 120 will be paid to the employee at the December 31, 2020 regular rate of pay.

An employee who is promoted to a higher position shall have one half of his/her accrued CTO hours paid off at the time of the promotional appointment, at the regular rate of pay for the previous class.

C. EDUCATION INCENTIVE

Employees may pursue additional compensation above their individual merit salary step increments through the Employer Education Incentive Plan.

A pay rate incentive program recognizing individual educational initiative shall be awarded to all employees who possess a certificate of proficiency or a college level degree from an accredited college or university.

To participate in the education (pay) incentive program, the employee must have satisfactorily completed a probationary period as prescribed by the Employer, and must possess either a Certificate of Proficiency in Fire Protection Technology/Fire Science, an Associate Degree or Bachelor's Degree or Masters Degree in any field of study.

- **The First Incentive Level:** An employee meeting the above requirements, and who possesses a Certificate of Proficiency in Fire Protection Technology/Fire Science, shall receive \$80.00 per month.

- **The Second Incentive Level:** An employee meeting the above requirements, and who possesses an Associate Degree shall receive \$150.00 per month.
- **The Third Incentive Level:** An employee meeting the above requirements, and who possesses a Bachelor's Degree shall receive \$220.00 per month.
- **The Fourth Incentive Level:** An employee meeting the above requirements, and who possesses a Master's Degree shall receive \$300.00 per month.

Those employees receiving Education Incentive for a recognized equivalent to a Certificate of Proficiency as of 12/31/1999 shall continue to receive the first level Education Incentive Pay.

The above incentives cannot be combined or compounded.

When an employee elects to convert his/her time into monetary compensation, the educational pay incentive will be considered to be part of an employee's hourly rate.

Education incentive is reportable special compensation to CalPERS for pension calculation.

D. SPECIAL ASSIGNMENTS

Bargaining unit members may be appointed to perform the duties of one or more special assignments. Bargaining unit members appointed to a special assignment will be required to meet the minimum requirements of that assignment, including any continuing education requirements (which generally consist of a minimum of 24-hours of continuing education per year, including didactic and manipulative training, i.e. hands-on, drills, exercises, etc.) The Training Division shall coordinate all courses and/or trainings respective to a special assignment.

NOTE: All employees appointed to a special assignment shall complete any initial or minimum training required, including receipt of any required certifications or passage of any applicable medical examinations necessary to obtain a certification or license. Employees who do not meet applicable Federal, State and Local requirements for the position will not be eligible for initial appointment. Once appointed, employees are required to maintain all applicable certifications and complete required continuing education mandates. Employees appointed to a position who are required to attend training off duty to meet this requirement will be paid overtime compensation for such work.

The Fire Chief, in consultation with the Fire District Training Chief and related agencies that the Fire District interfaces with (e.g., State Fire Training, California Specialized Training Institute [CSTI]), shall establish the certification requirements and continuing educational requirements for the special assignments listed below.

Employees who wish to be removed from a special assignment may request to be removed by submitting a letter, requesting removal, to their Battalion Chief following the appropriate chain of command. The letter will then be forwarded to the Fire Chief who will determine if the request will be granted or denied.

D. 1. Hazardous Materials Technician

Employees may be eligible for appointment to assignment as a Hazardous Materials Technician. Employees assigned as a Hazardous Materials Technician will be required to have specialized training, increased responsibilities on incidents and subject to an increased safety risk due to increased exposure to toxic, radioactive, explosive or other hazardous substances. To be eligible for appointment to this assignment, an employee must possess certification from the State of California, in accordance with State Fire Training as a Hazardous Materials Technician or above. Employees in this assignment will be required to satisfy the continuing education requirements as required by CAL/OSHA, maintain annual Haz-Mat related physical (medical) requirements and satisfy all requirements to be a member of the Santa Cruz Hazardous Materials Incident Team (SCHMIT). Employees appointed to this assignment must maintain an active role in the Santa Cruz Hazardous Materials Incident Team (SCHMIT) and are routinely and consistently required to respond to situations involving exposure to hazardous materials. Employees appointed to this position will be eligible to receive special assignment pay, which will be equal to 5% of the top step monthly salary for the firefighter classification. Hazardous Materials Technician incentive is reportable special compensation to CalPERS for pension calculation.

D. 2. Fire Investigator

Employees may be eligible for appointment to the Fire Investigation Unit. This Unit is responsible for investigating the cause and origin of destructive fires, including suspected arson fires. To be eligible for appointment to this assignment, at minimum, an employee must be certified by the State of California as a Fire Investigator I (State Fire Training, 2017) and/or as an Apprentice Fire Investigator recognized by the California Conference of Arson Investigators (CCAI) Certified Fire Investigator program (March, 2017). Employees appointed to this assignment will be required to routinely and consistently participate in the Fire Investigation Unit. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the top step monthly salary for the firefighter classification. Fire Investigator incentive is reportable special compensation to CalPERS for pension calculation.

D. 3. Aquatic Response Rescue Team

Employees may be eligible for appointment to the Aquatic Response Rescue Team (ARRT). This team is responsible for responding to incidents that require specialized expertise in conducting hazardous water rescues and who are subjected to increased safety risk. To be eligible for appointment to the ARRT, an employee must successfully meet all District and United States Lifesaving Association (USLA) requirements as referenced in EOG-Y-009, and as those requirements are updated from time to time. Employees appointed to this assignment will be required to routinely and consistently participate as a member of the ARRT. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the top step monthly salary for the firefighter classification. Aquatic Response Rescue Team incentive is reportable special compensation to CalPERS for pension calculation.

D. 4. Truck Operators

Employees may be eligible for appointment to a Truck Operator assignment. Truck Operators are routinely and consistently responsible for operating certain heavy equipment and apparatus that

goes beyond just the operation of a Fire Engine. To be eligible for appointment to a Truck Operator assignment, an employee must maintain a valid commercial driver's license or other motor vehicle license which allows for the operation of the assigned heavy equipment, and shall have successfully completed the District's Truck Operator program. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the top step monthly salary for the firefighter classification. Truck Operator incentive is reportable special compensation to CalPERS for pension calculation.

D. 5. Rescue Technician

Employees may be eligible for appointment to a Rescue Technician assignment. Rescue Technicians are routinely and consistently responsible for responding to certain life and safety rescue situations such as high angle or cliff rescues, trench or subterranean rescues or rescues in confined spaces which require enhanced training and specialized expertise due to increased hazards that pose a significant safety risk. To be eligible for appointment to a Rescue Technician assignment, an employee must have successfully completed the following specialized classes:

- Rope Rescue Technician
- Rescue Systems 1
- Rescue Systems 2
- Rescue Systems 3
- Confined Space Rescue (Operations)
- Trench Rescue (Operations)

Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to 5% of the top step monthly salary for the firefighter classification. Rescue Technician incentive is reportable special compensation to CalPERS for pension calculation.

D. 6. Training Instructor

Employees may be eligible for appointment to a Training Instructor assignment. Training Instructors are temporarily re-assigned to provide specialized training instruction routinely and consistently to employees for the duration of the assignment. This can include special assignments such as an instructor at the Fire Academy and will include duties such as curriculum development, preparation and presentation of training materials. This position may require supervision of training staff and fire recruits. Employees appointed to this assignment will be eligible to receive special assignment compensation, which will be equal to 10% ~~stipend~~ of the employee's base pay. Training Instructor incentive is reportable special compensation to CalPERS for pension calculation.

D. 7. Special Administrative Assignment

Employees may be eligible for an unanticipated Special Administrative Assignment. This temporary assignment shall be at the discretion of The Fire Chief or his/her designated representative. This position shall be available if the need is determined, to Firefighters, Firefighter Paramedics, Fire Captains or Battalion Chiefs. Upon re-assignment of the selected employee by the Fire Chief or designated representative, the employee will be compensated an amount equal to 10% of the employee's base pay. This classification of Special Assignment stipend is not reportable to CalPERS for pension calculations because it does not meet CalPERS classification for Special Compensation.

VII. 40 HOUR SAFETY EMPLOYEE

SELECTION

1. The 40-hour Safety position, shall at a minimum, have one slot secured for a Captain Specialist. The Central Fire Districts "Fire Captain Specialist" is a rotational administrative assignment in the Fire Training, Fire Prevention or Fire Operations Division based on the needs of the organization as determined by the Fire Chief. The position shall provide critical administrative management skills to enhance career development.
2. No later than September 1st of each year, the Fire Chief will solicit and receive letters of interest from the current safety employees requesting a lateral transfer for the following calendar year.
3. The Fire Chief will interview all eligible applicants. The Fire Chief may select one of these voluntary applicants that best meets the needs of the organization.
4. The selected 40 Hour Safety Employee will move into the assigned division, and that vacancy will be filled by the incumbent 40 Hour Safety Employee on a temporary basis and resolved through the Union bid process.
5. If there are no voluntary applications for the position of 40 Hour Safety Employee, the Chief may appoint one of the three most senior company officers who did not apply. Those employees being considered for the assignment shall be notified via an oral interview process prior to receiving the assignment.
6. The assignment shall begin in alignment with the shift bid of each calendar year unless the prior incumbent's term is voluntarily extended beyond one year.
7. An employee assigned to the 40 Hour Safety Employee assignment under these conditions will not be required to serve in the assignment again until all other eligible safety employees have served a term in the assignment.

MISCELLANEOUS TERMS AND CONDITIONS

1. The 40 Hour Safety Employee will be allowed to take callbacks only when they are off duty. They will be placed in the regular call back rotation when they are off duty.
2. If qualified, the 40 Hour Safety Employee will be eligible to take a callback to the highest level eligible. Overtime earned on a shift call back shall be at the 40 hour over time rate of pay.
3. The 40 Hour Safety Employee working as a 40 hour employee shall receive the same bi-weekly pay and benefits, including holiday pay as an employee of the same step working a 56 hour shift, although for purposes of determining the hourly rate for the 40-hour safety employee, the annual salary is divided by 2080. If the employee chooses to take a holiday off, he/she must use paid vacation leave for those hours.

4. The 40-hour work week will consist of either five (5) 8-hour days or four (4) 10-hour days, as determined by the Fire Chief.
5. The 40-hour safety employee shall receive three administrative holidays, which may be taken off anytime during the calendar year with the approval of the Fire Chief. All administrative holidays must be used during the calendar year with no carry over to the next calendar year. Administrative holidays will be prorated based upon appointment date.
6. The 40-hour safety employee will continue to receive the same vacation and sick leave accrual hours as the 56-hour employee schedule.
7. Annual leave payout requests shall be processed at the 56 hours employee rate of pay.
8. The Fire Chief may issue a District vehicle to the 40-hour safety employee if the employee resides within Santa Cruz County for after-hours Incident Safety Officer responses. The Fire Chief, or designee, may determine which types of incidents the 40-hour safety employee may respond to as an Incident Safety Officer. Compensation for after hour response is at their 40 hour rate of pay.
9. An employee wanting to discontinue his/her 40 hour safety assignment must submit a letter of intent via Inter-Office Memorandum to the Fire Chief or his designee following the appropriate chain of command.
10. The 40 hr. employee shall remain a member of Local 3605.

PROCESS FOR DISCONTINUANCE OF 40 HOUR SAFETY EMPLOYEE ASSIGNMENT

1. An employee can discontinue their 40 hour safety employee in two ways. The first is to complete the year-long assignment as described above in the first paragraph under General Conditions. The second method of discontinuing the assignment is described below.
2. An employee wanting to discontinue his/her 40 hour safety assignment must submit a letter of intent via Inter-Office Memorandum to the Assistant Chief of Operations following the appropriate chain of command. The letter of intent will then be forwarded to the Fire Chief. The employee must have served a minimum of 10 months in the position before a letter of intent can be submitted or have another extenuating circumstance approved by the Fire Chief. Once the 40 Hour Safety Employee's letter is received and accepted by the Fire Chief, the 40 Hour Safety Employee will remain in the position for up to 30 days after the Fire Chief approves the request and fills the position as described in SELECTION process above.
3. When a 56 hour safety position of equal rank becomes vacant the Personnel Officer, or assigned designee, will grant the opening to the 40 hour safety employee as long as a qualified, internal applicant is available to assume to 40 hour safety employee position.

4. The Personnel Officer, or assigned designee, may then fill the opening through the promotional process or by selecting another qualified and willing applicant.
5. The employee that moves from the 40 hour safety position to the 56 hour safety position will no longer have the benefits as described above in Miscellaneous Terms and Conditions upon the first day of reporting to the 56 hour work schedule.
6. An employee assigned to the 40 Hour Safety Employee assignment under these conditions will not be required to serve in the assignment again until all other eligible safety employees have served a term in the assignment.

VIII. 40 HOUR BATTALION CHIEF

TERMS AND CONDITIONS

1. The Battalion Chief assigned to the Training Division will be allowed to take callbacks only when he/she is off duty. They will be included in the regular callback rotation when he/she is off duty. Overtime earned will be at the 40 hour rate of pay.
2. The Battalion Chief working as a 40 Hour shall receive the same bi-weekly pay and benefits, including holiday pay as an employee of the same step working a 56 hour shift, although for purposes of determining the hourly rate for the 40-hour safety employee, the annual salary is divided by 2080. If the employee chooses to take a holiday off, he/she must use paid vacation leave for those hours.
3. The 40-hour work week will consist of either five (5) 8-hour days or four (4) 10-hour days, as determined by the Fire Chief.
4. The Battalion Chief assigned to the Training Division shall receive five administrative holidays, which may be taken off anytime during the calendar year with the approval of the Fire Chief. All administrative holidays must be used during the calendar year with no carry over to the next calendar year. Administrative holidays will be prorated based upon appointment date.
5. The Battalion Chief assigned to the Training Division shall accrue vacation and sick leave at the same rate as Battalion Chief's assigned to a 56-hour schedule.
6. Annual leave payout requests shall be processed at the 40 hour employee rate of pay.
7. The Fire Chief may issue a District vehicle to the Battalion Chief assigned to the Training Division if the employee resides with in Santa Cruz County for after-hour incidents. The Fire Chief, or designee, may determine with types of incidents the Battalion Chief assigned to the Training Division may respond to. Compensation for after hour response is at the 40 hour employee rate of pay.
8. When assigned by the Fire Chief to fulfill the standby time requirement, the 40-hour Battalion Chief will be compensated at a rate stated below. Standby is defined as off

duty hours. Employee will not receive the special compensation pay during his/her normally scheduled work hours.

9. The Battalion Chief assigned to the Training Division will remain within the membership of the Professional Fire Fighters Union Local 3605.

IX DUTY CHIEF STANDBY COVERAGE

At times the Fire District may determine a need for an additional Duty Chief to be on standby for district coverage. This assignment shall include incident response, administrative duties, district coverage or zone coordination. The typical coverage area will consist of but not limited to, The Central Fire Protection District as well as Aptos/La Selva Fire District.

Employees electing to accept Standby Coverage assignments shall be required to:

- Maintain a minimum qualification of Acting Battalion Chief
- Remain within the boundaries of Santa Cruz County
- Be in a ready to respond state as specified in Central Fire's SOP's and Policies

Needed coverage will be determined by the Fire Chief of Central Fire Protection District or Aptos La Selva Fire District (or designated representative) and assignments shall be offered utilizing the District's automated callback system (CrewSense). Assignments shall be offered by a rotational list of Battalion Chiefs and Acting Battalion Chiefs. When an employee elects to accept an offered assignment, his/her name shall be rotated to the bottom of the list.

Upon acceptance of the assignment, the employee shall receive:

- A District command staff vehicle
- District Cell Phone
- District Pager

Compensation shall be paid at a rate of one hour of "Regular Rate of Pay" for every 4 hours assigned. For example, an Employee assigned to a 12 hour shift shall be compensated at 3 hour's Regular Rate of Pay. Partial hours shall be rounded up to the nearest ½ hour increment. Hours compensated for standby coverage shall be considered hours worked for the purposes of overtime calculation.

Upon activation to duty due to Fire District needs, the employee assigned shall be additionally compensated at the employee's Overtime Rate of Pay with a minimum of one hour increments. Partial hours shall be rounded up to the next full hour.

Employees shall not be forced/Mandated to accept standby coverage and if qualified employees are not available, District coverage shall be maintained by on duty personnel and existing mutual/auto aid agreements.

Employees shall not be restricted in conducting personal business/affairs while providing Standby Coverage as long as available for a reasonable response window and may also be available by cell phone or radio communications.

Employees that are assigned a District vehicle shall be allowed to utilize the vehicle while on Stand By assignment in place of their personal vehicle as long as kept in a ready to respond status.

Employees shall not be required to be in District Uniform while providing standby coverage but a reasonable expectation of professionalism is expected and upon activation, proper uniform standards and safety equipment standards will be followed per District SOP's/Policies as time constraints allow.

Standby compensation is not reportable for CalPERS pension calculation

X. STAFFING

It is the intent of the Employer to maintain a minimum daily staffing of 14 line personnel consisting of one battalion chief or acting battalion chief, one truck company staffed by one fire captain or acting fire captain, one truck operator or truck operator/paramedic and two firefighters or combination of firefighters and firefighter/paramedics and three engine companies staffed by one fire captain or acting fire captain and two firefighters or combination of firefighters and firefighter/paramedics. The District shall retain the right to re-distribute and re assign personnel as deemed appropriate. The employer also has the right to make emergency staffing adjustments based on unforeseen emergency staffing needs of the Fire District. Any long term/permanent reduction in the above referenced staffing levels shall occur only after the parties have engaged in the meet and confer process.

XI. RETIREMENT

For Classic employees hired prior to 1/1/2011: The employer is a participant in the California Public Employee's Retirement System (CalPERS), Local Safety, three percent of the final compensation at age 50.

For Classic employees hired on or after 1/1/2011: The employer is a participant in the California Public Employee's Retirement System (CalPERS), Local Safety, three percent of the final three year average compensation at age 55.

For New employees hired on or after 1/1/2013: The Employer is a participant in the California Public Employee's Retirement System (CalPERS), Local Safety 2.7% of the final three year average compensation at age 57.

Classic employees as determined by CalPERS shall pay the nine percent employee contribution to CalPERS until the employee contribution increases to twelve percent. Beginning the pay period that includes December 31, 2018, classic employees will pay the twelve percent employee contribution to CalPERS. The District shall pay the employer contribution to CalPERS.

New employees as determined by CalPERS, shall pay 50% of the normal cost of their pension as periodically set by CalPERS.

The District shall provide tax deferral of the employee's contributions to CalPERS to the extent provided in the Internal Revenue Code.

The following provisions of the California Government Code apply to the retirement benefit plan for the IAFF bargaining unit:

Section 21362.2	3% @ 50 for employees hired on or before 12/31/10
Section 21363.1	3% @ 55 for employees hired after 12/31/2010
Pension Reform Act	2.7% @ 57 for employees hired after 1/1/2013
Section 20042	One year final compensation for employees hired on or before 12/31/2010
Section 20037	3 year average for employees hired after 12/31/2010
Pension Reform Act	3 year average for employees hired after 1/1/2013
Section 21574.5	Indexed level of 1959 Survivor benefit
Section 21623.5	5,000.00 Retired Death benefit
Section 21337.1	Purchasing Power Protection allowance of 80%
Section 21329	Cost of living adjustment at 2%
Section 20965	Credit for unused sick leave (unlimited)
Section 21380–21387	1959 Survivors Program- indexed level

XII. HOLIDAYS

All employees who are covered under this Memorandum of Understanding who work either a 40 hour work week or a 56 hour work week have a required scheduled staffing duty without regard to observed holidays. In lieu of observing holidays, bargaining unit members shall receive in lieu compensation for holidays without regard for when holidays occur or whether the unit member actually works on a holiday. Any employee who is unable to report to work must utilize approved time off as appropriate, following District guidelines and policy.

In-lieu holiday compensation shall be paid to bargaining unit members at the rate of 11.08 hours per pay period and shall not be converted to leave time (compensation only). This in-lieu holiday pay meets the definition of special compensation defined in Cal. Code of Regs., Title 2, Section 571, and shall be incorporated into the unit member's compensation reported to CalPERS for retirement purposes. In the event PERS modifies its regulation, the parties agree to meet and negotiate through the collective bargaining process to amend this language.

Effective the first full pay period in January 2019, holiday pay shall be calculated at the employee's hourly rate multiplied by 24, then multiplied by 12, and then divided by 26 for each pay period value. Appendix A shall show the per pay period (ppp) value for holiday pay at each step.

Additionally, Battalion Chiefs shall receive five administrative holidays, which may be taken off anytime during the calendar year with the approval of the Battalion Chief's supervisor. All administrative holidays must be used during the calendar year with no carry-over and no cash value.

The following are designated holidays:

New Year's Day	Veterans Day
Martin Luther King, Jr. Day	Thanksgiving Day
Presidents Day	Friday after Thanksgiving Day
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	New Year's Eve

The Fire Chief shall designate those days subject to holiday routine, except that Thanksgiving Day, Christmas Day, and New Year's Day shall be days of holiday routine.

XIII. SICK LEAVE

56 hour employees shall accrue sick leave at the rate of twenty-four (24) hours each month. Sick leave may be used for personal illness, physical incapacity, or the illness of a family member. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion, but shall be allowed only in cases of necessity as herein set forth.

For 56 hour employees, where absence is due to the illness of the employee for more than two consecutive twenty four hour shifts or more than two consecutive work days for 40 hour employees, the employee may be required to provide a paper copy of a medical excuse from a Physician or authorized representative upon the request of his/her immediate supervisor, the supervising Battalion Chief or the Fire Chief. Upon return to duty, this document will be submitted to the immediate supervisor who will then submit it to the Human Resources Director as soon as possible.

At the end of each calendar year, a maximum of 144 hours of the annual accumulated sick leave in excess of 2400 hours may be paid at the member's regular hourly rate of pay in effect on December 31st. The request will be made in writing to the Personnel/Payroll Specialist by December 31st. Payouts will be processed no later than the second full pay period following December 31st. Any employee with a sick leave balance below 2400 hours, may not cash in hours.

Employees may accumulate an unlimited amount of sick leave hours.

Upon retirement, employees shall have the option of:

- A. Convert the entire balance of his/her accumulated sick leave to service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965); or
- B. Receive compensation for 600 hours of unused sick leave plus one half (1/2) of the employees current calendar year accrual, at the member's current rate of pay, and convert their remaining sick leave balance to service credit under California Government Code Section 20965.

Upon retirement, any payout will be at the employee's current rate of pay.

If an employee is unable to complete their Firefighter probationary period, no sick leave payout is awarded.

Sick Leave Payout shall not be reported to CalPERS for pension calculation.

XIV. BEREAVEMENT LEAVE

In the event of a death in the employee's immediate family, the employee shall be granted three (3) shifts paid bereavement leave.

XV. VACATION LEAVE

Full-time employees shall accrue vacation hours. The rate at which an employee accrues vacation hours and the maximum amount of vacation hours that may be accrued is determined by an employee's length of service, as set forth in the following chart:

Vacation Accrual Schedule for all Union Members

Years of Service	Hours Accrued per pay period	Annual shift equivalent	Maximum annual accrual (in hours)	Maximum accrual (end of calendar year)
1 - 4	5.54	6	144	216
5 - 9	8.31	9	216	324
10 - 17	11.08	12	288	432
18	12	13	312	468
19	12.92	14	336	503
20 +	13.85	15	360	540

Employees may not use more vacation than they have earned.

Maximum accrued vacation hours may not at any time exceed the hours stipulated. Once an employee reaches maximum accrual based on his/her years of service, the employee will cease to accrue any additional hours until the employee's balance falls below the maximum accrual based on his/her years of service.

An employee may cash out accrued vacation leave any time during the calendar year. If employees elect to receive compensation for unused vacation, the request will be made in writing to the Personnel/ Payroll Specialist. The request for pay will designate the number of hours. The combined total annual vacation cash out will not exceed one half of the Maximum Accrual. The hours shall be paid at the employee's regular rate of pay, including any approved incentive pay.

Vacation Leave Payout shall not be reportable to CalPERS for pension calculation.

XVI. UNION LEAVE BANK

ACCRUED TRANSFER OF TIME TO UNION LEAVE BANK

In the first full pay period of January of each year, each active L3605 bargaining unit employee will contribute to the Union Leave Bank by donating 6 hours of his/her accrued vacation or compensation

time. The time shall be deducted from each employee's accrued vacation/compensation time bank and maintained by the District.

Unless an employee has at least 6 vacation/compensation time hours available, no deduction will occur nor will a deduction occur at any time prior to the next calendar year leave bank transfer. Employees separating employment during the year will not be refunded time or receive any credit from the hours contributed.

The number of hours deducted from each employee's accrued vacation/compensation banks may be adjusted from year to year as necessary with written notification from the Union to the Fire District.

CARRY OVER OF UNUSED FUNDS

If there are any unused amounts in the Union Leave Bank at the end of the fiscal year, these amounts will carry over to the following year.

USAGE OF THE UNION LEAVE BANK

When a bargaining unit member has received the appropriate approval to be absent from his/her scheduled shift(s) to attend conferences or training related to a union function, time shall be transferred from the Bank on an hour for hour basis regardless of rank. The employee assigned to cover the vacancy shall be compensated at their Regular Rate of Pay per the Memorandum of Understanding with all hours being considered hours worked for the purpose of FLSA and overtime calculations. The employee absent from work while attending union business shall receive pay for their regularly scheduled shifts.

AUTHORIZATION FOR USE OF THE UNION LEAVE BANK

An employee seeking to be absent from work pursuant to this section must receive written approval from a union officer and present the request in advance to the Fire Chief or designee at least (7) days prior to the event. The Fire Chief or designee will confirm available hours in the Union Leave Bank to cover the absence and notify by email, approving or denying the absence to the requesting employee and shift Battalion Chief. Approval will be denied if insufficient hours available at the time of request. Final authorization will then be made utilizing the Fire District Staffing Program (CrewSense) approval process.

STATUS REPORTS

The Fire District shall provide reports of time available in the Union Leave Bank upon request of Union Officers or Appointees as well as hours used in the current calendar year.

DISCLAIMER OF LIABILITY

The Fire District assumes no responsibility for how the leave time is used. Time spent on Union Leave is considered "Paid Time Off" for all calculations as specified in the Memorandum of Understanding.

NO WAIVER OF RIGHTS

Nothing in this section shall supersede the Fire Chief's duty to maintain management control over shifts to ensure that the daily operation of the Fire District is adequately covered.

XVII. LIFE INSURANCE AND SALARY CONTINUANCE INSURANCE

A. CURRENT EMPLOYEES

The Employer shall pay all premiums on behalf of employees for the Life Insurance and and the C.A.P.F.F. Long Term Disability Plan. For all full-time employees, the life insurance plan will provide a death benefit of \$2000 for a spouse, and \$1000 per child.

The life insurance plan will provide the following benefit for employees:

All employees to age 64	\$100,000.00
Employees age 65 – 69	\$65,000.00
Employees age 70 +	\$50,000.00

The C.A.P.F.F. Long Term Disability Plan provides, after a sixty (60) day waiting period, a maximum pay out benefit based on the C.A.P.F.F. Long Term Disability Insurance benefit (Plan A).

B. RETIREES

Upon Board ratification, the District will no longer pay for life insurance for retirees. As an option, retirees may purchase life insurance through the employer's plan but must pay 100% of the premium.

XVIII. MEDICAL HEALTH/DENTAL INSURANCE

HEALTH SAVINGS ACCOUNT

Any employee hired on or after January 1, 2019 will be enrolled in a Health Savings Account. The initial cost of the program will be paid by Local 3605 and the ongoing costs will be paid by the District. The District will deposit \$69.23 per pay period into each employees' account with the employee depositing whatever amount he/she wishes to contribute. The District contribution will end upon retirement or separation of employment. If the employee separates employment prior to retirement, the District's contribution will revert back to the District.

MEDICAL INSURANCE

The Employer shall provide medical health insurance to its current full-time employees and dependents, including retired employees and dependents, through CalPERS Health Benefits/Premiums Program of the Bay Area. For the 2019 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only	-	\$871.00
Employee plus one dependent	-	\$1742.00

Revised 5/2/19

Employee plus two or more dependents - \$2264.00

Beginning insurance year 2020, if the District's 85% contribution towards the third most expensive Bay Area basic premiums rate plan does not pay for 100% of at least half of the employee health insurance plan options for that year, the Parties will meet and confer.

If an employee chooses a more expensive plan, they will be responsible for paying the amount.

RETIREE TIER ONE

Employees and retirees hired on or before December 31, 2018:

- Shall receive the same level of coverage as active employees
- If a retiree reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage. I.e.; retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level.

RETIREE TIER TWO

Employees hired on or after January 1, 2019:

- Retirees will receive employee only health care to age 65.
- A minimum of 15 years of service to the District is required to be eligible for 75% of the employee only rate of retiree health care. The percentage of health care will increase by 5% of the employee only rate per year (80% at 16 years, 85% at 17 years, 90% at 18 years, 95% at 19 years, so that at 20 years the coverage will be at 100% of the employee only rate.)

The retiree must have served a minimum of five years as a full time employee in the CalPERS system to qualify.

The retiree must retire as a full time member of the District.

The retiree must retire at or after the established minimum age for CalPERS retirement, disability retirement, or an Industrial Disability Retirement with stipulated coverage for health care.

The retirees retirement effective date must be less than 120 days after separation from employment. Once retired, the retiree's Health Benefits Officer or Personnel Officer will be CalPERS (all changes to your health enrollment are managed by CalPERS).

The Fire District shall continue to pay the above premium until such time as the Fire District and the Union agree otherwise.

The Fire District will provide education and information to each employee regarding the health insurance options provided to them.

DENTAL INSURANCE

The Employer shall provide dental insurance to its employees and dependents as provided through Delta Dental Plan of California and shall pay the monthly premium for the dental insurance coverage. As of July 1, 2020, the District shall pay for the Delta plan level of coverage which provides for \$2000.00 maximum per year, increasing from the \$1000.00 maximum per year, for all active employees and dependents.

RETIREE TIER ONE

Upon honorable retirement and the completion of a minimum of ten (10) years of service to the Employer, should the retired employee elect, the Employer shall pay a pro-rated percentage of this dental insurance premium for the retired employee and his/her dependents. Completion of the minimum ten (10) years of service qualifies the retired employee for an Employer contribution of twenty-five percent (25%) of the monthly premium, following honorable retirement. For those employees with the minimum ten (10) years, each year of subsequent continuous service with the Employer will qualify the retired employee for an additional Employer contribution of two and one-half percent (2.5%) of premium, following honorable retirement, to a maximum of one hundred percent (100%) of premium.

