

Scotts Valley Fire Protection District

Fire Chief Employment Contract

This contract, dated July 26, 2017, is made between the Scotts Valley Fire Protection District ("DISTRICT") and Steven Michael Kovacs ("EMPLOYEE").

RECITALS

DISTRICT desires to employ the services of EMPLOYEE as Fire Chief and to provide certain compensation and establish certain conditions of employment of the Fire Chief. EMPLOYEE desires to accept employment as Fire Chief under the conditions contained in this contract. In consideration of the mutual covenants contained in this contract, the parties agree as follows:

1. TERM OF AGREEMENT

The term of this agreement shall begin on August ~~X~~ 2017, and shall continue for a period of five (5) years, subject only to the Termination provision of this contract. Both the DISTRICT and EMPLOYEE understand that EMPLOYEE's employment is at the will of both parties. Thus, EMPLOYEE serves at the pleasure of the DISTRICT, subject to the terms of this contract. In a like manner, nothing in this contract shall interfere with the right of the EMPLOYEE to resign at any time, subject to the Termination provision below (Section 5).

2. DUTIES

- (a) EMPLOYEE shall provide the services normally provided by a Fire Chief in a Fire Protection District in California. Such duties include, but are not limited to, planning, directing, and supervising the activities of the Fire District personnel; coordinating District activities and mutual aid with Federal, State, and other local agencies; attending before, and after-hours meetings as required by the DISTRICT; analyze, prepare and manage the DISTRICT's budget; prepare agenda and materials for Board Meetings; select, appoint, promote, and discipline employees of the DISTRICT; formulate and recommend policies for Board review and adoption; and provide staff assistance to the Board as necessary. EMPLOYEE shall devote such time as is reasonably necessary to perform these duties.
- (b) EMPLOYEE is expected to devote his entire productive time, ability, and attention to the business of the DISTRICT during the term of this agreement. Without prior consent of the Board of Directors, EMPLOYEE shall not render any employment to a business, commercial venture, or of a

professional nature to any other person or organization. EMPLOYEE shall be allowed a period of no more than 120 days, from August 5, 2017, to assist the Murphys Fire Protection District, as needed, during this transitional period. Any time spent on Murphys Fire Protection District business shall not cause a lapse in Scotts Valley or Branciforte Fire Protection District responsibilities.

- (c) The DISTRICT encourages the continued professional growth of the Fire Chief. It encourages membership and participation in professional organizations, professional seminars, professional conferences and conventions, community organizations, in addition to formal education.
- (d) EMPLOYEE agrees that in return for the benefits provided herein EMPLOYEE will, within six (6) months and continuously thereafter, reside within fifteen (15) minutes (travel time) of the boundaries of the DISTRICT as measured by the quickest safe route of travel, using a DISTRICT provided vehicle, and following all laws of the road.

3. COMPENSATION AND BENEFITS

- (a) Compensation: EMPLOYEE will receive an annual salary as listed in the DISTRICT published Salary Schedule. EMPLOYEE will initially be placed at the rate for Fire Chief A (\$14,019.00 monthly; \$168,228.00 annually). Movement to Fire Chief B, and subsequently Fire Chief C is at the discretion of the Board of Directors and will be considered as part of the annual evaluation process in Section 4 Performance Evaluation. EMPLOYEE's salary will be prorated and paid at the same time and in the same manner as other DISTRICT employees.
- (b) The DISTRICT agrees to compensate EMPLOYEE at straight time at his current hourly rate for all time assigned to Federal and/or State emergency incidents. This shall only be paid if the DISTRICT receives reimbursement from Federal or State agencies and will not exceed the amount actually received as reimbursement. This compensation is for hours worked above and beyond the normal work week and in addition to the EMPLOYEE's regular rate of pay.
- (c) Retirement: EMPLOYEE shall be enrolled in the California Public Employees Retirement System (CalPERS) as a safety member pursuant to the contractual arrangement between DISTRICT and CalPERS.

