

HAUSER LAKE FIRE PROTECTION DISTRICT

Policy No. 70 Effective Date: February 23, 2026

Subject: Pay-for-Performance Incentive Compensation Program for the Fire Chief

I. PURPOSE

The Hauser Lake Fire Protection District recognizes that the Fire Chief is currently undercompensated relative to the responsibilities of the position, particularly in a volunteer-based department with limited budgetary resources. The purpose of this policy is to establish a Pay-for-Performance Incentive Compensation Program that supplements the Fire Chief's total compensation by providing additional earnings based on revenue generated from outside deployments, such as wildland mutual aid assignments. This program is intended to reward leadership in securing and managing these revenue-generating opportunities while ensuring compliance with the Fair Labor Standards Act (FLSA), Idaho state law, and District fiscal policies.

Deployments of the Fire Chief under this program are voluntary and discretionary, not mandatory. The Deployment Compensation provision is intended to provide fair incentives for building departmental capabilities and generating revenue, rather than requiring personal participation.

II. SCOPE

This policy applies exclusively to the position of Fire Chief. It does not apply to volunteer firefighters, part-time staff, or other paid personnel. Incentive payments under this program are nondiscretionary and shall be treated as wages for tax withholding, overtime calculation (if applicable), and Public Employee Retirement System of Idaho (PERSI) creditable service purposes. This includes deployment compensation at higher rates for assigned resources during mutual aid assignments.

III. DEFINITIONS

- **Base Salary:** The fixed annual salary paid to the Fire Chief, independent of incentive payments.
- **Eligible Revenue:** Net reimbursement funds received by the District from outside deployments, including but not limited to wildland fire mutual aid mobilizations under Idaho's Cooperative Mobilization Agreement, interstate compacts, or other reimbursable emergency response assignments. Net revenue is calculated as total reimbursements minus direct deployment-related expenses (e.g., fuel, equipment maintenance, or per diem paid to responding personnel).
- **Incentive Payment:** Supplemental compensation calculated as a percentage of Eligible Revenue.

- **Deployment Compensation:** Additional nondiscretionary pay during deployments, calculated at the reimbursed rate (e.g., AD rate) for the assigned position, minus the base salary equivalent for those hours.

IV. PROGRAM STRUCTURE

1. **Base Salary** The Fire Chief shall receive a fixed base salary as established annually by the Board of Commissioners. This base salary shall satisfy all applicable FLSA minimum salary requirements for exempt executive status (currently \$1,288 per week or \$58,656 annually, subject to federal updates).
2. **Incentive Payment Rate** The Fire Chief shall earn an Incentive Payment equal to **ten percent (10%)** of Eligible Revenue generated during each fiscal year. (Example: If the District receives \$15,000 in net mutual aid reimbursements in a year, the Incentive Payment would be \$1,500.)
3. **Payout Schedule** Incentive Payments shall be calculated Annually and paid no later than 60 days after the close of each fiscal year. Payments shall be issued via the District's regular payroll process.
4. **Deployment Compensation**
 - When the Fire Chief deploys as an assigned resource, compensation for deployment hours shall be at the applicable reimbursed rate per the mutual aid agreement (e.g., ICMA AD rates).
 - This shall be paid as additional compensation on top of the base salary, with the amount equal to the difference between the deployment rate and the base salary rate (prorated hourly).
 - Payments shall be processed via payroll upon receipt of reimbursements, with documentation from incident time reports (e.g., OF-288).
 - This complies with FLSA (29 CFR §541.604) for exempt employees and shall be included in the regular rate for overtime if non-exempt.
 - Deployments under this provision are voluntary and discretionary for the Fire Chief, not mandatory, and are subject to operational needs, availability, and mutual agreement.

V. CALCULATION AND DOCUMENTATION

1. The Fire Chief shall submit an annual report to the Board Treasurer within 15 days after the close of fiscal year, detailing:
 - All outside deployments;
 - Deployment details, including assigned position, hours, reimbursed rates, and additional compensation paid;
 - Gross reimbursements received;
 - Deductible expenses;
 - Net Eligible Revenue; and
 - Calculated Incentive Payment.
2. The Board Secretary/Treasurer shall verify the report and present it to the Board for approval at the next regular meeting.

3. Approved Incentive Payments shall be processed through payroll, with appropriate federal and state tax withholding.

VI. COMPLIANCE REQUIREMENTS

1. FLSA Compliance

- If the Fire Chief is classified as exempt, Incentive Payments are supplemental to the required base salary.
- If the Fire Chief is ever reclassified as non-exempt, Incentive Payments shall be included in the regular rate for overtime calculations under the FLSA Section 7(k) partial exemption for firefighters.
- Deployment Compensation shall not affect exempt status per 29 CFR §541.604.

2. **Budgetary Compliance** Incentive Payments shall only be made from actual Eligible Revenue received. No payments will be advanced or paid from general funds.

3. **Volunteer Status Protection** This program shall not affect the volunteer status of other department members. Volunteers may receive nominal stipends or per diem as permitted by U.S. Department of Labor guidelines without becoming employees.

VII. ADMINISTRATION AND REVIEW

1. The Board of Commissioners shall review this policy annually during the budget process and may adjust the incentive percentage or provide a cap by resolution.
2. The Board shall review deployment compensation usage annually.
3. Any amendments require formal Board action and shall be documented in meeting minutes.
4. The Fire Chief shall not participate in Board discussions or votes regarding adjustments to this program.

VIII. APPROVAL

This policy was adopted by the Hauser Lake Fire Protection District Board of Commissioners on

Date:

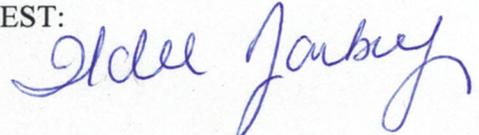
2-23-2020


Chair, Board of Commissioners


Commissioner


Commissioner

ATTEST:


Secretary/Clerk of The Board