

**TOWN OF CAROLINA BEACH
PERSONNEL POLICY
February 14, 2012 – Adopted
June 24, 2013 – Revised**

BE IT RESOLVED by the Town Council of the Town of Carolina Beach that the following policies apply to the appointment, classification, benefits, salary, promotion, demotion, dismissal, and conditions of employment of the employees of the Town of Carolina Beach.

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ARTICLE I. GENERAL PROVISIONS

Section 1. Purpose of the Policy

It is the purpose of this policy and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of the Town under the supervision of the Town Manager. This policy is established under authority of Policy 160A, Article 7, of the General Statutes of North Carolina.

Section 2. At Will Employment

The Town of Carolina Beach is an "at will" employer. Nothing in this policy creates an employment contract or term between the Town and its employees. No employee, officer, agent or representative of the Town has the authority to enter into any agreement or representation which may alter, amend or contradict the "at will" provisions of this policy. The Town reserves the right to modify the provisions of the Personnel Policy at any time. Notwithstanding any of the provisions within this Personnel Policy, employment may be terminated at any time by either party, with or without cause and with or without advance notice.

Section 3. Merit Principle

All appointments and promotions shall be made solely on the basis of merit. All positions requiring the performance of the same duties and fulfillment of the same responsibilities shall be assigned to the same class and the same salary range. No applicant for employment or employee shall be deprived of employment opportunities or otherwise adversely affected as an employee because of such individual's race, color, religion, sex national origin, political affiliation, non-disqualifying disability, age, or genetic information.

Section 4. Responsibilities in the Administration of the Personnel Program

Responsibilities of the Town Council

The Town Council shall be responsible for establishing and approving Personnel Policies, the position classification and pay plan, and may change the policies and benefits as necessary. They also shall make and confirm appointments when so specified by the General Statutes.

Responsibilities of the Town Manager

The Town Manager shall be responsible to the Town Council for the administration and technical direction of the personnel program. The Town Manager shall have the final authority in decisions of appointments, dismissals, and suspensions in accordance with the Town Charter and other policies and procedures spelled out in other Articles in this Policy.

The Town Manager shall:

1. recommend rules and revisions to the personnel system to the Town Council for consideration;

2. make changes as necessary to maintain an up-to-date and accurate position classification plan;
3. recommend necessary revisions to the pay plan;
4. determine which employees shall be subject to the overtime provisions of FLSA;
5. develop and administer such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
6. perform such other duties as may be assigned by the Town Council not inconsistent with this Policy or are required by law; and
7. may serve as or appoint an employee to the role of Human Resources Officer.

Responsibilities of the Human Resources Officer

The Human Resources Officer shall make recommendations to the Town Manager on the following:

1. rules and revisions to the personnel system to the Town Manager for consideration;
2. changes as necessary to maintain an up-to-date and accurate position classification plan;
3. necessary revisions to the pay plan;
4. which employees shall be subject to the overtime provisions of FLSA;
5. maintenance of a roster of all persons in the municipal service;
6. establishing and maintaining a list of authorized positions in the municipal service at the beginning of each budget year which identifies each authorized position, class title of position, salary range, any changes in class title and status, position number, and other such data as may be desirable or useful;
7. developing and administering such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
8. developing and coordinating training and educational programs for Town employees;
9. investigating periodically the operation and effect of the personnel provisions of this policy; and
10. performing such other duties as may be assigned by the Town Manager not inconsistent with this Policy.

Responsibilities of Supervisors and Managers:

Supervisors shall meet their responsibilities as directed by the Council and/or the Town Manager, being guided by this Policy and related procedures and Town ordinances. The Town will require all supervisors to meet their responsibilities by:

1. dealing with all employees in a fair and equitable manner and upholding the principles of equal employment opportunities;
2. fairly administering and implementing all of the policies and Town ordinances regarding personnel matters;
3. developing and motivating employees to reach their fullest potential through continued education and training;
4. making objective evaluations of individual work performance and discussing these evaluations with each employee so as to bring about needed improvements;
5. keeping employees informed of their role in accomplishing the work of their unit and of conditions or changes affecting their work;
6. making every effort to resolve employee problems and grievances in a respectful manner and advising employees of their rights and privileges;
7. cooperating and coordinating with other staff members in work flow and distribution of information;
8. making proper documentation and maintaining current files; and
9. training employees to safely perform their jobs and ensuring employees wear the appropriate safety equipment.

Responsibilities of Employees:

Employees of the Town of Carolina Beach shall be expected to:

1. report to work on time and remain on the job until the end of the tour of duty;
2. perform duties to the best of their abilities and contribute a full day's work for a full day's pay;
3. be respectful and work cooperatively with other employees and citizens and accept additional assignments during peak workloads and emergency situations;
4. request prior approval for leaves of absence or before leaving the worksite;
5. refrain from spreading rumors or engaging in other activities which have a disruptive influence on morale or work progress;

6. attempt to resolve issues and concerns using the proper procedures and channels as described in this Policy; and
7. follow all safety rules applicable to the job and wear all required safety equipment.