- (d) Medical Insurance:
 - i. The DISTRICT has elected to contract with the California Public Employees Retirement System (CalPERS) to provide medical insurance coverage through the Public Employees Medical and Hospital Care Act (PEMHCA) medical plans to active employees and retirees.
 - ii. As required by PEMHCA, the DISTRICT shall pay directly to CalPERS the monthly Minimum Employer Contribution (MEC) towards the PEMHCA medical plan insurance premium for each active employee and retiree who elects to enroll in a PEMHCA medical plan.
 - iii. EMPLOYEE may select any Medical Insurance Plan currently offered by DISTRICT for himself and his dependents towards which DISTRICT will pay CalPERS an amount of money on behalf of EMPLOYEE and his eligible dependents when combined with the MEC, shall be the equivalent to ninety-seven percent (97%) of the monthly premium cost of the Bay Area PERS Choice PPO plan as the maximum allowable premium amount.
- (e) Dental Insurance: EMPLOYEE will be enrolled in DISTRICT sponsored dental insurance plan. DISTRICT will pay one-hundred percent (100%) of the premium for EMPLOYEE and EMPLOYEE's dependents.
- (f) Vision Insurance: EMPLOYEE may enroll in DISTRICT sponsored vision insurance plan for himself and/or his family. DISTRICT pays nothing towards these vision insurance premiums.
- (g) Life Insurance: EMPLOYEE will be enrolled in the DISTRICT sponsored group life insurance policy (\$75,000.00 benefit). DISTRICT will pay one-hundred percent (100%) of the premium for this policy.
- (h) Medical Insurance on Retirement: DISTRICT provides no health insurance coverage to EMPLOYEE upon retirement or separation with exception to the MEC as required by PEMHCA.
- (i) Vehicle: DISTRICT will provide EMPLOYEE a vehicle for use by EMPLOYEE in the conduct of DISTRICT business, which includes transportation to and from EMPLOYEE's home and work locations (once residency has been established pursuant to Section 2(d) above). DISTRICT will pay all expenses related to DISTRICT business use of the vehicle including fuel, maintenance, insurance, etc.
- (j) Uniform and Equipment: DISTRICT will provide EMPLOYEE with all DISTRICT required uniform elements and other equipment. The DISTRICT will also provide for maintenance, replacement and/or repair of

uniform elements and equipment as needed. All issued uniform elements and equipment are and remain the property of the DISTRICT and will be returned to DISTRICT upon EMPLOYEE's retirement or separation.

- (k) Vacation Leave: EMPLOYEE will accrue vacation credits at the rate of 9.23 hours per two-week pay period (six (6) weeks per year). If / when the amount accrued reaches 360 hours, EMPLOYEE will cease accruing these credits unless and until the balance is below 360 hours. EMPLOYEE shall notify the President of the Board of Directors and obtain approval prior to taking vacation time away from work. Use of Vacation Leave will be based on a 10 hour day/ 4 day work week.
- (l) Holidays: EMPLOYEE shall be granted the following twelve (12) paid holidays (10 hour day). On a paid holiday EMPLOYEE is not expected to work and will not have his compensation reduced for the absence on that day(s). Holidays falling on a Saturday will be celebrated on the preceding Friday and holidays falling on a Sunday will be celebrated on the following Monday. New Year's Day (January 1), Martin Luther King Day (third Monday in January), Presidents' Day (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veterans' Day (November 11), Thanksgiving Day (fourth Thursday in November), Friday after Thanksgiving, Christmas Eve (December 24), Christmas Day (December 25), New Year's Eve (December 31).
- (m) Management Incentive Pay: DISTRICT will pay EMPLOYEE \$9,100.00 annually as Management Incentive Pay, in 26 equal payments at the same time as regular compensation is paid. This is not part of EMPLOYEE's base pay.
- (n) Sick Leave: Sick leave is defined as the need to be absent from duty because of injury, illness, or exposure to a contagious disease, of EMPLOYEE and/or his immediate family.
- (o) The DISTRICT shall provide 11.08 hours of sick leave for each two-week pay period. Sick leave may be accumulated indefinitely. Use of Sick Leave will be based on a 10 hour day/ 4 day work week.
 - i. After EMPLOYEE has had one (1) year of paid service with DISTRICT, he shall become eligible to receive payment for a portion of his accumulated unused sick leave beginning with accruals for the first year. Each year, on or after January 1 of the following calendar year of accrual, EMPLOYEE

shall be paid for 10% of his sick leave hours accumulated during the portion of the year he was eligible, subject to the following conditions.

