

**MEMORANDUM OF UNDERSTANDING**

Scotts Valley Fire Protection District

and

**IAFF Local 3577**

July 1, 2021– June 30, 2025

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**Scotts Valley Fire Protection District**

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**Article I. PREAMBLE**

This agreement is entered into by and between the Scotts Valley Fire Protection **District**, hereinafter referred to as **District**, and the Scotts Valley Firefighters I.A.F.F. Local 3577, consisting of Captains, Engineers and Firefighters, hereinafter referred to as **Union**.

This Memorandum of Understanding is subject to Sections 3500-3510 of the Government Code of the State of California.

**Article II. DEFINITIONS**

**CalPERS** – *California Public Employees Retirement System – an IRS401(a) defined benefit retirement plan,*

**District** – *The Scotts Valley Fire Protection District formed in 1958, under the California Health and Safety Code.*

**Employee** – *Persons employed on a full time basis by the Scotts Valley Fire Protection District*

**ETO** – *Educational Time Off*

**FLSA** – *Fair Labor Standards Act - The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.*

**Member** – *An employee of the Scotts Valley Fire Protection District represented by the International Association of Firefighters (I.A.F.F.) Local 3577 (Union).*

**PEMHCA** - *Public Employees' Medical and Hospital Care Act – The PEMHCA authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefit plans for employees and annuitants, as defined.*

**PEPRA** - *The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members.*

**Union** – *International Association of Firefighters (I.A.F.F.), Local 3577.*

**Unit** - *The collective bargaining unit consisting of employees in the job classifications of Firefighters, Captains, and Engineers. The Unit does not include employees in any other job classifications (e.g., Paid Call Firefighters, Chief Officers, non-sworn personnel, etc.)*

**VEBA** - *Voluntary Employee Benefit Association, administered by California Government Voluntary Employee Benefit Association (CALGOVEBA). The VEBA is a savings program contracted to help employees plan for post-employment healthcare expenses.*

**Article III. RECOGNITION**

For purposes of this agreement, “Employees” refers to persons employed on a full-time basis by the **District** in the **Unit**. Membership in the **Union** is voluntary to all employees in the **Unit**. The **District** hereby recognizes that, for purposes of bargaining with respect to wages, hours and working conditions, the **Union** is the sole and exclusive representative of all **Unit** members within the **District**.

**Article IV. PREVAILING RIGHTS**

The **District** agrees that all rights, privileges, and working conditions enjoyed by the **Unit** at the present time, which are not included in this agreement, shall remain in full force, unchanged and unaffected in any manner, during the term of this Agreement unless changed by mutual consent.

The parties agree, that upon request by either party, to meet and confer on matters not in writing which may have been considered “rights” and which either party wishes, during the term of the Memorandum of Understanding, to modify.

**Article V. RESERVATION OF MANAGEMENT RIGHTS**

The parties acknowledge that it is the exclusive right of the **District** to: generally govern the work of the **District** and conduct of its employees; to determine the mission of the **District**; to determine the procedures and standards of selection for employment and promotion of employees; to direct its employees; to assign work to employees in accordance with the requirements determined by the **District**; to establish work schedules; to determine the content of job classifications; to hire, promote or lay off employees for lack of work or funds; to suspend, discipline and discharge employees for proper cause; to expand or diminish services; to determine the methods, means and personnel by which **District** operations are to be conducted; and to establish, publish and modify **District** policies, regulations and standard operating procedures.

With respect to job classifications, the **District** agrees to meet and confer only if the **District** intends to modify the minimum requirements for Engineer, Fire Captain, or education requirements for Firefighter I or Firefighter II or Firefighter III.

**Article VI. RULES AND REGULATIONS**

Pursuant to State law, the parties acknowledge the **District**’s right to promulgate reasonable rules, regulations, policies, and standard operating procedures. The **Union** agrees that its members shall comply in full with these rules and regulations and standard operating procedures. Both parties agree that rules, regulations, and policies effecting wages, hours, and other terms and conditions of employment shall be subject to the grievance procedure only in so far as it is alleged that violation of the rules and regulations by the **District** occurred.

Any new or revised rules, regulations, or standard operating procedures developed by the **District** shall be subject to the meet and confer process in so far as they affect wages, hours and other terms and conditions of employment.