The dental insurance enrollment for each retiree will be the same enrollment that his/her enrolled status was as an employee at the time of retirement. The premium contribution by the Employer will be based on the percentage factor as determined by the employee's years of service prior to retirement, as indicated above. The premium contribution by the retiree will be for the balance of the required premium. The coverage provided to retirees shall be the same as the coverage provided the employees. Upon the death of the employee or the retiree the premium contribution by the Employer will cease. Immediately upon the death of the employee or the retiree the survivor may elect to continue dental coverage by paying 100% of the premium plus a pro-rated administrative fee as specified in COBRA continuation of benefits. The survivor may continue the dental plan till such a time as they deem to discontinue the coverage.

RETIREE TIER TWO

For persons retiring on or after January 1, 2021, the District will no longer pay for dental insurance for retirees. As an option, retirees may purchase dental insurance through the employer's plan but must pay 100% of the premium.

XIX. VISION CARE

The Employer shall provide vision care to employees and their dependents. Coverage shall be as outlined in the VSP Vision Plan, provided through Lawson Hawks Insurance Associates. The Employer shall pay the monthly premiums for employees and their dependents. Retirees may elect to join on to Central Fire's group policy, but will be responsible for 100% of the cost and will be billed directly by the current provider.

XX. EMPLOYEE CONTRIBUTION TOWARD RETIREE MEDICAL OBLIGATION UNFUNDED LIABILITY

Effective on the pay period beginning January 1, 2020, all employees shall make contributions to the District's California Employers Retirement Benefit Trust (CERBT). Employee contributions to the Trust are conditional upon the District maintaining its prefunding contributions to the Trust at 100% of the Actuarially Determined Contribution.

The contributions shall be as follows: Effective January 1, 2020, employees shall contribute an amount equivalent to 1.0% of the employees annual base wage; that amount shall be divided by 26 pay periods; that amount shall be paid each pay period. Such contributions are to be made on a pre-tax basis and employees shall have no vested right to the contributions made by the employees. Such contributions shall be in addition to the District's Actuarially Determined Contribution (ADC) amount to the California Employers Retirement Benefit Trust established for the express purpose of meeting the District's Other Post Employment Benefit (OPEB) obligations and shall not be used for any other purpose.

XXI. CLOTHING

The District will provide non-safety and safety attire. Employees will be responsible for maintenance of all non-safety clothing.

The District will report to CalPERS a uniform allowance of \$300.00 per year as special compensation for each Classic CalPERS member. The uniform allowance will be reported in twenty six (26) equal installments of \$11.54.

For PEPRAs employees, a \$300.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty six (26) equal installments of \$11.54. The uniform allowance for PEPRAs members will not be reported to CalPERS.

For all members, this uniform allowance will hold the employee responsible for maintenance of all clothing other than safety clothing. This amount is the average reportable value of non-safety clothing provided to each member of the District.

XXII. PROFESSIONALIZATION

All "related duties" assigned to Firefighters, Captains and Battalion Chiefs are to be tasks directly related to the fire service, as determined by the Fire Chief. "Related Duties" can pertain to stations, facilities, apparatus, and equipment maintenance/improvement.

XXIII. GRIEVANCE PROCEDURES

GRIEVANCE DEFINED/SCOPE

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential. Therefore, it is agreed that during the term of this Agreement, grievances of all manner, including disciplinary matters, shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the events giving rise to the grievance or within ten (10) calendar days of the time the grievant became aware or reasonably should have become aware of the facts giving rise to the grievance shall discuss the matter with his/her immediate supervisor (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor (formal procedure).

- A. The written grievance shall contain information, which identifies:
 1. The aggrieved employee.
 2. The specific nature of the grievance.
 3. The time and place of its occurrence or discovery.
 4. The existing rule, written policy, regulation or agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
 5. The consideration given or steps taken to attempt informal resolution.
 6. The corrective action desired.
- B. A decision by the aggrieved employee's supervisor shall be made in writing within (10) calendar days of receipt of the written grievance.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee may, within ten (10) calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10) days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10) calendar days after receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4) members; two (2) chosen by the Union, and two (2) members chosen by the Fire Chief or his/her designee. The panel will meet, review the facts, and make its recommendation in writing to both parties.

NOTE: With regard to a dispute that arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may
bypass STEP 1 & STEP 2, aforementioned.

A grievance filed by the Union shall start at STEP 3, unless the above "NOTE" applies.

STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration with approval of at least three members of the Union's Executive Board. The arbitration request must be in writing to the Chair of the Board of Directors. This must be completed no later than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this agreement.

The aggrieved employee and the Fire Chief or designee shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact the State of California Mediation and Conciliation Service to request that a list of seven (7) possible arbitrators be provided. Upon receipt of seven (7) possible arbitrators the parties will meet to select the final arbitrator. The loser of a single coin toss will eliminate the first name of the possible seven (7) arbitrators. The parties shall then alternately strike names from the list of seven (7) arbitrators until such time as there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- A. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter, and transcripts shall be borne equally by the employee (grievances) or Union (disciplinary appeal) and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- B. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
- C. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
- D. Any monetary award in favor of the grievant is limited to lost wages suffered from the date of the grievance forward.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

BINDING ARBITRATION

Request for binding arbitration must go before the voters of the Central Fire Protection District.

XXIV. LAYOFF AND REHIRE PROCEDURE

LAYOFF PROCEDURES

In the event that a layoff should become necessary, it will be conducted in the following manner:

1. Firefighters from the rank of probationary Firefighter through and including permanent Battalion Chief shall be laid off on a strict seniority basis, with the last employee hired to be the first laid off.
2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Central Fire Protection District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.
3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a full-time, paid employee.

REHIRE PROCEDURE

When funds become available for rehiring, the process shall be as follows: The last employee laid off shall be the first to be rehired. Any person being rehired must pass a physical examination equivalent to that required for initial hiring into the District. Any person unable to pass the physical examination shall not be rehired. Cost of the physical examination shall be borne by the Employer. There shall be no time-limit for this rehire procedure.

XXV. CERTIFICATION

EMT CERTIFICATION

All full time employees, with the exception of employees maintaining a paramedic license, shall have a valid EMT certificate and thereafter maintain his or her EMT certificate. EMT certification/re-certification training for employees shall be provided at the expense of the Employer.

PARAMEDIC CONTINUING EDUCATION

When attending training for continuing education requirements on an off-duty day, the paramedic shall be compensated by either pay or CTO at the option of the employee, for hours of attendance.

When the desired training is only available on a day that the paramedic is on duty (assigned shift), the paramedic may request administrative time off in order to attend. If the administrative time off is granted, this time shall be considered "hours worked" for purposes of FLSA.

In either case, on-duty or off duty, the Employer shall pay the cost of tuition, as well as any associated costs, i.e., required textbooks, mileage, and lodging when appropriate.

If the training is at a location outside of the immediate area, reimbursement for costs incurred shall be made to the employee in accordance with Employer's Policies and Procedures Manual and/or SOP for travel, lodging, etc.

One-hour travel time shall be allowed each direction.

Paramedics shall utilize local training opportunities when possible to keep additional costs associated with the class at a minimum. If it is determined that a paramedic through his/her own negligence is unable to attend a required training class that had been offered locally, and as a result must then travel to attend the same training, the Employer may elect to pay only those costs which would have been incurred had the training been attended locally, i.e., meals, lodging, and mileage may not be included.

PARAMEDIC INCENTIVE COMPENSATION

A Firefighter who becomes a paramedic licensed and accredited by the State of California and County of Santa Cruz to perform the duties of a paramedic and performs those duties for the Employer shall be compensated an additional ten percent (10%) above the base salary for STEP 6 Firefighter. Paramedic incentive is reportable special compensation to CalPERS for pension calculation.

PARAMEDIC CAPTAINS/BATTALION CHIEF

Any Captain or Battalion Chief wishing to maintain his/her paramedic license will be compensated 5% of top step firefighter pay per month. Paramedic incentive is reportable special compensation to CalPERS for pension calculation.

Captains wishing to discontinue their paramedic duties must submit a letter of intent via inter-office memorandum to their Battalion Chief following the appropriate chain of command. The letter will then be forwarded to the Fire Chief.

The District will pay Paramedic license renewal fees for all employees who hold a CA State Paramedic license.

XXVI. EDUCATION TIME OFF

All employees are entitled to thirty-six (36) hours of leave per fiscal year for educational purposes not related to required certifications and/or licensing.

1. The thirty-six (36) hours shall only be used to attend classes that are related to the Fire Service, or classes that are required for a college degree that is applicable to the Fire Service.
2. If thirty-six (36) hours, or any increment of thirty-six (36) hours is not used in any given fiscal year, it is forfeited by the employee. At no time shall an employee receive monetary compensation for unused hours.
3. The employee will be able to attend classes, as long as educational time is available, it does not adversely impact staffing level, and funding is available, and the leave is approved by the Fire Chief or his/her designee.

4. Should the employee use all allotted time, thirty-six (36) hours, additional time off shall require approval from the Fire Chief.
5. The thirty-six (36) hours shall be used in no less than four (4) hour increments.

XXVII. COMMENCEMENT OF NEGOTIATIONS

The Employer and the Union shall commence negotiations for a subsequent memorandum of understanding not later than four months before the expiration of this agreement.

XXVIII. EFFECTIVE DATE

After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement, except upon mutual agreement between the contracting parties. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the mutual agreement into this Agreement.

After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing 1/1/2019, except as noted herein.

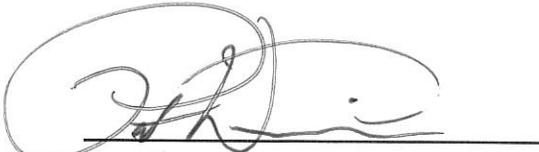
This Agreement shall remain in effect through 12/31/2021, or until a new agreement is agreed upon by the parties, subject to the Employer's emergency powers under Government Code Section 3504.5.

XXIX. TERM

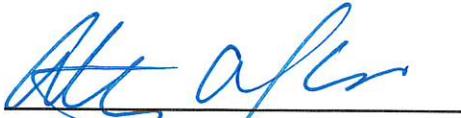
Except as may be otherwise specifically provided herein, this Agreement shall be effective January 1, 2019 through December 31, 2021.

SIGNATURES

FOR THE UNION – LOCAL 3605



Signature



Signature



Signature



Signature



Signature

FOR THE EMPLOYER – CENTRAL FIRE
PROTECTION DISTRICT OF SANTA CRUZ
COUNTY



Signature



Signature



Signature



Signature

Signature

**APPENDIX A
STAFFING SALARY SCHEDULE
January 2019 through June 2019**

BATTALION CHIEF	STEP	Base Salary			Hourly	1ST ED PPP	2ND ED PPP	3RD ED PPP	4TH ED PPP	Captain/BC 5% FF6 Per Month	MEDICS 10% FF6 Per Month	MEDICS PPP	MEDICS CF2	HOLIDAY PER MONTH	HOLIDAY PER PP
		Monthly	Bi-Weekly	PER MONTH											
56 HOUR POSITION	1	\$10,998.94	\$ 5,076.43	\$ 45.33	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,087.81	\$502.06	
	2	\$11,548.89	\$ 5,330.26	\$ 47.59	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,142.20	\$527.17	
	3	\$12,126.33	\$ 5,596.77	\$ 49.97	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,199.31	\$553.53	
BATTALION CHIEF	1	\$10,998.94	\$ 5,076.43	\$ 63.46	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,522.93	\$702.89	
	2	\$11,548.89	\$ 5,330.26	\$ 66.63	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,599.08	\$738.04	
	3	\$12,126.33	\$ 5,596.77	\$ 69.96	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,679.03	\$774.94	
CAPT. SPECIALIST	1	\$ 8,907.47	\$ 4,111.14	\$ 51.39	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,233.34	\$569.23	
	2	\$ 9,352.84	\$ 4,316.70	\$ 53.96	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,295.01	\$597.70	
	3	\$ 9,820.48	\$ 4,532.53	\$ 56.66	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$1,359.76	\$627.58	
CAPTAIN	1	\$ 8,907.47	\$ 4,111.14	\$ 36.71	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$880.96	\$406.60	
	2	\$ 9,352.84	\$ 4,316.70	\$ 38.54	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$925.01	\$426.93	
	3	\$ 9,820.48	\$ 4,532.53	\$ 40.47	\$36.92	\$69.23	\$101.54	\$138.46	\$390.68	N/A	180.31	180.31	\$971.26	\$448.27	
FIREFIGHTER	1	\$ 6,122.13	\$ 2,825.60	\$ 25.23	\$36.92	\$69.23	\$101.54	\$138.46	N/A	\$781.36	\$360.63	\$360.63	\$605.49	\$279.46	
	2	\$ 6,428.24	\$ 2,966.88	\$ 26.49	\$36.92	\$69.23	\$101.54	\$138.46	N/A	\$781.36	\$360.63	\$360.63	\$635.76	\$293.43	
	3	\$ 6,749.65	\$ 3,115.22	\$ 27.81	\$36.92	\$69.23	\$101.54	\$138.46	N/A	\$781.36	\$360.63	\$360.63	\$667.55	\$308.10	
	4	\$ 7,087.14	\$ 3,270.99	\$ 29.21	\$36.92	\$69.23	\$101.54	\$138.46	N/A	\$781.36	\$360.63	\$360.63	\$700.93	\$323.50	
	5	\$ 7,441.49	\$ 3,434.54	\$ 30.67	\$36.92	\$69.23	\$101.54	\$138.46	N/A	\$781.36	\$360.63	\$360.63	\$735.97	\$339.68	
	6	\$ 7,813.57	\$ 3,606.26	\$ 32.20	\$36.92	\$69.23	\$101.54	\$138.46	N/A	\$781.36	\$360.63	\$360.63	\$772.77	\$356.66	
Specialty Pay		PER MONTH	PER PP												
Fire Investigator		\$390.68	180.31												
Haz Mat		\$390.68	180.31												
Truck Operator		\$390.68	180.31												
Rescue Tech		\$390.68	180.31												
Water Rescue		\$390.68	180.31												
													2% increase Battalion Chief only		

**APPENDIX A
STAFFING SALARY SCHEDULE
January 2021 through June 2021**

BATTALION CHIEF	STEP	Monthly	Bi-Weekly	Hourly	1ST ED			2ND ED			3RD ED			4TH ED			MEDICS			MEDICS			HOLIDAY		
					PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP	PPP
56 HOUR POSITION	1	\$12,379.40	\$ 5,713.57	\$ 51.01	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,224.34	\$565.08										
	2	\$12,998.37	\$ 5,999.25	\$ 53.56	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,285.55	\$593.33										
	3	\$13,648.29	\$ 6,299.21	\$ 56.24	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,349.83	\$623.00										
BATTALION CHIEF																									
40 HOUR POSITION	1	\$12,379.40	\$ 5,713.57	\$ 71.42	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,714.07	\$791.11										
	2	\$12,998.37	\$ 5,999.25	\$ 74.99	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,799.77	\$830.67										
	3	\$13,648.29	\$ 6,299.21	\$ 78.74	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,889.76	\$872.20										
CAPT. SPECIALIST																									
40 HOUR POSITION 2080	1	\$10,025.43	\$ 4,627.12	\$ 57.84	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,388.14	\$640.68										
	2	\$10,526.70	\$ 4,858.48	\$ 60.73	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,457.54	\$672.71										
	3	\$11,053.04	\$ 5,101.40	\$ 63.77	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,530.42	\$706.35										
CAPTAIN																									
56 HOUR POSITION	1	\$10,025.43	\$ 4,627.12	\$ 41.31	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$991.53	\$457.63										
	2	\$10,526.70	\$ 4,858.48	\$ 43.38	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,041.10	\$480.51										
	3	\$11,053.04	\$ 5,101.40	\$ 45.55	\$36.92	\$69.23	\$101.54	\$138.46	\$439.71	N/A	N/A	N/A	202.94	\$1,093.16	\$504.53										
FIREFIGHTER																									
56 HOUR POSITION	1	\$ 6,890.52	\$ 3,180.24	\$ 28.39	\$36.92	\$69.23	\$101.54	\$138.46	N/A	N/A	\$879.42	\$405.89	\$681.48	\$314.53											
	2	\$ 7,235.04	\$ 3,339.25	\$ 29.81	\$36.92	\$69.23	\$101.54	\$138.46	N/A	N/A	\$879.42	\$405.89	\$715.55	\$330.26											
	3	\$ 7,596.79	\$ 3,506.21	\$ 31.31	\$36.92	\$69.23	\$101.54	\$138.46	N/A	N/A	\$879.42	\$405.89	\$751.33	\$346.77											
	4	\$ 7,976.63	\$ 3,681.52	\$ 32.87	\$36.92	\$69.23	\$101.54	\$138.46	N/A	N/A	\$879.42	\$405.89	\$788.90	\$364.11											
	5	\$ 8,375.47	\$ 3,865.60	\$ 34.51	\$36.92	\$69.23	\$101.54	\$138.46	N/A	N/A	\$879.42	\$405.89	\$828.34	\$382.31											
	6	\$ 8,794.24	\$ 4,058.88	\$ 36.24	\$36.92	\$69.23	\$101.54	\$138.46	N/A	N/A	\$879.42	\$405.89	\$869.76	\$401.43											
Specialty Pay		PER MONTH PER PP																							
Fire Investigator		\$439.71	202.94																						
Haz Mat		\$439.71	202.94																						
Truck Operator		\$439.71	202.94																						
Rescue Tech		\$439.71	202.94																						
Water Rescue		\$439.71	202.94																						



Central Fire Protection District
930 17th Avenue, Santa Cruz, CA 95062
(831) 479-6842 • www.centralfpd.com

SIDE LETTER AGREEMENT TO AMEND
Central Fire Protection District IAFF Local 3605

Subject: Reopen the IAFF Local 3605 Memorandum of Understanding with respect to out of class compensation when assigned to work in the capacity of Acting Division Chief. This document to be publicly published on the District website.

Effective March 1, 2020, when the Fire Chief or Board of Directors temporarily appoints a member to act in the capacity of Division Chief, the following shall apply.

Out of Class Compensation

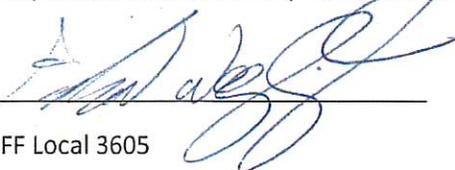
Employees required to work out of class (upward) to Acting Division Chief, shall be compensated at a rate that is equal to 14% above the salary of a step 3 Battalion Chief.

Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, title 2, Section 571 as Temporary Upgrade Pay, as applicable.

Employees working out of class in the position of Acting Division Chief shall be on a 40 hour per week schedule. Employees shall be compensated at 1.5 times their regular rate of pay as defined in the current Memorandum of understanding between the District and IAFF Local 3605 for any hours worked in excess of their normally scheduled hours.

Employees who work out of class shall continue to receive all other compensation of their normally held position including but not limited to Education Pay, Holiday Pay, and Specialty Pay. In addition, employees will continue to accrue paid leave at the same rate as their normally held position.

If an employee working out of class chooses to cash out any paid leave, he/she will be compensated at the salary rate of their previously held position.



IAFF Local 3605

7/17/20

Date



Barry Franchi, Board Chair

7/14/20

Date



Central Fire Protection District
930 17th Avenue, Santa Cruz, CA 95062
(831) 479-6842 • www.centralfpd.com

SIDE LETTER AGREEMENT AMENDING MOU
Between
Santa Cruz Central Fire Protection District
And
IAFF Local 3605

Subject: Reopen and amend the IAFF Local 3605 Memorandum of Understanding with respect to out of class compensation when bargaining unit employee is assigned to work in the capacity of Acting Fire Chief. This amendment is to be publicly published by listing on the District's website.

Effective July 1, 2020, when the Fire Chief or Board of Directors temporarily appoints a member to act in the capacity of the Fire Chief, the following shall apply.

Out of Class Compensation

Employees required to work out of class (upward) to Acting Fire Chief, shall be compensated at the rate of pay of \$93.75 per hour.

Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, title 2, Section 571 as Temporary Upgrade Pay, as applicable.

Employees who work overtime in the out of class Acting Fire Chief position shall be compensated at a rate of 1 and ½ times the hourly Fire Chief rate of \$93.75.

Employees who work out of class shall continue to receive all other compensation of their normally held position including but not limited to Education Pay, Holiday Pay, and Specialty Pay. In addition, employees will continue to accrue paid leave at the same rate as their normally held position.

If an employee working out of class chooses to cash out any paid leave, he/she will be compensated at the salary rate of their previously held position.

IAFF Local 3605

7/21/20

Date

Barry Franchi, Board Chair

7/24/20

Date

**Memorandum
Of Understanding**

**Central Fire Protection District of Santa Cruz County
&
The Administrative Group**

**January 1, 2020
Through
December 31, 2022**

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MEMORANDUM OF UNDERSTANDING

I. PREAMBLE

This Memorandum of Understanding (hereinafter referred to as this Agreement or MOU) is entered into by and between the Central Fire Protection District of Santa Cruz County (hereinafter referred to as the Employer or District) and the administrative staff of the Central Fire Protection District of Santa Cruz County (hereinafter referred to as the Administrative Group) pursuant to the Meyers-Millias-Brown Act (California Government Code Section 3500 et seq.).

II. RECOGNITION

The Administrative Group is hereby acknowledged by the Employer as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the administrative bargaining unit, which consists of the following classifications: Fire Inspector, Fire Prevention Coordinator, Senior Fire Apparatus Technician, Fire Apparatus Technician, Personnel/Payroll Specialist, Accounting Specialist, Administrative Assistants I, II, III and Receptionist.

III. MANAGEMENT RIGHTS

The Administrative Group acknowledges that the Employer's responsibilities and rights, management responsibilities and rights, and all applicable state laws are neither abrogated nor made subject to the meet and confer process by approval of the terms of this Agreement. The parties acknowledge that it is the Employer's exclusive right to generally govern the work of the Employer and conduct of its employees. The Employer has exclusive and inherent management rights with respect to matters of policy, which include, among others: the exclusive right to determine the mission of the Employer; to set standards of service; to determine the procedures and standards of selection for employment and promotion of employees; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to establish work schedules; to determine the content of job classifications; to hire or promote employees; to lay off or relieve employees for lack of work, funds or other legitimate reasons; to expand or diminish services; to determine the methods, means, and number and kinds of personnel by which Employer operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to contract out in its sole discretion; to exercise complete control and discretion over its organization and the

technology of performing its work; and to establish, implement, publish and modify Employer rules, regulations, general orders and directives consistent with the law and the specific provisions of this Agreement. The Employer's exercise of the above- listed rights shall be in accordance with law and the specific provisions of this Agreement, including the provisions regarding Advance Notice when applicable.

IV. MAINTENANCE OF BENEFITS

All rights, terms, and conditions in writing, subject to the meet and confer process, not specifically covered in this Agreement shall remain in effect until change is effected through the meet and confer process and may then be a part of this Agreement insofar as these changes should be included in this Agreement.

The Employer and the Administrative Group or its properly designated representatives, shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the Administrative Group or the District on behalf of its members prior to arriving at a determination of policy or course of action.

V. DISCRIMINATION

There shall be no discrimination because of race, creed, color, national origin, sex, sexual orientation, disability, religion, or legitimate union activities against any employee or applicant for employment by the Administrative Group or by the District or by anyone employed by the District; and to the extent prohibited by applicable State and Federal law, there shall be no discrimination against any disabled persons solely because of such disability unless that disability prevents the persons from performing the essential job duties of the position. Complaints alleging discrimination based on legitimate Administrative Group activities, shall be processed as grievances under this Agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment and retaliation.

VI. COMPENSATION

A. Salary

The District will pay the salary rates reflected in the Salary Schedule set forth in Appendix A. During the term of this agreement, wages for all represented classifications will receive a cost of living adjustment (COLA) as follows:

- Pay period including January 1, 2020 – 5%
- Pay period including January 1, 2021 – 5%
- Pay period including January 1, 2022 – 5%

The District will perform an updated salary survey using the comparator agencies listed in the 2018 Koff Total Compensation Study Final Report using either a qualified outside third party or District staff. This updated salary survey will use the most current salary and total compensation numbers available for each comparator agency. This updated salary survey will be completed and provided to the Administrative Bargaining Group by May 31st, 2022.

B. Education Incentive Plan

Employees may pursue the Employer Education Incentive Plan set forth.

To participate in the Education Incentive Plan, the employee possess either a Certificate of Proficiency in a field of study related to job services performed, an Associate Degree, Bachelor's Degree or Master's Degree issued by an accredited college or university which meets with approval from the Employer.

- Certificate of Proficiency: shall receive \$80.00 a month as incentive pay.
- Associate's Degree: shall receive \$150.00 a month as incentive pay.
- Bachelor's Degree: shall receive \$220.00 a month as incentive pay.
- Master's Degree: shall receive \$300.00 a month as incentive pay.

C. Step Increases

All step increases in salary are merit steps and shall be executed annually according to the salary schedule with approval of the Fire Chief. All newly hired employees shall start at step 1 of the merit salary schedule associated with their position, or at the discretion of the Fire Chief. Changes to employee compensation or salary will be effective the first day of the payroll period following the date of final approval as granted by the District's Board and/or the Fire Chief. Exceptions to this provision require the written approval of the Fire Chief.

D. Longevity

Upon completion of ten (10) years of service an employee shall receive a 2% pay increase. Longevity is calculated from date of hire.

E. Working out of Class Compensation

Working out of class pay will be implemented when an employee is designated to perform or becomes responsible for performing responsibilities of a higher classification. All working out of class pay will be at the salary step of the higher classification (with a minimum of a 5% increase).

VII. HOURS OF WORK

Employees shall be assigned work hours by the Fire Chief as follows:

Administrative Staff will be held to the standard set forth by the Personnel Policy Guidelines Manual. Employees who work a forty (40) hour work week may be permitted to work an alternative schedule (e.g., a 9/80 schedule) subject to the approval of the Fire Chief. Employees working less than 40 hours shall be assigned work schedules by their supervisors, and approved by the Fire Chief.

VIII. OVERTIME

A. FLSA Work Week or Work Period

For those employees who are not engaged in "fire protection services", the work week begins on at 12:00 a.m. on Saturday and ends at 11:59 p.m. on Friday, except that the work for employees on an alternative work schedule (e.g., a 9/80 schedule) shall be as designated for that schedule.

B. Overtime

Employees shall be compensated at the rate of one and one half times their regular rate of pay for all hours worked in excess of:

1. Any time over the regularly scheduled hours worked in a single day.
2. For employees working less than 40 hours, any hours worked in excess of 40 hours in a week.

Overtime compensation shall be accumulated in one-quarter (1/4) hour increments.

C. Compensatory Time Off

Administrative Group employees are eligible to receive earned overtime in the form of compensatory time off with the approval of their Supervisor. The maximum allowable

hours that may be contained in an employee's compensatory time off (CTO) bank is 40 hours. Any overtime hours worked that would increase the employee's CTO bank beyond the 40 hour maximum will be paid out at the employee's overtime rate of pay.

1. Effective the first full pay period in January 2020, any employee with a pre-existing CTO bank amount in excess of 40 hours will be subject to the following conditions (these conditions do not apply to those employees with a pre-existing CTO bank of less than 40 hours):
 - Effective the first full pay period in January 2020, any member with more than 40 hours of CTO in their CTO bank will be unable to accrue more CTO hours until their CTO bank is reduced below 40 hours.
 - Effective the first full pay period of January 2020, any member with more than 60 hours of CTO in their CTO bank will be paid out for the hours in excess of 60 hours at the employee's regular rate of pay.
 - Effective the first full pay period of January 2021, any member with more than 40 hours of CTO in their CTO bank will be paid out for the hours in excess of 40 hours at the employee's regular rate of pay.
2. Prior to receiving a step increase in accordance with the salary steps for their position as laid out in the Salary Schedule in Appendix A, an employee will be paid out for half (1/2) of the total hours in their CTO bank at their regular rate of pay.

IX. ON-CALL & CALLBACK PAY

A. On-Call Pay

At times, the Fire Chief or his designee may assign employees included in this MOU to on-call status during hours outside of the employee's normally scheduled work hours.

Compensation for on-call status shall be paid at a rate of \$15.00 per hour. Partial hours shall be rounded up to the nearest ½ hour increment. Hours compensated for on-call status shall be considered hours worked for the purposes of overtime calculation.

Employees shall not be restricted in conducting personal business/affairs while on-call as long as they can be available for a reasonable response window and may also be available by cell phone or radio communications.

Employees shall not be required to be in District uniform while on-call but a reasonable expectation of professionalism is expected and upon activation, proper

uniform or dress code standards and safety equipment standards will be followed per District SOP's and Policies as time constraints allow.

On-call compensation is not reportable for CalPERS pension calculation.

B. Callback by Phone or Computer

If the employee is able to respond by phone or computer and is not required to report to the worksite, then:

1. All callback hours shall be paid at the employee's overtime rate of pay.
2. For the first response of the day, a minimum of 30 minutes (0.5 hours) of overtime will be paid for actual overtime worked of less than 30 minutes. Thereafter, partial hours will be rounded up to the nearest half-hour increment.
3. An additional minimum will not be paid if an employee is required to respond to additional calls and the time and duration of the response is within the previous minimum.

C. Callback to Worksite

1. All callback hours shall be paid at the employee's overtime rate of pay.
2. A minimum of 2 hours of overtime compensation shall be paid for periods of less than 2 hours. Thereafter, partial hours will be rounded up to the nearest half-hour increment.
3. Hours worked shall include reasonable travel time to work. Return travel time shall not be included within the time worked.
4. If an employee, who was called back to work and has completed his/her assignment and left work, is again called back to work during the same day, he/she will not receive another minimum if the time of return is within the previous callback minimum.
5. Employees required to respond to the worksite will be provided mileage compensation, at the federal rate, for use of their personal vehicles.

X. RETIREMENT BENEFITS

The Employer contracts with the California Public Employees' Retirement System (CalPERS) for the purpose of providing pension benefits. Benefits provided under the Employers' CalPERS contract shall include the following elements:

The Employer will provide "Classic Miscellaneous Members," as that term is defined by the PERL with pension benefits in accordance with the CalPERS 2.5% at age 55 benefit

formula. The Employer will provide "New Miscellaneous Members" as that term is defined in the PERL with pension benefits in accordance with the CalPERS 2.0% at age 62 benefit formula. Employees in the following classifications are considered Miscellaneous Members in accordance with Government Code Section 21354.4: Fire Inspector, Fire Prevention Coordinator, Senior Fire Apparatus Technician, Fire Apparatus Technician, Personnel/Payroll Specialist, Accounting Specialist, Administrative Assistant I, II, III and Receptionist.

- A. Classic employees hired prior to January 1, 2011; The Employer is a participant in the California Public Employees Retirement System, Miscellaneous, 2.5% of final year compensation at age 55 plan. (Gov. Code Section 20042)

Classic employees hired on or after January 1, 2011; The Employer is a participant in the California Public Employees Retirement System, Miscellaneous, 2.5% average of final three years compensation at age 55 plan. (Gov. Code Section 21354.4 & 20037)

New employees hired on or after January 1, 2013; The Employer is a participant in the California Public Employees Retirement System, Miscellaneous, 2.0% average of the final three years compensation at age 62 plan.