Section 5. Application of Policies, Plan, Rules, and Regulations

The Personnel Policy and all rules and regulations adopted pursuant thereto shall be binding on all Town employees. The Town Manager, Town Attorney, members of the Town Council and advisory boards and commissions will be exempted except in sections where specifically included. An employee violating any of the provisions of this policy shall be subject to appropriate disciplinary action, as well as prosecution under any civil or criminal laws which have been violated.

Section 6. Departmental Rules and Regulations

Due to the particular personnel and operational requirements of the various departments of the Town, each department is authorized to establish supplemental written rules and regulations applicable only to the personnel of that department. All such rules and regulations shall be subject to the approval of the Town Manager, and shall not in any way conflict with the provisions of this Policy, but shall be considered as a supplement to this Policy.

Section 7. Definitions

For the purposes of this Policy, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Full-time Employee. An employee who is in a position which is authorized for an average work week of at least forty hours each work week and is budgeted for at least 12 months. Full-time employees hired prior to July 1, 2004 have a thirty-five hour work week for benefits purposes.

Part-time Employee. An employee who is in a position which is authorized for an average work week of at least 20 hours but less than 40 hours and is budgeted for at least 12 months.

Seasonal Employee. An employee who works in a full or part-time position, but only performs work during a particular season of the year. These positions are paid an hourly wage.

Temporary Employee. An employee appointed to a position for which either the average work week required by the Town over the course of a year is less than 20 hours, or continuous employment required by the Town is less than 12 months.

Regular Employee. An employee appointed to a full or part-time position who has successfully completed the designated probationary period.

Probationary Employee. An employee appointed to a full or part-time position who has not yet successfully completed the designated probationary period.

Trainee. An employee status when an applicant is hired (or employee promoted) who does not meet all of the requirements for the position. During the duration of a trainee appointment, the employee is on probationary status.

Permanent position. A position authorized for the budget year for a full twelve months and budgeted for twenty or more hours per week. All Town positions are subject to budget review and approval each year by the Town Council and all employees' work and conduct must meet Town standards. Therefore, reference to "permanent" positions or employment should not be construed as a contract or right to perpetual funding or employment

ARTICLE II. POSITION CLASSIFICATION PLAN

Section 1. Purpose

The position classification plan provides a complete inventory of all authorized and permanent positions in the Town service, and an accurate description and specification of each class of employment. The plan standardizes job titles, each of which is indicative of a definite range of duties and responsibilities.

Section 2. Composition of the Position Classification Plan

The classification plan shall consist

1. a grouping of positions in classes which are approximately equal in difficulty and responsibility which call for the same general qualifications, and which can be equitably compensated within the same range of pay under similar working conditions;
2. class titles descriptive of the work of the class;
3. written specifications for each class of positions; and
4. an allocation list showing the class title of each position in the classified service.

Section 3. Use of the Position Classification Plan

The classification plan is to be used:

1. as a guide in recruiting and examining applicants for employment;
2. in determining lines of promotion and in developing employee training programs;
3. in determining salary to be paid for various types of work;
4. in determining personnel service items in departmental budgets; and
5. in providing uniform job terminology.

Section 4. Administration of the Position Classification Plan

The Town Manager, assisted by the Human Resources Officer, shall allocate each position covered by the classification plan to its appropriate class, and shall be responsible for the administration of the position classification plan. The Human Resources Officer shall periodically review portions of the classification plan and make recommendations to the Town Manager on minor revisions to ensure that classifications accurately reflect current job duties and responsibilities. The Town Manager shall also periodically review the entire classification plan and, when needed, recommend major changes to the Town Council.

Section 5. Authorization of New Positions and the Position Classification Plan

New positions shall be established upon recommendation of the Town Manager and approval of the Town Council. New positions shall be recommended to the Council with a recommended class title. The position classification plan, along with any new positions or classifications, shall be approved by the Town Council and on file with the Human Resources Officer. Copies will be available to all Town employees for review upon request.

Section 6. Request for Reclassification

Any employee who considers the position in which classified to be improper shall submit a request in writing for reclassification to such employee's immediate supervisor, who shall immediately transmit the request through the department head to the Human Resources Officer. Upon receipt of such request, the Human Resources Officer shall study the request, determine the merit of the reclassification, and recommend any necessary revisions to the classification and pay plan to the Town Manager. The Town Manager will respond to this request within ten working days.

ARTICLE III. THE PAY PLAN

Section 1. Definition

The pay plan includes the basic salary schedule and the "List of Classes Arranged by Grades" adopted by the Council. The salary schedule consists of hiring (or beginning rate), minimum, midpoint, and maximum rates of pay for all classes of positions.

Section 2. Administration and Maintenance

The Town Manager, assisted by the Human Resources Officer, shall be responsible for the administration and maintenance of the pay plan. All employees covered by the pay plan shall be paid at a rate listed within the salary range established for the respective position classification, except for employees in trainee status or employees whose existing salaries are above the established maximum rate following transition to a new pay plan.

The pay plan is intended to provide equitable compensation for all positions, reflecting differences in the duties and responsibilities, the comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial conditions of the Town, and other factors. To this end, from time to time, the Town Manager shall request the Human Resources Officer to make comparative studies of all factors affecting the level of salary ranges and may make minor adjustments in the allocation of positions to salary grades. The Council shall adopt the "Assignment of Classes to Grades and Ranges," including any minor adjustments made by the Town Manager during the previous budget year, annually as part of the budget process.