**Article VII. SHIFT HOURS, STAFFING AND OFF-DUTY RESPONSE**

**Section 7.01 Staffing**

The **District** and the **Union** agree that staffing levels are directly related to the safety of personnel and level of service that the **District** is able to provide. The **District** and the **Union** endeavor to work closely to provide the best possible service while providing for the safety of personnel. The **District** and **Unit** members will comply with the OSHA requirements for “2 in, 2 out” for entry into environments that are Immediately Dangerous to Life and Health (IDLH).

On-duty company staffing will be two (2) companies, typically one at each station. On-duty staffing will be no less than two (2) qualified personnel per company, one of whom shall be a Captain or Acting Captain and one of whom shall be an accredited paramedic at a minimum of Engineer step 1. The minimum number of companies shall be set by the **District**. A company is defined as a staffed response resource typically assigned to a fire station ready to respond to incidents.

The Administrative Captain position will not be used to replace minimum company staffing due to Vacation, Sick Leave, Workers Compensation or Educational Time Off, during their 4/10 work schedule.

The **District** needs to retain the flexibility for unusual and/or disaster circumstances for purposes of off duty response when the primary companies are committed. Specific assignments for response will be made by the Fire Chief or his/her designee, taking into account the nature of the response, safety of personnel and need for additional response resources.

While this section establishes minimum levels of company staffing, the **District** may exceed the minimum staffing levels to provide a higher level of service.

**Section 7.02 Call-Back, Off Duty Response, Overtime**

**(a) Regularly Scheduled Overtime – Shift Employees**

Shift employees are regularly scheduled to work 192 hours in each 24-day work period. The **District** has adopted a 24-day work period under Section 7(k) of the FLSA. Under Section 7(k), employees are eligible to receive overtime compensation for hours worked in excess of 182 hours in each 24-day work period. Employees who work all regularly scheduled hours in the work period will receive up to 10 hours of FLSA overtime premium for those regular scheduled hours worked between 182 and 192. Except for Educational Time Off, paid leave hours, such as vacation or sick leave, will not be included in calculating hours worked for purposes of receiving any overtime premium for regularly scheduled overtime hours.

**(b) Voluntary Overtime – Shift Employees**

Overtime assignments will be offered to employees in accordance with SOP 1103 and 1103A. Employees who accept such overtime assignments will be paid at 1.5 times the “regular rate of pay” (as that term is defined under the FLSA) for all hours worked in the assignment.

**(c) Call Backs and Off-Duty Incidents – Shift Employees**

Employees who are called-back to work by the District after having completed a regular schedule or who are called in to work by the District on a scheduled day off will be paid for all hours worked in connection with that call back, subject to a two-hour minimum. For purposes of calculating an employee's response to a call-back or off-duty response, the employee's hours worked will begin upon being dispatched and will end upon being released from duty and will include reasonable travel time to return to their home.

Employees will be called back and/or called to an off-duty incident in accordance with SOP 1103 and 1103A, except that all employees are subject to mandatory recall in times of emergency.

**Article VIII. EDUCATION**

**Section 8.01 Educational Time-Off (ETO)**

Each employee will be granted up to thirty (36) hours of ETO per fiscal year. The purpose of the time is for job related classes as approved by the fire chief or designee. The Fire Chief, or designee, will have the ability to deny or authorize requests based on fiscal impacts, operational impacts and the specific request. Hours spent on ETO will be included as hours worked when calculating eligibility for any overtime premium for regularly scheduled overtime hours.

Use of ETO shall be subject to the approval of the Fire Chief, as specified in **Section 10.01(b)**. Once granted ETO shall not be rescinded, except in the case of emergency. In the event that ETO is rescinded, the **District** will be responsible for reimbursing the employee for any related expenses.

**Section 8.02 Continuing Education Reimbursement**

Each employee will be eligible to receive up to \$1,000 in education expense reimbursement each fiscal year, regardless of rank.

The **District** will reimburse employees for continuing education related expenses that are associated with job related training, subject to the approval of the Fire Chief. The employee must attend and/or complete the educational program associated with the training to be entitled to education expense reimbursement.