- B. Bargaining unit members shall pay the full cost of any employee contribution associated with participation in a CalPERS provided pension program. Classic employees participating as Miscellaneous Members shall be the full 8% employee contribution required for participation in a 2.5% at 55 benefit plan. New employees participating as Miscellaneous Members shall pay one-half (50%) of the normal cost of the 2.0% at age 62 plan as periodically determined by CalPERS.
- C. The Employer shall provide tax deferral of the employees' contributions to CalPERS to the extent provided in the Internal Revenue Code.
- D. Employees working 1,000 hours or less per fiscal year do not receive retirement benefits. However, if he or she had become eligible for CalPERS retirement prior to becoming an employee, that employee shall continue to contribute to CalPERS retirement.
- E. In the event the Employer's excess assets in CalPERS are depleted and there is a cost to the Employer to participate in the 2.5% at age 55 program, the parties to this Agreement will negotiate an employee's contribution to CalPERS as it relates to 2.5% at 55.

The following additional provisions of the California Government Code apply to all members of the Administrative Group:

- California Government Code Section 20042 (one-year final compensation)
- Public Employees' Pension Reform Act of 2013 (2% at age 62 – effective 1/1/13 for new members)
- California Government Code Section 20037 (3 Year Average – effective 1/1/11 new members)
- Public Employees' Pension Reform Act of 2013 (3 Year Average – effective 1/1/13 new members)
- California Government Code Section 21574.5 (1959 Survivors allowance – Indexed level)
- California Government Code Section 20965 (credit for unused sick leave)
- California Government Code Section 21329 (Cost of living adjustment at 2%)
- California Government Code Section 21337.1 (Purchasing Power Protection allowance)

XI. CLOTHING ALLOWANCE

Those employees required to wear a District uniform shall be provided all required and necessary elements, replacement and maintenance as needed, as determined by the District.

For those employees required to wear a district uniform, the District will report to CalPERS a uniform allowance of \$300.00 per year as special compensation for each Classic CalPERS member. The uniform allowance will be paid in twenty-six (26) equal installments of \$11.54. For PEPRA employees, a \$300.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty-six (26) equal installments of \$11.54. The uniform allowance for PEPRA members will not be reported to CalPERS.

XII. HOLIDAYS

Definitions:

- Full-Time employees work forty (40) hour work-week.
- Less than Full-Time employees work twenty (20) to thirty-nine (39) hours per week.
- Part-Time employees work less-than twenty (20) hours per week.

Employees shall receive twelve (12) paid holidays; less-than Full-Time, and Part-Time employees will receive pro-rated hours according to their authorized work schedule.

Holidays are designated as follows:

- New Year's Day
- Martin Luther King Jr
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Friday after Thanksgiving Day
- Christmas Eve
- Christmas Day
- New Year's Eve

NOTE: Holidays falling on a Saturday will be observed the preceding Friday and holidays falling on a Sunday will be observed on the following Monday. Employees working flex work schedule, shall observe that holiday on his/her next scheduled work day if the holiday falls on their scheduled day off.

Other Administrative Benefits:

Employees shall receive six (6) administrative days; less-than Full-Time employees will receive pro-rated hours according to their authorized work schedule. Part-Time employees will not receive administrative days off. Administrative days may be taken off anytime during the calendar year with the approval of the employee's supervisor. All administrative days must be used during the calendar year with no carry-over. An administrative day is equivalent to one work day. New hires will receive pro-rated administrative days during their probationary year.

Employees hired on or after January 1, 2018 shall receive three (3) administrative days; less-than Full-Time employees will receive pro-rated hours according to their authorized work schedule.

XIII. SICK LEAVE

Employees will accrue sick leave at the rate of 8 hours for each full month of continuous service. Employees working less-than Full-Time and Part-Time will accrue pro-rated

sick leave hours based on authorized hours worked, up to a maximum of 8 hours per each full month.

Sick leave is for personal illness, or physical incapacity, the illness of a member of the immediate family or the death of a member of the immediate family. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion, but shall be allowed only in cases of necessity as herein set forth.

To receive compensation while absent on sick leave, the employee shall notify his/her immediate supervisor in the manner provided in the Employer's Policy and Procedures Manual. Where an employee is absent due to illness for more than four (4) consecutive scheduled work days, the employee may be required to provide a written note from a Medical Doctor to his/her immediate supervisor upon return to duty.

A. Sick Leave Payout Upon Separation

Employees may accumulate an unlimited amount of sick leave hours. Upon service retirement, resignation of employment or retirement due to disability, an employee is eligible to either:

1. Convert the entire balance of his/her accumulated sick leave to service credit under California Government Code Section 20965; or
2. Receive cash payment for the total of his/her accumulated sick leave, up to a maximum payout of 520 hours, and convert the remaining sick leave balance, to service credit under California Government Code Section 20965. The cash payment shall be at the rate of pay upon retirement, including any approved educational incentive pay.

B. Annual Sick Leave Payout

Employees with accumulated sick leave balances in excess of 2080 hours at the end of each calendar year may elect to either:

1. Increase their sick leave balance by the full amount of the calendar year net accrual, in excess of the above, for future use as sick leave and/or service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965) or
2. Receive cash payment for twenty-five percent (25%) of that calendar year's net accrual.

The payout amount will be based on the rate of pay that is in effect during the last full pay period of that calendar year, including any approved educational incentive pay, with the balance being used to increase their sick leave balance for future use as sick leave and/or service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965)

Such election must be made no later than the end of the first full pay period of the new calendar year.

XIV. BEREAVEMENT

Employees shall be granted bereavement leave with pay in the case of the death of the following family members:

- The parents of the employee,
- The employees spouse or domestic partner,
- The parents of the employee's spouse or domestic partner,
- The step-parents of the employee and/or employee's spouse or domestic partner,
- The grandparents of the employee,
- The siblings of the employee,
- The children, step-children, and/or adopted children of the employee and/or the employees spouse or domestic partner.

Such leave shall be limited to forty (40) hours per death.

XV. VACATION LEAVE

Employees shall accrue vacation hours. The rate at which an employee accrues vacation hours and the maximum number of hours that can be accrued is determined by an employee's length of service and employment classification. Employees working less than Full-Time and Part-Time will accrue pro-rated vacation hours based on authorized hours worked.

ADMINISTRATIVE PERSONNEL - 40 HOUR				
YEARS OF SERVICE	HOURS ACCRUED PER PAY PERIOD	MAXIMUM NUMBER OF DAYS PER YEAR	MAXIMUM NUMBER OF HOURS PER YEAR	MAXIMUM NUMBER OF HOURS THAT CAN BE ACCRUED
1-5	4.62	15	120	(180)
6-11	6.46	21	168	(252)
12-17	7.69	25	200	(300)
18+	9.23	30	240	(360)

Employees may be granted vacation on an hour-for-hour basis in no less than half hour increments.

Employees may not use more vacation than they have earned.

On or before December 15th, if employees elect to receive compensation for unused vacation, the request will be made in writing to the Personnel/Payroll Specialist. The request for pay will designate the number of hours, not to exceed half (1/2) of the employees "maximum number of hours per year," for which they are requesting compensation. The hours shall be paid at the regular rate of pay. Payment for unused vacation shall be processed no later than the first full pay period in January of each year, and shall be paid at the rate of the last calendar year's accrual.

A newly hired employee may not take vacation leave until completion of at least six (6) months of service; and thereafter, vacation is subject to approval of the Fire Chief, until completion of the initial probationary period.

XVI. LIFE INSURANCE & SALARY CONTINUANCE INSURANCE

A. Current Employees

The Employer shall pay all premiums on behalf of Full Time and less than Full-Time employees for the Life Insurance. The current Life Insurance Plan provides the following life insurance and accidental death and dismemberment benefit for employees:

Full Time and less than Full-Time employees receive \$100,000.

For Full Time and less than Full-Time employees, a death benefit of \$10,000 for spouse and \$5,000 per child is provided. The CAPFF Long Term Disability Plan provides, after a sixty (60) day waiting period, a monthly disability benefit equal to three-fourths (3/4) of the employee's salary, to a maximum of Plan B benefit levels.

B. Retirees

For retirees, employee only, under the age of 65 will receive \$100,000 life benefit, at age 65 the life benefit will be reduced by 35%, at age 70 the life benefit reduction will be 50% of the original benefit of \$100,000.

Upon retirement and the completion of a minimum of ten (10) years of service to the Employer, the Employer shall pay 25% of the basic monthly premium for life insurance. For each additional year after the initial 10 years of service to the

Employer prior to retirement, the Employer shall pay an additional 2.5% of the premium, to a maximum of 100% of the premium. (See Appendix B) The balance of the premium is the requirement of the retiree. Failure on the part of the retiree to pay the balance of the premium will result in removal of that retiree from the life insurance plan with no reinstatement.

Employees hired on or after January 1, 2018, will not receive retiree, life insurance benefits, but applicable to receive the District's rates.

XVII. MEDICAL INSURANCE

A. Current Employees

The Employer shall provide medical health insurance to its Full-Time and less than Full-Time employees and dependents, including retired employees and dependents, through CalPERS Health Benefits Program and shall contribute to the monthly premium for the health insurance plan as follows:

For the 2020 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

- Employee only- \$915
- Employee plus one dependent- \$1829
- Employee plus two or more dependents- \$2378

For the 2021 medical insurance plan year, the District's contribution to the monthly premium will be increased by 5% over the previous year's contribution. The District's contribution to the monthly premium will be as follows:

- Employee only- \$961
- Employee plus one dependent- \$1921
- Employee plus two or more dependents- \$2497

For the 2022 medical insurance plan year, the District's contribution to the monthly premium will be increased by 5% over the previous year's contribution. The District's contribution to the monthly premium will be as follows:

- Employee only- \$1009
- Employee plus one dependent- \$2017
- Employee plus two or more dependents- \$2622

The District will provide education and information to each employee regarding the health insurance options provided to them. Employees may choose any health plan offered by CalPERS.

Employees working less than 1,000 hours per fiscal year may enroll and self-pay all costs at the group rate for health, dental or vision benefits. The employee cost shall include prepayment for benefit coverage and any administrative expense associated with managing the employees' enrollment in said benefits. There shall be no employer cost associated with participation in group coverage.

B. Retirees

All Tiers are subject to the following conditions:

- The retiree must retire at or after the established minimum age for CalPERS retirement; or retire on an Industrial Disability Retirement with stipulated coverage for health care
- The retirees' retirement effective date must be less than 120 days after separation from employment
- Once retired, the retiree's Health Benefits Officer or Personnel Officer will be CalPERS (all changes to your health enrollment are managed by CalPERS)

1. Tier 1:

Employees hired on or before June 30, 2014 shall be entitled to the same medical coverage and premium payments that Full-Time and less than Full-Time District employees are entitled to receive subject to the following conditions:

- The retiree must have served a minimum of five years as a full time employee or equivalent time served in the CalPERS system to qualify.
- A retired employee's level of coverage at the time of retirement cannot be increased after retirement. If the retiree reduces their number of dependents after retirement and this reduction causes the employee to drop down a level of coverage (i.e. dropping from "employee plus two or more dependents" to the "employee plus one dependent") the retiree cannot move back up to the original level of coverage at a later date. For those employees that retire out with "employee plus two or more dependents" level of coverage, this restriction on adding to the number of dependents does not come into play until they have dropped enough dependents to move down to the "employee plus one dependent" level or lower.

2. Tier 2:

Employees hired on or after July 1, 2014 shall receive retiree-only medical benefit subject to the following conditions:

- The retiree must have served a minimum of ten years as a full time employee or equivalent time served in the CalPERS system to qualify for 50% of the full-time employee benefit and will gain an additional 5% for each following year until they will have 100% of the benefit of employees after twenty years as a full time employee or equivalent time served.

3. Tier 3:

Employees hired on or after January 1, 2018 shall receive retiree-only medical benefit upon the completion of twenty years of service to the District. The District's contribution shall be 85% of the employee only rate.

The District shall continue to pay the above premium until the District and the Administrative Group agree otherwise.

XVIII. DENTAL INSURANCE

The Employer shall provide dental insurance to its employees and dependents as provided through Delta Dental Plan of California and shall pay the monthly premium for the dental insurance coverage. As of January 1, 2020, the District shall pay for the Delta plan level of coverage which provides for \$2000.00 maximum per year.

Upon retirement and the completion of a minimum of ten (10) years of service to the Employer, the Employer will pay 25% of the monthly dental premium for the retiree and his/her dependents (until age 23 if in school Full-Time which requires a minimum of 12 units per semester or quarter, or until age 19 if not in school.) For each additional year after the initial 10 years of service to the Employer, the Employer will pay an additional 2.5% of the premium, to a maximum of 100% of the premium. The balance of the premium is the requirement of the retiree. Failure on the part of the retiree to pay the balance of the premium will result in removal of that retiree from the dental insurance plan with no reinstatement.

Employees hired on or after January 1, 2018, shall not receive retiree, dental benefits, but will be applicable to receive the District's rates.

XIX. VISION CARE

The Employer shall provide vision care to its Full-Time and less than Full-Time employees and their dependents. Coverage shall be as outlined in the VSP Vision Plan, provided through the current provider. The Employer shall pay the monthly premiums for Full-Time and less than Full-Time employees and their dependents.

As an option, retirees may purchase vision insurance through Employer's vision plan, but must pay 100% of the premium. The Employer will not invoice retirees for the vision coverage. Invoicing is through the current third party administrator.

XX. EDUCATION TIME OFF

Full-time and Less-than Full-Time employees are entitled to thirty-six (36) hours' leave per fiscal year for educational purposes not related to required certifications and/or licensing.

- A. The thirty-six (36) hours shall be used to attend classes related to the Fire Service, or classes that are required for a college degree and/or applicable to employee's positions.
- B. If thirty-six (36) hours, or any increment of the thirty-six (36) hours is not used in any given fiscal year; it is forfeited by the employee. An employee shall not receive monetary compensation for unused hours.
- C. The employee will be able to attend classes as long as educational time is available, it does not adversely impact staffing levels, and funding is available, and the leave is approved by your supervisor.
- D. Should the employee use all allotted time (36 hours), additional time off, shall require the approval of the Fire Chief or designee.

Employees hired on or after January 1, 2018 will not receive Education Time Off.

XXI. GRIEVANCE PROCEDURES

Grievance Definition and Scope:

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential to sound employee/employer relations and to the continuation of excellent service to the community. Therefore, it is agreed that during the term of this Agreement, grievances shall be resolved in the manner set forth herein.

NOTE: With regard to a dispute, which arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may bypass STEP 1 & STEP 2. A grievance filed by the Administrative Group shall start at STEP 3, unless the above "NOTE" applies.

- A. **STEP 1:** An employee who believes he/she has a grievance shall within ten (10) calendar days of the date of occurrence or discovery discuss the matter with their immediate supervisor (informal procedure).

- B. **STEP 2:** If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor. The written grievance shall contain information, which identifies:
 - 1. The aggrieved employee.
 - 2. The specific nature of the grievance.
 - 3. The time and place of its occurrence or discovery.
 - 4. The provision of this Agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
 - 5. The consideration given or steps taken to attempt informal resolution.
 - 6. The corrective action desired.

A decision by the aggrieved employee's supervisor shall be made in writing within (10) calendar days of receipt of the written grievance and delivered to the aggrieved employee.

- C. **STEP 3:** If not satisfied with the decision under STEP 2, the aggrieved employee, may within ten (10) calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10) days of receipt of the written grievance.

- D. **STEP 4:** If dissatisfied, the aggrieved employee may, within ten (10) calendar days after the receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4) members; two (2) chosen by the Fire Chief or

his/her designee, and two (2) members chosen by the Administrative Group. The panel will meet, review the facts, and make its recommendation in writing to both parties involved. The result of the panel may be accepted by the aggrieved employee or the matter may be referred to arbitration if within the scope of the grievance.

- E. **STEP 5:** If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration if within the scope of the grievance. The arbitration request must be in writing to the Fire Chief. This must be completed no longer than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this Agreement.
1. The aggrieved employee and the Fire Chief, or designee, shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact State of California Mediation and Conciliation Service to request that a list of seven (7) arbitrators be provided. The loser of a single coin toss will eliminate the first name of the possible (7) arbitrators. The parties shall alternately strike names from the list provided until there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.
 2. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter and transcripts shall be borne equally by the Administrative Group employee and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
 3. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
 4. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
 5. Any monetary award in favor of the grievant is limited to lost wages suffered measured from the date of the grievance forward). In no event will the arbitrator award any other type of monetary award, including, but not limited to, attorneys' fees.
 6. Failure on the part of the Administrative Group or the aggrieved employee to appear in any case before an arbitrator without good cause shall result in forfeiture of the case and responsibility for payment of all costs of arbitration.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

XXII. LAYOFF & REHIRE PROCEDURES

A. Layoff

In the event that a layoff should become necessary, it may become necessary for personnel to be re-assigned to other positions at the discretion of the Fire Chief. In such event, layoff shall be conducted in the following manner:

1. Employees within a classification shall be laid off on a strict seniority basis with the last employee hired to be the first laid off.
2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Central Fire Protection District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.
3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a permanent, paid employee.

B. Rehire

If within a period of eighteen (18) months after the effective date of the layoff, funds become available for rehiring; the process shall be as follows:

The last employee laid off shall be the first to be rehired. All personnel being rehired may be required to have a physical examination. Any person unable to pass the physical examination shall not be rehired. The cost of the physical examination shall be borne by the Employer.

The rehired employee will resume the same classification and step at the time of layoff. The above procedure shall apply for a period of eighteen (18) months years from time of layoff.

XXIII. VOLUNTARY REASSIGNMENT PROCEDURE

Circumstances may arise that would dictate to an employee to evaluate his/her position of employment with his/her Employer. As a result, an employee may desire to return to a lower classification position of employment with his/her Employer, which the employee previously held. In order for this reassignment to take place, all of the following must occur:

- A. A current vacancy in the lower classification must exist.
- B. The employee requesting reassignment must meet the current job requirements of the lower classification position.
- C. A qualified and willing employee (currently on a valid hiring list for that position) must be available to advance into the higher classification being vacated (switching positions). If there is no qualified and willing employee to accept the promotion, the employee requesting reassignment will not be granted his/her request. No employee will be allowed to displace another employee in the lower classification. The employee requesting reassignment must wait for an opening in that lower classification.
- D. Reassignment privileges may only be exercised within the assigned job classification (i.e. Full Time or Part-time employees).
- E. All requests for reassignment of employees must be approved by the Fire Chief or his designated representative.
- F. For the purpose of seniority calculation, the reassigned employee will carry back all seniority earned in the higher classification(s) to the lower classification. The objective is that no employee will lose total seniority by reassignment to a lower classification.
- G. A reassigned employee shall assume the top step position of the lower classification, with a corresponding reduction in pay and related benefits to the top step of the position.

XXIV. ALCOHOL & SUBSTANCE ABUSE TESTING

Alcohol and drug testing shall be performed during the employee's regularly scheduled District required medical-physical exam, or if reasonable cause/suspicion or evidence is presented, as outlined in the SOP ADM # 17. The Personnel Policy Guidelines related to alcohol and substance abuse testing shall be utilized if an employee is found positive for illegal substances.

The employer shall follow generally accepted substance abuse rehabilitation guidelines and procedures. The cost of the substance abuse rehabilitation shall be the responsibility of the employee. A medical and psychological back to work examination (fit for duty) shall be provided by the employer as soon as possible and prior to the employee being permitted to return to his or her regularly assigned duties.

XXV. TERM

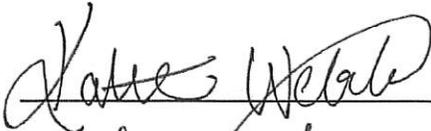
After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement without engaging in the meet and confer process. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the agreement into this Agreement. After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing January 1, 2020, except as noted herein. This is subject to the Employer's emergency powers under the Government Code Section 3504.5.

Except as otherwise specifically provided herein, this Agreement shall be effective January 1, 2020 through December 31, 2022.

This Memorandum of Understanding is entered into this 12th day of November 2019, in the County of Santa Cruz, California.

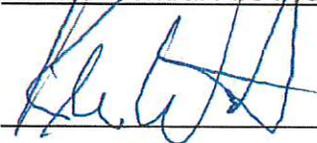
XXVI. SIGNATURES

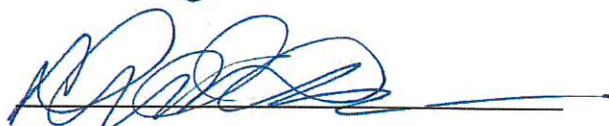
For the Administrative Group:





For the Central Fire Protection District:







**APPENDIX A
STAFFING SALARY SCHEDULE
2020**

					1ST ED	2ND ED	3RD ED	4TH ED
					PPP	PPP	PPP	PPP
5% - PP#2-2020								
FIRE INSPECTOR	STEP	Monthly	Bi-Weekly	Hourly				
	1	\$ 7,783.41	\$ 3,592.34	\$ 44.90	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 8,172.58	\$ 3,771.96	\$ 47.15	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 8,581.20	\$ 3,960.55	\$ 49.51	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,010.26	\$ 4,158.58	\$ 51.98	\$36.92	\$69.23	\$101.54	\$138.46
FIRE PREVENTION COORDINATOR	5% - PP#2-2020							
	1	\$ 5,242.90	\$ 2,419.80	\$ 30.25	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,505.04	\$ 2,540.79	\$ 31.76	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,780.29	\$ 2,667.83	\$ 33.35	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,069.32	\$ 2,801.22	\$ 35.02	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,372.78	\$ 2,941.28	\$ 36.77	\$36.92	\$69.23	\$101.54	\$138.46
SENIOR FIRE APPARATUS TECHNICIAN	5% - PP#2-2020							
	1	\$ 8,376.74	\$ 3,866.19	\$ 48.33	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 8,795.58	\$ 4,059.50	\$ 50.74	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 9,235.34	\$ 4,262.46	\$ 53.28	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,697.11	\$ 4,475.59	\$ 55.94	\$36.92	\$69.23	\$101.54	\$138.46
FIRE APPARATUS TECHNICIAN	5% - PP#2-2020							
	1	\$ 6,544.00	\$ 3,020.31	\$ 37.75	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 6,871.20	\$ 3,171.32	\$ 39.64	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 7,214.76	\$ 3,329.89	\$ 41.62	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 7,575.50	\$ 3,496.39	\$ 43.70	\$36.92	\$69.23	\$101.54	\$138.46
PERSONNEL / PAYROLL SPECIALIST	5% - PP#2-2020							
	1	\$ 5,374.00	\$ 2,480.31	\$ 31.00	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,642.69	\$ 2,604.32	\$ 32.55	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,924.83	\$ 2,734.54	\$ 34.18	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,221.08	\$ 2,871.27	\$ 35.89	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,532.13	\$ 3,014.83	\$ 37.69	\$36.92	\$69.23	\$101.54	\$138.46
ACCOUNTING SPECIALIST	5% - PP#2-2020							
	1	\$ 5,242.90	\$ 2,419.80	\$ 30.25	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,505.04	\$ 2,540.79	\$ 31.76	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,780.29	\$ 2,667.83	\$ 33.35	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,069.32	\$ 2,801.22	\$ 35.02	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,372.78	\$ 2,941.28	\$ 36.77	\$36.92	\$69.23	\$101.54	\$138.46
ADMIN ASSISTANTS I, II, III	5% - PP#2-2020							
	1	\$ 4,749.87	\$ 2,192.25	\$ 27.40	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 4,987.35	\$ 2,301.85	\$ 28.77	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,236.72	\$ 2,416.95	\$ 30.21	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 5,498.57	\$ 2,537.80	\$ 31.72	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46
PART-TIME ADMIN ASSISTANT	5% - PP#2-2020							
	1	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46
RECEPTIONIST	5% - PP#2-2020							
	1	\$ 3,741.59	\$ 1,726.89	\$ 21.59	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 3,928.68	\$ 1,813.24	\$ 22.67	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 4,125.10	\$ 1,903.89	\$ 23.80	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 4,331.37	\$ 1,999.09	\$ 24.99	\$36.92	\$69.23	\$101.54	\$138.46

**APPENDIX A
STAFFING SALARY SCHEDULE
2021**

					1ST ED	2ND ED	3RD ED	4TH ED
					PPP	PPP	PPP	PPP
5% - PP#1-2021								
FIRE INSPECTOR	STEP	Monthly	Bi-Weekly	Hourly				
	1	\$ 8,172.58	\$ 3,771.96	\$ 47.15	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 8,581.21	\$ 3,960.56	\$ 49.51	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 9,010.26	\$ 4,158.58	\$ 51.98	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,460.77	\$ 4,366.51	\$ 54.58	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
FIRE PREVENTION COORDINATOR								
	1	\$ 5,505.05	\$ 2,540.79	\$ 31.76	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,780.29	\$ 2,667.83	\$ 33.35	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 6,069.31	\$ 2,801.22	\$ 35.02	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,372.78	\$ 2,941.28	\$ 36.77	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,691.42	\$ 3,088.35	\$ 38.60	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
SENIOR FIRE APPARATUS TECHNICIAN								
	1	\$ 8,795.58	\$ 4,059.50	\$ 50.74	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 9,235.35	\$ 4,262.47	\$ 53.28	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 9,697.10	\$ 4,475.59	\$ 55.94	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 10,181.97	\$ 4,699.37	\$ 58.74	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
FIRE APPARATUS TECHNICIAN								
	1	\$ 6,871.20	\$ 3,171.32	\$ 39.64	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 7,214.76	\$ 3,329.89	\$ 41.62	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 7,575.50	\$ 3,496.38	\$ 43.70	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 7,954.28	\$ 3,671.20	\$ 45.89	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
PERSONNEL / PAYROLL SPECIALIST								
	1	\$ 5,642.70	\$ 2,604.32	\$ 32.55	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,924.82	\$ 2,734.53	\$ 34.18	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 6,221.07	\$ 2,871.26	\$ 35.89	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,532.13	\$ 3,014.83	\$ 37.69	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,858.73	\$ 3,165.57	\$ 39.57	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
ACCOUNTING SPECIALIST								
	1	\$ 5,505.05	\$ 2,540.79	\$ 31.76	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,780.29	\$ 2,667.83	\$ 33.35	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 6,069.31	\$ 2,801.22	\$ 35.02	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,372.78	\$ 2,941.28	\$ 36.77	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,691.42	\$ 3,088.35	\$ 38.60	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
ADMIN ASSISTANTS I, II, III								
	1	\$ 4,987.36	\$ 2,301.86	\$ 28.77	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,236.72	\$ 2,416.95	\$ 30.21	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,498.56	\$ 2,537.80	\$ 31.72	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,062.17	\$ 2,797.92	\$ 34.97	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
PART-TIME ADMIN ASSISTANT								
	1	\$ 6,062.17	\$ 2,797.92	\$ 34.97	\$36.92	\$69.23	\$101.54	\$138.46
5% - PP#1-2021								
RECEPTIONIST								
	1	\$ 3,928.67	\$ 1,813.23	\$ 22.67	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 4,125.12	\$ 1,903.90	\$ 23.80	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 4,331.35	\$ 1,999.09	\$ 24.99	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 4,547.94	\$ 2,099.05	\$ 26.24	\$36.92	\$69.23	\$101.54	\$138.46

**APPENDIX A
STAFFING SALARY SCHEDULE
2022**

					1ST ED	2ND ED	3RD ED	4TH ED
					PPP	PPP	PPP	PPP
					5% - PP#1-2022			
FIRE INSPECTOR	STEP	Monthly	Bi-Weekly	Hourly				
	1	\$ 8,581.21	\$ 3,960.56	\$ 49.51	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 9,010.27	\$ 4,158.59	\$ 51.98	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 9,460.77	\$ 4,366.51	\$ 54.58	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 9,933.81	\$ 4,584.83	\$ 57.31	\$36.92	\$69.23	\$101.54	\$138.46
FIRE PREVENTION COORDINATOR	5% - PP#1-2022							
	1	\$ 5,780.30	\$ 2,667.83	\$ 33.35	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 6,069.30	\$ 2,801.22	\$ 35.02	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 6,372.77	\$ 2,941.28	\$ 36.77	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,691.42	\$ 3,088.35	\$ 38.60	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 7,025.99	\$ 3,242.76	\$ 40.53	\$36.92	\$69.23	\$101.54	\$138.46
SENIOR FIRE APPARATUS TECHNICIAN	5% - PP#1-2022							
	1	\$ 9,235.36	\$ 4,262.47	\$ 53.28	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 9,697.12	\$ 4,475.59	\$ 55.94	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 10,181.96	\$ 4,699.37	\$ 58.74	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 10,691.07	\$ 4,934.34	\$ 61.68	\$36.92	\$69.23	\$101.54	\$138.46
FIRE APPARATUS TECHNICIAN	5% - PP#1-2022							
	1	\$ 7,214.76	\$ 3,329.89	\$ 41.62	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 7,575.49	\$ 3,496.38	\$ 43.70	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 7,954.27	\$ 3,671.20	\$ 45.89	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 8,351.99	\$ 3,854.76	\$ 48.18	\$36.92	\$69.23	\$101.54	\$138.46
PERSONNEL / PAYROLL SPECIALIST	5% - PP#1-2022							
	1	\$ 5,924.84	\$ 2,734.54	\$ 34.18	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 6,221.06	\$ 2,871.26	\$ 35.89	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 6,532.12	\$ 3,014.83	\$ 37.69	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,858.74	\$ 3,165.57	\$ 39.57	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 7,201.67	\$ 3,323.85	\$ 41.55	\$36.92	\$69.23	\$101.54	\$138.46
ACCOUNTING SPECIALIST	5% - PP#1-2022							
	1	\$ 5,780.30	\$ 2,667.83	\$ 33.35	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 6,069.30	\$ 2,801.22	\$ 35.02	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 6,372.77	\$ 2,941.28	\$ 36.77	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,691.42	\$ 3,088.35	\$ 38.60	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 7,025.99	\$ 3,242.76	\$ 40.53	\$36.92	\$69.23	\$101.54	\$138.46
ADMIN ASSISTANTS I, II, III	5% - PP#1-2022							
	1	\$ 5,236.73	\$ 2,416.95	\$ 30.21	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 5,498.55	\$ 2,537.79	\$ 31.72	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 5,773.49	\$ 2,664.69	\$ 33.31	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 6,062.17	\$ 2,797.92	\$ 34.97	\$36.92	\$69.23	\$101.54	\$138.46
	5	\$ 6,365.27	\$ 2,937.82	\$ 36.72	\$36.92	\$69.23	\$101.54	\$138.46
PART-TIME ADMIN ASSISTANT	5% - PP#1-2022							
	1	\$ 6,365.27	\$ 2,937.82	\$ 36.72	\$36.92	\$69.23	\$101.54	\$138.46
RECEPTIONIST	5% - PP#1-2022							
	1	\$ 4,125.11	\$ 1,903.90	\$ 23.80	\$36.92	\$69.23	\$101.54	\$138.46
	2	\$ 4,331.37	\$ 1,999.09	\$ 24.99	\$36.92	\$69.23	\$101.54	\$138.46
	3	\$ 4,547.92	\$ 2,099.04	\$ 26.24	\$36.92	\$69.23	\$101.54	\$138.46
	4	\$ 4,775.33	\$ 2,204.00	\$ 27.55	\$36.92	\$69.23	\$101.54	\$138.46

Appendix B

YEARS OF SERVICE	DISTRICT PAYS	RETIREE PAYS
20	50.0%	50.0%
21	52.5%	47.5%
22	55.0%	45.0%
23	57.5%	42.5%
24	60.0%	40.0%
25	62.5%	37.5%
26	65.0%	35.0%
27	67.5%	32.5%
28	70.0%	30.0%
29	72.5%	27.5%
30	75.0%	25.0%
31	77.5%	22.5%
32	80.0%	20.0%
33	82.5%	17.5%
34	85.0%	15.0%
35	87.5%	12.5%
36	90.0%	10.0%
37	92.5%	7.5%
38	95.0%	5.0%
39	97.5%	2.5%
40	100.0%	0.0%

**MEMORANDUM
OF
UNDERSTANDING**

**CENTRAL FIRE PROTECTION DISTRICT
OF
SANTA CRUZ COUNTY
AND
MANAGEMENT GROUP**

**January 1, 2020
Through
December 31, 2022**

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MEMORANDUM OF UNDERSTANDING

I PREAMBLE

This Memorandum of Understanding (hereinafter referred to as this Agreement or MOU) is entered into by and between the Central Fire Protection District of Santa Cruz County (hereinafter referred to as the Employer or District) and the Management staff of the Central Fire Protection District of Santa Cruz County (hereinafter referred to as the Managers) pursuant to the Meyers-Milias-Brown Act (California Government Code Section 3500 et seq.) This Agreement was negotiated in good faith between representatives of the District and the Managers and is only applicable subject to individually negotiated employment contracts.