- i. EMPLOYEE shall have used no more than ninety-six (96) hours of sick leave during the calendar year and shall be in paid status on the last day of the calendar year.
- ii. The compensation rate used shall be double (two times) the EMPLOYEE's hourly rate received during the year of accrual.
- iii. All such payments shall be made within thirty-one (31) days of the last day of each year.
- iv. After deductions of hours paid, the remaining sick leave balances shall be accumulated to the credit of EMPLOYEE and carried forward into subsequent years. This balance shall be available for the use of employee in the event of injury / illness. Any balances remaining at separation shall be applied to PERS Section 20965 (Unused Sick Leave).
- v. It may be the case that the Unused Sick Leave conversion allowed by PERS Section 20965 may not be advantageous for a PEPR employee. DISTRICT and EMPLOYEE agree to allow for mutual research and fact finding and EMPLOYEE reserves the right to re-open this contract on the anniversary date and re-negotiate this benefit.

(p) Bereavement Leave: EMPLOYEE shall be entitled to Bereavement Leave pursuant to DISTRICT policy.

4. PERFORMANCE EVALUATIONS

(a) DISTRICT and EMPLOYEE acknowledge the importance of open and direct communication regarding EMPLOYEE's job performance. Annually, the DISTRICT shall review the EMPLOYEE's performance to determine, among other things, entitlement of any salary increase (including merit and/or cost-of living adjustment) or other amendments to this contract. When the Board determines it necessary or appropriate, it may conduct performance evaluation(s) more frequently. The evaluation shall be related to the duties and responsibilities of Fire Chief as set forth in this agreement and DISTRICT policy. The evaluation shall be in writing and should include the following elements:

- Goals and objectives jointly established by the DISTRICT and EMPLOYEE
- Employee self-evaluation
- Relationship with the Board

- Relationship with the community
 - Overall Fire District leadership
 - Fire District business and operations leadership
 - Personnel leadership
 - Personal qualities and development
- (b) The evaluation format shall assess overall performance as well as specific criteria and shall provide for a rating system indicating:
- Outstanding
 - Successfully completed
 - Progressing satisfactorily
 - Making little progress
 - Unsatisfactory
- (c) The Board shall meet in closed session to the extent permitted by law to perform this evaluation. It may meet without the EMPLOYEE present in order to establish one, single evaluation, which shall then be presented to the EMPLOYEE as the evaluation of the DISTRICT.
- (d) This Section does not, and will not, convert EMPLOYEE's status to 'for cause' employment. The parties understand and agree that EMPLOYEE's status is at the will of both parties as described elsewhere in this Contract (see Sections 1 &5).

5. TERMINATION

This contract may be terminated only as follows:

- (a) During the term of this contract, EMPLOYEE may terminate this contract at any time by giving DISTRICT written notice 90 days in advance.
- (b) During the term of this contract, DISTRICT may only terminate this contract by dismissing EMPLOYEE for just cause. Such decision must be by a four-fifths (4/5) majority vote of the Board of Directors meeting in full session.
- (c) EMPLOYEE shall notify DISTRICT in writing within 120 days prior to the normal termination date of this contract of his intent regarding renewal or non-renewal of this contract. If EMPLOYEE elects to renew this contract, the DISTRICT may determine not to renew this contract. In that case, DISTRICT shall notify EMPLOYEE within 90 days prior to the normal termination date of this contract of its intent to not renew this contract. If EMPLOYEE notifies DISTRICT of his intent to renew this contract and DISTRICT does not notify EMPLOYEE of its intent to not renew this contract, then this contract shall continue in full force and effect for a period of one (1) year after the termination date herein.

