EMPLOYMENT AGREEMENT

BETWEEN

NORTH COUNTY FIRE PROTECTION DISTRICT

AND

KEITH MCREYNOLDS

COVERING THE PERIOD OF

July 1, 2022 — June 30, 2025

KEITH MCREYNOLDS

This Agreement is made and entered into between **KEITH MCREYNOLDS** (hereinafter referred to as **"MCREYNOLDS")** and **NORTH COUNTY FIRE PROTECTION DISTRICT** (hereinafter referred to as **"DISTRICT")** in order to provide, in writing, the terms and conditions for the employment of **MCREYNOLDS** by the **DISTRICT.**

NOW THEREFORE, IT IS HEREBY AGREED as follows:

1.0. **EMPLOYMENT:**

The **DISTRICT** hereby employs **MCREYNOLDS,** who accepts said employment, to serve as its Fire Chief/Chief Executive Officer. **MCREYNOLDS** agrees to serve in said position pursuant to the terms and conditions set forth in this Agreement.

2.0. **TERM OF EMPLOYMENT:**

2.1. The term of this agreement shall be from July 1, 2022 through June 30, 2025. This agreement will be reviewed annually as described in Section 6 and upon renewal, the contract will automatically extend for an additional twelve (12) month period on the yearly anniversary date, July 1st, so that the contract term remains three (3) years. However, the **DISTRICT'S** Board of Directors **("BOARD")** may notify **MCREYNOLDS** on or before May 1st of any year, that the provision for the annual extension has been terminated. In that event, the automatic extension provision shall be terminated and the Employment Agreement shall expire at the end of the then existing period. **MCREYNOLDS** may notify the **DISTRICT** prior to May 1st of any year that he does not desire the extension, in which case the automatic extension shall be terminated and the Employment agreement shall expire at the end of the then existing three-year (3) period.

2.2. RESIDENCY: **MCREYNOLDS** shall live within a thirty (30) minutes response time to the **DISTRICT** Headquarters Station within six (6) months of employment.

3.0. **COMPENSATION AND BENEFITS:**

3.1. ANNUAL COMPENSATION:

3.1.1. **BASE PAY:** **MCREYNOLDS** will be a salaried, overtime "exempt" employee as defined by applicable labor law. **MCREYNOLDS** is an "at-will" employee and shall receive a base pay of $230,000 per year beginning July 1, 2022, payable in bi-weekly installments. The **BOARD** may increase said base pay annually, based on **MCREYNOLDS'** performance, as the **BOARD** deems appropriate, as further provided herein. This base pay may not be reduced during the term of this Agreement, except that if the

BOARD finds it necessary to reduce salaries of all employees, **MCREYNOLDS'** base pay may be reduced by no more than the average percent salary reduction imposed on all other employees. If the **BOARD** determines it necessary to freeze the compensation of all employees, **MCREYNOLDS'** base pay may also be frozen by **BOARD** action.

3.1.2. **ADDITIONAL COMPENSATION:** On an annual basis, the **BOARD** may choose to provide the Fire Chief/CEO with a performance "bonus" in recognition of appropriate job performance. Such a bonus would be determined following completion of an annual performance appraisal process. The bonus would be paid as a one-time payment upon a specific date determined by the **BOARD.** In lieu of a bonus, the **BOARD** may grant additional time off.

3.2. FRINGE BENEFITS:

3.2.1. **IN GENERAL:** **MCREYNOLDS** shall be entitled to receive all Management fringe benefits as established from time to time, except as otherwise provided in this Agreement. These benefits shall include retirement, dental, health, post-retirement health, life insurance, annual, sick and holiday leave as set forth in the current Management Compensation Plan and further explained in the following paragraphs.

3.2.1.1. **ANNUAL LEAVE:** The Fire Chief/CEO shall accrue twenty (20) hours Annual Leave per calendar month. Accumulated Annual Leave shall not exceed 600 hours in the accounting period of July 2 to June 30 of any fiscal year. If more than 600 hours of annual leave is accrued **MCREYNOLDS** shall have 100% of the value of all hours in excess of 600 hours, based on the pay rate in the current fiscal year, mandatorily contributed by the District to **MCREYNOLDS'** individual account in the Post-Retirement Medical Benefit Trust. The **BOARD** may allow additional accumulation in unusual circumstances, which require **MCREYNOLDS** to forego vacation for the convenience and benefit of the **DISTRICT.**

3.2.2. Upon separation from employment, one hundred percent (100%) of the value of all remaining unused Annual Leave shall be contributed to the **MCREYNOLDS'** individual account in the Post-Retirement Medical Benefit Trust at the rate of pay in effect at the time of separation from the **DISTRICT. All** or a portion of this value may also be used to pre-fund any premium payments due for participation in the group portion of the Post-Retirement Medical Benefit Trust.