II RECOGNITION

The Managers are hereby acknowledged by the Employer as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the Management bargaining unit, which consists of the following full-time exempt positions: Fire Marshal, Finance Director, Human Resources Director.

III MANAGEMENT RIGHTS

The Management Group acknowledges that the Employer's responsibilities and rights, management responsibilities and rights, and all applicable state laws are neither abrogated nor made subject to the meet and confer process by approval of the terms of this Agreement. The parties acknowledge that it is the Employer's exclusive right to generally govern the work of the Employer and the conduct of its employees. The Employer has exclusive and inherent management rights with respect to matters of policy, which include, among others: the exclusive right to determine the mission of the Employer; to set standards of service; to determine the procedures and standards of selection for employment and promotion of employees; to direct its employees, including scheduling and assigning work, work hours, and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to establish work schedules; to determine the content of job classifications; to hire or promote employees; to lay off or relieve employees for lack of work, funds, or other legitimate reasons; to expand or diminish services; to determine the methods, means, and number and kinds of personnel by which Employer operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to contract out in its sole discretion; to exercise complete control and discretion over its organization and the technology of performing its work; and to establish, implement, publish, and modify Employer rules, regulations, general orders, and directives consistent with the law and the specific provisions of this Agreement. The Employer's exercise of the above-listed rights shall be in accordance with law and the specific provisions of this Agreement, including the provisions regarding Advance Notice when applicable.

IV MAINTENANCE OF BENEFITS

All rights, terms, and conditions in writing, subject to the meet and confer process, not specifically covered in this Agreement shall remain in effect until change is effected through the meet and confer process and may then be a part of this Agreement insofar as these changes should be included in this Agreement.

The Employer and the Managers (or its properly designated representatives) shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the District or the Managers on behalf of its members prior to arriving at a determination of policy or course of action.

The District agrees to maintain all health and related non-salary benefits for the duration for this contract (January 1, 2020 – December 31, 2022).

V DUTIES & EXCLUSIVE EMPLOYMENT

Employees perform the duties of their office as they are presently constituted and described in the District's job description for their assigned classification and such other duties as the District may from time to time assign.

Employees remain in the exclusive employ of the District during their employment with the District.

VI DISCRIMINATION

There shall be no discrimination because of race, creed, color, national origin, sex, sexual orientation, disability, religion, or legitimate union activities against any employee or applicant for employment by the Managers Group, by the District, or by anyone employed by the District; and to the extent prohibited by applicable State and Federal law, there shall be no discrimination against any disabled persons solely because of disability unless that disability prevents the persons from performing the essential job duties of the position. Complaints alleging discrimination based on legitimate activities shall be processed as grievances under this Agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment, and retaliation.

VII COMPENSATION

A. Salary

The District will pay the salary rates reflected in the Salary Schedule set forth in appendix A. During the term of this agreement, wages for all represented classifications will receive a cost of living adjustment (COLA) as follows:

Pay period including January 1, 2020 – 5%
Pay period including January 1, 2021 – 5%
Pay period including January 1, 2022 – 5%

B. Education Incentive Plan

Employees may receive Educational Incentive Pay as described below.

Educational Time Off shall be provided at the sole discretion of the Fire Chief as approved by the District Board.

A pay rate incentive program recognizing individual educational initiative shall be Fire Service oriented. To review the content of each individual course would be time consuming and would duplicate the accreditation performed by the California State Department of Education's Fire Service Training Program and each college district's advisory and review boards. Therefore, the Employer recognizes those Certificates of Proficiency and college level degrees issued by an accredited college or university.

To participate in the education (pay) incentive program, the employee must have satisfactorily completed a probationary period as prescribed by the Employer, and must possess either a Certificate of Proficiency in a field of study related to job services performed, an Associate, Bachelor's, or Master's Degree that meets with approval from the Employer.

Certificate of Proficiency Level: An employee meeting the above requirements and who possesses a Certificate of Proficiency related to job services performed shall receive \$80.00 a month as incentive pay.

Associate Degree Level: An employee meeting the above requirements and who possesses an AA or AS degree shall receive \$150.00 per month as incentive pay.

Bachelor's Degree Level: An employee meeting the above requirements and who possesses a BA or BS Degree shall receive \$220.00 per month as incentive pay.

The Fourth Incentive Level: An employee meeting the above requirements and who possesses a Master's Degree shall receive \$300.00 per month as incentive pay.

Those employees receiving Education Incentive Pay for a recognized equivalent to a Certificate of Proficiency as of 12/31/99 shall continue to receive first level Education Incentive Pay.

Employees shall only receive the highest Education Incentive Pay for which they qualify.

C. Specialty Pay

Employees who are certified by the State of California as a Certified Fire Investigator, and who actively participate in the Arson Investigation Unit, shall be paid an incentive of 5% of the top step monthly salary for the firefighter classification. In order to keep the compensation amount equal for all employees assigned to the Fire Investigation Unit, the compensation amount will be adjusted in the event of an increase in specialty assignment pay for IAFF 3605.

D. Step Increases

All step increases are merit based and shall be implemented annually as reflected in the salary schedule.

E. Effective Date of Changes to Salary

Changes to employee compensation or salary will be effective the first day of the payroll period following the date of final approval as granted by the District's Board and/or the Fire Chief. Exceptions to this provision require the written approval of the Fire Chief.

VIII HOURS OF WORK

Employees shall be assigned work hours and duty tours by the Fire Chief as follows:

- A.** Employees shall work a 40-hour workweek. The schedule may vary based on assignment. Each employee may be permitted to work an alternative schedule subject to the approval of the Fire Chief.
- B.** Employees work a 9/80 schedule of 7:30 a.m. to 4:30p.m. with alternative Friday's off.
- C.** Each employee is exempt from overtime under the Fair Labor Standards Act. An employee who works more than 40 hours in a week may accrue one hour of paid Flex Time for each hour worked above 40 hours. Employees Flex Time balance may not exceed 100 hours without prior approval from the Fire Chief.

IX RETIREMENT BENEFITS

The Employer contracts with the California Public Employees' Retirement System (CalPERS) for the purpose of providing pension benefits. Benefits provided under the Employers' CalPERS contract shall including the following elements:

Tier 1: For Classic Employees hired prior to 1/1/2011: The Employer is a participant in the California Public Employees' Retirement System (CalPERS), 2.5% @ 55 single highest year (GC 20042).

Tier 2: For Classic Employees hired on or after 1/1/2011: 2.5% @ 55 three year average of compensation plan (GC 21354.4 and 20037).

Tier 3: For New Employees hired on or after 1/1/2013: 2% @ 62 with 3 year average of compensation.

The following provisions of the California Government Code apply to all members of the Managers Group:

- California Government Code Section 20042 (one-year final compensation)
- California Government Code Section 20037 (three year average – effective January 1, 2011 for new hires)
- Pension Reform Act of 2013 (2% at age 62 – effective 1/1/13 for new hires)
- California Government Code Section 20037 (3 Year Average – effective 1/1/11 new hires)
- Pension Reform Act of 2013 (3 Year Average – effective 1/1/13 new hires)
- California Government Code Section 21574.5 (1959 Survivors allowance – Indexed level) California Government Code Section 20965 (credit for unused sick leave)
- California Government Code Section 21329 (Cost of living adjustment at 2%)
- California Government Code Section 21337.1 (Purchasing Power Protection allowance)
 - a) Classic employees as determined by CalPERS shall pay the full cost of any employee contribution associated with participation in the CalPERS-provided pension program. Classic employees participating in the Managers Unit shall contribute the 8% employee contribution required for participation in the classic 2.5% at 55 plan or revised contribution level for a new employee tiered plan.
 - b) The Employer shall provide tax deferral of the employees' contributions to Cal-PERS as provided in the Internal Revenue Code.
 - c) In the event the Employer's excess assets in CalPERS are depleted and there is a cost to the Employer to participate in the 2.5% at age 55 program, the parties to this Agreement will negotiate a Classic employee's contribution to CalPERS as it relates to 2.5% at 55.

X CLOTHING ALLOWANCE

For those employees required to wear a district uniform, the District will report to CalPERS a uniform allowance of \$300.00 per year as special compensation for each Classic CalPERS member. The uniform allowance will be paid in twenty-six (26) equal installments of \$11.54. For PEPRA employees, a \$300.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty-six (26) equal installments of \$11.54. The uniform allowance for PEPRA members will not be reported to CalPERS.

XI DISTRICT VEHICLE

The District will provide the Fire Marshal with a District vehicle for employee's use in conducting District business. The District shall pay all fuel, insurance, and maintenance costs for the vehicle. Employee's use of the vehicle shall be limited to District business and ancillary uses necessary to accomplish the duties and responsibilities of the Fire Marshal position, including to commute to and from work.

XII HOLIDAYS

All employees shall receive twelve (12) full-paid holidays designated as follows:

New Year's Day	Veterans Day
Martin Luther King, Jr.	Thanksgiving Day
Presidents Day	Friday after Thanksgiving Day
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	New Year's Eve

NOTE: Holidays falling on a Saturday will be observed the preceding Friday and holidays falling on a Sunday will be observed on the following Monday. Holidays falling on the Employee's flex day will be observed the day before or after the holiday.

Other Management Benefit:

In the first full pay period in January of each year, all Management employees will be credited with eighty (80) hours of Other Management Benefit. These hours may be used as time off with pay, taken in compensation, or rolled over into the employees deferred compensation plan. All optional management benefit hours must be exhausted during the calendar year with no carry-over.

XIII SICK LEAVE

Employees shall be entitled to sick leave as follows:

- A.** Employees shall accrue sick leave at the rate of eight hours for each full month of continuous service.
- B.** Sick leave is personal illness, physical incapacity, the illness of a member of the immediate family, or the death of a member of the immediate family. Sick leave

shall not be construed to be a privilege, which employees may use at their discretion, but shall be allowed only in cases of necessity as herein set forth.

- C. To receive compensation while absent on sick leave, the employee shall notify the Fire Chief in the manner provided in the District's Policy and Procedures Manual. When absence is due to the illness of the employee for more than four scheduled workdays, the employee shall provide a note from a medical doctor to the Fire Chief upon return to duty.
- D. Employees may accumulate an unlimited amount of sick leave hours. Upon service retirement or retirement due to disability or resignation of employment, employees are eligible to either:
 - 1. Convert the entire balance of their accumulated sick leave to service credit under California Government Code Section 20965; or
 - 2. Receive a cash payment for 25% of the total of their accumulated sick leave up to a maximum payout of 520 hours and convert the remaining sick leave balance to service credit under California Government Code Section 20965. The cash payment shall be at the rate of pay upon retirement, including any approved educational incentive pay.

XIV BEREAVEMENT LEAVE

Employees shall be granted bereavement leave with pay in the case of the death of the following family members:

- The parents of the employee,
- The employees spouse or domestic partner,
- The parents of the employee's spouse or domestic partner,
- The step-parents of the employee and/or employee's spouse or domestic partner,
- The grandparents of the employee,
- The siblings of the employee
- The children, step-children, and/or adopted children of the employee and/or the employees spouse or domestic partner

Such leave shall be limited to forty (40) hours per occurrence.

XV VACATION LEAVE

Employees shall be entitled to vacation leave as follows:

- A. Employees shall accrue vacation hours if they work full-time. The rate at which employees accrue vacation hours and the maximum number of hours that can be accrued is determined by length of service and employment classification.
- B. The vacation accrual rate for employees may be adjusted based on previous service and/or experience as determined by the Fire Chief. The accrual rate may be adjusted at any time during employment as determined by the Fire Chief.
- C. Full-time employees shall accrue vacation hours as follows:

YEARS OF SERVICE	HOURS ACCRUED PER PAY PERIOD	MAXIMUM NUMBER OF DAYS PER YEAR	MAXIMUM NUMBER OF HOURS PER YEAR	MAXIMUM NUMBER OF HOURS THAT CAN BE ACCRUED
1-5	4.62	15	120	(180)
6-11	6.46	21	168	(252)
12-17	7.69	25	200	(300)
18 +	9.23	30	240	(360)

- D. Employees may be granted vacation on an hour-for-hour basis in no less than half hour increments.
- E. Employees may not use more vacation than they have earned.
- F. On or before December 15th, if employees elect to receive compensation for unused vacation, the request will be made in writing to the Personnel/Payroll Specialist. The request for pay will designate the number of hours, not to exceed 120 hours, for which they are requesting compensation. The hours shall be paid at straight time, including any approved educational incentive pay. Payment for unused vacation shall be processed no later than the first full pay period in January of each year and shall be paid at the rate of the last calendar year's accrual.

XVI LIFE INSURANCE AND SALARY CONTINUANCE INSURANCE

Employees shall be entitled to life insurance and salary continuation insurance as follows:

A. During Employment

The District shall pay all premiums on behalf of employees for Life Insurance. Employees may purchase AD&D coverage through the District's provider at the District rate. The current Life Insurance Plan provides the following life insurance benefit for employees:

1. All full-time employees will receive a \$100,000 life insurance policy.
2. For all full-time employees, a death benefit of \$10,000 for spouse and \$5,000 per child is provided.

3. The CAPFF Long Term Disability Plan provides, after a 90 day waiting period, a monthly disability benefit equal to three-fourths of the employee's salary, to a maximum of Plan A benefit levels for full-time employees.

B. Retiree

1. Employees that retire on or before December 31, 2017:

Upon retirement and the completion of a minimum of 10 years of service to the District, the District shall pay 25% of the basic monthly premium for life insurance without AD&D. For each additional year of full time paid public service credit as recognized by CalPERS or a reciprocal system prior to retirement, the District shall pay an additional 2.5 % of the Life Insurance premium to a maximum of 100% of the premium. (See Appendix A B)

2. Employees that retire on or after January 1, 2018:

Upon retirement and the completion of a minimum of 20 years of service to the District, the District shall pay 50% of the basic monthly premium for retiree only life insurance without AD&D. For each additional year of full time paid public service credit as recognized by CalPERS or a reciprocal system prior to retirement, the District shall pay an additional 2.5 % of the Life Insurance premium to a maximum of 100% of the premium. (See Appendix B)

3. The retiree premium portion, dependent on years of service to the District, is the responsibility of the retiree. Failure on the part of the retiree to pay the balance of the premium will result in removal of that retiree from the life insurance plan with no reinstatement.

XVII MEDICAL INSURANCE

Employees shall be entitled to medical insurance as follows:

- A. The District shall provide medical health insurance to employees and their dependents through the CalPERS Health Benefits Program and shall pay the monthly premium for the health insurance plan as follows:

Employees may choose any health plan offered by CalPERS. The District will make the following contributions to the monthly premium. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis.

- For the 2020 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$915

Employee plus one dependent- \$1829
Employee plus two or more dependents- \$2378

- For the 2021 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$961
Employee plus one dependent- \$1920
Employee plus two or more dependents- \$2497

- For the 2022 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only- \$1009
Employee plus one dependent- \$2016
Employee plus two or more dependents- \$2622

Through the end of insurance year 2020, employees may elect to waive participation in the District sponsored health insurance program. In order to waive District health care an employee must show proof of coverage through some other source. If employee waives coverage, they shall receive a \$600 per month payment. This benefit will no longer be available after December 31, 2020 Memorandum of Understanding.

B. Retiree

Tier One

1. Employees hired on or before December 31, 2017 shall have a retiree medical benefit upon completion of five years of service to the District. The District shall pay the premium for the retiree medical benefit to the same amount and on the same terms as described for the employee medical benefit in Section 15A above. District retiree medical benefits become secondary to Medicare at the Medicare Supplemental Qualifying Age.

Tier Two

2. Employees hired on or after January 1, 2018 shall have retiree medical benefit upon the completion of twenty years of service to the District. The District shall pay the premium for the retiree only medical benefit to the same amount and on the same terms as described for the employee only medical benefit in

Section 15A above. District retiree medical benefits become secondary to Medicare at the Medicare Supplemental Qualifying Age.

XVIII DENTAL INSURANCE

A. Employees will be entitled to dental insurance as follows:

The Employer shall provide dental insurance to its employees and dependents as provided through Delta Dental Plan of California and shall pay the monthly premium for the dental insurance coverage. As of January 1, 2020, the District shall pay for the Delta plan level of coverage which provides for \$2000.00 maximum per year, increasing from the \$1000.00 maximum per year, for all active employees and dependents.

B. Retiree

Tier One

3. Employees that retire on or before December 31, 2017:

Upon retirement and the completion of a minimum of 10 years of service to the District, the District will pay 25% of the monthly dental premium for the retirees and their dependents until age 26. For each additional year of full-time, paid public service as recognized by CalPERS or a reciprocal system, the District will pay an additional 2.5 % of the premium up to a maximum of 100% of the premium. The balance of the premium, if any, is the requirement of the retiree. Failure on the part of the retiree to pay the balance of the premium will result in removal of that retiree from the dental insurance plan with no reinstatement.

Tier Two

4. Employees that retire on or after January 1, 2018:

Upon retirement and the completion of a minimum of 20 years of service to the District, the District will pay 50% of the monthly dental premium for retiree only. For each additional year of full-time, paid public service as recognized by CalPERS or a reciprocal system, the District will pay an additional 2.5 % of the premium up to a maximum of 100% of the premium. The balance of the premium, if any, is the requirement of the retiree. Failure on the part of the retiree to pay the balance of the premium will result in removal of that retiree from the dental insurance plan with no reinstatement.

XIX VISION CARE

The Employer shall provide vision care to employees and their dependents. Coverage shall be as outlined in the VSP Vision Plan provided through the current provider. The Employer shall pay the monthly premiums for Full-time employees and their dependents.

As an option retirees may purchase vision insurance through Employer's vision plan but must pay 100% of the premium. The Employer will not invoice retirees for the vision coverage. Invoicing is through the current third party administrator.

XX GRIEVANCE AND ARBITRATION

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy, regulation or the Meyers-Milias-Brown Act as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential. Therefore, it is agreed that during the term of this Agreement, grievances of all manner, including disciplinary matters, shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the events giving rise to the grievance or within ten (10) calendar days of the time the grievant became aware or reasonably should have become aware of the facts giving rise to the grievance shall discuss the matter with the Fire Chief (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to the Fire Chief (formal procedure).

A. The written grievance shall contain information, which identifies:

1. The aggrieved employee.
2. The specific nature of the grievance.
3. The time and place of its occurrence or discovery.
4. The existing rule, written policy, regulation, agreement or provision of the Meyers-Milias-Brown Act alleged to have been violated, improperly interpreted, applied or misapplied, if any.
5. The consideration given or steps taken to attempt informal resolution.
6. The corrective action desired.

B. A decision by the aggrieved employee's supervisor shall be made in writing within (10) calendar days of receipt of the written grievance.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee may, within ten (10) calendar days after receipt of that written decision, refer the matter to the Personnel Committee in writing. The Personnel Committee will provide the aggrieved employee a decision in writing within ten (10) days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10) calendar days after receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4) members; two (2) chosen by the bargaining group, and two (2) members chosen by the Personnel Committee. The panel will meet, review the facts, and make its recommendation in writing to both parties.

NOTE: With regard to a dispute that arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may bypass STEP 1 & STEP 2, aforementioned.

STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration. The arbitration request must be in writing to the Chair of the Board of Directors. This must be completed no later than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this agreement.

The aggrieved employee and the Fire Chief or designee shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact the State of California Mediation and Conciliation Service to request that a list of seven (7) possible arbitrators be provided. Upon receipt of seven (7) possible arbitrators the parties will meet to select the final arbitrator. The loser of a single coin toss will eliminate the first name of the possible seven (7) arbitrators. The parties shall then alternately strike names from the list of seven (7) arbitrators until such time as there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- A. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter, and transcripts shall be borne equally by the employee and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- B. The arbitrator will not add to, detract from, or modify the language of the agreement in considering any issue properly before him or her.
- C. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
- D. Any monetary award in favor of the grievant is limited to lost wages suffered from the date of the grievance forward.

- F. Failure on the part of the Management group of the aggrieved employee to appear in any case before an arbitrator without good cause shall result in the forfeiture of the case and responsibility for the payment of all costs of arbitration.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

XXI PHYSICAL FITNESS PROGRAM

- A. Employees who choose to participate in the wellness/fitness program as presented in the Central Fire District Personnel Policy Guidelines Manual must work out on a regularly scheduled basis. The Fire Chief will approve the workout schedule, dependent on workload and Administrative coverage. As per the guidelines in-place, this program will be non-punitive.
- B. If employees work a 40-hour workweek, they will be able to work out three times per week.
- C. If employees are on a flex week, they will be able to work out two times a week.

XXII ALCOHOL AND SUBSTANCE ABUSE TESTING

Alcohol and drug testing shall be performed during the employee's regularly scheduled, District-required medical-physical exam or if reasonable cause/suspicion or evidence is presented as outlined in applicable District policy. The Personnel Policy Guidelines related to alcohol and substance abuse testing shall be utilized if employees are found positive for illegal substances.

The employer shall follow generally accepted substance abuse rehabilitation guidelines and procedures. The cost of the substance abuse rehabilitation shall be the responsibility of the employees. A medical and psychological back-to-work examination (fit-for-duty) shall be provided by the employer as soon as possible and prior to the employees' being permitted to return to their regularly assigned duties.

XXIII PERFORMANCE EVALUATIONS

The Fire Chief will review and evaluate the performance of each employee on an ongoing basis and shall, at a minimum, complete a written performance review/evaluation annually. As discussed above, each employee's salary will be reviewed as part of the annual performance review/evaluation.

XXIV MISCELLANEOUS

The items herein supersede any previously negotiated terms included in the employment agreements between Central Fire Protection District and members of the Management group.

XXV TERM

After execution by all parties to this Agreement, no changes, amendments, or adjustments to this Agreement shall be made by any party to this Agreement without engaging in the meet and confer process. Any such mutual agreement shall be evidenced in writing setting forth the mutual agreement of the parties and incorporating the agreement into this Agreement. After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing January 1, 2020, except as noted herein subject to the Employer's emergency powers under the Government Code Section 3504.5.

Except as otherwise specifically provided herein, this Agreement shall be effective January 1, 2020 through December 31, 2022.

This Memorandum of Understanding is entered into this 8th day of October, 2019 in the County of Santa Cruz, California.

XXVI SIGNATURE PAGE

MANAGEMENT GROUP REPRESENTATIVES



Signature

Signature

Signature

EMPLOYER REPRESENTATIVES



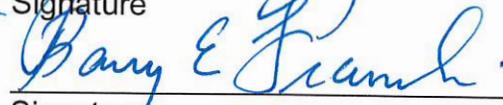
Signature



Signature



Signature



Signature

Signature

Date

Appendix A

		1/1/2020		
HR DIRECTOR		5% COLA		
	1	\$ 10,461	\$ 4,828	\$60.35
	2	\$ 10,984	\$ 5,070	\$63.37
	3	\$ 11,534	\$ 5,323	\$66.54
	4	\$ 12,110	\$ 5,589	\$69.87
FINANCE DIRECTOR				
	1	\$ 12,132	\$ 5,599	\$69.99
	2	\$ 12,738	\$ 5,879	\$73.49
	3	\$ 13,375	\$ 6,173	\$77.16
	4	\$ 14,044	\$ 6,482	\$81.02
FIRE MARSHAL				
	1	\$ 11,829	\$ 5,459	\$68.24
	2	\$ 12,420	\$ 5,732	\$71.65
	3	\$ 13,042	\$ 6,019	\$75.23
		1/1/2021		
HR DIRECTOR		5% COLA		
	1	\$ 10,984	\$ 5,070	\$63.37
	2	\$ 11,534	\$ 5,323	\$66.54
	3	\$ 12,110	\$ 5,589	\$69.87
	4	\$ 12,716	\$ 5,869	\$73.36
FINANCE DIRECTOR				
	1	\$ 12,739	\$ 5,879	\$73.49
	2	\$ 13,375	\$ 6,173	\$77.16
	3	\$ 14,044	\$ 6,482	\$81.02
	4	\$ 14,746	\$ 6,806	\$85.07
FIRE MARSHAL				
	1	\$ 12,420	\$ 5,732	\$71.65
	2	\$ 13,041	\$ 6,019	\$75.23
	3	\$ 13,694	\$ 6,320	\$79.00

Appendix A, Continued

		1/1/2022		
HR DIRECTOR		5% COLA		
	1	\$ 11,534	\$ 5,323	\$66.54
	2	\$ 12,110	\$ 5,589	\$69.87
	3	\$ 12,716	\$ 5,869	\$73.36
	4	\$ 13,352	\$ 6,162	\$77.03
FINANCE DIRECTOR				
	1	\$ 13,376	\$ 6,173	\$77.16
	2	\$ 14,044	\$ 6,482	\$81.02
	3	\$ 14,746	\$ 6,806	\$85.07
	4	\$ 15,484	\$ 7,146	\$89.32
FIRE MARSHAL				
	1	\$ 13,041	\$ 6,019	\$75.23
	2	\$ 13,693	\$ 6,320	\$79.00
	3	\$ 14,379	\$ 6,636	\$82.95

Appendix B

YEARS OF SERVICE	DISTRICT PAYS	RETIREE PAYS
20	50.0%	50.0%
21	52.5%	47.5%
22	55.0%	45.0%
23	57.5%	42.5%
24	60.0%	40.0%
25	62.5%	37.5%
26	65.0%	35.0%
27	67.5%	32.5%
28	70.0%	30.0%
29	72.5%	27.5%
30	75.0%	25.0%
31	77.5%	22.5%
32	80.0%	20.0%
33	82.5%	17.5%
34	85.0%	15.0%
35	87.5%	12.5%
36	90.0%	10.0%
37	92.5%	7.5%
38	95.0%	5.0%
39	97.5%	2.5%
40	100.0%	0.0%

LETTER OF UNDERSTANDING

**RE REQUIREMENTS FOR FUTURE MERGERS, CONSOLIDATIONS
OR JOINT POWERS AUTHORITIES**

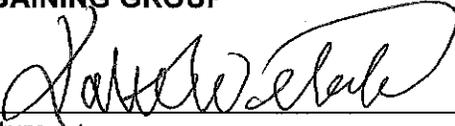
**BETWEEN THE ADMINISTRATIVE BARGAINING GROUP
AND
THE CENTRAL FIRE PROTECTION DISTRICT OF SANTA CRUZ COUNTY**

This Letter of Understanding (LOU) is entered into between the Administrative Bargaining Group and the Central Fire Protection District of Santa Cruz County (District) prohibiting the District from entering into any merger, consolidation or joint powers authority agreement with any other agency, fire protection district, or provider of fire protection services without providing by contract with such agency, fire protection district, or provider of fire protection services for the continuation of retirement benefits and retirement defined benefit plans or formulas that employees of the District received from the District pursuant to the provisions of the California Government Code prior to the exercise of a power to contract for any merger, consolidation, or joint powers authority. Any dispute over the interpretation or application of this LOU will be resolved through binding arbitration pursuant to the Memorandum of Understanding in effect from January, 1, 2020 through December 31, 2022.

SIGNATURES

This Agreement is entered into on the 10th day of December, 2019, in the County of Santa Cruz, California.

**FOR THE ADMINISTRATIVE
BARGAINING GROUP**



Signature

12/12/19

Date

**FOR THE EMPLOYER- CENTRAL FIRE PROTECTION
DISTRICT OF SANTA CRUZ COUNTY**



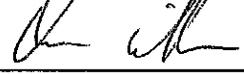
Signature



Signature



Signature



Signature

Signature

LETTER OF UNDERSTANDING

**RE: REQUIREMENTS FOR FUTURE MERGERS, CONSOLIDATIONS
OR JOINT POWERS AUTHORITIES**

**BETWEEN THE MANAGEMENT BARGAINING GROUP
AND
THE CENTRAL FIRE PROTECTION DISTRICT OF SANTA CRUZ COUNTY**

This Letter of Understanding (LOU) is entered into between the Management Bargaining Group and the Central Fire Protection District of Santa Cruz County (District) prohibiting the District from entering into any merger, consolidation or joint powers authority agreement with any other agency, fire protection district, or provider of fire protection services without providing by contract with such agency, fire protection district, or provider of fire protection services for the continuation of retirement benefits and retirement defined benefit plans or formulas that employees of the District received from the District pursuant to the provisions of the California Government Code prior to the exercise of a power to contract for any merger, consolidation, or joint powers authority. Any dispute over the interpretation or application of this LOU will be resolved through binding arbitration pursuant to the Memorandum of Understanding in effect from January, 1, 2020 through December 31, 2022.

SIGNATURES

This Agreement is entered into on the 10th day of December, 2019, in the County of Santa Cruz, California.