- (d) Upon renewal of the contract by agreement of both parties, the parties agree and understand that the terms and conditions of the renewed contract may be renegotiated.

6. GENERAL PROVISIONS

- (a) This written contract shall constitute the entire agreement between the parties. Any prior agreements, whether written or verbal, are superseded entirely and replaced exclusively by this written agreement.
- (b) This contract shall be binding upon and insure to the benefit of the heirs at law and executors of EMPLOYEE.
- (c) If any provisions or any portion thereof contained in this contract is held invalid by a court of competent jurisdiction, the remainder of this contract shall be deemed severable and shall not be affected and shall remain in full force and effect.
- (d) This contract may be modified or extended upon the written consent of the DISTRICT and EMPLOYEE. Any such modification or extension shall be reduced to writing, signed by both parties and be attached to this Contract as an Amendment or Addendum.
- (e) Both parties agree to keep the other party apprised of their current physical address for the purposes of any notice required under any provision of this contract.
- (f) Both parties acknowledge that they have reviewed this contract in its entirety and understand all the provisions thereof. The parties further acknowledge that they have had the opportunity to consult legal counsel regarding this contract and/or any portion of this contract and have either consulted legal counsel or waived the right to consult legal counsel.
- (g) The DISTRICT shall defend, indemnify, and hold harmless EMPLOYEE for all losses sustained by him in the performance of duties in the course and scope of employment under this Contract.

7. DISPUTE RESOLUTION


- (a) In the event a dispute arises over the terms of this Agreement or any actions of the parties taken pursuant to the terms of this Agreement, and the dispute remains unresolved for a period of 30 calendar days, the parties agree that the sole and exclusive avenue of recourse is to submit the dispute to binding arbitration pursuant to California Code of Civil Procedure Section 1280 et seq. Either the DISTRICT or the EMPLOYEE may request that the dispute be submitted to arbitration. This provision shall not apply to disputes between the EMPLOYEE and the DISTRICT regarding salary. A dispute shall arise when either party notifies the other in writing that a dispute exists.

- (b) The DISTRICT and the EMPLOYEE shall attempt to agree upon an arbitrator. If no agreement can be reached, either party may request that the State of California Conciliation and Mediation Service provide a panel of five (5) names of experienced arbitrators. Each party shall alternatively strike a name until one name remains. The EMPLOYEE shall strike first. The remaining panel member shall be the arbitrator.
- (c) The arbitrator's decision shall be in writing, setting forth the findings of fact, reasoning and conclusions on the issues submitted. The arbitrator is empowered to include in any award only such financial reimbursement or severance pay as may be allowed by this Agreement. The decision of the arbitrator will be submitted to the DISTRICT and the EMPLOYEE and will be final and binding upon the parties.
- (d) By mutual agreement, the parties may request an expedited arbitration process, according to the guidelines and arbitrators provided by the Judicial Arbitration and Mediation Service (JAMS), Silicon Valley, CA.
- (e) All cost for the service of the arbitrator will be borne equally by the DISTRICT and the EMPLOYEE. Each party shall bear their own attorney's fees and attorney's costs

In witness whereof, DISTRICT has caused this contract to be signed on its behalf by the DISTRICT Board President, and duly attested by the Secretary to the Board, the EMPLOYEE has signed this document on the date listed below, which is on or before the date written above.

For the DISTRICT:


Alan L. Smith, Board President


Date Signed

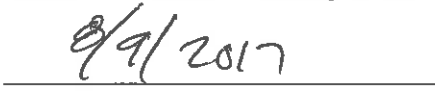
EMPLOYEE:


Steven M. Kovacs


Date Signed

ATTEST:


Daniel J. Grebil, Secretary to the Board


Date Signed