**Article IX. COMPENSATION**

**Section 9.01 Salaries**

A 3% increase in monthly base pay will take effect on the pay period inclusive of July 1, 2023. An additional 3% increase to monthly base pay is scheduled to take effect on the pay period inclusive for July 1, 2024. An opener clause to this MOU is agreed upon by the **District** and the **Union** for the 2024 salary increase only. This opener would be triggered if **District** revenues are deemed insufficient to support the 3% wage increase.

Monthly base salaries shall be in accordance with ATTACHMENT A.

Movement from one pay step to the next in the series is subject to the employee successfully passing a **District** designed and administered test.

**Section 9.02 Pay Rate Calculation**

For purposes of administering this MOU, except where otherwise indicated, the following standard rate calculations will apply to shift (or 56-hour) employees:

- Straight time rate = base monthly salary x 12 ÷ 2912.
- Pay rate = base monthly salary + any fixed monthly differential(s)
- Annual rate = Pay rate x 12
- Biweekly pay period rate = Annual rate ÷ 26
- Hourly rate or 56-hour rate = Biweekly rate ÷ 112 (2 x 56 hour weeks)
- Per shift rate, 24 hour shift = Hourly rate x 24

**Section 9.03 Uniform Allowance**

The **District** will provide employees with all **District** required uniform elements and equipment. The **District** will also provide uniform and equipment replacements, and provide for uniform maintenance and cleaning as needed, as determined by the **District**.

The **District** will report, for CalPERS Classic Members, the monetary value of the required uniform elements and equipment, uniform and equipment replacements, and uniform maintenance and cleaning as special compensation on a quarterly basis not to exceed \$1,200 annually.

All issued uniform items are the property of the **District** and will be returned to the **District** or paid for by the Employee upon Employee termination.

**Section 9.04 Work Out of Classification**

The **District** and the **Union** agree that it is desirable that a highly trained, professional fire prevention and fire suppression force should be developed and maintained. To that end, it is agreed that Employees should be well trained for the work they are expected to perform and that no employee should be ordered to do work for which the employee is not qualified or which is not, in the judgment of the Fire Chief, related to the **District's** responsibilities with respect to fire prevention or suppression, including improvement or maintenance of the **District's** property.

The Fire Chief or designate shall be responsible for appointing personnel to acting positions, except in cases of emergency, when the duty-chief may do so.

**(a) Acting Captain Differential**

If an employee meets the requirements of the **District's** Career Development Policy, he or she shall be paid for the time served as an acting captain as if he or she had been promoted to the grade of Captain.

**(b) Acting Battalion Chief**

If an employee meets the requirements of the **District's** Career Development Policy, he or she shall be paid for the time served as an acting battalion chief as if he or she had been promoted to the grade of Battalion Chief.

**Section 9.05 Paramedic Program**

The **District** will pay a Paramedic incentive of 10% of Firefighter 2 base monthly salary for all Firefighters and Engineers working as Paramedics. Fire Captains who maintain Paramedic licensure following promotion to Fire Captain will be paid a differential of 3% of Firefighter 2 base monthly salary. Fire Captain Paramedics may revert to Fire Captain at any time.

**(a) Qualification Standards**

All **Unit** members shall be eligible to receive Paramedic Incentive as provided in this Section. Paramedics promoted to the rank of Fire Captain may maintain Paramedic licensure upon promotion to the Fire Captain position. The Fire Captain Paramedic will not be assigned as the only Paramedic on a company, except under extreme circumstances.

All employees working as Paramedics under the **District** program shall be accredited, must maintain all required certifications, and complete all related training and reviews including a State license and Santa Cruz County Emergency Medical Technicians Paramedic accreditation. All Paramedics are subject to clinical review by the Santa Cruz County Emergency Medical Director and Quality Assurance oversight by a **District** representative. Paramedics are responsible for maintaining all necessary standards and may be removed from the Paramedic program and/or subject to any other disciplinary action for failure to maintain Paramedic standards.

**(b) Program Participation**

All employees, working as Paramedics must stay in the Paramedic program until promoted to Captain, attrition permits their position to be filled, or the **District** is able to train or hire a replacement. Paramedics may stay in the program after promotion to Captain until the **District** fills their Paramedic position.