When major adjustments encompassing numerous positions are needed, and/or when major adjustments are needed to the pay plan, the Town will conduct a comprehensive classification and pay study to update the plan insuring internal equity and external competitiveness. The Town Manager shall recommend such changes in salary ranges as appear to be warranted to the Town Council.

Section 3. Payroll Administration

All employees of the Town are paid bi-weekly and are paid through direct deposit only. The payroll period begins on Monday at 12:01 am and ends at midnight Sunday. Pay will be available via direct deposit no later than the following Thursday, unless other conditions warrant, as authorized by the Town Manger. Accounting of payroll deductions, retirement contributions, and accrual of vacation and sick leave will be processed through the payroll system with each employee receiving a bi-weekly statement of earnings.

It is the responsibility of each department head to submit to Human Resources payroll records of time worked and approved leave requests for each assigned employee by the established payroll deadline. If completed payroll records are not received in Human Resources by the payroll deadline, employees may not be paid until the next payroll period.

Section 4. Starting Salaries

All persons hired or promoted into positions approved in the position classification plan shall be compensated at the minimum rate for the classification in which they are employed; however, exceptionally well qualified applicants may be paid above the minimum rate of the established salary range upon recommendation of the department head and approval of the Town Manager.

Section 5. Trainee Designation and Provisions

Applicants being considered for employment or Town employees who do not meet all of the requirements of the position for which they are being considered may be hired, promoted, demoted, or transferred to a "trainee" status. In such cases, a plan for training, including a time schedule, must be prepared by the department head. "Trainee" salaries shall be one or (no more than) two grades below the minimum rate established for the position for which the person is being trained. A new employee designated as "trainee" shall concurrently serve a probationary period. However, probationary periods shall be no less than six months and trainee periods may extend up to eighteen months. A trainee shall remain a probationary employee until the trainee period is satisfactorily completed.

If the training is not successfully completed to the satisfaction of the Town, the trainee shall be transferred, demoted, or dismissed. If the training is successfully completed, the employee shall be paid at least at the minimum rate established for the position for which the employee was trained.

Section 6. Probationary Pay Increases

Upon successful completion of the probationary period, or six (6) months of satisfactory performance, the newly hired or promoted employee shall become eligible for merit increase. Employees serving a twelve (12) month probationary period will be considered for this increase after six months of employment.

Section 7. Performance Pay

An annual performance evaluation shall be conducted for each employee during the fiscal year. Consultation between the employee and supervisor regarding performance at times other than the annual performance evaluation is anticipated and encouraged under this policy and shall be considered to supplement rather than replace the annual performance evaluation.

Upward movement within the established salary range for an employee is not automatic, but rather is based upon specific performance-related criteria. Employees may be considered for advancement within the established salary range based on the quality of their overall performance. Performance pay is subject to annual appropriation.

Procedures for determining performance levels and performance pay increases shall be established in procedures approved by the Town Manager.

Section 8. Performance Pay Bonus

Employees who are at the maximum of the salary range for their position classification are eligible to be considered for a performance bonus at their regular performance evaluation time. Performance bonuses shall be awarded based upon the performance of the employee as described in the performance evaluation and shall be the same percentage of annual salary as employees within the salary range with the same performance level. Performance bonuses do not become part of base pay and shall be awarded in a lump sum payment.

Section 9. Salary Effect of Promotions, Demotions, Transfers and Reclassifications

Promotions. When an employee is promoted, the employee's salary shall normally be advanced to the minimum rate of the new position, or to a salary which provides an increase of at least five percent (5%) over the employee's salary before the promotion. However, the new salary may not exceed the maximum rate of the new salary range. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility.

Demotions. When an employee is demoted to a position for which qualified, the salary shall be set at the rate in the lower pay range which provides a salary commensurate with the employees' qualifications to perform the job when the demotion is not the result of discipline. If the current salary is within the new range, the employee's salary may be retained at the previous rate, if appropriate. Consideration should be given to whether the employee is receiving the same pay for decreased workload or responsibility level and action should be appropriate to this consideration. If the demotion is the result of discipline, the salary shall be decreased by an amount determined by the supervisor and department head, and approved by the Town Manager.

Transfers. The salary of an employee reassigned to a position in the same class or to a position in a different class within the same salary range shall not be changed by the reassignment.

Reclassifications. An employee whose position is reclassified to a class having a higher salary range shall receive a pay increase of at least five percent (5%) or an increase to the minimum rate of the new pay range, whichever is higher. If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is above the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary.

Section 10. Salary Effect of Salary Range Revisions

When a class of positions is assigned to a higher salary range, the salaries of employees in that class will remain unchanged or moved to the minimum salary of the new grade if their current salary is below the minimum rate of the new grade. When a class of positions is assigned to a lower salary range, the salaries of employees in that class will remain unchanged. If this assignment to a lower salary range results in an employee being paid at a rate above the maximum established for the new class, the salary of that employee shall be maintained at that level until such time as the employee's salary range is increased above the employee's current salary.

