



**Board of Directors  
Special Meeting Agenda  
Wednesday, July 8, 2026 6:50 P.M.  
Scotts Valley City Hall  
One Civic Center Drive, Scotts Valley CA 95066**

Agendas and Board Packets are available on the Scotts Valley Fire Protection District (SVFPD) website at [www.scottsvalleyfire.com](http://www.scottsvalleyfire.com).

Any person who requires a disability-related modification or accommodation in order to participate in a public meeting should make such a request to Mark Correira, Board Secretary, for immediate consideration.

**1. Opening Business**

- 1.1 Call to Order
- 1.2 Pledge of Allegiance and Moment of Silence
- 1.3 Roll Call

**2. Public Comment (GC §54954.3)**

This portion of the meeting is reserved for persons wishing to address the Board on any matter that is within the subject matter of the jurisdiction, and either on the agenda or not on the agenda. To ensure fair and equal treatment of all who appear before the Board, and to expedite Agency business, speakers will be limited to three minutes. The three-minute per speaker time limitation may be extended for good cause by the Board President, or by majority vote of the Board Members. Anyone wishing to be placed on the Agenda for a specific topic should contact the Fire Chief's Office and submit correspondence at least 10 days before the desired date of appearance. Any matter that requires Board action will be referred to staff for a report and action at a subsequent Board meeting.

**3. Action Item**

- 3.1 Side Letter with IAFF Local 3577 Regarding Acting Out of Classification

**4. Adjournments**

Next Regularly Scheduled Board Meeting: Wednesday, July 8, 2026 at 7:00 p.m.



# SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, CA 95066-4199 • scottsvalleyfire.com • 831-438-0211

TO: Hon Board of Directors

From: Mark Correira, Fire Chief

DATE: July 8, 2026

RE: Board Memo 2026-27: Revised Side Letter with IAFF 3577 - Working Out of Classification

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## **Recommendation**

Move to approve

## **Background**

On March 23, 2026, the District received, through the CalPERS Employer Services Portal, a copy of correspondence sent to an employee regarding the employee's retirement application. The correspondence advised that CalPERS had determined the following special compensation types were not reportable for retirement purposes:

- Education Incentive
- Temporary Upgrade Pay

Following receipt of that correspondence, District staff began working directly with CalPERS to understand the basis for the determination and identify what revisions, if any, were necessary. Based on discussions with a CalPERS analyst, the District was advised that revisions to the Working Out of Classification language would address the Temporary Upgrade Pay issue. Staff worked with the Union to prepare a side letter, which was approved by the Board on May 13, 2026, and submitted to CalPERS.

On June 21, 2026, the employee notified the District that the employee had received a certified letter from CalPERS continuing to advise that Education Incentive and Temporary Upgrade Pay would not be included as pensionable compensation in the calculation of the employee's retirement allowance. Given the employee's planned retirement at the beginning of August 2026, staff continued working with CalPERS to resolve the issue as quickly as possible. Despite multiple attempts to obtain a status update, no response was received until July 7, 2026, when the assigned CalPERS analyst responded and advised that the side letter needed to identify the retroactive effective date using a complete month, day, and year format rather than referencing only the year (1997).

Staff has since revised the side letter to specify the retroactive effective date as July 1, 1997, and received confirmation from the CalPERS analyst that this revision will resolve the reportability issue for Temporary Upgrade Pay. Education Incentive Pay has already been resolved for this employee and will be updated concurrently with the submission of the revised side letter, ensuring that both specialty pays will be recognized as pensionable compensation.

If approved, the revised side letter will be submitted to CalPERS for immediate implementation. This will prevent a lengthy appeal process and allow the employee to retire with the appropriate pensionable compensation, eliminating the need for future retroactive pension adjustments.

# SIDE LETTER OF AGREEMENT

BETWEEN

**SCOTTS VALLEY FIRE PROTECTION DISTRICT**

AND

**SCOTTS VALLEY FIREFIGHTERS I.A.F.F. LOCAL 3577**

This Side Letter of Agreement (Agreement) between the Scotts Valley Fire Protection District (“District”) and the Scotts Valley Firefighters I.A.F.F. Local 3577 (hereinafter referred to as “I.A.F.F. Local 3577”, collectively referred to as the “Parties”) is entered into with respect to the following:

**WHEREAS**, the District and I.A.F.F. Local 3577 are currently parties to a Memorandum of Understanding (MOU) with a term of July 1, 2025 through June 30, 2028; and

**WHEREAS**, Section 9.04 Work out of Class of the MOU provides for employees to be assigned to work out of classification on a temporary (“acting”) basis; and

**WHEREAS**, the Work Out of Classification compensation language was originally established effective July 1, 1997, and has been continuously administered since that time. The Parties desire to further clarify the method of compensation for employees assigned to work out of classification to ensure consistency in administration and compliance with CalPERS reportable compensation requirements. The Parties further agree that the clarifying language contained in this Side Letter is intended to be effective retroactive to July 1, 1997; and

**WHEREAS**, the Parties have satisfied the meet and confer process regarding this clarification.

**NOW, THEREFORE**, THE PARTIES AGREE TO THE REVISIONS TO SECTION 9.04 AS FOLLOWS:

## **Section 9.04 Work Out of Class**

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 designee shall be responsible for appointing personnel to acting Captain, Battalion Chief, Deputy Fire Marshal and Fire Marshal positions, except in cases of emergency, when the duty-chief may do so.

### **a) Work Out of Classification Compensation**

If an employee is assigned by the District to work out of classification and performs 100% of the duties of a higher classification, the employee shall be compensated at the base salary rate of Step 1 of the higher classification for all hours worked in the acting assignment.

**b). Method of Calculation and Payment**

For payroll administration purposes, the District may calculate and pay this compensation as the difference between:

- the employee’s base hourly rate; and
  - the base hourly rate of Step 1 of the higher classification
- This difference may be expressed as a fixed hourly differential amount.

These differential amounts:

- are derived from the difference between classification base salary rates; and
- are applied consistently for employees performing the same acting assignment.

**c) Overtime**

Work out of classification compensation shall be included in the employee’s regular rate of pay for purposes of calculating overtime, consistent with the Fair Labor Standards Act (FLSA) and current payroll practices.

**d) CalPERS Reportability**

Compensation paid pursuant to this Agreement is intended to qualify as reportable compensation to CalPERS as special compensation for performing duties of a higher classification and shall be reported in accordance with applicable laws and regulations.

Except as expressly provided herein, all other terms and conditions of the MOU remain unchanged and in full force and effect.

DONE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2026

SCOTTS VALLEY FIREFIGHTERS I.A.F.F. 3577	SCOTTS VALLEY FIRE PROTECTION DIRSTRIC
Neil Cahir, President	Daron Pisciotta, Board President