Paramedics may request to be relieved from the Paramedic program to revert to a position as a Firefighter, Engineer or Captain, depending upon their current rank, but may not leave the Paramedic program until the **District** has obtained a replacement. The original eight (8) employees qualified to become Paramedics at the time of implementation of the **District's** Paramedic program on January 1, 2003 will revert to a position as a Firefighter, Engineer or Captain, depending upon their current rank, if they are disqualified from the Paramedic program or request to leave the program. However, all subsequent Paramedics are subject to disciplinary action up to and including termination if they are disqualified or request to leave the Paramedic program.



**(c) Paramedic Training**

The **District** will provide continuing education to assist Paramedics in maintaining the Paramedic qualification standards. Paramedics must obtain permission from the **District** to attend any training related to maintaining Paramedic standards that is not provided by the **District** itself. The **District** will pay the costs for this training, which shall not count against any education expense reimbursement available under **Article VIII**. The **District** will also pay overtime compensation if necessary for Paramedic training.

**Section 9.06 Hazardous Materials Assignment**

Upon administrative assignment, unit members assigned Haz-Mat duties established by the Fire Chief shall receive special assignment pay equal to 5% of their base monthly salary, and not including any differentials, while so assigned (not to exceed \$475 per month). Removal from this administrative assignment shall not be cause for a grievance nor be considered disciplinary action.

**Section 9.07 Administrative Captain**

The Administrative Captain is an administrative assignment by the Fire Chief. Removal from this assignment shall not be cause for a grievance nor be considered disciplinary action.

The Administrative Captain will be scheduled to regularly work a 4/10 work schedule but will remain on an FLSA twenty-four day 7(k) work period. When performing the duties of an Administrative Captain, their hourly rate will be calculated as follows: Hourly rate = Biweekly rate ÷ 80 (2 x 40 hour weeks).

The Administrative Captain shall receive a special assignment pay equal to 4% of their current base monthly salary (Captain 1, 2 or 3), before differentials, while so assigned. In no event will the special assignment pay provided, for serving as the Administrative Captain, exceed five hundred dollars (\$500) per month.

The Administrative Captain will be permitted to observe the same twelve (12) District holidays observed by other administrative personnel. If the Administrative Captain is required to perform work on a holiday, the Administrative Captain will be paid for any such hours at the overtime rate of time and one half.

New Year's Day (January 1)	Veteran's Day (November 11)
Martin Luther King Day (3rd Monday of January)	Thanksgiving Day
President's Day (3rd Monday of February)	Friday Following Thanksgiving
Memorial Day (last Monday in May)	Christmas Eve (December 24)
Independence Day (July 4)	Christmas Day (December 25)
Labor Day (1st Monday in Sep)	New Year's Eve (December 31)

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.

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The Administrative Captain position will not be used to replace minimum company staffing due to Vacation, Sick Leave, Workers Compensation or Educational Time Off, during their 4/10 work schedule.

The Administrative Captain must receive advance approval from the Fire Chief or designee before working any overtime in the Administrative Captain assignment. The Administrative Captain will receive overtime compensation for hours worked in excess of 40 in the calendar week. This overtime will be paid at 1.5 times the Administrative Captain's regular rate of pay.

Subject to the approval of the Fire Chief or designee, the Administrative Captain may be eligible to work a voluntary overtime shift assignment that does not conflict with the Administrative Captain's regularly scheduled 40-hour a week assignment. In addition, the Fire Chief may direct the Administrative Captain to work a shift assignment, call back, or off-duty response when in the Fire Chief's judgment such work is necessary to provide services to the community. If the Administrative Captain volunteers for or is required to work a shift-assignment, the Administrative Captain will be paid at 1.5 times the shift (or 56 hour) rate.

**Section 9.08 Holiday Pay**

Shift employees (56-hour schedule) shall be compensated for 6 (six) holidays to be paid out at the members current base hourly rate beginning on the pay period inclusive July 1, 2021. The sum will be spread over 26 pay periods and paid out bi-weekly. An additional 6 (six) recognized holidays will be implemented on the pay period inclusive July 1, 2022. The max benefit will be 12 recognized holidays compensated at twenty-four hours per day. Employees on leave (other than industrial injury or vacation) in excess of one pay period (112 hours) will not receive holiday pay until their return as they would not have worked any holidays during their absence.

District recognized holidays are listed below and shall be considered PERS reportable compensation.