3.2.3. **SICK LEAVE:** The Fire Chief/CEO shall accrue twelve (12) hours of sick leave per calendar month.

3.2.3.1. On June 30 of each year, if **MCREYNOLDS** has accumulated in excess of 540 hours of Sick Leave, those excess hours shall be converted to cash value, based on **MCREYNOLDS'** salary for the current fiscal year. That cash value shall be immediately paid into **MCREYNOLDS'** individual account in the Post-Retirement Medical Benefit Trust in accordance with all applicable laws and regulations.

3.2.3.2. Upon separation of employment, one hundred percent (100%) of the value of all remaining unused Sick Leave shall be contributed to **MCREYNOLDS'** individual account in the Post-Retirement Medical Benefit Trust and/or an approved 457 Plan at the rate of pay in effect at the time of separation from the **DISTRICT.** For "CLASSIC" **EMPLOYEES** (as defined by the California Pension Reform Act of 2013), all or a portion of the accrued Sick Leave may be credited to the **EMPLOYEE'S** PERS Retirement in order for said **EMPLOYEE** to retire early.

3.2.4. **HOLIDAY LEAVE:** The Fire Chief/CEO shall be entitled to the following twelve (12) holidays. If a holiday falls on a Saturday or Sunday, the leave period shall commence on Friday or Monday. If community or fire department activity requires the Fire Chief/CEO to work on a holiday (for example, the 4th of July), the Fire Chief/CEO may exchange the holiday for another day off.

3.2.4.1. New Year's Day;
3.2.4.2. Presidents Day;
3.2.4.3. Martin Luther King Day;
3.2.4.4. Memorial Day;
3.2.4.5. Juneteenth (Freedom Day)
3.2.4.6. Independence Day;
3.2.4.7. Labor Day;
3.2.4.8. Columbus Day;
3.2.4.9. Veteran's Day;
3.2.4.10. Thanksgiving Day;
3.2.4.11. The Day After Thanksgiving; and
3.2.4.12. Christmas Day.

3.2.5. The Fire Chief/CEO may select three (3) of his existing holidays and utilize them as floating holidays.

3.2.6. **BEREAVEMENT LEAVE:** The Fire Chief/CEO shall be entitled to bereavement leave consisting of three (3) days per event. This leave shall be limited to deaths that occur within the immediate family to include spouse, child, brother, sister, parent, in-laws and other blood relatives.

3.2.7. **COURT LEAVE:** If summoned by a court to appear for the purpose of qualifying or serving as a juror or for the purpose of appearing as a witness is entitled to court leave for that period of service.

3.2.8. UNIFORMS: Required uniforms shall be provided by the **DISTRICT.**

3.2.9. **HEALTH CONTRIBUTION:** The **DISTRICT** agrees to offer the PERS Health Benefits Program and pay a portion of the associated premiums as specified in this paragraph. The Fire Chief/CEO agrees that he is liable for the difference between the total cost of the health plan he chooses and the **DISTRICT'S** PERS health benefit contribution.

3.2.9.1. The **DISTRICT** agrees to maintain a cafeteria-style benefit plan to be available to the Fire Chief/CEO. Benefits which are available through this plan include dental insurance, vision care, life insurance, long term disability (LTD), AD&D, Flexible Spending Account (FSA) plan and health insurance.

3.2.9.2. The **DISTRICT** agrees to pay an amount equal to ninety percent (90%) of the current Blue Shield HMO premium for the Fire Chief/CEO's designated coverage (employee + family). With the exception of the Flexible Spending Account (FSA), the DISTRICT agrees to pay all administrative fees/costs associated with the above programs. The Fallbrook Firefighters Association agrees to reimburse The District for any direct costs incurred by low participation in the Flexible Spending Account (FSA) plan.

3.2.10. It is mutually agreed by all parties that excess funds ($182.19 monthly per individual employee) shall be made available for the purchase of life, dental, vision and/or health insurance as provided for in the NCFPD cafeteria plan. NCFPD agrees to pay $2.20 (or current cost) on behalf of all eligible employees for the purchase of a $10,000 life insurance policy as required by FDAC for plan participation. The balance of said excess funds may at **MCREYNOLDS'** discretion, be used for the purchase any cafeteria plan benefit. Any unused portion of said excess funds shall revert back to NCFPD and shall not be available to the employee for any purpose.