Section 11. Transition to a New Salary Plan

The following principles shall govern the transition to a new salary plan:

1. No employee shall receive a salary reduction as a result of the transition to a new salary plan.
2. All employees being paid at a rate lower than the minimum rate established for their respective classes shall have their salaries raised at least to the new minimum rate for their classes.
3. All employees being paid at a rate above the maximum rate established for their respective classes shall be maintained at that salary level until such time as the employees' salary range is increased above the employees' current salary.

Section 12. Effective Date of Salary Changes

Salary changes approved after the first working day of a pay period shall become effective at the beginning of the next pay period or at such specific date as may be provided by procedures approved by the Town Manager.

Section 13. Fair Labor Standards Act and Overtime Pay Provisions

Employees of the Town can be requested and may be required to work overtime hours as necessitated by the needs of the Town and determined by the department head. All overtime hours worked must be authorized in advance by appropriate management or Town officials unless an emergency situation prevents obtaining prior approval. In such cases, the supervisor should be informed of the circumstances as soon as practicable after the event.

To the extent that local government jurisdictions are so required, the Town will comply with the Fair Labor Standards Act (FLSA). The Human Resources Officer shall recommend to the Town Manager which jobs are "non-exempt" and are therefore subject to the Act in areas such as hours of work and work periods, rates of overtime compensation, and other provisions.

Non-Exempt Employees. Non-exempt employees will be paid at a straight time rate for hours up to the FLSA established limit for their position (usually 40 hours in a 7 day period; 171 hours for police and 212 for paid fire personnel in a 28 day cycle). Hours worked beyond the FLSA established limit will be compensated in pay at the appropriate overtime rate. In determining eligibility for overtime in a work period, only hours actually worked shall be considered. In no event will holidays, vacation, sick leave or compensatory time taken be counted toward the total hours for the purpose of overtime compensation.

Whenever practicable, departments will schedule time off on an hour-for-hour basis within the applicable work period for non-exempt employees (work period is seven days for most employees; twenty-eight days for law enforcement and paid fire), instead of paying overtime. When time off within the work period cannot be granted, overtime worked will be compensated in accordance with the FLSA.

Exempt Employees. Employees in positions determined to be "exempt" from the FLSA (as Executive, Administrative, or Professional staff) will not receive pay for hours worked in excess

of their normal work periods. These employees may be granted compensatory leave by their supervisor where the convenience of the department allows and in accordance with procedures established by the Town Manager. Such compensatory time is not guaranteed to be taken and ends without compensation upon separation from the organization.

The Town intends to make deductions from the pay of exempt employees only for authorized reasons and prohibits improper pay deductions. Exempt employees who wish to question deductions they believe to be improper should contact the Human Resources Office. The reports will be investigated. If the deduction is found to be improper the Town will reimburse the employee for lost pay.

Section 14. Call-back and Stand-by Pay

The Town provides a continuous twenty-four hour a day, seven day a week service to its customers. Therefore, it is necessary for certain employees to respond to any reasonable request for duty at any hour of the day or night. One of the conditions of employment with the Town is the acceptance of a share of the responsibility for continuous service, in accordance with the nature of each job position. If an employee fails to respond to reasonable calls for emergency service, either special or routine, the employee shall be subject to disciplinary actions up to and including dismissal.

Stand-by. Non-exempt employees required to be on "stand-by" duty will be paid one hour for each week day and two hours for each Saturday, Sunday or holiday or the actual hours worked whichever is greater. Hours actually worked while on stand-by are calculated beginning when the employee reports to the work site and are added to the regular total of hours worked for the week.

Stand-by time is defined as that time when an employee must wear a pager or otherwise restrict personal activities or travel in order to be ready to respond when called.

Call-back. Non-exempt employees will be guaranteed a minimum payment of two hours of wages per twenty-four hour period for being called back to work outside of normal working hours when not on stand-by. "Call-back" provisions do not apply to previously scheduled overtime work (scheduled one or more days in advance).

Section 15. Payroll Deductions

Deductions shall be made from each employee's salary, as required by law. Additional deductions may be made upon the request of the employee on determination by the Town Manager as to capability of payroll equipment and appropriateness of the deduction.

Section 16. Hourly Rate of Pay

Employees working in a part-time or temporary capacity with the same duties as full-time employees will work at a rate in the same salary range as the full-time employees. The hourly rate for employees working other than 40 hours per week, such as police officers and firefighters, will be determined by dividing the average number of hours scheduled per year into the annual salary for the position.

Section 17. Pay for "Interim" Assignment in a Higher Level Classification

An employee who is formally designated for a period of at least one month to perform the duties of a job that is assigned to a higher salary grade than that of the employee's regular classification shall receive an increase for the duration of the interim assignment. The employee shall normally receive a salary adjustment to the minimum rate of the job in which the employee is acting or an increase of five percent (5%) whichever is higher. Criteria involved in determining the amount of compensation shall include 1) the difference between the existing job and that being filled on a temporary basis, and 2) the degree to which the employee is expected to fulfill all the duties of the temporary assignment.