New Year's Day	Veteran's Day
Martin Luther King Day	Thanksgiving Day
President's Day	Friday Following Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	New Year's Eve

**Section 9.09 Investigation On-call Compensation**

The Scotts Valley Fire District has agreed to be a participant in the Santa Cruz County Fire Investigation Task Force Charter (SCCFITF) under the direction and in communication with the Santa Cruz County Fire Chiefs Association.

The SCCFITF membership agreement will require each participating fire agency to be on standby for one month, twice each year, or a rotation specified by the SCCFITF Charter. This standby period will require that Fire District investigator(s) will coordinate the response to incidents within the County of Santa Cruz, 24 hours a day, 7 days a week, during each one-month cycle.

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While on Fire Investigation standby, the assigned District employee(s) will receive compensation for their standby time as well as the time period in which they are activated for their investigation duties.

Compensation for standby time will be compensated at the employees “regular rate of pay” as defined in the MOU. The compensation rate would be as follows: 1.5 hours of weekday coverage per 24 hours, 2 hours for weekend coverage per 24 hours. In the event that a 56-hour employee is assigned standby coverage, they will receive 2 hours pay per 24 hours of coverage.

Upon activation to duty, the employee shall be additionally compensated at the employee’s overtime rate of pay. Time shall begin upon initial contacting of the employee, and terminate upon release from the incident.

Employees shall not be forced or mandated to accept the standby coverage, and if qualified employees are not available, SCCFITF response coverage shall be maintained by on duty personnel and existing mutual aid agreement.

**Article X. LEAVES**

**Section 10.01 Vacation**

**(a) Accrual**

All **Unit** members shall accrue vacation at rates determined by years of service, workweek, and seniority.

- (i) Accrual rates for employees shall be as indicated by **Table 1 and Table 2**. Vacation accrual stops upon reaching the specified maximum accrual and will commence once vacation hours drop below the maximum accrual.

**Table 1**

Years of continuous service* (inclusive)	Vacation Accrual Rate (2 week pay period)	24 Hr Shifts per Yr.	Maximum Accrual (hrs)
0-5	5.54	6	192
>5-10	8.31	9	264
>10-15	11.08	12	360
>15-20	12.00	13	384
>20	12.92	14	408

\*complete years, as calculated from Full-Time date of hire

- (ii) Except in cases of emergency, an employee may not work for the **District** during a scheduled vacation day.
- (iii) An employee who becomes ill or is hospitalized while on vacation and provides a written statement from his/her physician may have the period of the illness charged against sick leave and not vacation.

**(b) Approval**

Use of vacation/ ETO shall be subject the following procedures:

- (i) Up to two (2) people per shift may be off on vacation / ETO under the following conditions:
  - 1) All requests for vacation / ETO leave for the first person per shift shall be submitted using the **District** staffing software no less than 96 hours prior to the start of the requested leave. The first leave request will be granted by the Fire Chief or designee regardless of other **Unit** members who may be on sick leave or workers' compensation leave.
  - 2) All requests for vacation / ETO leave for the second person per shift shall be submitted using the **District** staffing software no less than 14 days prior to the start of the requested leave. In the event that there is anyone else off, on any form of leave, at any time up to 14 days before the requested leave, the Fire Chief may in the Fire Chief's sole discretion grant or deny the leave request.

**Exception:** A person may submit a request for vacation / ETO leave with less than 96 hours, or less than 14 days (whichever applies). However, such requests shall only be granted or denied by the Fire Chief or designee as provided above.

- (ii) All requests for vacation / ETO leave, for the Administrative Captain, must be requested using the **District** staffing software and approved by the Fire Chief or designee.

**(c) Short Term Vacation**

Requests for short-term vacation (less than a 24-hour shift) shall be a minimum of two (2) hours. Short-term vacation between 07:00 and 17:00 hours will be limited to a maximum of 12 hours per calendar year. Short-term vacation between 17:00 and 07:00 will not have a maximum. The Fire Chief or designee will evaluate the impacts of the request based on the specific request, fiscal impacts, and operational considerations. The Fire Chief will then authorize or deny the request based on these considerations. Short-term vacation requests shall requested using the **District** staffing software not more than 96 hours before the requested date of use.

**(d) Accrued Vacation Buy Back**

The **District** agrees to buy back up to 72 hours of vacation, in 24-hour increments, at the employee's straight time rate, once per year. An employee must submit a written request, by November 30th of each year and specify 24, 48 or 72 hours. Said Buy Back of Vacation

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Time will be paid on the second pay period in December. Paid Vacation Time will be deducted from the employee's accrued vacation balance.