3.2.11. **EXECUTIVE LEAVE:** In recognition of the fact that **MCREYNOLDS** does not receive compensatory time, works non-standard hours, is always on call, attends numerous night meetings and works many weekends and holidays, he shall be entitled to eighty (80) hours of personal leave each fiscal year of the contract, which leave is in addition to other leave provided in this agreement. This leave will be credited on July 1 of each year. The eighty (80) hours will be paid time, but shall not be accrued from year-to-year and shall not be credited as vacation time or used to increase any other benefit.

3.2.12. <u>**RETIREMENT**</u>: The **DISTRICT** shall contract with the Public Employees' Retirement System (PERS) to provide, in addition to minimum benefits, retirement benefits described in California Government Code, Section 21363.1, known commonly as three percent at fifty-five (3% at 55). The contract shall also include the following:

3.2.12.1. Fourth level of 1959 Survivor Benefits (Section 21574);
3.2.12.2. Two years of additional service credit (Section 20903);
3.2.12.3. Credit for unused sick leave (Section 20965);
3.2.12.4. Post-retirement survivor allowance (Sections 21624, 21626 and 21628);
3.2.12.5. One-year final compensation (Section 20042);
3.2.12.6. Military Service credit as Public Service (Section 21024);
3.2.12.7. **MCREYNOLDS** shall pay the full 9% employee share of the PERS contribution.

3.2.13. <u>**EDUCATION INCENTIVE**</u>: The **DISTRICT** agrees to pay or to reimburse tuition and book costs of any course on job-related subjects. In addition, the **DISTRICT** agrees to pay or reimburse seventy-five percent (75%) of tuition and material costs for upper division and/or post graduate course studies.

3.2.14. <u>**VEHICLE, TRANSPORTATION AND DISTRICT EQUIPMENT**</u>: **MCREYNOLDS** shall be provided a **DISTRICT** Vehicle. **MCREYNOLDS** shall be reimbursed for the actual cost of other modes of transportation used for **DISTRICT** business. In recognition of the fact that **MCREYNOLDS** is always on call, **MCREYNOLDS** may use the vehicle and other **DISTRICT-provided** equipment (cell phone, laptop computer) for more than purely work-related purposes. For purposes of the ethical consideration of a public employee, the personal use of the vehicle, cell phone, laptop computer and office phone is approved without the need for additional approval.

3.2.15. <u>**PHYSICAL EXAMINATION**</u>: **MCREYNOLDS** shall be provided an annual comprehensive physical/medical examination by a qualified physician or medical institution of **MCREYNOLDS'** choice. Such examination shall include a treadmill cardiovascular evaluation. **MCREYNOLDS** shall immediately advise the **BOARD** of any physical or mental condition, which would affect his ability to perform the duties of Fire Chief/CEO.

3.2.16. <u>**PROFESSIONAL DEVELOPMENT:**</u> The **DISTRICT** shall pay the reasonable and necessary costs and allow time for **MCREYNOLDS'** professional development, including professional conferences, seminars, meetings, participation in professional associations, professional dues and subscriptions.

3.2.17. <u>**INDIRECT/BUSINESS EXPENSES**</u>: The **DISTRICT** agrees to reimburse for his reasonable business-related expenses and such reasonable expense reimbursement shall not be considered additional compensation or wages.

4.0. **DUTIES**:

4.1. **MCREYNOLDS** shall perform the duties of Fire Chief/CEO as established from time to time by law, by the **BOARD** of the **DISTRICT** and as specified in the **DISTRICT'S** job description, **DISTRICT'S** Standard Practices and Rules and Regulations. **MCREYNOLDS** is responsible directly to the **BOARD. MCREYNOLDS** shall give full-time to the duties of his office. **MCREYNOLDS** shall have no outside employment.

5.0. **TERMINATION**:

5.1. **BY-NOTICE BY MCREYNOLDS: MCREYNOLDS** may resign and thereby terminate this Agreement at any time upon giving **ninety (90) days written notice to the BOARD of the DISTRICT, unless an earlier effective date is agreed to by both parties.** In such event, **MCREYNOLDS** shall continue to render services and be paid regular compensation and benefits up to the date of termination, unless mutually agreed by both parties. Upon such termination, **MCREYNOLDS** shall be entitled to receive only such accrued benefits that may be due and payable at the time, but he shall not be entitled to any severance pay or other compensation.

5.2. **BY NOTICE BY DISTRICT**:

5.2.1. **FOR CAUSE**: The **BOARD** may terminate this contract at any time for cause. "Cause" includes, but is not limited to:

5.2.1.1. Intentional or repeated failure to comply with legal requirements or with **DISTRICT'S** policies or directives;

5.2.1.2. Commission of any act of fraud, dishonesty, misappropriation of funds, embezzlement, breach of confidence, immoral conduct or other misconduct in rendering of services on behalf of Employer;

5.2.1.3. Current illegal use of drugs, substance abuse or being under the influence of alcohol while on duty;

5.2.1.4. Repeated discourteous treatment of employees, subordinates, volunteers or the public; or

5.2.1.5. Failure or refusal to faithfully, diligently and effectively perform any of the provisions of this agreement.

5.2.1.6. Upon such termination, **MCREYNOLDS** shall be entitled to receive only such accrued benefits that may be due and payable at the time, but he shall not be entitled to any severance pay or other compensation.