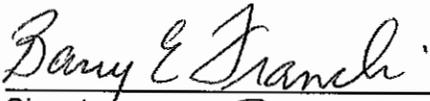
**FOR THE MANAGEMENT
BARGAINING GROUP**



Signature

2/11/2020
Date

**FOR THE EMPLOYER- CENTRAL FIRE PROTECTION
DISTRICT OF SANTA CRUZ COUNTY**



Signature



Signature



Signature



Signature

Signature

PROFESSIONAL FIREFIGHTERS ASSOCIATION

OF

SANTA CRUZ COUNTY

P.O. Box 268
Soquel, CA 95073



LOCAL 3605

LETTER OF UNDERSTANDING

RE REQUIREMENTS FOR FUTURE MERGERS, CONSOLIDATIONS OR JOINT POWERS AUTHORITIES

BETWEEN

IAFF LOCAL 3605

AND

THE CENTRAL FIRE PROTECTION DISTRICT OF SANTA CRUZ COUNTY

This Letter of Understanding (LOU) is entered into between IAFF Local 3605 (Union) and the Central Fire Protection District of Santa Cruz County (District) prohibiting the District from entering into any merger, consolidation or joint powers authority agreement with any other agency, fire protection district, or provider of fire protection services without providing by contract with such agency, fire protection district, or provider of fire protection services for the continuation of retirement benefits and retirement defined benefit plans or formulas that employees of the District received from the District pursuant to the provisions of the California Government Code prior to the exercise of a power to contract for any merger, consolidation, or joint powers authority. Any dispute over the interpretation or application of this LOU will be resolved through binding arbitration pursuant to the Memorandum of Understanding in effect from January 1, 2019 through December 31, 2021.

This LOU is effective from January 1, 2019 through December 31, 2021.

PROFESSIONAL FIREFIGHTERS ASSOCIATION

OF

SANTA CRUZ COUNTY

P.O. Box 268
Soquel, CA 95073



LOCAL 3605

Central Fire Protection District Signatures

Fire Chief Steven Hall

Chair John Lucchesi

Director Barry Franchi

Director Owen Miller

Director David Burnham

Director Kevin Walter

IAFF Local 3605 Signatures

President Patrick Winters

Vice President Jacek Kokot

Secretary Andrew Weybright

Treasurer Robert Martone

**EXHIBIT D
(PART 3 OF 3)**

**EMPLOYMENT CONTRACTS
(CENTRAL AND APTOS/LA SELVA FPD)**

PROFESSIONAL FIREFIGHTERS ASSOCIATION



LOCAL 3605

OF
SANTA CRUZ COUNTY

P.O. Box 268
Soquel, CA 95073



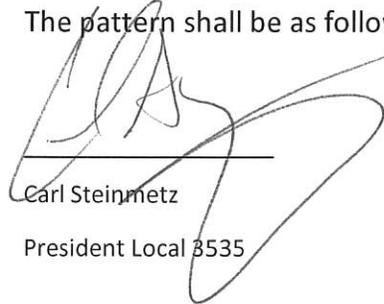
IAFF Local 3535

Local 3535 and Local 3605 Shift Hours and Schedule

Below is a summary of the agreed upon schedule and shift hours of Local 3605 and Local 3535. The following has been voted for and ratified by both labor groups and forwarded to the consolidation terms and conditions.

Shift Schedule

Both groups have agreed to continue with the 48/96 schedule consisting of 3 shifts, A Shift, B Shift and C Shift who will work 2 consecutive 24 hour shifts followed by 4 consecutive 24 hour scheduled days off. Shifts shall start at 0700 hours and end at 0700 hours the following day. The pattern shall be as follows; **AABBCCAABBCC** and so on so forth.



Carl Steinmetz

President Local 3535



Don Jarvis

Interim Fire Chief

Aptos La Selva Fire District



Patrick Winters

President Local 3605



John Walbridge

Interim Fire Chief

Central Fire Protection District Santa Cruz County



Local 3535



Local 3605

Local 3535 and L3605 Seniority and Station Bidding

Below is a summary of the compromises and negotiations L3535 and L3605 made in regards to seniority and station bidding. The proposals below have been voted for and ratified by both labor groups.

Seniority

We will utilize the model L3605 is currently using which for bidding purposes, seniority will be based off of time in rank. Meaning for the FF rank, bid seniority would be based off of hire date. For captain and above, bid seniority would be based off of date promoted into the new classification/rank. In our research, this is present day industry standard. In the rare event two employees have the same promotion date the one with more service time would have the first promotion/bid seniority. This would go into effect once we have a singular bid as a consolidated labor group with a target date of bid year 2022 or 2023 at the latest. For the purposes of vacation selection, layoffs and other matters we would utilize seniority by date of hire.

Bidding

The committee agreed and both labor groups voted that the bid implementation plan will follow this framework:

-Year 2020 bid, L3535 and L3605 will bid in accordance with their past practice, respective districts policies and will maintain two separate bids. Note: We will continue the practice of FF and FF/PM station swaps between APT and CTL personnel whenever possible.

-Year 2021 bid, L3535 and L3605 will bid in accordance with their past practice and will attempt to bid at the same location, same time while maintaining two separate respective bids. Note: Continue practice of FF and FF/PM station swaps, as well as have company offices work with the training bureau to complete area and operational familiarization/task books of each others respective stations and first dues prior to an open bid.

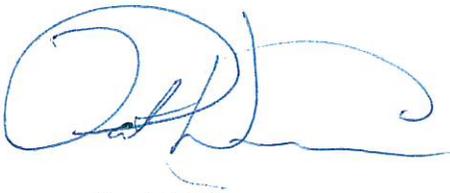
-In August/September of 2021, L3535 and L3605 will reconvene to discuss the potential for an open bid for year 2022 or extending the separate bids until year 2023. An open bid for year 2022 will need to be voted for by each labor group after the August/September 2021 committee meeting. The year 2022 will be the last possible year for any separate bid.

The above timeline will allow for interested L3535 members to initiate and hopefully complete a truck operator task book and for L3605 members to initiate a R3560 and WT 3550 task book which in turn will truly allow an open bid come 2022/2023.

All Captains / AC's from both agencies will work with the training bureau to complete area and operational familiarization/task books of each others respective stations and first dues prior to an open bid.



Carl Steinmetz
President Local 3535



Patrick Winters
President Local 3605



Aptos/La Selva Fire Protection District
6934 Soquel Drive, Aptos, CA 95003
(831) 685-6690 • www.aptosfire.com



Central Fire Protection District
930 17th Avenue, Santa Cruz, CA 95062
(831) 479-6842 • www.centralfpd.com

LETTER OF UNDERSTANDING

The mid-management promotional processes shall provide each agency the opportunity to interface between the Battalion Chief and Division Chief ranks prior to consolidation. This idealism meets industry standard succession plan models, i.e. Captain to Battalion Chief, and Battalion Chief to Division Chief. Memorandum of Understanding (MOUs), Personnel Policies and Management rights are all considered in developing this plan.

The recommended linear approach shall have Battalion Chief and Division Chief promotional opportunities for both agencies:

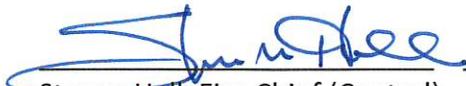
1. On March 10, 2020, a Division Chief opening should occur within the Aptos/La Selva Fire Protection District;
2. Prior to March 10, 2020, Central will promote a temporary Division Chief from the existing Battalion Chief structure;
3. The vacancy created by the temporary Division Chief promotion will be filled from a rotation of Central Acting-Battalion Chief (on established list) and current Acting-Duty Chief personnel (task books completed) from Aptos/La Selva:
 - The Operations Chief shall establish equitable rotation between all personnel
 - The number of shifts assigned will be determined by number of qualified candidates and available shifts by the Operations Division
4. On March 16 and 17, 2020, a Battalion Chief assessment center will be conducted utilizing an independent outside source. This will be a joint testing process, establishing two separate organizational lists;
 - An eligibility list for promotion shall be established by a pre-determined passing score
5. In March 2020, Aptos will announce the appointment of a Battalion Chief promotion:
 - The promoted Battalion Chief shall be assigned to "shadow" current shift Battalion Chiefs for transition.

6. On or about March 27, 2020, a Central Battalion Chief vacancy will occur
 - On or before March 13, 2020, a conditional offer will be made to a candidate from Central's current Battalion Chief eligibility list
 - The newly promoted Battalion Chief will work in tandem with the out-going Battalion Chief as a transitional opportunity
7. On April 23 and 24, 2020, a Division Chief assessment center will be conducted utilizing an independent outside source. This will be a joint testing process, establishing two separate organizational lists:
 - Qualifications to participate in the exam include holding the rank of Battalion Chief
 - An eligibility list for promotion shall be established by a pre-determined passing score
8. Upon successfully completing the Division Chief promotional process, a Central Battalion Chief will be promoted to permanent Division Chief:
 - Upon the promotion of Central's Battalion Chief to Division Chief, the vacancy created by the promotion will be filled by an Aptos Battalion Chief.
9. Following both promotional processes, the Mid-Management Shared Services staffing Model* will consist of:
 - One Division Chief from Central, and 1 Division Chief from Aptos
 - Three Battalion Chiefs from Central and 1 Battalion Chief from Aptos;
 - 2 Shift Battalion Chiefs from Central
 - 1 Shift Battalion Chief from Aptos
 - 1 Training-Safety Battalion Chief from Central
10. The Operations Chief will determine the probationary Shift Battalion Chief Assignments;

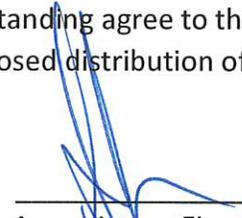
(*NOTE: Neither agency has lost any promotional opportunities. Central Fire maintains 4 Chief Officer positions, and Aptos maintains 2 Chief Officer positions)

11. Prior to consolidation, any promotions will be filled by the respective agency's existing eligibility list based on FTE funding. Once consolidation has occurred the independent promotional lists for each position will be merged by ranking and score.

The undersigned parties to this Letter of Understanding agree to the aforementioned promotional plan, proposed timelines, and proposed distribution of resources.



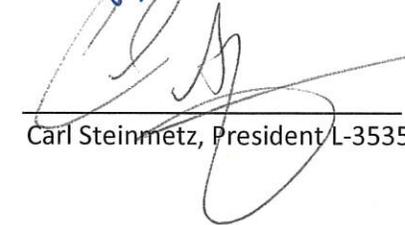
Steven Hall, Fire Chief (Central) 1/29/20
date



Aaron Lowe, Fire Chief (Aptos) 1-29-20
date



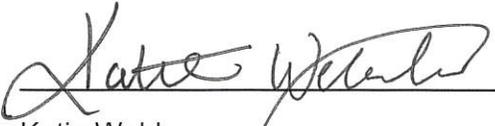
Patrick Winters, President L-3605 2/27/20
date



Carl Steinmetz, President L-3535 2-3-20
date

The Administrative Group of Central Fire Protection District and the Administrative Group of Aptos/La Selva Fire Protection District tentatively agree to combine into one bargaining group upon consolidation of the Central Fire Protection District and the Aptos/La Selva Fire Protection District. The following positions will be represented by the newly formed Administrative Group:

- Accounting Specialist
- Administrative Assistant I
- Administrative Assistant II
- Administrative Assistant III
- Executive Administrative Assistant
- Fire Apparatus Technician
- Fire Inspector
- Fire Prevention Coordinator
- Information Specialist
- Logistics Technician
- Personnel/Payroll Specialist
- Receptionist
- Senior Fire Apparatus Technician


Katie Webb

3-20-2020
Date


Barbara Livanos

3.20.2020
Date


John Lucchesi

3/20/2020
Date


John Scanlon

3/20/2020
Date

The management bargaining group of Central Fire and the Deputy Fire Marshal of Aptos/La Selva fire tentatively agree to combine into one bargaining group upon consolidation of the Central Fire Protection District and the Aptos/La Selva Fire Protection District. The following positions will be represented by the newly formed Management Bargaining Group: Human Resources Director, Finance Director, Fire Marshal, and Deputy Fire Marshal.



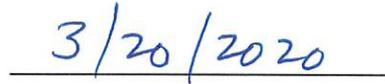
Gena Finch



Date



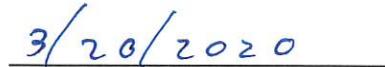
John Lucchesi



Date



John Scanlon



Date

MEMORANDUM

OF

UNDERSTANDING

CENTRAL FIRE PROTECTION DISTRICT

AND

CENTRAL FIRE DISTRICT

CHIEFS OFFICERS' ASSOCIATION

JANUARY 1, 2021

Through

DECEMBER 31, 2022

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I. PREAMBLE

This Memorandum of Understanding (MOU) is entered into by and between the Central Fire Protection District (Employer or District) and the Central Fire District Chief Officers' Association (Employees or Association) pursuant to the Meyers-Milias Brown Act (Gov. Code §§ 3500-3511) and has been jointly prepared by the parties.

II. RECOGNITION

The Association is hereby acknowledged by the District as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the Chief Officers' bargaining unit, which consists of the following full-time positions: Assistant Chief, Division Chiefs.

III. MANAGEMENT RIGHTS

The District has exclusive and inherent management rights with respect to matters of policy. These include, among others: the exclusive right to determine the mission of the District; to set standards of service; to determine the procedures and standards for selection for employment; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to relieve its employees from duty because of lack of work, funds or other legitimate reasons; to maintain the efficiency of District operations; to determine the methods, means and the number and kinds of personnel by which District operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to exercise its discretion to organize and reorganize its department and affairs, and to otherwise exercise complete control and discretion over its organization and the technology of performing its work; to determine the content of job classifications; to implement rules, regulations and directives consistent with the law and the specific provisions of this MOU. The District's exercise of the above listed rights shall be in accordance with law and the specific provisions of this MOU, including the provision regarding advance notice when applicable.

IV. MAINTENANCE OF BENEFITS

All rights, terms and conditions of employment, subject to the meet and confer process, not specifically covered by this Agreement shall remain in effect until changed by mutual agreement.

The District and the Association or their properly designated representatives shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the

Association or the District prior to arriving at a determination of policy or course of action.

The District agrees to maintain all benefits for the duration of this contract.

V. DISCRIMINATION

There shall be no discrimination by the Association, the District, or any District employee because of sex, race, color, ancestry, religion, national origin, physical or mental disability, medical condition, age, marital status, the taking of family and medical leave per the Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), pregnancy, sexual orientation, gender identity, or participation in legitimate Union activities. Complaints alleging discrimination based on legitimate Association activities shall be processed as grievances under this agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment and retaliation.

VI. WAGES & HOURS

During the term of this contract, the following salary raises will be in effect:

- Effective the first full pay period in July 2021 – 3%

For purposes of determining the hourly rate for 40-hour employees, the annual salary is divided by 2080.

The agreed difference between steps is 5%. The agreed difference between the ranks of Battalion Chief 3 and Division Chief 1 is 5% above Battalion Chief III including base salary, holiday pay, and paramedic incentive. The agreed difference between Division Chief 3 and Assistant Chief 1 is 5%.

The Employer will pay the salary rates reflected in the Salary Schedule set forth in Appendix A.

All step increments in salary are merit steps and occur annually. Step increases are effective the first day of the pay period following the employee's anniversary date. Based on prior experience and certifications the Fire Chief may start an employee above Merit Step I.

All active employees represented by this Agreement shall be assigned to weekly work shifts of 40 hours, unless on special assignments as designated by the Fire Chief of the District. The weekly work shifts for employees can be four days per week, ten hours per day or 5 days per week, eight hours per day or the "9 – 80" schedule. The schedule will be determined by the Fire Chief.

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A. OUT OF CLASS COMPENSATION

Those employees required to work out of class (upward) shall be compensated at the same rate of pay that they would receive if appointed to that position (except Fire Chief see below); however, such employees, shall not be compensated at a rate that exceeds the lowest paid employee regularly assigned to that higher level position, exclusive of any incentives. Additionally, employees who are scheduled to work out of class for more than 8 work days shall receive the higher pay rate as compensation for vacation, sick leave, and any other compensated time off that occurs while working out of class. Once the employee returns to their regular class, their compensated time off reverts to their regular pay rate.

Employees appointed by the governing body of the District to Interim or Temporary Fire Chief shall be compensated at a rate that is equal to 5% above the salary of a Step 2 Assistant Chief.

Employees who work out of class shall continue to receive all other compensation of their normally held position including but not limited to Education Pay, and Specialty Pay. In addition, employees will continue to accrue paid leave at the same rate as their normally held position.

Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, Title 2, Section 571 as Temporary Upgrade Pay. Premium compensation for Upgrade Pay for overtime hours is not reportable.

Out of Class Pay is not reportable to CalPERS for PEPRA members.

B. OVERTIME

In the event an Employee is assigned as a strike team leader/overhead for an emergency incident response, Employee will receive their normal compensation for their normally assigned work hours. Any hours beyond their normally assigned work hours will be compensated for at time and one-half.

As deemed appropriate by the Fire Chief, employees may receive compensation at time and one-half outside of their regularly scheduled hours for local, county, state, federal, disasters/state of emergencies.

Excluding hours worked due to local, state, federal, disasters/state emergencies, each employee is exempt from overtime under the Fair Labor Standards Act. An employee who works more than 40 hours in a week may accrue one hour of paid Flex Time for each hour worked above 40 hours. Employees' Flex Time balance may not exceed 100 hours without prior approval from the Fire Chief.

Upon promotion into the positions of Division Chief or Assistant Chief, the employee shall have all accrued Compensatory Time Off (CTO) paid off at the time of the promotional appointment, at the regular rate of pay for the previously held class.

C. EDUCATION/CERTIFICATION INCENTIVE

Employees may pursue additional compensation above their individual merit salary step increments through the Employer Education Incentive Plan.

A pay rate incentive program recognizing individual educational initiative shall be awarded to all employees who possess a college level degree from an accredited college or university, and certain State Certification Levels

To participate in the education (pay) incentive program, the employee must have satisfactorily completed a probationary period as prescribed by the Employer, and must possess either an Associate Degree, Bachelor's Degree or Masters' Degree in any field of study. An additional incentive level is available for those Employees who have completed and are in possession of a California Chief Officer Certification or a California Certified Chief Officer.

- **The First Incentive Level:** An employee meeting the above requirements, and who possesses an Associate Degree shall receive \$188 per month.
- **The Second Incentive Level:** An employee meeting the above requirements, and who possesses a Bachelor's Degree shall receive \$282 per month.
- **The Third Incentive Level:** An employee meeting the above requirements, and who possesses a Master's Degree shall receive \$377 per month.

The above incentives cannot be combined or compounded. The following incentive shall be compounded if the employee has met the requirements for First, Second, or Third Incentive Level.

- **The Fourth Incentive Level:** An employee meeting the above requirements, and who possesses a California Chief Officer Certification or a California Certified Chief Officer certificate or has completed the National Fire Academy Executive Fire Officer program, shall receive \$400 per month.

When an employee elects to convert his/her time into monetary compensation, the educational pay incentive will be considered to be part of an employee's hourly rate.

Education incentive is reportable special compensation to CalPERS for pension calculation.

D. SPECIAL ASSIGNMENTS

Employees may be appointed to perform the duties of one or more special assignments. Employees appointed to a special assignment will be required to meet the minimum requirements of that assignment, including any continuing education requirements (which generally consist of a minimum of 24-hours of continuing education per year, including didactic and manipulative training, i.e. hands-on, drills, exercises, etc.) The Training Division shall coordinate all courses and/or trainings respective to a special assignment.

NOTE: All employees appointed to a special assignment shall complete any initial or minimum training required, including receipt of any required certifications or passage of any applicable medical examinations necessary to obtain a certification or license. Employees who do not meet applicable Federal, State and Local requirements for the position will not be eligible for initial appointment. Once appointed, employees are required to maintain all applicable certifications and complete required continuing education mandates. Employees appointed to a position who are required to attend training off duty to meet this requirement will be paid overtime compensation for such work.

The Fire Chief, in consultation with the Fire District Training Chief and related agencies that the Fire District interfaces with (e.g., State Fire Training, California Specialized Training Institute [CSTI]), shall establish the certification requirements and continuing educational requirements for the special assignments listed below.

Employees who wish to be removed from a special assignment may request to be removed by submitting a letter, requesting removal, to their Supervisor following the appropriate chain of command. The letter will then be forwarded to the Fire Chief who will determine if the request will be granted or denied.

Compensation for specialty pay will be paid biweekly.

D. 1. Hazardous Materials Specialist

Employees may be eligible for appointment to assignment as a Hazardous Materials Specialist. Employees assigned as a Hazardous Materials Specialist will be required to have specialized training, increased responsibilities on incidents and subject to an increased safety risk due to increased exposure to toxic, radioactive, explosive or other hazardous substances. To be eligible for appointment to this assignment, an employee must possess certification from the State of California, in accordance with State Fire Training as a Hazardous Materials Specialist. Employees in this assignment will be required to satisfy the continuing education requirements as required by CAL/OSHA, maintain annual Haz-Mat related physical (medical) requirements and satisfy all requirements to be an employee of the Santa Cruz Hazardous Materials Incident Team (SCHMIT). Employees appointed to this assignment must maintain an active role in the Santa Cruz Hazardous Materials

Incident Team (SCHMIT) and are routinely and consistently required to respond to situations involving exposure to hazardous materials. Employees appointed to this position will be eligible to receive special assignment pay, which will be equal to \$500 per month. Hazardous Materials Specialist incentive is reportable special compensation to CalPERS for pension calculation.

D. 2. Management Specialty Pay

All employees in the Chief Officers Association shall receive compensation at a rate of 4.62 hours per pay period calculated at the employees' base rate of pay. This Management Specialty Pay meets the definition of special compensation as defined in Cal. Code of Regs., Title 2, Section 571 and shall be incorporated into the unit member's compensation reported to CalPERS for retirement purposes.

VII. PROBATIONARY PERIOD

A. LENGTH OF PROBATIONARY PERIOD

All current personnel appointees and new hires to a position shall serve a probation period for twelve (12) months.

B. PERFORMANCE EVALUATION PROCESS

Probationary new Employees are subject to dismissal during the probationary period at the discretion of the Fire Chief.

A Member serving a probationary period after a promotion may be returned to his/her former position if the Fire Chief determines that he/she is incapable of fulfilling the new duties within the period of probation.

Upon successful completion of the probationary period, a Member shall be considered for permanent status.

C. PERFORMANCE REPORTS

It is the policy of the District that regular reports be made as to the efficiency, competency, conduct and merit of its Employees. To this end, it is declared to be the responsibility of the Fire Chief and his/her subordinate supervisors that these evaluations be prepared for Employees in accordance with District Resolution.

VIII. RETIREMENT

For Classic employees hired prior to 1/1/2011: The Employer is a participant in the California Public Employee's Retirement System (CalPERS), Local Safety, three percent of the final compensation at age 50.

For Classic employees hired on or after 1/1/2011: The Employer is a participant in the California Public Employee's Retirement System (CalPERS), Local Safety, three percent of the final three-year average compensation at age 55.

For New employees hired on or after 1/1/2013: The Employer is a participant in the California Public Employee's Retirement System (CalPERS), Local Safety 2.7% of the final three-year average compensation at age 57.

Classic employees as determined by CalPERS shall pay twelve percent. The District shall pay the employer contribution to CalPERS.

New employees as determined by CalPERS, shall pay 50% of the normal cost of their pension as periodically set by CalPERS.

The District shall provide tax deferral of the employee's contributions to CalPERS to the extent provided in the Internal Revenue Code.

The following provisions of the California Government Code apply to the retirement benefit plan for the bargaining unit:

Section 21362.2	3% @ 50 for employees hired on or before 12/31/10
Section 21363.1	3% @ 55 for employees hired after 12/31/2010
Pension Reform Act	2.7% @ 57 for employees hired after 1/1/2013
Section 20042	One year final compensation for employees hired on or before 12/31/2010
Section 20037	3 year average for employees hired after 12/31/2010
Pension Reform Act	3 year average for employees hired after 1/1/2013
Section 21574.5	Indexed level of 1959 Survivor benefit
Section 21623.5	5,000.00 Retired Death benefit
Section 21337.1	Purchasing Power Protection allowance of 80%
Section 21329	Cost of living adjustment at 2%

Section 20965	Credit for unused sick leave (unlimited)
Section 21380–21387	1959 Survivors Program- indexed level

IX. HOLIDAYS

In lieu of holiday compensation, employees shall receive twelve (12) full-paid holidays designated as follows:

New Year's Day	Veterans Day
Martin Luther King, Jr.	Thanksgiving Day
Presidents Day	Friday after Thanksgiving Day
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	New Year's Eve

NOTE: Holidays falling on a Saturday will be observed the preceding Friday and holidays falling on a Sunday will be observed on the following Monday. Holidays falling on the Employee's flex day will be observed the day before or after the holiday.

X. SICK LEAVE

Employees shall accrue sick leave at the rate of twelve (12 hours) hours each month. Sick leave may be used for personal illness, physical incapacity, or the illness of a family employee. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion but shall be allowed only in cases of necessity as herein set forth.

For absences due to the illness of the employee for more than two consecutive work days the employee may be required to provide a paper copy of a medical excuse from a Physician or authorized representative upon the request of his/her immediate supervisor or the Fire Chief. Upon return to duty, this document will be submitted to the immediate supervisor who will then submit it to the Human Resources Director as soon as possible.

At the end of each calendar year, a maximum of 96 hours of the annual accumulated sick leave in excess of 1600 hours may be paid at the employee's regular hourly rate of pay in effect on December 31st. The request will be made in writing to the Personnel/ Payroll Specialist by December 31st. Payouts will be processed no later than the

second full pay period following December 31st. Any employee with a sick leave balance below 1600 hours may not cash in hours.

Employees may accumulate an unlimited amount of sick leave hours.

Upon retirement, employees shall have the option of:

- A. Convert the entire balance of his/her accumulated sick leave to service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965);
or
- B. Receive compensation for up to 750 hours of unused sick leave and convert their remaining sick leave balance to service credit under California Government Code Section 20965.

Upon retirement, any payout will be at the employee's current rate of pay.

Sick Leave Payout shall not be reported to CalPERS for pension calculation.

XII. BEREAVEMENT LEAVE

In the event of a death in the employee's immediate family, the employee shall be granted, 40 hours of paid bereavement leave.

Immediate family members consist of:

- The parents of the employee,
- The employees' spouse or domestic partner,
- The parents of the employee's spouse or domestic partner,
- The stepparents of the employee and/or employee's spouse or domestic partner,
- The grandparents of the employee,
- The siblings of the employee
- The children, stepchildren, and/or adopted children of the employee and/or the employees' spouse or domestic partner

XII. VACATION LEAVE

Employees shall earn and accrue vacation time as follows:

YEARS OF SERVICE	HOURS ACCRUED PER PAY PERIOD	MAXIMUM NUMBER OF DAYS PER YEAR	MAXIMUM NUMBER OF HOURS PER YEAR	MAXIMUM NUMBER OF HOURS THAT CAN BE ACCRUED
1-5	4.62	15	120	240
6-11	6.46	21	168	336
12-17	7.69	25	200	434
18 +	9.23	30	240	434

The total number of hours to be earned in any one (1) calendar year shall not exceed 240 hours after 18 years.

Employees shall be permitted to carry-over or accrue vacation to the maximum established above, after which time, no further hours will be earned or accrued.

On or before December 15th, if employees elect to receive compensation for unused vacation, the request will be made in writing to the Personnel/Payroll Specialist. The request for pay will designate the number of hours, not to exceed 120 hours, for which they are requesting compensation. The hours shall be paid at straight time, including any approved educational incentive pay, in effect as of December 31st.

Vacation hours not taken due to duty-related illness and/or injury or operational needs beyond the Employee's control may be compensated for at the Employee's hourly rate of pay at the Fire Chief's discretion.

Upon promotion to the rank of Division Chief or Assistant Chief vacation hours in excess of the established maximum will be compensated for at the employee's regular hourly rate of pay immediately prior to the promotion.

D. Full-Time Employees

- D.1. Any full time Employee in continuous full-time service of the District who terminates her/his employment and has earned vacation time shall be paid for such time on the effective date of such termination. When separation is caused by death of Employee, payment shall be made to the estate of such Employee.
- D.2. Any Employee incurring a serious injury or illness which requires the Employee to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and vacation days restored accordingly, provided the Employee has sufficient sick leave accrued and the period of hospitalization and/or confinement is certified by a physician's written statement.

No vacation with pay is allowable to part-time, emergency, relief, seasonal, or extra help Employees, nor to Employees paid solely on an hourly basis.

XIII. LIFE INSURANCE AND SALARY CONTINUANCE INSURANCE

The Employer shall pay all premiums on behalf of employees for the Life Insurance and the C.A.P.F.F. Long Term Disability Plan. For all full-time employees, the life insurance plan will provide a death benefit of \$10,000 for a spouse, and \$5,000 per child.

The life insurance plan will provide the following benefit for employees:

All employees to age 64	\$100,000.00
Employees age 65 – 69	\$65,000.00
Employees age 70 +	\$50,000.00

The C.A.P.F.F. Long Term Disability Plan provides, after a sixty (60) day waiting period, a maximum pay out benefit based on the C.A.P.F.F. Long Term Disability Insurance benefit (Plan A).

RETIREEES

Retirees may purchase life insurance through the employer's plan but must pay 100% of the premium.

XIV. MEDICAL HEALTH/DENTAL INSURANCE

Medical Health/Dental Insurance

The District shall provide medical health insurance to employees and their dependents through the CalPERS Health Benefits Program and shall pay the monthly premium for the health insurance plan as follows:

Employees may choose any health plan offered by CalPERS. The District will make the following contributions to the monthly premium. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis. If an employee chooses a less expensive plan, the employee will not receive the difference in the costs.

Beginning insurance year 2021, the District's contribution shall be as stated below. If the District's contribution does not pay for 100% of at least half of the employee health insurance plan options for that year, the Parties will meet and confer.

For the 2021 medical insurance plan year, the Districts contribution to the monthly premium will be as follows:

Employee only: \$961
Employee plus one dependent: \$1,920
Employee plus two or more dependents: \$2,497

For the 2022 medical insurance plan year, the Districts contribution to the monthly premium will be as follows:

Employee only: \$1,009
Employee plus one dependent: \$2,017
Employee plus two or more dependents: \$2,622

Retiree Tier One

Central Fire District employees who retire on or before December 31, 2022

Shall receive the medical benefit defined as 85% of the third highest bay area plan.

If a retiree reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage. I.e.; retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level.

Retiree Tier Two

Those persons hired prior to date of consolidation, and those who retire after January 1, 2023 the District will contribute the following upon retirement:

- The same level of coverage as current employees.
- At age 65, retirees will receive half of their current medical benefit with no further increases, the maximum contribution will be half of their current medical benefit.