The Department of Labor, which administers the Fair Labor Standards Act (FLSA), has opined that vacation buy-back is not included in the FLSA regular rate of pay. Therefore, the **District** will not include these payments in the regular rate of pay.

**(e) Payment on Separation**

Upon separation from employment, **Unit** members will be paid for accrued and unused vacation hours at their straight time rate. In accordance with Article XI below, such payment may be made in the form of a contribution to the employee's VEBA account, as payment to the employee or some combination of the two depending on the VEBA terms that apply.

**Section 10.02 Sick Leave**

Sick leave is hereby defined to mean the absence from duty of an officer or employee because of illness, injury, or exposure to contagious disease not otherwise designated as, or qualifying for worker's compensation benefit.

**(a) Accrual**

The District shall provide 11.08 hours of sick leave (without loss of pay) per two-week pay period. Sick leave may accrue without limit.

**(b) Sick Leave Upon Separation**

If a **Unit** member retires from the **District** for the purpose of retiring from CalPERS, then their accrued and unused sick leave balance may be converted to service credit as allowed under the terms of the District's contract with CalPERS and the Public Employment Retirement Law, including any amendments to that law. Unused sick leave hours will not be cashed out. Sick leave may not be used to delay a **Unit** member's effective date of service or disability retirement.

**Section 10.03 Bereavement**

Leave with pay shall be granted to employees in order that they may discharge the customary obligations arising from the death of a member of their immediate family. Immediate family shall mean an employee's child, adopted or stepchild, spouse, registered domestic partner, father, mother, stepparents, grandparents, grandchildren, brother, sister, or any of the above related to the spouse or domestic partner. For 40-hour employees, forty (40) hours of leave will be granted and shall be charged against sick leave balance. For 56-hour employees, two (2) 24-hour shifts will be granted and shall be charged against sick leave balance. The leave must be used in complete shifts. However, it may be used in non-consecutive days. Additional leave with or without pay may be granted with the approval of the Fire Chief and charged to the employee's leave banks if available.

**Article XI. BENEFITS**  
**Section 11.01 Healthcare**

**(a) Medical Insurance**

- (i) The District has elected to contract with CalPERS to provide active employees and retirees with healthcare coverage through the PEMHCA medical plans.
- (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) The District agrees to pay CalPERS an amount of money on behalf of the active employee and his or her eligible dependents. The District paid amount, when combined with the MEC, shall be the equivalent of 97% of the monthly premium cost of the Bay Area PERS Choice PPO plan as the maximum allowable premium amount.

**(b) Post-Employment Health - VEBA**

- (i) The District agrees to establish a Voluntary Employee Benefit Association (VEBA) through the California Government Voluntary Employee Benefit Association (CALGOVEBA), which is intended to assist employees with planning for retirement health care expenses. All employees who are members of the Union are eligible to participate in the VEBA. Union employees' participation in the VEBA is mandatory and irrevocable, except as otherwise provided in this sub-section.
- (ii) Beginning with the pay period that includes July 1, 2020, the District will cease any District contribution to the VEBA. On or after this date, all future contributions shall be employee contributions in the form of a vacation balance transfer at retirement.
- (iii) All elective payments made to the VEBA on employee's behalf shall be irrevocably paid to the California Government Voluntary Employee Benefit Association 501(c)(9) Trust. BAA Capital Advisors Inc. is the Trust Administrator.
- (iv) The Union agrees to indemnify and hold the District harmless against any claims, lawsuits, demands, penalties, or liability of any kind whatsoever that may arise against the District from the employee's participation in the VEBA, including taxes and liabilities relating to the VEBA's exempt status as a 501(c)(9) trust.
- (v) Employees may form sub-groups divided by rank or years of service. The sub-groups can determine the % of vacation balance transfer to the VEBA at retirement. Sub-groups can be added, deleted, or changed annually by the Union. Two employees shall be the minimum for a sub-group. Sub-groups will have the option to allocate 0%, 50% or 100% of their vacation balance to the VEBA at retirement. For employees not in a sub-group, the first employee to retire during the calendar year will determine the vacation allocation percentage to VEBA for that calendar year.
- (vi) Employees who are Military Veterans are not required to participate in the VEBA.