5.2.2. **AT THE PLEASURE OF THE BOARD OF DIRECTORS: The BOARD may**

terminate MCREYNOLDS' employment and thereby, terminate this Agreement without cause, only upon an affirmative vote of at least four of five (4/5ths) the Board of Directors. If the termination is without cause, **MCREYNOLDS** shall receive ninety (90) days written notice of the termination, specifying the effective date. Upon such termination, **MCREYNOLDS** shall be entitled to receive all such accrued benefits as described elsewhere in this agreement that may be due and payable at the time. In addition, as severance pay, **MCREYNOLDS** shall receive an amount equal to the monthly salary at the time of termination multiplied by the number of months left on the unexpired term of the contract. However, in no case shall the cash settlement be more than the monthly salary multiplied by eighteen (18) months.

5.2.2.1. **SEVERANCE PAY:** Acceptance of severance pay as defined in 5.2.2., shall constitute a waiver and release of all claims of **MCREYNOLDS** against the **DISTRICT.**

5.3. BY RETIREMENT: The employment of **MCREYNOLDS** and this Agreement, shall automatically terminate upon the retirement of **MCREYNOLDS** and upon **MCREYNOLDS** giving **ninety (90) days written notice of such retirement to the DISTRICT.**

5.4. BY DEATH OR DISABILITY: The employment of **MCREYNOLDS** and this Agreement shall automatically terminate upon the death of **MCREYNOLDS** or upon the termination of his employment because of permanent disability. As used herein, disability shall have the same meaning and shall be determined in the same manner, as provided under PERS. Neither **MCREYNOLDS** nor his heirs, administrators or assigns shall have any right under this Agreement to salary after such death or disability, but they shall have such rights to accrued benefits as described herein and that may be provided by law and PERS.

6.0. PERFORMANCE AND EVALUATION:

6.1. The **BOARD** and **MCREYNOLDS** shall, by May 30th of each year, define such goals and performance objectives which they determine necessary for proper operation of the **DISTRICT** in the attainment of the **BOARD'S** policy objectives and shall establish a relative priority among said goals and objectives. This shall be reduced to writing and reviewed and approved by the **BOARD.**

6.2. The **BOARD** shall review and evaluate **MCREYNOLDS'** performance annually in April of each year. Said reviews and evaluations shall be conducted in accordance with specific criteria developed jointly by the **BOARD** and **MCREYNOLDS** which may be added to, or deleted from, as the **BOARD** may from time to time determine in consultation with the Fire Chief/CEO. As a component of the evaluation and no later than May 31st of each year, the **BOARD** will conduct a contract and salary review. Based upon a positive performance evaluation, the **BOARD** will consider any necessary changes to the contract language or compensation and benefits.

7.0. <u>OTHER TERMS AND CONDITIONS OF EMPLOYMENT</u>:

7.1. The **BOARD,** in consultation with **MCREYNOLDS,** may fix any such other terms and conditions of employment, as it may determine from time-to-time, relating to the performance of the Fire Chief/CEO.

8.0. <u>GENERAL PROVISIONS</u>:

8.1. This Agreement constitutes the entire agreement between the **BOARD** and **MCREYNOLDS.**

8.2. If any provision or any portion of this Agreement is held to be unconstitutional invalid, or unenforceable, the remainder shall be deemed severable, shall not be affected and shall remain in full force and effect.

8.3. This Agreement may be amended only in writing by mutual agreement of the **BOARD** and **MCREYNOLDS.**

8.4. Should either party commence any legal action or proceeding against the other based upon this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 1st day of July, 2022.

FIRE CHIEF/CEO	**NORTH COUNTY FIRE PROTECTION DISTRICT**
Keith McReynolds	Jeff Egkan, Board President
	Approved as to Form:
	Robert H. James, District Counsel

EXHIBIT A

FIRE CHIEF/CEO
WAGE SCALE

EFFECTIVE: JULY 1, 2022

TIME BASE	RANGE	CONTRACT DATE	Effective Date
Hourly	$110.58	2022	7/1/2022
Bi-Weekly	$8,846.15		
Annual	$230,000		

NORTH COUNTY FIRE PROTECTION DISTRICT

330 S. Main Avenue • Fallbrook, California 92028-2938 • Phone: (760) 723-2005 • Fax: (760) 723-2072 • Web: www.ncfire.org