If a retiree reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage; i.e. retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level. This will apply at any age; i.e. even after age 65. If an employee adds a dependent after they have dropped to a lower coverage level then they can purchase the additional coverage through the Districts plan at 100% cost to the employee.

The Retiree must have served a minimum of five years as a full-time employee in the CalPERS system to qualify.

The Retiree must retire as a full time member of the District.

The Retiree must retire at or after the established minimum age for CalPERS retirement, disability retirement, or an Industrial Disability Retirement with stipulated coverage for health care.

The Retirees retirement effective date must be less than 120 days after separation from employment once retired, the retirees Health benefits Officer or Personnel Officer will be CalPERS (all changes to your health enrollment are managed by CalPERS).

Retiree Tier Three (All Future Employees)

Those persons hired on or after the date of consolidation, the District will contribute the following upon retirement:

- The same level of coverage as current employees, at the Employee only classification.
- At age 65, the District will contribute \$450 per month into a CALGOVEBA account.

A minimum of 15 years of service to the District is required to be eligible for 75% of the employee only rate of retiree health care. The percentage of health care will increase by 5% of the employee only rate per year (80% at 16 years, 85% at 17 years, 90% at 18 years, 95% at 19 years, so that at 20 years the coverage will be at 100% of the employee only rate.)

The Retiree must have served a minimum of five years as a full-time employee in the CalPERS system to qualify.

The Retiree must retire as a full-time member of the District.

The Retiree must retire at or after the established minimum age for CalPERS retirement, disability retirement, or an Industrial Disability Retirement with stipulated coverage for health care.

The Retirees retirement effective date must be less than 120 days after separation from employment once retired, the retirees Health Benefits Officer or Personnel Officer will be CalPERS (all changes to your health enrollment are managed by CalPERS).

Dental Insurance

The Employer shall provide dental insurance to its employees and dependents and shall pay the monthly premium for the dental insurance coverage. The District shall pay for the plan level of coverage which provides for \$2,000.00 maximum per year for all active employees and dependents.

Retiree Tier One

Upon retirement prior to December 31st, 2021, and the completion of a minimum of ten (10) years of service to the Employer, should the retired employee elect, the Employer shall pay a pro-rated percentage of this dental insurance premium for the retired employee and his/her dependents. Completion of the minimum ten (10) years of service qualifies the retired employee for an Employer contribution of twenty-five percent (25%) of the monthly premium, following retirement. For those employees with the minimum ten (10) years, each year of subsequent continuous service with the Employer will qualify the retired employee for an additional Employer contribution of two and one-half percent (2.5%) of premium, following retirement, to a maximum of one hundred percent (100%) of premium.

The dental insurance enrollment for each retiree will be the same enrollment that his/her enrolled status was as an employee at the time of retirement. The premium contribution by the Employer will be based on the percentage factor as determined by the employee's years of service prior to retirement, as indicated above. The premium contribution by the retiree will be for the balance of the required premium. The coverage provided to retirees shall be the same as the coverage provided the employees. Upon the death of the employee or the retiree the premium contribution by the Employer will cease. Immediately upon the death of the employee or the retiree the survivor may elect to continue dental coverage by paying 100% of the premium plus a pro-rated administrative fee as specified in COBRA continuation of benefits. The survivor may continue the dental plan till such a time as they deem to discontinue the coverage.

Retiree Tier Two

Employees retiring on or after January 1, 2021, the district will no longer pay for dental insurance. As an option, retirees may purchase dental insurance through the employer's plan but must pay 100% of the premium.

XV. VISION CARE

The Employer shall provide vision care to employees and their dependents. Coverage shall be as outlined in the VSP Vision Plan, provided through Lawson Hawks Insurance Associates. The Employer shall pay the monthly premiums for employees and their dependents. Retirees may elect to join on to Central Fire's group policy but will be responsible for 100% of the cost and will be billed directly by the current provider.

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XVI. CLOTHING

The District will provide non-safety and safety attire. Employees will be responsible for maintenance of all non-safety clothing.

The District will report to CalPERS a uniform allowance of \$500.00 per year as special compensation for each Classic CalPERS member. The uniform allowance will be reported in twenty-six (26) equal installments of \$19.23.

For PEPRAs employees, a \$500.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty-six (26) equal installments of \$19.23. The uniform allowance for PEPRAs members will not be reported to CalPERS.

XVII. PROFESSIONALIZATION

All "related duties" assigned to employees are to be tasks directly related to the fire service, as determined by the Fire Chief. "Related Duties" can pertain to stations, facilities, apparatus, and equipment maintenance/improvement.

XVIII. GRIEVANCE PROCEDURES

GRIEVANCE DEFINED/SCOPE

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential. Therefore, it is agreed that during the term of this Agreement, grievances of all manner, including disciplinary matters, shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the events giving rise to the grievance or within ten (10) calendar days of the time the grievant became aware or reasonably should have become aware of the facts giving rise to the grievance shall discuss the matter with his/her immediate supervisor (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor (formal procedure).

A. The written grievance shall contain information, which identifies:

1. The aggrieved employee.
2. The specific nature of the grievance.
3. The time and place of its occurrence or discovery.
4. The existing rule, written policy, regulation or agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
5. The consideration given or steps taken to attempt informal resolution.
6. The corrective action desired.

B. A decision by the aggrieved employee's supervisor shall be made in writing within (10} calendar days of receipt of the written grievance.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee may, within ten (10} calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10} days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10} calendar days after receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4} employees; two (2} chosen by the Association, and two (2} employees chosen by the Fire Chief or his/her designee. The panel will meet, review the facts, and make its recommendation in writing to both parties.

NOTE: With regard to a dispute that arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may bypass STEP 1 & STEP 2, aforementioned.

A grievance filed by the Association shall start at STEP 3, unless the above "NOTE" applies.

STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration. The arbitration request must be in writing to the Chair of the Board of Directors. This must be completed no later than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this agreement.

The aggrieved employee and the Fire Chief or designee shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact the State of California Mediation and Conciliation Service to request that a list of seven

(7) possible arbitrators be provided. Upon receipt of seven (7) possible arbitrators the parties will meet to select the final arbitrator. The loser of a single coin toss will eliminate the first name of the possible seven (7) arbitrators. The parties shall then alternately strike names from the list of seven (7) arbitrators until such time as there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- A. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter, and transcripts shall be borne equally by the employee (grievances) or COA (disciplinary appeal) and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- B. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
- C. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.
- D. Any monetary award in favor of the grievant is limited to lost wages suffered from the date of the grievance forward.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

BINDING ARBITRATION

Request for binding arbitration must go before the voters of the Central Fire Protection District.

XXIV. LAYOFF AND REHIRE PROCEDURE

LAYOFF PROCEDURES

In the event that a layoff should become necessary, it will be conducted in the following manner:

1. The ranks of Firefighters through and including Assistant Chief shall be laid off on a strict seniority basis, with the last employee hired to be the first laid off.
2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Central Fire Protection District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.
3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a full-time, paid employee.

REHIRE PROCEDURE

When funds become available for rehiring, the process shall be as follows: The last employee laid off shall be the first to be rehired. Any person being rehired must pass a physical examination equivalent to that required for initial hiring into the District. Any person unable to pass the physical examination shall not be rehired. Cost of the physical examination shall be borne by the Employer. There shall be no time-limit for this rehire procedure.

XXV. COMMENCEMENT OF NEGOTIATIONS

The Employer and the Association shall commence negotiations for a subsequent memorandum of understanding not later than four months before the expiration of this agreement.

XXVI. EFFECTIVE DATE

After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement, except upon mutual agreement between the contracting parties. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the mutual agreement into this Agreement.

After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing January 1, 2021, except as noted herein.

This Agreement shall remain in effect through December 31, 2022, or until a new agreement is agreed upon by the parties, subject to the Employer's emergency powers under Government Code Section 3504.5.

XXVII. TERM

Except as may be otherwise specifically provided herein, this Agreement shall be effective January 1, 2021 through December 31, 2022.

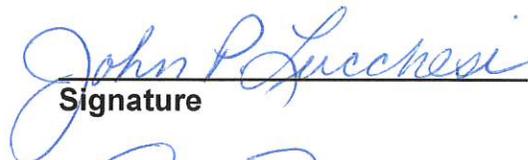
SIGNATURES

FOR THE CHIEF OFFICERS' ASSOCIATION

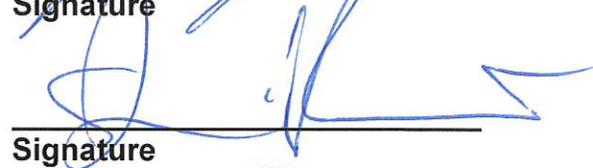

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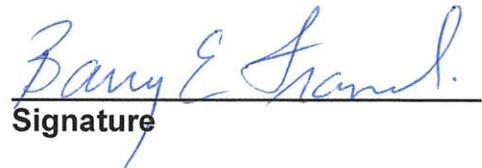
FOR THE EMPLOYER – CENTRAL FIRE DISTRICT


Signature


Signature


Signature


Signature


Signature

January 1, 2021	Monthly	Annually	Hourly
Step I DIVISION CHIEF 5% over total pay of 3605 BC III Jan-Jun 21			
DIVISION III (5%)	\$17,871.22	\$214,454.62	\$103.10
II (5%)	\$17,020.21	\$204,242.49	\$98.19
I (5%)	\$16,209.72	\$194,516.66	\$93.52
ASSISTANT CHIEF II (5%)	\$19,703.02	\$236,436.21	\$113.67
I (5%)	\$18,764.78	\$225,177.35	\$108.26

July 1, 2021

Step I DIVISION CHIEF 5% over total pay of 3605 BC III Jul-Dec 21			
DIVISION III (5%)	\$18,407.36	\$220,888.32	\$106.20
II (5%)	\$17,530.82	\$210,369.83	\$101.14
I (5%)	\$16,696.02	\$200,352.22	\$96.32
ASSISTANT CHIEF II (5%)	\$20,294.11	\$243,529.38	\$117.08
I (5%)	\$19,327.73	\$231,932.74	\$111.51

**EMPLOYMENT AGREEMENT
FIRE CHIEF**

This Employment Agreement (“Agreement”) is entered into by and between the Central Fire Protection District of Santa Cruz County (“District”) and John Walbridge (“Employee”) (collectively referred to as “Parties”).

RECITALS

WHEREAS, the District, through its Board of Directors (“Board”) desires to employ Employee as the Fire Chief of the District; and

WHEREAS, Employee is currently employed as the Interim Fire Chief of the District and desires to serve as Fire Chief for the District; and

WHEREAS, it is the desire of the Parties to provide the terms and conditions by which the District shall receive and retain the services of Employee as Fire Chief; and

NOW, THEREFORE, in consideration of the respective mutual covenants herein contained in this Agreement and the faithful performance of the terms and conditions set forth below, the Parties agree as follows:

SECTION 1: APPOINTMENT AND AT-WILL EMPLOYMENT STATUS

- 1.1 The Board hereby appoints, and the District employs, Employee as Fire Chief for the District. Employee accepts the appointment effective as of the term beginning date set forth below.
- 1.2 Employee acknowledges and agrees that Employee’s appointment to the position of Fire Chief is at-will and that Employee serves at the pleasure of the Board. The Parties agree that Employee’s employment with the District may be suspended or terminated by the Board, any time, with or without cause, as provided in this Agreement. The Parties further agree that Employee may end his employment with the District for any reason and at any time.
- 1.3 The Parties agree that Employee does not have a “property interest” in continued employment and that Employee’s employment shall remain at-will regardless of the length of employment, past or current performance, raises or representations of continued employment by any agent or employee of the District. The at-will nature of Employee’s employment with the District may only be modified by a written agreement that is approved by the District’s Board.

SECTION 2: TERM

- 2.1 The District agrees to employ Employee and Employee accepts employment with District under the terms and conditions set forth in this Agreement for the period of January 1, 2021 through

December 31, 2022, or until Employee's employment is terminated by either Party in accordance with the provisions set forth in Section 9 of this Agreement.

- 2.2 In the event of a merger or consolidation involving the District and another public agency during the term of this Agreement, the Parties agree that any and all of the terms of this Agreement, including but not limited to a reduction in rank from the position of Fire Chief, shall be subject to renegotiation. Should a reduction in rank occur employee will be returned to his last permanent rank and position during his employment with Central Fire Protection District of Santa Cruz County.

SECTION 3: DUTIES

- 3.1 Employee shall faithfully, diligently and to the best of Employee's abilities, perform all of the duties of the Fire Chief as established by and in conformance with State law, District rules and regulations and the attached job description. Employee will perform these duties in accordance with the policy direction of the Board. Employee will also perform any additional duties which are assigned by the Board and which are legally permissible and proper duties. At all times during the term of this Agreement, Employee shall be directly responsible to and report to the Board.
- 3.2 Employee agrees that Employee has a duty of loyalty to the District and shall devote the whole of Employee's working time, skill, experience, knowledge, ability, labor, energy, attention and best effort exclusively to the District's business and affairs. Employee shall not engage, without the express prior consent of the Board, in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, that may cause a conflict of interest with the District or that might otherwise interfere with the business or operations of the District or the satisfactory performance of Employee's duties.
- 3.3 Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with the reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission and any District Conflict of Interest Code, resolution, or policy.
- 3.4 In the performance of assigned duties, Employee is expected to conduct himself in a manner that is appropriate for the position of the Fire Chief and which complies with all applicable Districts policies and procedures, including the District's Equal Employment Opportunity and Substance Abuse policies.

SECTION 4: HOURS OF WORK

- 4.1 The position of Fire Chief is exempt from overtime under the Fair Labor Standards Act.

- 4.2 Employee's regular, consistent attendance at District offices during the business hours of the District and meetings of the Board is expected as part of Employee's fulfillment of the duties of the position of Fire Chief.
- 4.3 Employee's normal work schedule shall be 6:30am to 3:30 pm, Monday through Friday, except that Employee's working hours may be amended to provide for alternative Friday's off (a 9/80 style schedule) so long as such a schedule does not impact Employee's ability to complete all required duties in a satisfactory manner. Employee is expected to engage in those hours of work that are necessary to fulfill the obligations of the Fire Chief position.
- 4.4 It is recognized that Employee must sometimes devote time to the business of the District outside of the District's customary business hours, and to that end, Employee's schedule of work each day and week may vary in accordance with the work required to be performed and in accordance with any specific direction provided by the Board. On those occasions when Employee performs more than 40 hours of work in a week, Employee may be permitted to flex his schedule in a future workweek.

SECTION 5: COMPENSATION

- 5.1 The District agrees to compensate employee for services rendered under this Agreement at an annual salary of 5% above the top step Assistant Chief's Salary. Such salary shall be paid in installments on the District's normal paydays and in accordance with the District's normal pay practices and shall be subject to customary withholding for taxes and other required or authorized deductions. Such salary rate shall be effective the pay period including January 1, 2021.
- Pay period including January 1, 2021- \$20,688.17/monthly, \$248,258.02/annually
 - Pay period including July 1, 2021- \$21,308.82/monthly, \$255,705.85/annually
- 5.2 Should the District implement a wage reduction for all employees in a bargaining unit or decline to provide a COLA increase to any bargaining unit, then no COLA will be made to the salary for the position of Fire Chief.
- 5.3 The District and Employee agree to conduct an annual salary review concurrently with the annual performance evaluation set forth in Section 8 of this Agreement. Such annual salary review shall include consideration of those benefits to Employee under this Agreement. The District may, but is not required to consider or approve merit increases or other compensation enhancements in conjunction with the annual salary review. An affirmative vote of a majority of the Board shall be required to effectuate any increase in salary or compensation enhancement pursuant to this Agreement. Unless otherwise provided by the Board, any approved increase or enhancement will be effective the first day of the payroll period following the date of the Board's final approval of the increase or enhancement.
- 5.4. Employee shall not receive overtime payment or any additional compensation for excess hours worked except in the case where hours worked in excess of forty (40) hours per week during times of declared disaster, either State or Federal and only when the District is reimbursed for such time.

In such instances, Employee will be compensated for the additional hours worked in connection with the declared disaster at Employee's hourly rate.

SECTION 6: EDUCATIONAL INCENTIVE PAY AND PROFESSIONAL DEVELOPMENT

6.1 Employee is eligible to participate in and receive Educational Incentive Pay under the same terms and conditions applicable to employees subject to the Memorandum of Understanding between the District and the Central Fire District Chief Officer's Association.

Employees may pursue additional compensation above their individual merit salary step increments through the Employer Education Incentive Plan.

A pay rate incentive program recognizing individual educational initiative shall be awarded to all employees who possess a college level degree from an accredited college or university. This will also include certain State Certification Levels

To participate in the education (pay) incentive program, the employee must have satisfactorily completed a probationary period as prescribed by the Employer, and must possess either an Associate Degree, Bachelor's Degree or Masters Degree in any field of study. An additional incentive level is available for those Employees who have completed and are in possession of a California Chief Officer Certification or a California Certified Chief Officer.

- **The First Incentive Level:** An employee meeting the above requirements, and who possesses an Associate Degree shall receive \$188 per month.
- **The Second Incentive Level:** An employee meeting the above requirements, and who possesses a Bachelor's Degree shall receive \$282 per month.
- **The Third Incentive Level:** An employee meeting the above requirements, and who possesses a Master's Degree shall receive \$377 per month.

The above incentives cannot be combined or compounded. The following incentive shall be compounded if the employee has met the requirements for Second, Third, or Fourth Incentive Level.

- **The Fourth Incentive Level:** An employee meeting the above requirements, and who possesses a California Chief Officer Certification or a California Certified Chief Officer certificate shall receive \$400 per month.

When an employee elects to convert his/her time into monetary compensation, the educational pay incentive will be considered to be part of an employee's hourly rate.

Education incentive is reportable special compensation to CalPERS for pension calculation.

6.2 The District recognizes the need for and encourages Employee to participate in continuing education classes relevant to the Fire Service and to associate himself with industry-related professional organizations. To that end, the District will:

1. Provide Employee with 40 hours of leave per year in calendar years 2021 and 2022 for professional development and education;
2. Budget and pay professional dues and subscriptions on behalf of Employee which are reasonably necessary for Employee's participation in national, regional, state or local professional organizations; and
3. Budget and pay the travel and subsistence expenses of Employee for official travel, meetings and occasions reasonably adequate to continue the professional development of Employee, including but not limited to the annual California Fire District Association meeting. Employee shall be responsible for complying with the District's travel and expense reimbursement policies, including providing copies of all receipts, and will not receive more than the maximum reimbursements provided under those policies.

SECTION 7: HEALTH AND WELFARE BENEFITS

7.1 General Terms. Except as otherwise provided in this Agreement, Employee shall be eligible to participate in District benefit programs, including medical, dental, life insurance, disability and retirement programs on the same terms as offered to employees in the District's Firefighter Bargaining Unit, including any amendments to those benefit terms and programs that do not conflict with the expression provisions of this Agreement. The District reserves the right to amend any of the benefit plans or programs described in this section at any time and in accordance with applicable law.

7.2 Health Insurance Benefits.

The District shall provide medical health insurance to employee and his dependents through the CalPERS Health Benefits Program and shall pay the monthly premium for the health insurance plan as follows:

Employee may choose any health plan offered by CalPERS. The District will make the following contributions to the monthly premium. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis. If an employee chooses a less expensive plan, the employee will not receive the difference in the costs.

Beginning insurance year 2021 the District's contribution shall be as stated below. If the District's contribution does not pay for 100% of at least half of the employee health insurance plan options for that year, the Parties will meet and confer.

For the 2021 medical insurance plan year, the District's contribution to the monthly premium will be as follows:

Employee only: \$961
Employee plus one dependent: \$1920
Employee plus two or more dependents: \$2497

For the 2022 medical insurance plan year, the Districts contribution to the monthly premium will be as follows:

Employee only: \$1009
Employee plus one dependent: \$2017
Employee plus two or more dependents: \$2622

7.3 Dental Insurance Benefit.

The Employer shall provide dental insurance to its employees and dependents and shall pay the monthly premium for the dental insurance coverage. The District shall pay for the plan level of coverage which provides for \$2000.00 maximum per year for all active employees and dependents.

7.4 Vision Insurance Benefit. The Employer shall provide vision care to employees and their dependents. The Employer shall pay the monthly premiums for employees and their dependents.

7.5 Life Insurance Benefits and Long Term Disability Benefits.

The Employer shall pay all premiums on behalf of employee for the Life Insurance and the C.A.P.F.F. Long Term Disability Plan. The life insurance plan will provide a death benefit of \$10,000 for a spouse, and \$5,000 per child.

The life insurance plan will provide the following benefit for employees:

All employees to age 64 \$100,000.00
Employees age 65 – 69 \$65,000.00
Employees age 70 + \$50,000.00

The C.A.P.F.F. Long Term Disability Plan provides, after a sixty (60) day waiting period, a maximum payout benefit based on the C.A.P.F.F. Long Term Disability Insurance benefit (Plan A).

7.6 Pension Benefits.

Employee is a classic member 3% @ 50, as determined by CalPERS. Employee shall pay 12% contribution to CalPERS. The District shall pay the employer contribution to CalPERS.

In addition to the basic benefits, the following benefits are included:

20042 One Year Final Compensation
20965 Sick Leave Credit
21427 Increase in Non-Job Related Disability Retirement Allowances
21548 Pre-Retirement Optional Settlement 2 Death Benefit

21571 1959 Survivor Benefits

21572 Increased Level of 1959 Survivor Benefits

21573 Third Level of 1959 Survivor Benefits

21574 Fourth Level of 1959 Survivor Benefits

21024 Military Service Credit as Public Service

7.7 Other Post-Employment Benefits.

A. Retiree Health Insurance Benefits.

Employee shall receive the medical benefit defined as 85% of the third highest bay area plan if employee retires prior to December 31st, 2022.

If the employee reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage. I.e.; retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level. When the employee is eligible for Medicare, then any District provided health insurance benefits become secondary to Medicare benefits upon attaining Medicare eligibility.

B. Retiree Dental Benefit.

Upon retirement prior to December 31st, 2021, and the completion of a minimum of ten (10) years of service to the Employer, should the retired employee elect, the Employer shall pay a pro-rated percentage of this dental insurance premium for the retired employee and his/her dependents. Completion of the minimum ten (10) years of service qualifies the retired employee for an Employer contribution of twenty-five percent (25%) of the monthly premium, following retirement. For those employees with the minimum ten (10) years, each year of subsequent continuous service with the Employer will qualify the retired employee for an additional Employer contribution of two and one-half percent (2.5%) of premium, following retirement, to a maximum of one hundred percent (100%) of premium.

The dental insurance enrollment for each retiree will be the same enrollment that his/her enrolled status was as an employee at the time of retirement. The premium contribution by the Employer will be based on the percentage factor as determined by the employee's years of service prior to retirement, as indicated above. The premium contribution by the retiree will be for the balance of the required premium. The coverage provided to retirees shall be the same as the coverage provided the employees. Upon the death of the employee or the retiree the premium contribution by the Employer will cease. Immediately upon the death of the employee or the retiree the survivor may elect to continue dental coverage by paying 100% of the premium plus a pro-rated administrative fee as specified in COBRA continuation of benefits. The survivor may continue the dental plan till such a time as they deem to discontinue the coverage.

C. Retiree Vision Insurance Benefit.

Retirees may elect to join the Districts group policy, but will be responsible for 100% of the cost and will be billed directly by the current provider.

D. Retiree Life and Disability Insurance Benefits.

Employee is not eligible to receive any District contribution to retiree life or disability insurance benefits.

SECTION 8: PERFORMANCE EVALUATION

8.1 The Parties acknowledge that periodic performance evaluations are an important means by which the District and Employee may ensure effective communications regarding expectations and performance. To this end, the District will review and discuss Employee's performance and set performance goals for Employee on an annual basis. Employee acknowledges and accepts the fact that the Board has the right to schedule an evaluation session more frequently than once a year.

8.2 Employee will request and schedule the annual performance evaluation as appropriate under District agenda procedures or as otherwise directed by the Board.

SECTION 9: TERMINATION OF EMPLOYMENT

Notwithstanding anything in this Agreement to the contrary, the term of this Agreement may be terminated as follows:

9.1 Termination by Employee. Employee may voluntarily terminate employment at any time and agrees to give the District ninety (90) days advance notice of the effective date of Employee's resignation unless the Parties otherwise agree in writing. No severance payment under Section 9.3 will be due if Employee voluntarily terminates employment with the District.

9.2 Termination by District. Except as specified in section 2.2 above, Employee is an at-will employee serving at the pleasure of the Board. The Board may remove Employee at any time, either with or without cause, by a majority vote of its members. In the event that the decision is made to remove Employee, the District will provide Employee with written notice of the reason or reasons for removal pursuant to Government Code section 3254, subsection (c). Reasons for removal may include, but are not limited to, incompatibility of management styles, a change in administration or a termination for cause.

9.3 Severance. Except as otherwise provided in this Agreement, if Employee is terminated as Fire Chief, then Employee shall be eligible to receive a severance payment in an amount equal to two (2) months of pay in a lump sum cash payment. This severance payment will be increased by one month for each full year of employment, calculated from January 1st to December 31st of each year, up to a maximum severance payment of six (6) months. Employee's eligibility for any severance payment is expressly conditioned upon Employee's execution of: (1) a waiver and release of any and all of Employee's claims against the District and District employees/officials, and (2) a covenant not to sue the District or any District employees/officials. If Employee elects not to sign the waiver, release and covenant not to sue, Employee will not be eligible to receive any Severance.

9.4 Ineligibility for Severance Due to Termination for Cause. If the termination of Employee is the result of District's determination that "cause" for termination exists, Employee shall not be eligible to receive any severance under Section 9.3 above. Any determination of cause requires a vote of four out of five votes of the five member Board sitting in full session and voting for termination. "Cause" is defined as:

1. A conviction, plea bargain, judgement or adverse determination by any court, the State Attorney General, a grand jury, or the California Fair Political Practices Commission involving any felony, intentional tort, crime of moral turpitude or violation of any statute or law constituting misconduct in office, misuse of public funds or conflict of interest;
2. Conviction of a misdemeanor arising out of Employee's duties under this Agreement and involving a willful or intentional violation of law;
3. Willful abandonment of duties;
4. A pattern of repeated, willful and intentional failure to carry out significant and legally constituted policy decision of the Board or a persistent and willful violation of properly established rules and procedures;
5. Any act of dishonesty or fraud; or
6. Any other action or inaction by Employee that materially and substantially harms the District's interests.

9.5 Administrative Appeal of Termination for Cause. Employee's employment is subject to the provisions of the Firefighter Procedural Bill of Rights Act, California Government Code sections 3250, et seq. The Parties understand and acknowledge that the rights and protections described and afforded in the Firefighter Procedural Bill of Rights Act shall apply only to events and circumstances involving performance of Employee's official duties. In the event that Employee is terminated for "cause," Employee will be provided the right to an administrative appeal before an independent hearing officer appointed by the Board. Such hearing officer, after being presented the information and documentation deemed important by Employee, shall make an advisory recommendation to the Board on the issue of whether there was "cause" to separate Employee.

9.6 Death or Disability. This Agreement shall terminate automatically without triggering any severance payment obligations, upon death of Employee or upon separation of Employee from employment due to a disability which prevents him from performing the essential functions of the Fire Chief position, even with reasonable accommodations. As used here, "disability" shall have the same meaning applicable under CalPERS retirement programs. Neither Employee, nor Employee's heirs, administrators, or assigns shall have any right under this Agreement to salary for periods after such death or disability except as otherwise provided by law.

9.7 Compensation Upon Termination. Upon any separation from employment, Employee will be compensated for all accrued but unused vacation leave and any other leave time that is eligible for payment upon separation under the District's rules and procedures. In the event this Agreement is terminated, Employee may elect to retire from the District, provided Employee is eligible for and accepts a CalPERS retirement coincident with Employee's separation.

SECTION 10: GOVERNMENT CODE SECTION 53243 ET. SEQ

- 10.1 In the event the District determines to place Employee on paid leave pending an investigation, Employee shall fully reimburse such pay if he is subsequently convicted of a crime involving an abuse of his office or position.
- 10.2 In the event the District determines to fund all or part of a legal criminal defense for Employee, Employee shall full reimburse such funds if Employee is subsequently convicted of a crime involving an abuse of Employee's office or position.
- 10.3 In the event Employee receives a cash payment under the provisions of Section 9.3 above, Employee shall fully reimburse those funds if he is subsequently convicted of a crime involving an abuse of Employee's office or position.
- 10.4 For purposes of this Section, "abuse of office or position" shall be determined as defined in Government Code section 53243.4.

SECTION 11: OTHER BENEFITS

11.1 Sick Leave.

Employee shall be entitled to accrue sick leave at the rate of 12 hours for each full month of continuous service, and up to 144 hours of sick leave in a year. Sick leave may be used for any reason allowed by law and as described in California Labor Code section 246.5. Unused sick leave hours carryover from year to year.

At the end of each calendar year; a maximum of 96 hours of the annual accumulated sick leave in excess of 1600 hours may be paid at the employee's regular hourly rate of pay in effect on December 31st. The request will be made in writing to the Personnel/Payroll Specialist by December 31st. Payouts will be processed no later than the second full pay period following December 31st. Any employee with a sick leave balance below 1600 hours, may not cash in hours.

Employees may accumulate an unlimited amount of sick leave hours.

Upon retirement, employee shall have the option of:

- a. Convert the entire balance of his/her accumulated sick leave to service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965); or
- b. Employees receive compensation for up to 750 hours of unused sick leave, at the employee's current rate of pay, and convert their remaining sick leave balance to service credit under California Government Code Section 20965.

Upon retirement, any payout will be at the employee's current rate of pay.

Sick Leave Payout shall not be reported to CalPERS for pension calculation.

11.2 Vacation Leave. Employee shall earn and accrue vacation time as follows:

- 9.23 hours per pay period
- Maximum accrual will be 434 hours.

The Employee shall be permitted to convert up to one hundred twenty hours (120) hours of earned and accrued vacation time into monetary compensation each calendar year. The Employee shall be compensated at their regular hourly rate of pay for each hour so converted.

Vacation hours not taken due to duty-related illness and/or injury or operational needs beyond the Employee's control may be compensated for at the Employee's hourly rate of pay at the Fire Board's Discretion.

Upon promotion to the rank of Fire Chief vacation hours in excess of the established maximum will be compensated for at the employee's regular hourly rate of pay immediately prior to the promotion.

When the employee terminates his employment and has earned vacation leave, those hours shall be reimbursed at the employees regular rate of pay. When separation is caused by death of Employee, payment shall be made to the estate of such Employee.

Any Employee incurring a serious injury or illness which requires the Employee to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and vacation days restored accordingly, provided the Employee has sufficient sick leave accrued and the period of hospitalization and/or confinement is certified by a physician's written statement.