**(c) Post-Employment - Medical**

- (i) Upon retirement, the **District** shall continue to contribute the MEC (Minimum Employee Contribution) established by the PEMHCA to those individuals who are determined to be “Annuitants” of the District as defined under the PEMHCA. The Annuitant may participate in the then current District-sponsored health care plan in accordance with any restrictions provided by CalPERS. Any premium balance remaining for the plan selected by the Annuitant shall be funded by the Annuitant.
- (ii) If a **Unit** member retires from the **District** on or after January 1, 2021 with 10 or more years of **District** service and that employee is determined to be an “Annuitant” of the **District** as that term is defined by the PEMHCA, the **District** will provide that Annuitant with a monthly supplemental contribution towards CalPERS health insurance benefits. The amount of any supplemental contribution will be equal to the premium cost for annuitant only coverage, less any MEC paid by the **District**, except that the total of any MEC and supplemental contribution provided by the District shall not exceed \$1,000 a month.
- (iii) If the **Unit** member was enrolled in a **District** retirement plan at the time of retirement, and otherwise meets the criteria to be eligible to receive a monthly supplemental contribution towards health insurance benefits, then the **District’s** payment of any monthly supplemental contribution shall continue until the earlier of: (1) the month that includes date the Annuitant becomes eligible to participate in a Medicare plan; (2) the Annuitant’s receipt of the equivalent of ten (10) years’ worth of contributions; or (3) the Annuitant’s death. In no event will an Annuitant’s spouse, surviving spouse or surviving family member be eligible to receive any supplemental contribution payment.
- (iv) If upon service retirement or anytime during retirement, the Annuitant elects to cancel participation in a CalPERS health insurance plan, and enroll in another health plan, the **District** will continue to reimburse Annuitant 100% of the employee-only premium of the new health plan, up to the \$1,000 per month maximum contribution. The Annuitant must provide the District with proof of enrollment and premium cost annually, typically after open enrollment and/or prior to the start of the new calendar year.

**(d) Long Term Disability**

- (i) The District agrees to continue paying member benefits (medical, dental, vision, CALPERS contributions) for a non-probationary employee during times of extended absence due to an illness/injury that occurred outside the workplace. During such time, the District will continue to pay all benefits while sharing the costs of wages with the Union supported CAPF long term disability plan. The initial use will be based on a 50% LTD and 50% employee’s sick leave usage to fund salary compensation. Once the member’s sick leave has been exhausted, they will be required to transfer to a 100% LTD program and all District supported benefits will terminate.

**Section 11.02 Life Insurance**

The **District** agrees to pay the full cost of a \$55,000 term life insurance policy for each member. The carrier shall be selected by the **District**.

**Section 11.03 Dental Plan**

The **District** shall pay 100% per month during the term of this agreement toward the **District** sponsored dental plan for eligible **Unit** members. Said plan shall cover member and his/her qualified dependents. Eligibility shall be determined by the terms of the plan.

Any modifications to the existing plan, which substantially reduce benefits, shall be a meet and confer matter. The annual maximum is \$1,500 per patient for dental care and the lifetime orthodontic maximum is \$3,000 per patient.

Upon request by the **District**, the **Union** agrees to meet and confer on the subject of the **District's** contribution towards the Dental program.

**Section 11.04 Vision Plan**

During the term of this agreement, the **District** shall pay 100% of the premium costs for eligible **Unit** members who elect to participate in the **District** sponsored vision plan for eligible **Unit** members. Said plan shall cover the member and the member's qualified dependents. Eligibility shall be determined by the terms of the plan.

**Section 11.05 Public Employees Retirement System (CalPERS)**

**(a) Classic Employees**

The retirement program provided by the Employer shall be through the California Public Employees Retirement System, 3% at 55 formula.

The following additional provisions of the Public Employees Retirement Law shall apply to all employees:

- Section 20042 One-year final compensation
- Section 20965 Credit for unused sick leave; 8 hours equals 1 day
- Section 21574.5 (Indexed Level of Survivor 1959 Benefits)

**(b) Public Employment Pension Reform Act (PEPRA)**

For employees hired 1/1/13 or later and who ARE NOT a member of the California Public Employees Retirement System (CalPERS) or a reciprocal agency, or those who have been separated from a public agency which contracts with CalPERS or a reciprocal agency for six months or more, the retirement benefit shall be:

- 2.7% at age 57; 3-year final compensation



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The required employee contribution rate as a percentage of payroll shall be:

- At least 50% of the normal cost of the retirement benefit as calculated by CalPERS. Through June 30, 2021 = 13% of Reportable Compensation.