KEITH MCREYNOLDS - Fire Chief/CEO - kmcreynolds@ncfire.org
ROBERT H. JAMES - District Counsel - roberthjameslaw@gmail.com
LOREN A. STEPHEN-PORTER - Executive Assistant/Board Secretary - lstephen@ncfire.org

SIDE LETTER AGREEMENT FOR LOREN STEPHEN-PORTER

October 25, 2022

CONTINUANCE OF CONTRACT UNTIL DECEMBER 31, 2022:

The purpose of this Side Letter is to extend the contract for Loren Stephen-Porter, Executive Assistant/Board Secretary, until her retirement on December 31, 2022. The extension, along with the updated pay schedule, are the only changes to the contract. To accommodate extension of the contract of the Executive Assistant/Board Secretary's contract, the following provisions are updated:

2.0. TERM OF EMPLOYMENT:

2.1. ~~The term of this agreement shall be from October 1, 2020 and remain in full force and effect through September 30, 2022.~~ The term of this agreement shall be from September 30, 2022 and remain in full force and effect through October 1, 2023.~~The agreement will automatically renew under the same terms and conditions each year for an additional twelve (12) month period, unless either party shall notify the other in writing that it desires to modify this agreement. In the event such a notice is timely given, the parties shall meet and confer in good faith regarding a successor agreement~~.

Exhibit A.

EXEC ASST / BOARD SECRETARY (CONTRACT)								
	Probation	Regular	1/2 Cert 1	Cert 1	1/2 Cert 2	Cert 2	1/2 Cert 3	Cert 3
HOURLY RATE	$ 54.04	$ 56.74	$ 57.45	$ 58.16	$ 58.88	$ 59.61	$ 60.35	$ 61.10
OT RATE	$ 81.06	$ 85.11	$ 86.18	$ 87.24	$ 88.32	$ 89.42	$ 90.53	$ 91.65
BI-WEEKLY	$ 4,322.84	$ 4,538.98	$ 4,595.72	$ 4,652.46	$ 4,710.61	$ 4,768.77	$ 4,828.38	$ 4,887.99
ANNUAL	$112,393.89	$ 118,013.58	$119,488.75	$120,963.92	$122,475.97	$ 123,988.02	$125,537.87	$ 127,087.72

EXECUTIVE ASSISTANT/BOARD SECRETARY **NORTH COUNTY FIRE PROTECTION DISTRICT**

Loren Stephen-Porter	Jeff Egkan, Board Vice President
	October 25, 2022 Board Approval Date
October 25, 2022 Dated	Keith McReynolds, Fire Chief/CEO
Approved as to Form:	Bob James, District Counsel

SIDE LETTER AGREEMENT FOR KEITH MCREYNOLDS

June 27, 2023

CONTINUANCE OF CONTRACT THROUGH JUNE 30, 2026:

The purpose of this Side Letter is to extend the employment contract for Keith McReynolds, Fire Chief, for an additional year until June 30, 2026. The extension is the only change to the contract. To accommodate the extension of the Fire Chief's contract, the following provisions are updated:

2.0. **TERM OF EMPLOYMENT:**

2.1. The term of this agreement shall be from July 1, 2023, through June 30, 2026. This agreement will be reviewed annually as described in Section 6 and upon renewal, the contract will automatically extend for an additional twelve (12) month period on the yearly anniversary date, July 1st, so that the contract term remains three (3) years. However, the **DISTRICT'S** Board of Directors **("BOARD")** may notify **MCREYNOLDS** on or before May 1st of any year, that the provision for the annual extension has been terminated. In that event, the automatic extension provision shall be terminated and the Employment Agreement shall expire at the end of the then existing period. **MCREYNOLDS** may notify the **DISTRICT** prior to May 1st of any year that he does not desire the extension, in which case the automatic extension shall be terminated and the Employment agreement shall expire at the end of the then existing three-year (3) period.

FIRE CHIEF	**NORTH COUNTY FIRE PROTECTION DISTRICT**
KM	Cindy Acosta
Keith McReynolds	Cindy Acosta, Board President
	June 27, 2023
	Board Approval Date
	Kristen Steinke
Approved as to Form:	Kristen Steinke, District Counsel

SIDE LETTER AGREEMENT FOR FIRE CHIEF/CEO KEITH MCREYNOLDS

July 23, 2024

CONTINUANCE OF CONTRACT THROUGH JUNE 30, 2027 AND INCREASE IN ANNUAL SALARY:

The purpose of this Side Letter is to: (1) extend the employment contract for Keith McReynolds, Fire Chief, for an additional year until June 30, 2027; and (2) implement an increase in the Fire Chief's annual salary to $250,000.00. The extension of the term of the contract and the increase in annual salary are the only changes to the employment contract. The following provisions of the Fire Chief's employment contract are hereby updated to read as follows:

2.0. **TERM OF EMPLOYMENT:**

2.1. The term of this agreement shall be from July 1, 2024, through June 30, 2027. This agreement will be reviewed annually as described in Section 6 and upon renewal, the contract will automatically extend for an additional twelve (12) month period on the yearly anniversary date, July 1st, so that the contract term remains three (3) years. However, the **DISTRICT'S** Board of Directors **("BOARD")** may notify **MCREYNOLDS** on or before May 1st of any year, that the provision for the annual extension has been terminated. In that event, the automatic extension provision shall be terminated and the Employment Agreement shall expire at the end of the then existing period. **MCREYNOLDS** may notify the **DISTRICT** prior to May 1st of any year that he does not desire the extension, in which case the automatic extension shall be terminated and the Employment agreement shall expire at the end of the then existing three-year (3) period.

3.0. **COMPENSATION AND BENEFITS:**

3.1. ANNUAL COMPENSATION:

3.1.1. **BASE PAY**: **MCREYNOLDS** will be salaried, overtime "exempt" employee as defined by applicable labor law. **MCREYNOLDS** is an "at-will" employee and shall receive a base pay of $250,000.00 per year beginning the first pay period after execution of this side letter, payable in bi-weekly installments. The **BOARD** may increase said base pay annually, based on **MCREYNOLDS'** performance, as the **BOARD** deems appropriate, as further provided herein. This base pay may not be reduced during the term of this

Agreement, except that if the **BOARD** finds it necessary to reduce salaries of all employees, **MCREYNOLDS'** base pay may be reduced by no more than the average percent salary reduction imposed on all other employees. If the **BOARD** determines it necessary to freeze the compensation of all employees, **MCREYNOLDS'** base pay may also be frozen by BOARD action.

FIRE CHIEF	**NORTH COUNTY FIRE PROTECTION DISTRICT**
Keith McReynolds	Ross Pike, Board President
7-27-2024	July 23, 2024 Board Approval Date
Approved as to Form:	Kristen Steinke, District Counsel

330 S. Main Avenue • Fallbrook, California 92028-2938 • Phone: (760) 723-2005 • Fax: (760) 723-2072 • Web: www.ncfireca.gov

SIDE LETTER AGREEMENT AND FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE NORTH COUNTY FIRE PROTECTION DISTRICT AND KEITH MCREYNOLDS

This First Amendment to the Employment Agreement ("First Amendment") between the North County Fire Protection District ("District") and Keith McReynolds ("McReynolds" or "Fire Chief/CEO") (collectively, the "Parties") is effective on July 1, 2025, and is an amendment to the Employment Agreement ("Agreement") between the District, and McReynolds an individual, that was effective as of July 1, 2022.

<u>RECITALS</u>

A. The terms and conditions of Chief McReynold's employment with the District are set forth in the Agreement dated July 1, 2022; and

B. Two side letters extending the term of the Agreement and reflecting compensation adjustments after favorable performance evaluations were executed on June 27, 2023 and July 23, 2024. The current term of the Agreement terminates on June 30, 2027 with an annual salary of $250,000; and

C. On May 27, 2025, the Board of Directors of the District completed the performance evaluation of Chief McReynolds. After a favorable outcome of McReynolds performance evaluation on May 27, 2025, the Board of the District does now desire to make revisions to the Agreement to reflect the positive outcome of the evaluation; and

D. Revisions to the Agreement shall be reflected in this First Amendment and shall include adjustment to the Chief's annual salary, the term of the Agreement, and an administrative adjustment to the terms of the Agreement to accurately reflect administration of benefits afforded to District employees.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to Amend the Agreement as follows (added language is reflected by that which is <u>underlined</u>; removed language appears in ~~strikeout~~ formatting):

OPERATIVE PROVISIONS

2.0. TERM OF EMPLOYMENT:

2.1. The term of this agreement shall ~~be from July 1, 2024, through June 30, 2027~~ continue until terminated pursuant to the terms of the Agreement. This agreement will be reviewed annually as described in Section 6. ~~and upon renewal, the contract will automatically extend for an additional twelve (12) month period on the yearly anniversary date, July 1st, so that the contract term remains three (3) years~~. ~~However, the **DISTRICT'S** Board of Directors **("BOARD")** may notify **MCREYNOLDS** on or before May 1st of any year, that the provision for the annual extension has been terminated. In that event, the automatic extension provision shall be terminated and the Employment Agreement shall expire at the end of the then existing period. **MCREYNOLDS** may notify the **DISTRICT** prior to May 1st of any year that he does not desire the extension, in which case the automatic extension shall be terminated and the Employment agreement shall expire at the end of the then existing three year (3) period.~~