The salary increase shall be temporary and the employee shall go back to the salary he or she would have had if not assigned to the "acting" role upon completion of the assignment.

Section 18. Longevity Pay

Full-time and part-time employees are compensated for continuous years of service as of November 1, each year by payment of a longevity supplement. Longevity for part-time employees is a pro-rata amount based on their average workweek. Longevity is paid on the last payroll in November. Continuous service is continuous employment including any approved leave or involuntary reduction in force.

Longevity pay is subject to funding approval as part of the annual budget process. In years when performance pay is authorized, longevity amounts shall be as follows:

<u>Years of Service</u>	<u>Longevity Amount</u>
0 - 2 years	\$ 50
3 - 4 years	\$100
5 - 9 years	\$250
10 - 14 years	\$350
15 - 19 years	\$500
20 + years	\$750

ARTICLE IV. RECRUITMENT AND EMPLOYMENT

Section 1. Equal Employment Opportunity Policy

It is the policy of the Town to foster, maintain and promote equal employment opportunity. The Town shall select employees on the basis of the applicant's qualifications for the job and award them, with respect to compensation and opportunity for training and advancement, including upgrading and promotion, without regard to age, sex, race, color, religion, national origin, disability, political affiliation, marital status, or genetic information. Applicants with physical disabilities shall be given equal consideration with other applicants for positions in which their disabilities do not represent an unreasonable barrier to satisfactory performance of required duties with or without reasonable accommodation.

Section 2. Implementation of Equal Employment Opportunity Policy

All personnel responsible for recruitment and employment will continue to review regularly the implementation of this personnel policy and relevant practices to assure that equal employment opportunity based on reasonable, job-related requirements is being actively observed to the end that no employee or applicant for employment shall suffer discrimination because of age, sex, race, color, religion, disability, national origin, political affiliation, marital status, or genetic information. Notices with regard to equal employment matters shall be posted in conspicuous places on Town premises in places where notices are customarily posted.

Section 3. Recruitment, Selection and Appointment

Recruitment Sources. When position vacancies occur, the Human Resources Officer shall publicize these opportunities for employment, including applicable salary information and employment qualifications. Information on job openings and hiring practices will be published in local and/or other news media as necessary to inform the community and create a quality and diverse pool of applicants. In addition, notice of vacancies shall be posted at designated conspicuous sites within departments. Individuals shall be recruited from a geographic area as wide as necessary and for a period of time sufficient to ensure that well-qualified applicants are obtained for Town service. The North Carolina Employment Security Commission shall normally be used as a recruitment source. In rare situations because of emergency conditions, high turnover, etc., the Town may hire or promote without advertising jobs, upon approval of the Town Manager.

Job Advertisements. Employment advertisements shall contain assurances of equal employment opportunity and shall comply with Federal and State statutes.

Application for Employment. All persons expressing interest in employment with the Town shall be given the opportunity to file an application for employment for positions which are vacant.

Application Reserve File. Applications shall be kept in an inactive reserve file for a period of two years, in accordance with Equal Employment Opportunity Commission guidelines.

Selection. Department heads, with the assistance of the Human Resources Officer, shall make such investigations and conduct such examinations as necessary to assess accurately the

knowledge, skills, and experience qualifications required for the position. All selection devices administered by the Town shall be valid measures of job performance.

Appointment. The department head shall recommend approval of appointments and the starting salary for all applicants to the Town Manager if the requested salary is above the minimum rate for the position.

Section 4. Probationary Period

An employee appointed or promoted to a permanent position shall serve a probationary period. Employees shall serve a six month probationary period, except that sworn police officers and firefighters shall serve a twelve month probationary period. Employees hired as "trainees" shall remain on probation until the provisions of their traineeship are satisfied.

An important purpose of the probationary period is to provide an opportunity for the appointee to adjust to the new job. Likewise it serves as a trial period during which the employee demonstrates his or her ability to perform the work, to accept additional responsibility, to demonstrate good work habits and to work well with the public and fellow employees. During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. Before the end of the probationary period, the supervisor shall conduct a performance evaluation conference with the employee and discuss accomplishments, strengths, and needed improvements. A summary of this discussion shall be documented in the employee's personnel file. The supervisor shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted, or dismissed. Probationary periods may be extended for a maximum of six additional months.

Disciplinary action, including demotion and dismissal, may be taken at any time during the probationary period of a new hire without following the steps outlined in this Policy for disciplinary action.

A promoted employee who does not successfully complete the probationary period may be transferred or demoted to a position in which the employee shows promise of success. If no such position is available, the employee shall be dismissed. Promoted employees retain all other rights and benefits such as the right to use the grievance procedure.

Section 5. Promotion

Promotion is the movement of an employee from one position to a vacant position in a class assigned to a higher salary range. It is the Town's policy to create career opportunities for its employees whenever possible. Therefore, when a current employee applying for a vacant position is best suited of all applicants, that applicant shall be appointed to that position.

The Town will balance three goals in the employment process:

1. the benefits to employees and the organization of promotion from within;
2. providing equal employment opportunity and a diversified workforce to the community; and

3. obtaining the best possible employee who will provide the most productivity in that position.