11.3 Holidays. Employee will be permitted to take off those holidays recognized by the District and on which the District's Business Office is closed.

11.4 Management Specialty Pay. The Fire Chief shall receive compensation at a rate of 4.62 hours per pay period calculated at the employees base rate of pay. This Management Specialty Pay meets the definition of special compensation as defined in Cal. Code of Regs., Title 2, Section 571 and shall be incorporated into the unit member's compensation reported to CalPERS for retirement purposes.

11.5 Physical Fitness Program. Employee may, at Employee's option, elect to participate in the wellness/fitness program described in the District's Personnel Policy Guidelines Manual. Any time spent engaged in physical fitness activities shall not be considered hours worked and will not be used as a substitute for performing job duties during business hours.

11.6 Clothing Allowance. Employee shall wear a uniform or business casual attire or as appropriate during the work week. The District shall provide required uniform elements and equipment, as well as appropriate replacements and maintenance. Employee shall receive an annual clothing

allowance of \$500.00. This allowance will be paid in twenty six (26) equal installments of \$19.23. The District will report to CalPERS a uniform allowance of \$500.00 per year as special compensation as employee is a Classic CalPERS member,

- 11.7 Expense Reimbursement. The District recognizes that Employee may incur certain expense of a business-related nature. Unless stated otherwise in this Agreement, the District agrees to reimburse or to pay such business-related expenses which are incurred and submitted according to the District's normal expense reimbursement procedures or such other procedure as may be designated by the Board. To be eligible for reimbursement, all expenses must be supported by documentation meeting the District's normal requirements, submitted within time limits established by District and approved by the Board President or designee.
- 11.8 District Vehicle. The District will provide Employee with a District vehicle for Employee's use in conducting District business. District shall pay all fuel, insurance and maintenance costs for the vehicle. Employee's use of the vehicle shall be limited to district business and ancillary uses necessary to accomplish the duties and responsibilities of the Fire Chief position, including to commute to and from work.
- 11.9 Cellular Telephone. The District shall provide Employee use of a District-issued cell phone for business use.

SECTION 12: MISCELLANEOUS

- 12.1 Indemnification. The District shall defend, hold harmless and indemnify Employee against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged negligent act or omission occurring in the performance of Employee's duties in accordance with the provisions of California Government Code section 810 et seq. In its sole discretion, the District may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.
- 12.2 Bond: The District agrees to pay the cost of any fidelity or other bond required by law for the Fire Chief position.
- 12.3 Notices. Any notices to be given hereunder by either party to the other shall be in writing and be transmitted by personal delivery or by mail, postage prepaid, addressed as follows:

To the District:
Board Chair
Central Fire Protection District of Santa Cruz County
930 17th Avenue
Santa Cruz, CA 95062

To Employee:
John Walbridge
Address on File with the District

Notices delivered personally shall be deemed communicated as of the date of actual receipt. Notices delivered by mail shall be deemed communicated as of the date of postmark.

- 12.4 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and contains all agreements between them with respect to the subject matter thereof. It also supersedes any and all other agreement or contracts, either oral or written, between the Parties with respect to the subject matter hereof.
- 12.5 Amendments. This Agreement may be amended at any time by mutual agreement of the District and the Employee. Any amendments are to be negotiated, put in writing and adopted by the District's Board.
- 12.6 Binding Effect. This Agreement shall be binding on the District and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
- 12.7 Severability. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable by a court of law, the remainder of this Agreement or portion thereof, shall be deemed severable, and shall remain in full force and effect. The Parties shall discuss what, if any, amendments to make to this agreement if any portion of it is held unconstitutional, invalid or unenforceable by a court of law.
- 12.8 Governing Law. This Agreement shall be governed and enforced according to the laws of the State of California.
- 12.9 Failure to Act. No failure to exercise and no delay in exercising any right, remedy or power set forth in this Agreement shall operate as a waiver to the exercise of that right, remedy or power in the future.
- 12.10 Ambiguities and Uncertainties. This Agreement and any ambiguities or uncertainties herein, or the documents referenced herein, shall be equally and fairly interpreted and construed without reference to the identity of the party preparing this document or the documented referred to herein, on the express understand and agreement that parties participated equally in the negotiation and preparation of this Agreement and the documents referred to herein, or have had equal opportunity to do so. Accordingly, the parties hereby waive the benefit of California Civil Code section 1654 and any success or amended statement providing that in cases of uncertainty, language or a contract should be interpreted most strongly against the party who caused the uncertainty to exist.
- 12.11 Employee's Independent Review. Employee has read and understands this Agreement, that Employee is fully aware of its legal effect, and that Employee has entered into it freely and voluntarily and based on Employee's own judgment and not on any representation or promises other than those contained in this Agreement. Each party will bear its/his own costs including attorneys' fees in connection with the negotiation and execution of this Agreement.
- 12.12 Execution. The District and Employee may execute separate copies of this Agreement, but those separate copies will constitute one agreement and each signed copy will be fully effective as if it

were a single original document. A facsimile or Adobe portable document format ("pdf") copy of this Agreement shall be as effective as an original.

12.13 Effective Date. This Agreement shall be effective commencing January 1, 2021.

IN WITNESS WHEREOF, the Board of Directors has caused this Agreement to be signed and executed in its behalf by its President and duly attested by the Clerk of the Board, and the Employee has signed and executed this Agreement, both in duplicate, effective on the day and year first above written.

On Behalf of the District

On Behalf of Employee

Pam E. Frank
Chair, Board of Directors

[Signature] (WALSHBORO)

1/12/2021
Date

1/12/2021
Date

ATTEST:

[Signature]
Clerk of the Board

1/12/2021
Date

Memorandum

Of

Understanding

Central Fire District
Of Santa Cruz County

And

The Professional Firefighters Union

IAFF Local - 3535

February 4, 2021

Through

December 31st, 2022

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I. Preamble

This Memorandum of Understanding (MOU) is entered into by and between the Central Fire District (Employer or District) and the Professional Firefighters Union, IAFF Local - 3535 (Union) pursuant to the Meyers-Milias Brown Act (Gov. Code §§ 3500-3511) and has been jointly prepared by the parties.

II. Recognition

The Union is hereby acknowledged by the District as the recognized employee organization for the purpose of meeting and conferring on matters within the scope of representation for individuals employed by the District in the firefighter bargaining unit, which consists of the following full-time positions: Battalion Chief, Fire Captain, Fire Captain Specialist, 40 Hour Safety Employee, Firefighter/Paramedics, and Firefighters.

The District shall deduct from a represented employees pay Union membership dues, designated fees, premiums for insurance programs, political action fund contributions and any special membership assessments (collectively "contributions"), as is established and may be changed from time to time by the Union upon either a written certification from the Union that it has and maintains individual employee authorizations, or a pre-existing employee dues deduction authorization and remits such contributions to the Union.

Any employee desiring revoke his or her authorization for union contributions shall proceed as follows: For those employees who signed a membership card or other authorization form which provides terms of revocation, the exclusive method of revocation set by the card or other authorization form; for employees whose membership card or other authorization form does not provide terms of revocation, the employee may revoke by submitting a written revocation to the Union and the District during the month of June of any year.

When the Union determines that a represented employee timely revokes his or her membership or contribution authorization as provided above, Union shall notify the District in writing within fourteen (14) days. The District shall cease contribution deductions by the next qualifying pay period after receiving the notice of revocation from the Union.

Employee requests to cancel or change notice of dues deductions must be directed to the union, rather than to the District.

The Union shall defend, indemnify, and hold the District and its officers and employees harmless from any and all claims, demands, suits or other actions arising from the maintenance of any contributions and/or from complying with any third party demand regarding the Union request for union contributions made pursuant to this provision, provided that the District provides notice to the Union within the statutory requirements of any claim, demand, suit, or other action served on the District for which is it seeking defense and/or indemnification. With regard to any such claim, demand, suit or other action, the Union will have the exclusive right to appoint and direct counsel, control the defense of any action or proceeding, and determine whether any such action or proceeding shall or shall not be compromised, resisted, defended, tried or appealed. In no event shall the District be required to pay from its own funds Union

contributions its employees are obligated to pay, but failed to pay, regardless of the reasons.

The Union will be allowed one (1) representative at all District orientations where new employees represented by the Union will be attending, consistent with Government Code § 3550-3559. Union representatives shall be allowed twenty (20) minutes to make a presentation and answer questions to and from employees in classifications represented by the Union. The District will notify the union thirty (30) days in advance of such orientation sessions.

Except as otherwise provided in this section, and in accordance with SB 866 (2018) and AB 119 (2017), each pay period, the District shall remit all sums so deducted to the Union, and in each quarter of the year (January 1, April 1, July 1, and October 1), the District shall provide a report with the following information: employee name, job title, work location, work, home, and personal cellular telephone contact number in district records, personal email addresses on file with the District, and home addresses of all employees and amounts deducted, including an accumulated total annual amount deducted per employee.

III. Management Rights

The District has exclusive and inherent management rights with respect to matters of policy. These include, among others: the exclusive right to determine the mission of the District; to set standards of service; to determine the procedures and standards for selection for employment; to direct its employees, including scheduling and assigning work, work hours and overtime; to take disciplinary action, subject to the requirements of applicable law; to establish employee performance standards and to require compliance therewith; to relieve its employees from duty because of lack of work, funds or other legitimate reasons; to maintain the efficiency of District operations; to determine the methods, means and the number and kinds of personnel by which District operations are to be conducted; to take all necessary actions to carry out its mission in emergencies; to exercise its discretion to organize and reorganize its department and affairs, and to otherwise exercise complete control and discretion over its organization and the technology of performing its work; to determine the content of job classifications; to implement rules, regulations and directives consistent with the law and the specific provisions of this MOU. The District's exercise of the above listed rights shall be in accordance with law and the specific provisions of this MOU, including the provision regarding advance notice when applicable.

IV. Maintenance of Benefits

All rights, terms and conditions of employment, subject to the meet and confer process, not specifically covered by this Agreement shall remain in effect until changed by mutual agreement.

The District and the Union or their properly designated representatives shall meet and confer in good faith regarding wages, hours, and terms and conditions of employment. Both parties shall consider fully such presentations as are made by the Union or the District prior to arriving at a determination of policy or course of action.

The District agrees to maintain all benefits for the duration of this contract.

V. Discrimination

There shall be no discrimination by the Union, the District, or any District employee because of sex, race, color, ancestry, religion, national origin, physical or mental disability, medical condition, age, marital status, the taking of family and medical leave per the Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), pregnancy, sexual orientation, gender identity, or participation in legitimate Union activities. Complaints alleging discrimination based on legitimate Union activities shall be processed as grievances under this agreement. All other complaints of discrimination shall be processed in accordance with the District's policy prohibiting discrimination, harassment and retaliation.

VI. Definition of Legacy Employees

Central Fire Protection District Legacy Employees (Central Legacy Employees)- those members hired by the Central Fire Protection District of Santa Cruz County prior to the date of consolidation, February 4, 2021.

Aptos/La Selva Fire District Legacy Employees (Aptos/La Selva Legacy Employees)- those members hired by the Aptos/La Selva Fire District prior to the date of consolidation, February 4, 2021.

VII. Wages and Hours

For purposes of determining the hourly rate for 56 hour employees, the annual salary is divided by 2920.

The agreed difference between steps is 5%. The agreed difference between the ranks of Firefighter 3 and Captain 1 is 14%. The agreed difference between the ranks of Firefighter/Paramedic 3 and Captain 1 is 7%. The agreed difference between the ranks of Captain 3 and Battalion Chief 1 is 12%.

Central Fire Protection District legacy employees will remain at their current base pay in accordance with their appendix a established between Central Fire Protection District and Local 3605 including paramedic pay. All other specialty pay will be paid as set forth in this Memorandum of Understanding. Holiday pay will be paid at 26 hours per month at the Central Fire Protection District appendix a.

The pay period including July 1, 2021, Central Fire Protection District legacy employees will fall under the salary structure listed in appendix a of this new MOU. Employees will be placed in the appropriate step based on years of service and classification as listed below:

- 12 months or less of service to the district- probationary salary rate
- One-year of service to the district- step 1
- Two-years of service to the district- step 2
- Three-years of service to the district or above- step 3

The Employer will pay the salary rates reflected in the Salary Schedule set forth in Appendix A.

All step increments in salary occur annually based on the employees date of hire with their legacy district. Step increases for those employees promoted to a higher rank will occur annually based on their promotion date. Step increases are effective the first day of the pay period following the employee's anniversary date.

All active employees represented by this Agreement shall be assigned to weekly work shifts (56 hours average or 40 hours), unless on special assignments as designated by a chief officer of the District. For the duration of this Agreement, the 56 hour work schedule will remain a 48 hours on and 96 hours off shift pattern.

A. Out of Class Compensation

Those employees required to work out of class (upward) shall be compensated at the same rate of pay that they would receive if appointed to that position; however, such employees, not including the 40 hour safety employee, shall not be compensated at a rate that exceeds the lowest paid employee regularly assigned to that higher level position, exclusive of any incentives. Additionally, employees who are scheduled to work out of class for more than four (4) consecutive shifts shall receive the higher pay rate as compensation for vacation, sick leave, and any other compensated time off that occurs while working out of class. Once the employee returns to their regular class, their compensated time off reverts to their regular pay rate. Employees who work in a higher class in an acting position or temporary upgrade assignment shall have their premium pay for regularly scheduled hours reported to CalPERS for pension calculation pursuant to the California Code of regulations, title 2, Section 571 as Temporary Upgrade Pay. Premium compensation for Upgrade Pay for overtime hours is not reportable. Those employees electing to work out of class (downward) shall be compensated at their regular rate of pay as working in their normally assigned position.

For PEPRA members, the Out of Class Compensation earned is not reportable to CalPERS.

B. Overtime

Fair Labor Standards Act (FLSA)

As set by the Department of Labor, work periods for public safety employees can vary from seven to 28 days (section 207(k)). Based on the set work period, safety employees are entitled to FLSA overtime for hours actually worked in excess of the threshold set by the Department of Labor. (For FLSA purposes Central Fire District pays FLSA overtime for all time worked or "deemed" to have been worked including all paid time off).

Central Fire District has established a 24 day work period and therefore employees are entitled to FLSA overtime for hours worked in excess of 182 hours. The regular scheduled hours worked for our shift employees is 192 (eight, 24 hour shifts) within a 24 day work period. Since the regular scheduled hours exceed the 182 hour threshold, there are ten

hours of scheduled overtime for safety employees each 24 day FLSA work period. Since the employee's salary is intended to compensate for the scheduled 192 hours, the overtime premium for the hours between 182 and 192 is at half-time of the employee's "Regular Rate of Pay".

- There are 15.208 FLSA Cycles a year ($365 / 24 = 15.208$).
- There are typically 26 pay periods per year.
- 2920 is the assumed hours worked per year (2,080 hours for forty hour employees) · FLSA Pay is reportable special compensation to CalPERS for pension calculation.

Regular Rate of Pay

An employee who works overtime will be compensated for those overtime hours at a rate of one and one half times the employee's "Regular Rate of Pay." The "Regular Rate of Pay" includes all remuneration paid to the employee including base salary as defined in the salary schedule plus any additional pay the employee receives such as but not limited to Special assignment Pay and Education Incentive. All included compensation will be converted into an hourly rate to calculate FLSA pay as well as the Overtime Rate of Pay. Holiday Pay is not included in the regular rate of pay.

Overtime

Employees shall be entitled to premium overtime compensation at the rate of one and one half (1.5) times the employee's "regular rate of pay", as that term is defined under the FLSA, for all the time worked or deemed to have been worked in excess of 182 hours in a 24 day work period. For the purpose of determining overtime, the words "deemed to have been worked" shall include all paid leave time.

Overtime compensation shall be accumulated in one-half hour increments.

Compensatory Time Off

Bargaining unit employees are eligible to receive earned overtime in the form of compensatory time off. The maximum accumulated compensatory hours will not exceed 120 hours.

Employees may use accrued CTO hours as time off in accordance with the vacation time off process set forth in this MOU.

An employee who is promoted to a higher position shall have one half of his/her accrued CTO hours paid off at the time of the promotional appointment, at the regular rate of pay for the previous class.

C. Education Incentive

Employees may pursue the Employer Education plan as set forth. To participate in the Education Incentive Plan, the employee must possess either a Certificate of Proficiency in a field of study related to job services performed, an Associate Degree, Bachelor's Degree, or Master's Degree issue by and accredited college or university which meets the approval from the Employer.

- Certificate of Proficiency: Shall receive \$94.00 per month as incentive pay.
- Associate's Degree: Shall receive \$188.00 per month as incentive pay.
- Bachelor's Degree: Shall receive \$282.00 per month as incentive pay.
- Master's Degree: Shall receive \$377.00 per month as incentive pay.

Aptos Legacy Employees receiving Education Incentive as of December 31, 2020, shall continue to receive the incentive pay at the compensation rates listed below.

- 1% Education Incentive: Shall receive \$94.00 per month as incentive pay
- 2% Education Incentive: Shall receive \$188.00 per month as incentive pay
- 3% Education Incentive: Shall receive \$282.00 per month as incentive pay
- 4% Education Incentive: Shall receive \$377.00 per month as incentive pay

Beginning the pay period including February 9, 2021, employees must obtain either a Certificate of Proficiency in a field of study related to job services performed, an Associate Degree, Bachelor's Degree, or Master's Degree issue by and accredited college or university which meets the approval from the Employer.

D. Special Assignments

Bargaining unit employees may be appointed to perform the duties of one or more special assignments. Bargaining unit employees appointed to a special assignment will be required to meet the minimum requirements of that assignment, including any continuing education requirements (which generally consist of a minimum of 24-hours of continuing education per year, including didactic and manipulative training, i.e. hands-on, drills, exercises, etc.) The Training Division shall coordinate all courses and/or trainings respective to a special assignment.

NOTE: All employees appointed to a special assignment shall complete any initial or minimum training required, including receipt of any required certifications or passage of any applicable medical examinations necessary to obtain a certification or license. Employees who do not meet applicable Federal, State and Local requirements for the position will not be eligible for initial appointment. Once appointed, employees are required to maintain all applicable certifications and complete required continuing education mandates. Employees appointed to a position who are required to attend training off duty to meet this requirement will be paid overtime compensation for such work.

The Fire Chief, in consultation with the Fire District Training Chief and related agencies that the Fire District interfaces with (e.g., State Fire Training, California

Specialized Training Institute [CSTI]), shall establish the certification requirements and continuing educational requirements for the special assignments listed below.

Employees who wish to be removed from a special assignment may request to be removed by submitting a letter, requesting removal, to their Battalion Chief following the appropriate chain of command. The letter will then be forwarded to the Fire Chief who will determine if the request will be granted or denied.

1. Hazardous Materials Technician

Employees may be eligible for appointment to assignment as a Hazardous Materials Technician. Employees assigned as a Hazardous Materials Technician will be required to have specialized training, increased responsibilities on incidents and subject to an increased safety risk due to increased exposure to toxic, radioactive, explosive or other hazardous substances. To be eligible for appointment to this assignment, an employee must possess certification from the State of California, in accordance with State Fire Training as a Hazardous Materials Technician or above. Employees in this assignment will be required to satisfy the continuing education requirements as required by CAL/OSHA, maintain annual Haz-Mat related physical (medical) requirements and satisfy all requirements to be an employee of the Santa Cruz Hazardous Materials Incident Team (SCHMIT). Employees appointed to this assignment must maintain an active role in the Santa Cruz Hazardous Materials Incident Team (SCHMIT) and are routinely and consistently required to respond to situations involving exposure to hazardous materials. Employees appointed to this position will be eligible to receive special assignment pay, which will be equal to \$500 per month. Hazardous Materials Technician incentive is reportable special compensation to CalPERS for pension calculation.

2. Fire Investigator

Employees may be eligible for appointment to the Fire Investigation Unit. This Unit is responsible for investigating the cause and origin of destructive fires, including suspected arson fires. To be eligible for appointment to this assignment, at minimum, an employee must be certified by the State of California as a Fire Investigator I (State Fire Training, 2017) and/or as an Apprentice Fire Investigator recognized by the California Conference of Arson Investigators (CCAI) Certified Fire Investigator program (March, 2017). Employees appointed to this assignment will be required to routinely and consistently participate in the Fire Investigation Unit. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to \$500 per month. Fire Investigator incentive is reportable special compensation to CalPERS for pension calculation.

3. Aquatic Response Rescue Team

Employees may be eligible for appointment to the Aquatic Response Rescue Team (ARRT). This team is responsible for responding to incidents that require specialized expertise in conducting hazardous water rescues and who are subjected to increased safety risk. To be eligible for appointment to the ARRT, an employee must successfully meet all District and United States Lifesaving Association (USLA) requirements as referenced in EOG-Y-009, and as those requirements are updated from time to time.

Employees appointed to this assignment will be required to routinely and consistently participate as an employee of the ARRT. Employees appointed to this assignment will be eligible to receive special assignment pay, which will be equal to \$500 per month. Aquatic Response Rescue Team incentive is reportable special compensation to CalPERS for pension calculation.

4. Truck Operator

Employees may be eligible for appointment to a Truck Operator Assignment. Truck Operators are routinely and consistently responsible for operating certain heavy equipment and apparatus that goes beyond just the operation of a Fire Engine. To be eligible for Truck Operator assignment, an employee must maintain a valid commercial driver's license or other motor vehicle license which allows for the operation of the assigned heavy equipment, and shall have successfully completed the District's Truck Operator Program. Employees who have successfully completed the Districts Truck Operator Program shall be eligible to receive special assignment pay which will be equal to \$500 per month. Truck Operator incentive is reportable special compensation to CalPERS for pension calculation.

5. Rescue Technician

Employees may be eligible for appointment to a Rescue Technician assignment. Rescue Technicians are routinely and consistently responsible for responding to certain life and safety rescue situations such as high angle or cliff rescues, trench or subterranean rescues or rescues in confined spaces which require enhanced training and specialized expertise due to increased hazards that pose a significant safety risk. To be eligible for appointment to a Rescue Technician assignment, an employee must have successfully completed a minimum of four of the following six specialized classes, with the remaining classes being completed within one year of appointment:

- Rope Rescue Technician
- Rescue Systems 1
- Rescue Systems 2
- Rescue Systems 3
- Confined Space Rescue (Operations)
- Trench Rescue (Operations)

Employees who have completed the required specialized classes as stated above will be eligible to receive special assignment pay, which will be equal to \$500 per month. Rescue Technician incentive is reportable special compensation to CalPERS for pension calculation.

6. Training Instructor

The Fire Chief or his/her designee may appoint an employee to a Training Instructor assignment. Training Instructors are temporarily reassigned to provide specialized training instruction routinely and consistently to employees for the duration of the assignment. This can include special assignments such as an instructor at the Fire Academy and will include duties such as curriculum development, preparation and presentation of training materials. This position may require supervision of training staff and fire recruits. Employees appointed to this assignment will be eligible to receive special assignment compensation, which will be equal to 10% of the employee's base pay. Training Instructor incentive is reportable special compensation to CalPERS for pension calculation.

7. Special Administrative Assignment

The Fire Chief or his/her designee may appoint an employee to an unanticipated Special Administrative Assignment. This temporary assignment shall be at the discretion of The Fire Chief or his/her designated representative. This position shall be available if the need is determined, to Firefighters, Firefighter Paramedics, Fire Captains or Battalion Chiefs. Upon re-assignment of the selected employee by the Fire Chief or designated representative, the employee will be compensated an amount equal to 10% of the employee's base pay. This classification of Special Assignment is not reportable to CalPERS for pension calculations because it does not meet CalPERS classification for Special Compensation.

Employees working a temporary light duty assignment are not eligible for Special Administrative Assignment compensation.

E. Longevity

- Employees hired on or before January 1st, 2013 will receive a 2.5% salary increase after the completion of ten (10) years of service to the District.
- Employees hired after January 1st, 2013 will receive a 2.5% salary increase after the completion of twenty (20) years of service to the District.

VII. Probationary Period

A. Length of Probationary Period

All current personnel appointees to a position shall serve a probation period for twelve (12) months. All new hires shall serve a probation period of eighteen (18) months. The probationary period can be extended for up to 6 months with approval by the Fire Chief or his/her designee.

The probationary period shall not include the time served under any temporary appointment to a permanent position.

B. Performance Evaluation Process

Probationary new Employees are subject to dismissal during the probationary period at the discretion of the Fire Chief.

A Member serving a probationary period after a promotion may be returned to his/her former position if the Fire Chief determines that he/she is incapable of fulfilling the new duties within the period of probation.

Upon successful completion of the probationary period, a Member shall be considered for permanent status.

C. Performance Reports

It is the policy of the District that regular reports be made as to the efficiency, competency, conduct and merit of its Employees. To this end, it is declared to be the responsibility of the Fire Chief and his/her subordinate supervisors that these evaluations be prepared for Employees in accordance with District Resolution.

VIII. 40 Hour Safety Employee/ 40 Hour Battalion Chief

40 Hour Safety Employee

1. The 40-hour Safety position, shall at a minimum, have two slots secured for a Captain Specialist. The Central Fire Districts "Fire Captain Specialist" is a rotational administrative assignment in the Fire Training, Community Risk Reduction or Fire Operations Division based on the needs of the organization as determined by the Fire Chief. The position shall provide critical administrative management skills to enhance career development.
2. No later than September 1st of each year, the Fire Chief will solicit and receive letters of interest from the current safety employees requesting a lateral transfer for the following calendar year.
3. The Fire Chief will interview all eligible applicants. The Fire Chief may select one of these voluntary applicants that best meets the needs of the organization.
4. The selected 40 Hour Safety Employee will move into the assigned division, and that vacancy will be filled by the incumbent 40 Hour Safety Employee on a temporary basis and resolved through the Union bid process.

5. If there are no voluntary applications for the position of 40 Hour Safety Employee, the Chief may appoint one of the three most senior company officers who did not apply. Those employees being considered for the assignment shall be notified via an oral interview process prior to receiving the assignment.
6. The assignment shall begin in alignment with the shift bid of each calendar year unless the prior incumbent's term is voluntarily extended beyond one year.
7. An employee assigned to the 40 Hour Safety Employee assignment under these conditions will not be required to serve in the assignment again until all other eligible safety employees have served a term in the assignment.

MISCELLANEOUS TERMS AND CONDITIONS

1. The 40 Hour Safety Employee will be allowed to take callbacks only when they are off duty, and shall not be force hired. They will be placed in the regular call back rotation when they are off duty.
2. If qualified, the 40 Hour Safety Employee will be eligible to take a callback to the highest level eligible. Overtime earned on a shift call back shall be at the 40 hour overtime rate of pay.
3. The 40 Hour Safety Employee working as a 40 hour employee shall receive the same bi-weekly pay, accruals and benefits as an employee of the same step working a 56 hour shift. For purposes of determining the hourly rate for the 40-hour safety employee, the annual salary is divided by 2080. Holiday pay will be paid out at the 40 hour rate. If the employee chooses to take a national holiday off, he/she must use paid vacation leave or their administrative holiday hours for the absence.
4. The 40-hour work week will consist of either five (5) 8-hour days or four (4) 10-hour days, as determined by the Fire Chief.
5. The 40-hour safety employee shall receive forty hours of administrative holiday leave, which may be taken off anytime during the calendar year with the approval of the Fire Chief. All administrative holidays must be used during the calendar year with no carry over to the next calendar year. Administrative holiday hours will be prorated based upon appointment date.
6. The 40-hour safety employee will continue to receive the same vacation and sick leave accrual hours as the 56-hour employee schedule.
6. Annual leave payout requests shall be processed at the 56 hours employee rate of pay.
7. The Fire Chief may issue a District vehicle to the 40-hour safety employee if the employee resides within Santa Cruz County for after-hours Incident Safety Officer responses. The Fire Chief, or designee, may determine which types of incidents the 40-hour safety employee may respond to as an Incident Safety Officer. Compensation for after hour response is at their 40 hour rate of pay.
8. The 40 hour. employee shall remain a member of Local 3535.

9. The Captain Specialist assigned to Training shall serve as both training instructor and a safety officer/training coordinator and be eligible and entitled to a stipend equal to 5% of base pay while in the position. The incentive is reportable special compensation to CalPERS for pension calculation.

PROCESS FOR DISCONTINUANCE OF 40 HOUR SAFETY EMPLOYEE ASSIGNMENT

1. An employee can discontinue their 40 hour safety employee in two ways. The first is to complete the year-long assignment as described above in the first paragraph under General Conditions. The second method of discontinuing the assignment is described below.
2. An employee wanting to discontinue his/her 40 hour safety assignment must submit a letter of intent via Inter-Office Memorandum following the appropriate chain of command. The letter of intent will then be forwarded to the Fire Chief. The employee must have served a minimum of 10 months in the position before a letter of intent can be submitted or have another extenuating circumstance approved by the Fire Chief. Once the 40 Hour Safety Employee's letter is received and accepted by the Fire Chief, the 40 Hour Safety Employee will remain in the position for up to 30 days after the Fire Chief approves the request and fills the position as described in the SELECTION process above.
3. When a 56 hour safety position of equal rank becomes vacant the Fire Chief, or designee, will grant the opening to the 40 hour safety employee as long as a qualified, internal applicant is available to assume a 40 hour safety employee position.
4. The Fire Chief, or designee, may then fill the opening through the promotional process or by selecting another qualified and willing applicant.
5. The employee that moves from the 40 hour safety position to the 56 hour safety position will no longer have the benefits as described above in Miscellaneous Terms and Conditions upon the first day of reporting to the 56 hour work schedule.
6. An employee assigned to the 40 Hour Safety Employee assignment under these conditions will not be required to serve in the assignment again until all other eligible safety employees have served a term in the assignment.

40 Hour Battalion Chief

1. The Battalion Chief assigned to the Training Division will be allowed to take callbacks only when he/she is off duty. They will be included in the regular callback rotation when he/she is off duty. Overtime earned will be at the 40 hour rate of pay.
2. The Battalion Chief working as a 40 Hour shall receive the same bi-weekly pay and benefits, as an employee of the same step working a 56 hour shift. For purposes of determining the hourly rate for the 40-hour safety employee, the annual salary is divided by 2080. Holiday pay

will be paid out at the 40 hour rate. If the employee chooses to take a national holiday off, he/she must use paid vacation leave or their administrative holiday hours for the absence.

3. The 40-hour work week will consist of either five (5) 8-hour days or four (4) 10-hour days, as determined by the Fire Chief.

4. The Battalion Chief assigned to the Training Division shall receive forty hours of administrative holiday leave, which may be taken off anytime during the calendar year with the approval of the Fire Chief. All administrative holiday hours must be used during the calendar year with no carry over to the next calendar year and cannot be cashed out. Administrative holidays will be prorated based upon appointment date.

5. The Battalion Chief assigned to the Training Division shall accrue vacation and sick leave at the same rate as Battalion Chief's assigned to a 56-hour schedule.