3.0. COMPENSATION AND BENEFITS:

3.1. ANNUAL COMPENSATION:

3.1.1. **BASE PAY**: **MCREYNOLDS** will be salaried, overtime "exempt" employee as defined by applicable labor law. **MCREYNOLDS** is an "at-will" employee and shall receive a base pay of ~~$230,000~~ $265,000.00 per year beginning July 1, ~~2022~~ 2025, payable in bi-weekly installments. The **BOARD** may increase said base pay annually, based on **MCREYNOLDS'** performance, as the **BOARD** deems appropriate, as further provided herein. This base pay may not be reduced during the term of this Agreement, except that if the **BOARD** finds it necessary to reduce salaries of all employees, **MCREYNOLDS'** base pay may be reduced by no more than the average percent salary reduction imposed on all other employees. If the **BOARD** determines it necessary to freeze the compensation of all employees, **MCREYNOLDS'** base pay may also be frozen by BOARD action.

3.2. FRINGE BENEFITS:

SECTION 1: 3.2.1.1 of the Agreement is hereby amended to read as follows:

Annual Leave.
For the purposes of this section, the term "Annual Leave" is synonymous with the term "Vacation Leave."

As is consistent with the Agreement, **Fire Chief/CEO** shall accrue twenty (20) hours Annual Leave per calendar month. Accumulated Annual Leave shall not exceed 600 hours as of June 30, of any year. **Fire Chief/CEO** may not convert any amount of accrued annual leave to cash or other form of compensation except as provided below:

The **Fire Chief/CEO** may make an irrevocable election to receive in cash the leave hours the **Fire Chief/CEO** will accrue within a future six-month time period by submitting an Irrevocable Election Form as follows:

1) No later than June 1 of any year, notifying the District of the **Fire Chief/CEO's** intent to receive in cash any amount of annual leave hours the **Fire Chief/CEO** will accrue between the following July 1st and December 31st. The **Fire Chief/CEO** will be paid within the first two weeks after January 1 in the calendar year following the irrevocable election and submission of the Irrevocable Election Form at his/her base hourly rate existing as of December 31st (i.e., the rate existing on the last day of the six-month election period).

2) No later than December 1st, notifying the DISTRICT of the **Fire Chief/CEO's** intent to receive in cash any amount of leave hours that the **Fire Chief/CEO** will accrue between the following January 1st and June 30th. The **Fire Chief/CEO** will be paid within the first two weeks after July 1 in the calendar year following the irrevocable election and submission of the Irrevocable Election Form at his/her base hourly rate existing as of June 30th (i.e., the rate existing on the last day of the six-month election period).

The **Fire Chief/CEO** must have a minimum of 240 hours of accrued annual leave balances at the time they submit an Irrevocable Election Form to the DISTRICT in order to cash out accrued annual leave in accordance with Section 3.2.1.1. At the time of payment, if the **Fire Chief/CEO** did not accrue the number of annual leave hours they previously elected to receive in cash (e.g., due to a period of absence without pay), the **Fire Chief/CEO** will receive only that amount accrued during the six-month election period.

If the **Fire Chief/CEO** does not submit an Irrevocable Election Form in accordance with Section 3.2.1.1, they will be ineligible to receive cash payment in lieu of accruing paid leave.

AND/OR

The **Fire Chief/CEO** by written election received by the DISTRICT no later than June 1st, may direct a portion of the value of Annual Leave in excess of 480 hours pursuant to the **Fire Chief/CEO** qualifying 457 Deferred Compensation account to the annual allowable IRS plan limits.

SECTION 2: Section 3.2.1.2 is hereby added to the Agreement as follows:

Separation from Employment. The **Fire Chief/CEO** by written election received by the DISTRICT no later than thirty (30) days prior to separation may direct a portion of the value of the Annual Leave to their qualifying 457 Deferred Compensation account up to the annual allowable IRS plan limit and/or choose a cash buyout option.

SECTION 3: Section 3.2.3.3 is hereby added to the Agreement:

The **Fire Chief/CEO** by written election received by the DISTRICT no later than thirty (30) days prior to separation, may direct a portion of the value of remaining sick leave (up to 540 hours) to the **Fire Chief/CEO's** qualifying 457 Deferred Compensation account or District-sponsored 401(a) account up to the annual allowable IRS plan limits and/or choose a cash buyout option.