**Article XII. SAVINGS CLAUSE**

If any article or Section of this Memorandum of Understanding should be found invalid, unlawful or unenforceable due to any existing or subsequent enacted legislation or by judicial authority, all remaining Articles and Sections of this Memorandum of Understanding shall remain in full force and effect for the duration of the MOU. In the event of invalidation of any Article or Section, the **District** and the **Union** agree to meet within 30 calendar days of such invalidation for the sole purpose of meeting and conferring upon said Article or Section.

This MOU constitutes a full and complete agreement between the parties on all matters within the scope of representation.

**Article XIII. GRIEVANCE PROCEDURE**

Scotts Valley Fire Protection **District** Policy 901 dated March 23, 1998 is hereby referenced as the grievance procedure for grievances of disciplinary action. Scotts Valley Fire Protection **District** Policy 902 dated June 9, 1999 is hereby referenced as the grievance procedure for all other grievances.

**Article XIV. TERM OF AGREEMENT**

The term of this Memorandum of Understanding is from July 1, 2021 to and inclusive of June 30, 2025. Negotiations for a successor Memorandum of Understanding shall begin at the request of either party between January and June of 2025. This MOU shall remain in effect until a new MOU is mutually agreed upon or the impasse process has been completed.

**Article XV. SIGNATURES**

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees for which the **Union** is the recognized representative, have freely exchanged information, opinions and proposals and have reached agreement on all matters relating to the employment conditions and employer-employee relations covering such employees.

This MOU shall be presented to the Scotts Valley Fire Protection **District** Board of Directors, as the governing board of the **District**, as the joint recommendations of the undersigned for salary and employee benefit adjustments for the period commencing July 1, 2021 and ending June 30, 2025.



**Joe Parker**  
Board Negotiator Scotts Valley  
Fire Protection District

4/15/21  
Date



**Andrew Sundermier**  
President, Scotts Valley  
Firefighters I.A.F.F. Local 3577

4/15/21  
Date



**Ed Harmon**  
Board Negotiator Scotts Valley  
Fire Protection District

6/7/21  
Date



**Dan Pedemonte**  
Vice-President, Scotts Valley  
Firefighters I.A.F.F. Local 3577

5/4/21  
Date

MEMORANDUM OF UNDERSTANDING

**IAFF Local 3577**

July 1, 2021 – June 30, 2025

**ATTACHMENT A**

**Salary Schedule**

<b>Start Date</b>	<b>7/1/2021</b>	<b>Pay Period inclusive of 7/1/2023</b>	<b>Pay Period inclusive of 7/1/2024</b>
<b>Position</b>	<b>Contract Basis</b>	<b>3% Increase</b>	<b>3% Increase</b>
<b>Firefighter - Step 1</b>	\$7,356.96	\$7,577.67	\$7,805.00
<b>Firefighter - Step 2</b>	\$7,724.08	\$7,955.80	\$8,194.48
<b>Engineer - Step 1</b>	\$8,113.04	\$8,356.43	\$8,607.12
<b>Engineer - Step 2</b>	\$8,741.20	\$9,003.44	\$9,273.54
<b>Engineer - Step 3</b>	\$9,179.04	\$9,454.41	\$9,738.04
<b>Engineer - Step 4</b>	\$9,637.68	\$9,926.81	\$10,224.61
<b>Captain - Step 1</b>	\$10,600.72	\$10,918.74	\$11,246.30
<b>Captain - Step 2</b>	\$11,025.04	\$11,355.79	\$11,696.46
<b>Captain - Step 3</b>	\$11,466.00	\$11,809.98	\$12,164.28
<b>Admin. Captain - Step 1</b>	\$11,025.04	\$11,355.79	\$11,696.46
<b>Admin. Captain - Step 2</b>	\$11,466.00	\$11,809.98	\$12,164.28
<b>Admin. Captain - Step 3</b>	\$11,924.64	\$12,282.38	\$12,650.85