Therefore, except in rare situations where previous Town experience is essential (such as promotions to Police Sergeant), or exceptional qualifications of an internal candidate so indicate, the Town will consider external and internal candidates rather than automatically promote from within. Candidates for promotion shall be chosen on the basis of their qualifications and their work records. Internal candidates shall apply for promotions using the same application process as external candidates.

Department heads are responsible for developing staff capacity to provide back-up for coworkers and higher level positions; to prepare staff and the organization for smooth transitions; and to insure capability to cover interim absences and vacancies.

Section 6. Demotion

Demotion is the movement of an employee from one position to a position in a class assigned to a lower salary range. Demotion may be voluntary or involuntary. An employee whose work or conduct in the current position is unsatisfactory may be demoted provided that the employee shows promise of becoming a satisfactory employee in the lower position. Such disciplinary demotion shall follow the disciplinary procedures outlined in this Policy.

An employee who wishes to accept a position with less complex duties and reduced responsibilities may request a voluntary demotion. A voluntary demotion is not a disciplinary action and is made without using the above-referenced disciplinary procedures.

Section 7. Transfer

Transfer is the movement of an employee from one position to a position in a class in the same salary range. If a vacancy occurs and an employee in another department is eligible for a transfer, the employee shall apply for the transfer using the usual application process.

A department head wishing to transfer an employee to a different department or classification shall make a recommendation through the Human Resources Officer to the Town Manager with the consent of the receiving department head. Any employee transferred without requesting the action may appeal the action in accordance with the grievance procedure outlined in this policy. An employee who has successfully completed a probationary period may be transferred into the same classification without serving another probationary period.

ARTICLE V. CONDITIONS OF EMPLOYMENT

Section 1. Work Schedule and Attendance

Department heads shall establish work schedules, with the approval of the Town Manager, which meet the operational needs of the department in the most cost effective manner possible:

Because Town services are essential and continuous, an employee shall avoid unnecessary absences and tardiness. Attendance and punctuality are important responsibilities of the employee. Frequent unexcused absences or tardiness for any reason other than reasons permitted under applicable law will subject an employee to disciplinary action up to and including dismissal.

The employee is required to call his supervisor by the start of the employee's work day when at all possible to advise him/her when illness prevents reporting to work, or when the employee expects to be late for work because of unusual and unavoidable circumstances. A shift employee must notify his/her supervisor prior to the leave or not later than two hours prior to the beginning of the shift. Whenever possible the employee should give as much prior notice as possible to allow the supervisor to make work adjustments necessitated by the absence.

If an employee is away from the job for three consecutive work days without notice, it will be presumed that the employee has resigned.

Section 2. Political Activity

Each employee has a civic responsibility to support good government by every available means and in every appropriate manner. Each employee may join or affiliate with civic organizations of a partisan or political nature, may attend political meetings, may advocate and support the principles or policies of civic or political organizations in accordance with the Constitution and laws of the State of North Carolina and in accordance with the Constitution and laws of the United States. However, no employee shall:

1. Engage in any political or partisan activity while on duty;
2. Use official authority or influence for the purpose of interfering with or affecting the result of a nomination or an election for office;
3. Be required as a duty of employment or as condition for employment, promotion or tenure of office to contribute funds for political or partisan purposes;
4. Coerce or compel contributions from another employee of the Town for political or partisan purposes;
5. Use any supplies or equipment of the Town for political or partisan purposes; or
6. Be a candidate for nomination or election to office under the Town Charter.

Any violation of this section shall subject the employee to disciplinary action including dismissal.

Section 3. Outside Employment

The work of the Town shall have precedence over other occupational interests of employees. All outside employment for salaries, wages, or commission and all self-employment must be reported in advance to the employee's supervisor, who in turn will report it to the department head. The department head will review such employment for possible conflict of interest and decide whether to approve the work. Conflicting or unreported outside employment is grounds for disciplinary action up to and including dismissal. Documentation of the approval of outside employment will be placed in the employee's personnel file.

Examples of conflicts of interest in outside employment include but are not limited to:

1. employment with organizations or in capacities that are regulated by the employee or employee's department; or
2. employment with organizations or in capacities that negatively impact the employees' perceived integrity, neutrality, or reputation related to performance of the employees' town duties.

Full-time law enforcement officers and part-time reserve officers may elect to work scheduled shifts for off-duty security as coordinated by the Town. Outside employment for off-duty security work is assigned on a voluntary basis. Off-duty officers working security positions as coordinated by the Town remain employees of the Town and will be compensated and insured as per the "Outside Employment for Off-Duty Security" agreement.

Section 4. Dual Employment

A full or part-time employee of the Town may simultaneously hold another position with the Town if the temporary position is in a different department and/or clearly different program area from that of the full or part-time position and the employment in the temporary position is occasional or sporadic. However, the work of the full or part-time position shall take precedence over the temporary position, and such work will not count toward the calculation of overtime for pay or time off.