6. Annual leave payout requests shall be processed at the 40 hour employee rate of pay.

7. The Fire Chief may issue a District vehicle to the Battalion Chief assigned to the Training Division if the employee resides within Santa Cruz County for after-hour incidents. The Fire Chief, or designee, may determine with types of incidents the Battalion Chief assigned to the Training Division may respond to. Compensation for after hour response is at the 40 hour employee rate of pay.

8. When assigned by the Fire Chief to fulfill the standby time requirement, the 40-hour Battalion Chief will be compensated at the rate stated in section XI, shown below. . Standby is defined as off duty hours. Employees will not receive the special compensation pay during his/her normally scheduled work hours.

9. The Battalion Chief assigned to the Training Division will remain within the membership of the Professional Fire Fighters Union Local 3535.

XI. Duty Chief Coverage

At times the Fire District may determine a need for an additional Duty Chief to be on standby for district coverage. This assignment shall include incident response, administrative duties, district coverage or zone coordination. The typical coverage area will consist of but not limited to, The Central Fire District.

Employees electing to accept Standby Coverage assignments shall be required to:

- Maintain a minimum qualification of Acting Battalion Chief
- Remain within the boundaries of Santa Cruz County
- Be in a ready to respond state as specified in Central Fire's SOP's and Policies Needed coverage will be determined by the Fire Chief of the Central Fire District and assignments shall be offered utilizing the District's automated callback system (CrewSense). Assignments shall be offered by a rotational list of Battalion Chiefs and Acting Battalion

Chiefs. When an employee elects to accept an offered assignment, his/her name shall be rotated to the bottom of the list.

Upon acceptance of the assignment, the employee shall receive:

- A District command staff vehicle
- District Cell Phone
- District Pager

Compensation shall be paid at a rate of one hour of overtime pay for every six hours assigned, with a one hour minimum. Hours compensated for stand by coverage shall be considered hours worked for the purposes of overtime calculation. Partial hours shall be rounded up to the nearest 1/2 hour increment.

Upon activation to duty due to Fire District needs, stand by pay ends and the employee is compensated at the employee's Overtime Rate of Pay for all hours activated, with a minimum of one hour increments. Partial hours shall be rounded up to the next full hour. Once the employee is returned to the stand by assignment, the employee will be paid one hour for every 6 hours on stand by.

Employees shall not be forced/Mandated to accept standby coverage and if qualified employees are not available, District coverage shall be maintained by on duty personnel and existing mutual/auto aid agreements.

Employees shall not be restricted in conducting personal business/affairs while providing Standby Coverage as long as available for a reasonable response window and may also be available by cell phone or radio communications.

Employees that are assigned a District vehicle shall be allowed to utilize the vehicle while on Stand By assignment in place of their personal vehicle as long as kept in a ready to respond status.

Employees shall not be required to be in District Uniform while providing standby coverage but a reasonable expectation of professionalism is expected and upon activation, proper uniform standards and safety equipment standards will be followed per District SOP's/Policies as time constraints allow.

Standby compensation is not reportable for CalPERS pension calculation.

X. Staffing

It is the intent of the Employer to maintain a minimum daily staffing of 23 line personnel consisting of one battalion chief or acting battalion chief, one truck company staffed by one fire captain or acting fire captain, one truck operator or truck operator/paramedic and two firefighters or combination of firefighters and firefighter/paramedics and six engine companies staffed by one fire captain or acting fire captain and two firefighters or combination of firefighters and firefighter/paramedics. The District shall retain the right to re-distribute and re assign personnel

as deemed appropriate. The employer also has the right to make emergency staffing adjustments based on unforeseen emergency staffing needs of the Fire District. Any long term/permanent reduction in the above referenced staffing levels shall occur only after the parties have engaged in the meet and confer process.

XI. Retirement

- A. Classic members 3% @ 50, as determined by CalPERS, shall pay 12% contribution to CalPERS. The District shall pay the employer contribution to CalPERS.

In addition to the basic benefits, the following benefits are included:

20042 One Year Final Compensation

20965 Sick Leave Credit

21427 Increase in Non-Job Related Disability Retirement Allowances

21548 Pre-Retirement Optional Settlement 2 Death Benefit

21571 1959 Survivor Benefits

21572 Increased Level of 1959 Survivor Benefits

21573 Third Level of 1959 Survivor Benefits

21574 Fourth Level of 1959 Survivor Benefits

21024 Military Service Credit as Public Service

- B. Classic members 3% @ 55, as determined by CalPERS, shall pay 12% contribution to CalPERS. The District shall pay the employer contribution to CalPERS. (APT Legacy)

In addition to the basic benefits, the following benefits are included:

20042 One Year Final Compensation

20965 Sick Leave Credit

21427 Increase in Non-Job Related Disability Retirement

Allowances 21548 Pre-Retirement Optional Settlement 2 Death Benefit

21571 1959 Survivor Benefits

21572 Increased Level of 1959 Survivor Benefits

21573 Third Level of 1959 Survivor Benefits

21574 Fourth Level of 1959 Survivor Benefits

21024 Military Service Credit as Public Service

- C. Classic members 3% @ 55, as determined by CalPERS, shall pay 12% contribution to CalPERS. The District shall pay the employer contribution to CalPERS. (CTL Legacy)

In addition to the basic benefits, the following benefits are included:

20042 Three Year Average

20965 Sick Leave Credit
21427 Increase in Non-Job Related Disability Retirement Allowances
21548 Pre-Retirement Optional Settlement 2 Death Benefit
21571 1959 Survivor Benefits
21572 Increased Level of 1959 Survivor Benefits
21573 Third Level of 1959 Survivor Benefits
21574 Fourth Level of 1959 Survivor Benefits
21024 Military Service Credit as Public Service

D. PERS “PEPRA” Employees are under a “2.7% at 57” PERS contract and will contribute fifty percent (50%) of the “normal cost” as determined by CalPERS.

20042 Three Year Average Final Compensation
20965 Sick Leave Credit
21427 Increase in Non-Job Related Disability Retirement Allowances
21548 Pre-Retirement Optional Settlement 2 Death Benefit
21571 1959 Survivor Benefits
21572 Increased Level of 1959 Survivor Benefits
21573 Third Level of 1959 Survivor Benefits
21574 Fourth Level of 1959 Survivor Benefits
21024 Military Service Credit as Public Service

XII. Holidays

In-lieu holiday compensation shall be paid to employees at the rate of 12 hours per pay period and shall be paid at the employees base hourly rate. . In-lieu holiday compensation shall not be converted to paid leave.

Compensation for holiday pay will be paid biweekly.

XIII. Sick Leave

56 hour employees shall accrue sick leave at the rate of 11.08 hours per pay period. Sick leave may be used for personal illness, physical incapacity, or the illness of a family member. Sick leave shall not be construed to be a privilege, which an employee may use at his/her discretion, but shall be allowed only in cases of necessity as herein set forth.

For 56 hour employees, where absence is due to the illness of the employee for more than two consecutive twenty four hour shifts or more than two consecutive work days for 40 hour employees, the employee may be required to provide a paper copy of a medical excuse from a Physician or authorized representative upon the request of his/her immediate supervisor, the supervising Battalion Chief or the Fire Chief. Upon return to duty, this document will be

submitted to the immediate supervisor who will then submit it to the Human Resources Director as soon as possible.

At the end of each calendar year, a maximum of 144 hours of the annual accumulated sick leave in excess of 2400 hours may be paid at the member's regular hourly rate of pay in effect on December 31st. The request will be made in writing to the Personnel/Payroll Specialist by December 31st. Any employee with a sick leave balance below 2400 hours, may not cash in hours.

Employees may accumulate an unlimited amount of sick leave hours. Upon retirement, employees shall have the option of:

A. Convert the entire balance of his/her accumulated sick leave to service credit in accordance with the provisions of the Public Employees Retirement Law (California Government Code Section 20965);

or

B. Receive compensation for up to a maximum of 600 hours of unused sick leave plus one half of the employees current calendar year accrual, at the member's current regular rate of pay, and convert their remaining sick leave balance to service credit under California Government Code Section 20965.

Upon retirement, any payout will be at the employee's current regular rate of pay.

Upon separation from the District for reasons other than termination or retirement the employee will receive compensation up to a maximum of 600 hours of unused sick leave plus one half of the employees current calendar year accrual, for at the member's current regular rate of pay.

XIV. Bereavement Leave

In the event of a death in the employee's immediate family, the employee shall be granted three (3) shifts paid bereavement leave.

Immediate Family Members Consist of:

- The parents of the employee,
- The employees spouse or domestic partner,
- The parents of the employees spouse or domestic partner,
- The step parents of the employee and or/employee's spouse or domestic partner,
- The grand parents of the employee,
- The siblings of the employee,
- The children, step-children, and/or adopted children of the employee and/or the employees spouse or domestic partner.

XV. Vacation Leave

Employees shall be entitled to at least sixteen (16) consecutive calendar days of vacation per year.

Full-time employees shall accrue vacation hours. The rate at which an employee accrues vacation hours and the maximum amount of vacation hours that may be accrued is determined by an employee's length of service, as set forth in the following chart:

Vacation Accrual Schedule for all Union Members	Hours Accrued per pay period	Annual shift equivalent	Maximum annual accrual (in hours)	Maximum accrual (end of calendar year)
Years of Service				

1-5	7.38	8	192	288
6-10	10.15	11	264	396
11 - 13	12	13	312	468
14 - 16	13.85	15	360	540
17 +	14.78	16	384	576

Employees may not use more vacation than they have earned.

Maximum accrued vacation hours may not at any time exceed the hours stipulated. Once an employee reaches “maximum accrual” based on his/her years of service, the employee will cease to accrue any additional hours until the employee’s balance falls below the “maximum accrual” based on his/her years of service.

An employee may cash out accrued vacation leave four times per calendar year. If employees elect to receive compensation for unused vacation, the request will be made in writing to the Personnel/ Payroll Specialist. The request for pay will designate the number of hours. The combined total annual vacation cash out will not exceed one half of the Maximum Annual Accrual. The hours shall be paid at the employee’s regular rate of pay

Any full-time member in continuous full-time service of the District who terminates her/his employment and has earned vacation time shall be paid for any unused leave hours in the pay period following separation. When separation is caused by the death of Member, payment shall be made to the employees life insurance beneficiary.

Any Member incurring a serious injury or illness which requires the Member to be hospitalized or confined while on paid vacation leave may have those days changed to sick leave with pay and

vacation days restored accordingly, provided the Member has sufficient sick leave accrued and the period of hospitalization and/or confinement is certified by a physician's written statement.

Vacation Leave Payout shall not be reportable to CalPERS for pension calculation.

No vacation with pay is allowable to part-time, emergency, relief, seasonal, or extra help employees, nor to employees paid solely on an hourly basis.

No Vacation time shall be used by Probationary employees within the first six months of employment.

XVI. Union Leave Bank

ACCRUED TRANSFER OF TIME TO UNION LEAVE BANK

In the first full pay period of January of each year, each active L3535 bargaining unit employee will contribute to the Union Leave Bank by donating 4 hours of his/her accrued vacation leave. The time shall be deducted from each employee's accrued vacation/compensation time bank and maintained by the District.

If an employee does not have at least 4 vacation/compensation time hours available, no deduction will occur until the next pay period that those hours become available. Employees separating employment during the year will not be refunded time or receive any credit from the hours contributed.

The number of hours deducted from each employee's accrued vacation/compensation banks may be adjusted from year to year as necessary with written notification from the Union to the Fire District.

CARRY OVER OF UNUSED FUNDS

If there are any unused amounts in the Union Leave Bank at the end of the fiscal year, these amounts will carry over to the following year.

USAGE OF THE UNION LEAVE BANK

When a bargaining unit member has received the appropriate approval to be absent from his/her scheduled shift(s) to attend conferences or training related to a union function, time shall be transferred from the Bank on an hour for hour basis regardless of rank. The employee assigned to cover the vacancy shall be compensated at their Regular Rate of Pay per the Memorandum of Understanding with all hours being considered hours worked for the purpose of FLSA and overtime calculations. The employee absent from work while attending union business shall receive pay for their regularly scheduled shifts.

AUTHORIZATION FOR USE OF THE UNION LEAVE BANK

An employee seeking to be absent from work pursuant to this section must receive written approval from a union officer and present the request in advance to the Fire Chief or designee

at least (7) days prior to the event. The Fire Chief or designee will confirm available hours in the Union Leave Bank to cover the absence and notify by email, approving or denying the absence to the requesting employee and shift Battalion Chief. Approval will be denied if insufficient hours available at the time of request. Final authorization will then be made utilizing the Fire District Staffing Program (CrewSense) approval process.

STATUS REPORTS

The Fire District shall provide reports of time available in the Union Leave Bank upon request of Union Officers or Appointees as well as hours used in the current calendar year.

DISCLAIMER OF LIABILITY

The Fire District assumes no responsibility for how the leave time is used. Time spent on Union Leave is considered "Paid Time Off" for all calculations as specified in the Memorandum of Understanding.

NO WAIVER OF RIGHTS

Nothing in this section shall supersede the Fire Chief's duty to maintain management control over shifts to ensure that the daily operation of the Fire District is adequately covered.

XVII. Life Insurance and Salary Continuance Insurance

A. CURRENT EMPLOYEES

The Employer shall pay all premiums on behalf of employees for the Life Insurance and the C.A.P.F.F. Long Term Disability Plan. For all full-time employees, the life insurance plan will provide a death benefit of \$10,000 for a spouse, and \$5,000 per child.

The life insurance plan will provide the following benefit for employees:

All employees to age 64 \$100,000.00
Employees age 65 – 69 \$65,000.00
Employees age 70 + \$50,000.00

The C.A.P.F.F. Long Term Disability Plan provides, after a sixty (60) day waiting period, a maximum payout benefit based on the C.A.P.F.F. Long Term Disability Insurance benefit (Plan A).

B. RETIREES

Retirees may purchase life insurance through the employer's plan but must pay 100% of the premium.

XVIII. Medical Health/Dental Insurance

The District shall provide medical health insurance to employees and their dependents through the CalPERS Health Benefits Program and shall pay the monthly premium for the health insurance plan as follows:

Employees may choose any health plan offered by CalPERS. The District will make the following contributions to the monthly premium. If an employee chooses a more expensive plan, they are responsible for paying any amount above the District's share. The difference, if any, will be deducted through the payroll system on a per pay period basis. If an employee chooses a less expensive plan, the employee will not receive the difference in the costs.

Beginning insurance year 2021 the Districts contribution shall be as stated below. If the District's contribution does not pay for 100% of at least half of the employee health insurance plan options for that year, the Parties will meet and confer.

For the 2021 medical insurance plan year, the Districts contribution to the monthly premium will be as follows:

Employee only: \$961
Employee plus one dependent: \$1920
Employee plus two or more dependents: \$2497

For the 2022 medical insurance plan year, the Districts contribution to the monthly premium will be as follows:

Employee only: \$1009
Employee plus one dependent: \$2017
Employee plus two or more dependents: \$2622

RETIREE TIER ONE (Central Legacy Retirees)

Central Fire District employees who retire on or before December 31st, 2022

Shall receive the medical benefit defined as 85% of the third highest bay area plan.

If a retiree reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage. I.e.; retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level.

RETIREE TIER TWO (Aptos/La Selva Retirees)

Those persons retired on or before December 31, 2019, the district will contribute \$350 per month into a CALGOVEBA account. This contribution shall terminate on the retirees 65th birthday or upon their death, whichever occurs first.

RETIREE TIER THREE (Aptos/La Selva Retirees)

Those persons retired between January 1, 2020 and ratification of this contract, the district will contribute \$1800 per month into a CALGOVEBA account. This contribution shall decrease to \$900 per month on the retirees 65th birthday, The district's contribution the CALGOVEBA account will terminate upon the retirees death.

RETIREE TIER FOUR (Central Fire Protection District/ Aptos La Selva Legacy Employees)

APT Legacy Employees- those persons hired prior to date of consolidation and retire after consolidation, the District will contribute the following upon retirement:

- The same level of coverage as current employees.
- At age 65, retirees will receive half of their current medical benefit with no further increases, the maximum contribution will be half of their current medical benefit.

If a retiree reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage. I.e.; retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level. This will apply at any age; i.e. even after age 65. If an employee adds a dependent after they have dropped to a lower coverage level then they can purchase the additional coverage through the Districts plan at 100% cost to the employee.

CTL Legacy Employees- Those persons hired prior to date of consolidation, and those who retire after January 1st 2023 the District will contribute the following upon retirement:- The same level of coverage as current employees.

- At age 65, retirees will receive half of their current medical benefit with no further increases, the maximum contribution will be half of their current medical benefit.

If a retiree reduces coverage the reduction will be the new maximum level. No increase to District cost after retirement for level of coverage. I.e.; retiree who left service with a 2 party level plan subsequently removes a dependent, the coverage will reduce to the single level and be fixed at the level. This will apply at any age; i.e. even after age 65. If an employee adds a dependent after they have dropped to a lower coverage level then they can purchase the additional coverage through the Districts plan at 100% cost to the employee.

The Retiree must have served a minimum of five years as a full time employee in the CalPERS system to qualify.

The Retiree must retire as a full time member of the District.

The Retiree must retire at or after the established minimum age for CalPERS retirement, disability retirement, or an Industrial Disability Retirement with stipulated coverage for health care.

The Retirees retirement effective date must be less than 120 days after separation from employment once retired, the retirees Health benefits Officer or Personnel Officer will be CalPERS (all changes to your health enrollment are managed by CalPERS).

RETIREE TIER FIVE (All Future Employees)

Those persons hired on or after the date of consolidation , the District will contribute the following upon retirement:

- The same level of coverage as current employees, at the Employee only classification.
- At age 65, the district will contribute \$450 per month into a CALGOVEBA account.

A minimum of 15 years of service to the District is required to be eligible for 75% of the employee only rate of retiree health care. The percentage of health care will increase by 5% of the employee only rate per year (80% at 16 years, 85% at 17 years, 90% at 18 years, 95% at 19 years, so that at 20 years the coverage will be at 100% of the employee only rate.)

The Retiree must have served a minimum of five years as a full time employee in the CalPERS system to qualify.

The Retiree must retire as a full time member of the District.

The Retiree must retire at or after the established minimum age for CalPERS retirement, disability retirement, or an Industrial Disability Retirement with stipulated coverage for health care.

The Retirees retirement effective date must be less than 120 days after separation from employment once retired, the retirees Health benefits Officer or Personnel Officer will be CalPERS (all changes to your health enrollment are managed by CalPERS).

Dental Insurance

The Employer shall provide dental insurance to its employees and dependents and shall pay the monthly premium for the dental insurance coverage. The District shall pay for the plan level of coverage which provides for \$2000.00 maximum per year for all active employees and dependents.

Retiree Tier One (Central Legacy Retirees)

Upon retirement prior to December 31st 2021, and the completion of a minimum of ten (10) years of service to the Employer, should the retired employee elect, the Employer shall pay a

pro-rated percentage of this dental insurance premium for the retired employee and his/her dependents. Completion of the minimum ten (10) years of service qualifies the retired employee for an Employer contribution of twenty-five percent (25%) of the monthly premium, following retirement. For those employees with the minimum ten (10) years, each year of subsequent continuous service with the Employer will qualify the retired employee for an additional Employer contribution of two and one-half percent (2.5%) of premium, following retirement, to a maximum of one hundred percent (100%) of premium.

The dental insurance enrollment for each retiree will be the same enrollment that his/her enrolled status was as an employee at the time of retirement. The premium contribution by the Employer will be based on the percentage factor as determined by the employee's years of service prior to retirement, as indicated above. The premium contribution by the retiree will be for the balance of the required premium. The coverage provided to retirees shall be the same as the coverage provided the employees. Upon the death of the employee or the retiree the premium contribution by the Employer will cease. Immediately upon the death of the employee or the retiree the survivor may elect to continue dental coverage by paying 100% of the premium plus a pro-rated administrative fee as specified in COBRA continuation of benefits. The survivor may continue the dental plan till such a time as they deem to discontinue the coverage.

Retiree Tier Three/Four

As an option, retirees may purchase dental insurance through the employer's plan but must pay 100% of the premium.

XIX. Vision Insurance

The Employer shall provide vision care to employees and their dependents. The Employer shall pay the monthly premiums for employees and their dependents. Retirees may elect to join the Districts group policy, but will be responsible for 100% of the cost and will be billed directly by the current provider.

XX. Clothing

The District will provide non-safety and safety attire. Employees will be responsible for maintenance of all non-safety clothing.

The District will report to CalPERS a uniform allowance of \$300.00 per year as special compensation for each Classic CalPERS member. The uniform allowance will be reported in twenty six (26) equal installments of \$11.54.

For PEPRAs employees, a \$300.00 uniform allowance will be paid as compensation. The uniform allowance will be paid in twenty six (26) equal installments of \$11.54. The uniform allowance for PEPRAs members will not be reported to CalPERS.

For all members, this uniform allowance will hold the employee responsible for maintenance of all clothing other than safety clothing. This amount is the average reportable value of non-safety clothing provided to each member of the District.

XXI. Professionalization

All "related duties" assigned to Firefighters, Captains and Battalion Chiefs are to be tasks directly related to the fire service, as determined by the Fire Chief. "Related Duties" can pertain to stations, facilities, apparatus, and equipment maintenance/improvement.

XXII. Grievance Procedures

GRIEVANCE DEFINED/SCOPE

A grievance shall be any dispute concerning the interpretation, application, or compliance with this Agreement or District rule, written policy or regulation as they relate to this Agreement. The aggrieved employee has the right to representation at any level or step of the grievance procedure.

PROCEDURE:

The parties recognize that early settlement of a grievance is essential. Therefore, it is agreed that during the term of this Agreement, grievances of all manner, including disciplinary matters, shall be resolved in the manner set forth herein.

STEP 1: An employee who believes he/she has a grievance shall within ten (10) calendar days of the events giving rise to the grievance or within ten (10) calendar days of the time the grievant became aware or reasonably should have become aware of the facts giving rise to the grievance shall discuss the matter with his/her immediate supervisor (informal procedure).

STEP 2: If a resolution is not possible under STEP 1, within ten (10) calendar days of the occurrence, the aggrieved employee shall present the grievance in writing to his/her immediate supervisor (formal procedure).

A. The written grievance shall contain information, which identifies:

1. The aggrieved employee.
2. The specific nature of the grievance.
3. The time and place of its occurrence or discovery.
4. The existing rule, written policy, regulation or agreement alleged to have been violated, improperly interpreted, applied or misapplied, if any.
5. The consideration given or steps taken to attempt informal resolution.
6. The corrective action desired.

B. A decision by the aggrieved employee's supervisor shall be made in writing within (10) calendar days of receipt of the written grievance.

STEP 3: If not satisfied with the decision under STEP 2, the aggrieved employee may, within ten (10) calendar days after receipt of that written decision, refer the matter to the Fire Chief in writing. The Fire Chief will provide the aggrieved employee a decision in writing within ten (10) days of receipt of the written grievance.

STEP 4: If dissatisfied, the aggrieved employee may, within ten (10) calendar days after receipt of the decision under STEP 3, refer the matter to a panel. The panel will consist of four (4) members; two (2) chosen by the Union, and two (2) members chosen by the Fire Chief or his/her designee. The panel will meet, review the facts, and make its recommendation in writing to both parties.

NOTE: With regard to a dispute that arises out of the action of the Fire Chief (as distinguished from a lower level supervisor), the aggrieved employee may bypass STEP 1 & STEP 2, aforementioned.

A grievance filed by the Union shall start at STEP 3, unless the above "NOTE"

applies. STEP 5: ARBITRATION

If the aggrieved employee is dissatisfied with the recommendation under STEP 4, the aggrieved employee may request arbitration with approval of at least three members of the Union's Executive Board. The arbitration request must be in writing to the Chair of the Board of Directors. This must be completed no later than fourteen (14) calendar days after receiving the recommendation from the panel, listed in STEP 4 of this agreement.

The aggrieved employee and the Fire Chief or designee shall mutually select an arbitrator. If the parties are unable to mutually agree on an arbitrator, they shall contact the State of California Mediation and Conciliation Service to request that a list of seven (7) possible arbitrators be provided. Upon receipt of seven (7) possible arbitrators the parties will meet to select the final arbitrator. The loser of a single coin toss will eliminate the first name of the possible seven (7) arbitrators. The parties shall then alternately strike names from the list of seven (7) arbitrators until such time as there is only one name remaining. The last arbitrator left shall be used. The aggrieved employee and/or his or her representative, along with the Employer, shall present all the facts pertaining to the grievance to the arbitrator.

- A. Decisions by the arbitrator shall be final and binding. The arbitrator's compensation and expenses, costs of the reporter, and transcripts shall be borne equally by the employee (grievances) or Union (disciplinary appeal) and the Employer. Time limits as noted herein may be extended or waived by mutual written agreement of the parties involved.
- B. The arbitrator will not add to, detract from, or modify the language of the Agreement in considering any issue properly before him or her.
- C. The arbitrator will expressly confine themselves to the precise issues raised by the grievance and submitted to them and will have no authority to consider any other issue not so submitted.

- D. Any monetary award in favor of the grievant is limited to lost wages suffered from the date of the grievance forward.

All time limits as noted in any step of the grievance procedure may be extended or waived by mutual written agreement of the parties involved.

NOTE: Compliance with the arbitrator's final decision must occur within thirty (30) calendar days of receipt of the written notice of the decision.

No reprisal shall result to any employee or organization that prepares or presents any grievance under this procedure.

BINDING ARBITRATION

Requests for binding arbitration must go before the voters of the Central Fire District.

XXIII. LAYOFF AND REHIRE PROCEDURE

LAYOFF PROCEDURES

In the event that a layoff should become necessary, it will be conducted in the following manner:

1. Firefighters from the rank of probationary Firefighter through and including permanent Battalion Chief shall be laid off on a strict seniority basis, with the last employee hired to be the first laid off.
2. For purposes of this procedure, seniority shall be defined as continuous service time with Employer or any previous fire departments, districts or agencies that become a part of the Central Fire District. Approved leaves, absences and suspensions are considered continuous service in regards to layoff procedures.
3. Volunteer service shall not be considered for seniority. Where military service, as described in the Military and Veterans Code, has interrupted service as described above, such military service shall be described as continuous service time.

Seniority is determined by date of hire as a full-time, paid employee.

REHIRE PROCEDURE

When funds become available for rehiring, the process shall be as follows: The last employee laid off shall be the first to be rehired. Any person being rehired must pass a physical examination equivalent to that required for initial hiring into the District. Any person unable to pass the physical examination shall not be rehired. Cost of the physical examination shall be borne by the Employer.

There shall be no time-limit for this rehire procedure.

XXIV. Certification

EMT CERTIFICATION

All full time employees, with the exception of employees maintaining a paramedic license, shall have a valid EMT certificate and thereafter maintain his or her EMT certificate. EMT certification/recertification training for employees shall be provided at the expense of the Employer.

PARAMEDIC CONTINUING EDUCATION

When attending training for continuing education requirements on an off-duty day, the paramedic shall be compensated by either pay or CTO at the option of the employee, for hours of attendance.

When the desired training is only available on a day that the paramedic is on duty (assigned shift), the paramedic may request administrative time off in order to attend. If the administrative time off is granted, this time shall be considered "hours worked" for purposes of FLSA.

In either case, on-duty or off duty, the Employer shall pay the cost of tuition, as well as any associated costs, i.e., required textbooks, mileage, and lodging when appropriate.

If the training is at a location outside of the immediate area, reimbursement for costs incurred shall be made to the employee in accordance with Employer's Policies and Procedures Manual and/or SOP for travel, lodging, etc.

One-hour travel time shall be allowed each direction.

Paramedics shall utilize local training opportunities when possible to keep additional costs associated with the class at a minimum. If it is determined that a paramedic through his/her own negligence is unable to attend a required training class that had been offered locally, and as a result must then travel to attend the same training, the Employer may elect to pay only those costs which would have been incurred had the training been attended locally, i.e., meals, lodging, and mileage may not be included.

PARAMEDIC INCENTIVE COMPENSATION

A Firefighter who becomes a paramedic licensed and accredited by the State of California and County of Santa Cruz to perform the duties of a paramedic and performs those duties for the Employer shall be compensated an additional seven percent (7%) above the base salary for STEP 3 Firefighter. Paramedic incentive is reportable special compensation to CalPERS for pension calculation.

PARAMEDIC CAPTAINS/BATTALION CHIEF

Any Captain wishing to maintain his/her paramedic license will be compensated 3.5% for step 3 firefighter pay per month. Paramedic incentive is reportable special compensation to CalPERS for pension calculation.

Any Battalion Chief wishing to maintain his/her paramedic license will be compensated 2% for step 3 firefighter pay per month. Paramedic incentive is reportable special compensation to CalPERS for pension calculation

Captains wishing to discontinue their paramedic duties must submit a letter of intent via inter-office memorandum to their Battalion Chief following the appropriate chain of command. The letter will then be forwarded to the Fire Chief.

The District will pay Paramedic license renewal fees for all employees who hold a CA State Paramedic license.

XXV. EDUCATION TIME OFF

All employees are entitled to thirty-six (36) hours of leave per fiscal year for educational purposes not related to required certifications and/or licensing.

1. The thirty-six (36) hours shall only be used to attend classes that are related to the Fire Service, or classes that are required for a college degree that is applicable to the Fire Service.
2. If thirty-six (36) hours, or any increment of thirty-six (36) hours is not used in any given fiscal year, it is forfeited by the employee. At no time shall an employee receive monetary compensation for unused hours.
3. The employee will be able to attend classes, as long as educational time is available, it does not adversely impact staffing level, and funding is available, and the leave is approved by the Fire Chief or his/her designee.
4. Should the employee use all allotted time, thirty-six (36) hours, additional time off shall require approval from the Fire Chief.
5. The thirty-six (36) hours shall be used in no less than four (4) hour increments.

XXVI. Commencement of Negotiations

The Employer and the Union shall commence negotiations for a subsequent memorandum of understanding not later than four months before the expiration of this agreement.

XXVII. Effective Date

After execution by all parties to this Agreement, no changes, amendments or adjustments to this Agreement shall be made by any party to this Agreement, except upon mutual agreement between the contracting parties. Any such mutual agreement shall be evidenced by a writing setting forth the mutual agreement of the parties and incorporating the mutual agreement into this Agreement.

After meeting and conferring in good faith, the preceding terms and conditions of employment will be in effect commencing 2/9/2021, except as noted herein.

This Agreement shall remain in effect through 12/31/2022, or until a new agreement is agreed upon by the parties, subject to the Employer's emergency powers under Government Code Section 3504.5.

XXVIII. TERM

Except as may be otherwise specifically provided herein, this Agreement shall be effective February 4, 2021 through December 31, 2022.

Signatures

For the Union

For the Employer

Local 3535

Central Fire District