5.0 **TERMINATION**

Section 5.5 is hereby added to the Agreement:

Except for death, or an unforeseen injury or illness causing separation from employment, the **Fire Chief/CEO** shall give the DISTRICT sufficient notice of intended separation such that the DISTRICT can budget for the payout. Specifically, the **Fire Chief/CEO** shall notify the DISTRICT no later than May 1st of the year of intended separation from employment any time between July 1st and June 30th. For example, if the **Fire Chief/CEO** intends to retire between July 1, 2024, and June 30, 2025, they must notify the DISTRICT of their intended retirement by no later than May 1, 2024.

Fire Chief

Keith McReynolds

North County Fire Protection District

Board President

6/24/25

Board Approval Date

Approved as to Form:

Kristen Steinke, District Counsel

Fire Chief Side Letter Agreement

September 30, 2025

Purpose:

By this Side Letter of Agreement, the North County Fire Protection District and Fire Chief hereby agree to amend the terms and conditions of the parties' Employment Agreement, covering the period of July 1, 2022 to June 30th, 2027. The purpose of this side letter is to add Mutual Aid Overtime Pay for the Fire Chief to the Employment Agreement by making the following addition:

Addition of Employment Agreement Article 3, SECTION 3.1.3 as follows:

Article 3, Section 3.1.3.: The Fire Chief shall be paid for all hours worked in excess of normal hours when assigned to mutual aid (not automatic aid) incidents directly impacting the District. At no time shall there be less than two (2) Administrative Chief Officers available to the District. Administrative Chief Officers shall include the Fire Chief, Deputy Chief, and Division Chief. If the Fire Chief is unavailable to the District, then no outside assignments shall be available except in the instance of exigent circumstances. Mutual aid overtime shall be calculated portal to portal at a rate of 1.5 times the normal hourly rate for the Fire Chief.

Except as provided for in this Side Letter of Agreement, no other terms and conditions of the Employment shall be amended or deleted. The above amendments of the Employment Agreement shall take effect and supersede the pre-existing terms as noted herein.

Fire Chief	**North County Fire Protection District**
Keith McReynolds	Chris Shaw, Board President
Approved as to form:	Kristen Steinke, General Counsel
	Board Approval Date 9/30/25

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SIDE LETTER AGREEMENT AND SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE NORTH COUNTY FIRE PROTECTION DISTRICT AND KEITH MCREYNOLDS

This Second Amendment to the Employment Agreement ("Second Amendment") between the North County Fire Protection District ("District") and Keith McReynolds ("McReynolds" or "Fire Chief/CEO") (collectively, the "Parties") is effective on August 25, 2026, and is an amendment to the Employment Agreement ("Agreement") between the District, and McReynolds, an individual, that was effective as of July 1, 2022.

RECITALS

A. The terms and conditions of Chief McReynold's employment with the District are set forth in the Agreement dated July 1, 2022; and

B. Two side letters extending the term of the Agreement and reflecting compensation adjustments after favorable performance evaluations were executed on June 27, 2023 and July 23, 2024; and

C. On May 27, 2025, the Board of Directors of the District completed the performance evaluation of Chief McReynolds. After a favorable outcome of McReynolds performance evaluation on May 27, 2025, the Board of Directors authorized the execution of the First Amendment to the Agreement ("First Amended Agreement"), which included adjustments to the Chief's annual salary to $265,000, the term of the Agreement, and an administrative adjustment to the terms of the Agreement to accurately reflect administration of benefits afforded to District employees; and

D. On May 26, 2026, the Board of Directors completed the annual performance evaluation of McReynolds, which was favorable. At or about the same time, McReynolds communicated his interest in retiring from his role as Fire Chief for the District with a tentative timeline that would allow the District to seek a replacement and allow for McReynolds to oversee the transition to a new Fire Chief; and

E. The Board of Directors now desires to formalize the timeline for the retirement of McReynolds and the timeline for the recruitment and appointment of his successor.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to Amend the Agreement as follows:

OPERATIVE PROVISIONS

The terms of the First Amended Agreement shall remain in full force and effect except that the following timeline shall be adopted:

- McReynolds will continue serving in a full-time, in-office capacity with all duties and responsibilities as Fire Chief/CEO through December 31, 2026. Absent any unforeseen circumstances, a new Fire Chief/CEO will be appointed as of January 1, 2027.

- McReynolds will utilize accrued leave time for days not worked at the current pay/benefit rate as outlined in the First Amended Agreement from January 1, 2027 through June 5, 2027 unless there is a need for an extension or alteration to this timeline.

- Any extension or amendment to this timeline or any other terms of the Agreement must be agreed upon in writing by McReynolds and the Board of Directors.

Fire Chief

Keith McReynolds

North County Fire Protection District

Chris Shaw, Board President

8/25/26

Board Approval Date

Approved as to Form:

Kristen Steinke, District Counsel