Section 5. Employment of Relatives

The Town prohibits the hiring and employment of immediate family in permanent positions within the same work unit. "Immediate Family" is defined in Article VII, Section 12. The Town also prohibits the employment of any person into a permanent position who is an immediate family member of individuals holding the following positions: Mayor, Mayor Pro Tem, Town Council Member, Town Manager, Finance Director, Human Resources Officer, Town Clerk, or Town Attorney. Otherwise, the Town will consider employing family members or related persons in the service of the Town, provided that such employment does not:

1. result in a relative supervising relatives;
2. result in a relative auditing the work of a relative;
3. create a conflict of interest with either relative and the Town; or

4. create the potential or perception of favoritism.

This clause shall not be retroactive concerning any relative currently working for the Town at the time of adoption.

Section 6. Harassment Prohibited

The Town prohibits harassment in any form that is based on race, color, religion, gender, national origin, age, disability, or genetic information. Harassment is defined as conduct that culminates in tangible employment action or is sufficiently severe or pervasive as to create a hostile work environment.

A particular form of harassment, sexual harassment, is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment includes repeated offensive sexual remarks, continual or repeated comments about an individual's body and offensive sexual language.

Any employee who believes that he or she may have a complaint of harassment may follow the Grievance Procedure described in this Policy or may file the complaint directly with the Human Resources Officer, Town Manager, or any department head who will advise the Human Resources Officer of the complaint. The Human Resources Officer will ensure that an investigation is conducted into any allegation of harassment and will advise the employee and appropriate management officials of the outcome of the investigation.

Employees witnessing harassment shall also report such conduct to an appropriate Town manager.

Section 7. Expectation of Ethical Conduct

The proper operation of Town government requires:

1. that public officials and employees be independent, impartial, and responsible to the people;
2. that governmental decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain; and
3. that the public have confidence in the integrity of its government.

As stewards of public resources and holders of the public trust, Town employees are expected to uphold the highest standards of ethical conduct while fulfilling their job duties. This includes treating fellow employees and citizens honestly and with respect and courtesy.

No official or employee of the Town shall accept any gift, favor, or thing of value (more than \$50) that may tend to influence such employee in the discharge of the employee's duties, or grant in the discharge of duty an improper favor, service, or thing of value.

Section 8. Performance Evaluation

Supervisors and/or department heads shall conduct performance evaluation conferences with each employee at least once a year. These performance evaluations shall be documented in writing and placed in the employee's personnel file. Procedures for the performance evaluation program shall be published by the Town Manager.

Section 9. Safety

Safety is the responsibility of both the Town and employees. It is the policy of the Town to establish a safe work environment for employees. The Town has established a safety program with rules and procedures regarding safety practices and precautions and training in safety methods. Department heads and supervisors are responsible for ensuring the safe work procedures of all employees and providing necessary safety training programs.

Employees shall properly use all personal safety equipment required for the job, and shall follow all safety policies and procedures, and shall attend safety training programs as a condition of employment. Employees who violate such policies and procedures shall be subject to disciplinary action up to and including dismissal. For detailed safety requirements, refer to the "Town of Carolina Beach Safety and Health Risk Control Manual".

Section 10. Non-Violent Work Place

The Town of Carolina Beach is a non-violent workplace. Threats, threatening behavior, or acts of violence against employees, visitors, guests, or other individuals by anyone on Town property will not be tolerated. Workplace violence includes, but is not limited to, intimidation, threats, physical attacks, domestic violence or property damage committed by anyone against the Town or Town employees in the workplace.

All employees are responsible to help ensure that the Town avoids incidents of workplace violence. Employees shall not engage in or encourage another employee to engage in either physical or verbal confrontation with a potentially violent individual. Employees who overhear or become aware of any threatening communications from an employee or outside third party shall immediately report the information to the department head, Human Resources Officer or Town Manager.

If an employee feels that they have been threatened, they should report the occurrence immediately to their supervisor or department head who will in turn report the incident to the Human Resources Officer and Town Manager.

The Town will investigate all threats or incidences of violence related to the workplace and/or involving employees during work hours. When a threat has been reported or management determines that a potential for violence exists, management may require an employee to undergo an assessment to determine the risk of danger. The Town's Employees' Assistance Program (EAP) may be used to assist in facilitating a referral for assessment.

If an employee is charged with such behavior they will be subject to discipline, up to and including dismissal.

The Town will make efforts to protect victims of workplace violence by offering all available security measures.

Section 11. Weapons Prohibited

No person employed by the Town, either paid or volunteer, is permitted to possess any firearm or other dangerous weapon while performing duties, including while on Town property or any Town- owned vehicle or in any personal vehicle used by the employee to perform duties. (Law enforcement officers are exempt from this section while performing their law enforcement tasks.)

Violation of this policy will result in disciplinary action, up to and including dismissal for the first offense.

Section 12. Use of Town Property and Equipment

Equipment, Tools and Supplies. Town equipment, materials, tools and supplies shall not be available for personal use and are not to be removed from Town property except in the conduct of official Town business unless approved by the Town Manager. All offices, desks, files, lockers, etc. are considered Town property and are provided to the employee for the employee's use in his/her employment. The Town reserves the right to inspect all areas and articles that are on Town property. Any information or article which an employee considers private and/or personal should not be kept on Town property.

All Town property issued to the employee shall be returned to the employee's supervisor upon termination of employment prior to the issuance of the final pay check.

Vehicles. Employees driving any Town vehicle shall have a valid, appropriate operator's license for the vehicle operated, shall abide by all laws and regulations for the operation of vehicles, and operate the vehicle in a safe and responsible manner. Vehicles are to be used only for official Town business. Personal use of Town vehicles is strictly prohibited.

Only Town employees when serving in an official capacity are authorized to operate Town equipment unless prior authorization has been obtained from the Town Manager.

Employees are expected to care for vehicles and equipment owned by the Town in the same responsible manner in which he/she should care for his/her own.

An employee on call may be authorized to take a vehicle to his residence, with the approval of the Town Manager. No employee shall operate a Town vehicle nor use equipment while under

the influence of any substance that might impair the employee's ability to operate the vehicle safely.

Electronic Communications. The Town maintains electronic communications systems (e.g. voicemail, email, internet access) and provides access to telephones, computers, cell phones, or other electronic equipment to assist employees while conducting business for the Town. Employee access to the Town's electronic resources imposes certain responsibilities and obligations and is granted subject to relevant Town policies and local State and Federal laws. This equipment is for business use and any personal use must be brief, infrequent, not interfere with other employees' work (i.e. personal mass emails) and on the employee's own time. Except in the case of emergency, employees may not use Town cell phones for any personal phone calls.

Under no circumstances may employees use Town electronic equipment to send or receive any material that might be considered offensive including but not limited to pornography, comments or images which could be considered offensive to someone based on their sex, race, religion, national origin, age, disability or genetics.

Under North Carolina law, email sent or received by the Town, except in very limited circumstances, is considered a public record and is subject to inspection on request. All information created, stored or transmitted on or with Town resources are the property of the Town. The Town reserves the right to inspect or audit any documents, emails or messages sent or received on the Town's equipment. Except as authorized by the Town, employees may not read or listen to any electronic communication intended for others.

Each employee is responsible, in coordination with the employee's department head, for the security and integrity of Town information stored on the computer(s) assigned to the employee. Where automatic back-up is not available, the employee is responsible to create regular data back-ups, control access to the electronic systems, use available virus protection software and ensure protection of personal passwords. For additional information refer to the "Town of Carolina Beach Employee Computer, Email, Internet and Social Media Usage Guidelines".

Section 13. Social Media

The Town understands that many employees may enjoy and participate in various personal media sites (for example Facebook, Twitter, etc.). As holders of the public trust, employees are expected to exercise sound judgment and discretion in contributing to social media sites where information is available to numerous users. Except in emergency situations, employees may not use social media while at work.

When using social media, unless specifically authorized by the Town Manager, employees are prohibited from:

1. using personal social media to conduct any Town business;
2. disclosing any confidential or personnel information protected by law or policy;
3. using the Town's name in their identity or using any trademark, logo or other intellectual property;

4. wearing any uniform or insignia that identifies the employee as an employee of the Town of Carolina Beach;
5. using their official position or title in any communications;
6. any suggestion that they are speaking as a representative on behalf of the Town; employees must always identify that they are speaking as private citizens.

Employees should be aware that public speech including social media, unless it is protected by law, may subject the employee to liability under civil laws as well as the Town's policies. For additional information refer to the "Town of Carolina Beach Employee Computer, Email, Internet and Social Media Usage Guidelines".

Section 14. Uniforms and Appropriate Dress

The Town of Carolina Beach is a place of business and employees are expected to dress appropriately for the job being performed. Employees are expected to be aware that a citizen or visitor's perception of the Town may be formed by a single contact with a single employee and are expected to dress in a manner that shows respect for citizens and visitors.

Employees required to wear uniforms or other articles of clothing identifying them as a Town employee while on duty shall be furnished such uniforms or clothing by the Town. The employee must maintain uniforms and other clothing in a clean and presentable manner. Town employees shall not permit any unauthorized person to wear Town uniforms. All articles of clothing provided by the Town must be returned upon termination of employment prior to the final paycheck being issued.

Normal office attire for employees in Town Hall is business casual. Except for casual Fridays when dress jeans, Bermuda shorts, sandals and athletic shoes may be worn, employees are expected to wear long pants and collared shirts and/or dresses. Seasonal exceptions may be approved by the Town Manager.

Employees whose positions involve leisure activities may dress in athletic dress appropriate for the specific job being performed. When not participating in a leisure activity or when representing the Town in other than a leisure activity, these employees are expected to wear business casual dress.

In no case may any employee wear T-shirts with slogans or inappropriate language or graphics. Employees who have specific questions may address their questions to the Human Resources Officer.

Section 15. Substance Abuse

The Town is committed to a drug-free workplace to maintain a safe and healthy working environment for employees and a productive, effective work force for the Town's citizens. Department heads are responsible for ensuring the proper administration of the Substance Abuse Policy and for holding supervisors accountable for daily implementation of the policy.

The Town prohibits employees reporting to work with their ability to perform impaired by alcohol, illegal drugs, intentionally and inappropriately used prescriptions, over-the-counter drugs, or

other chemicals and substances. An employee who is using any over-the-counter or prescription medication which might impair the ability to safely perform his/her job shall notify the supervisor upon reporting to work.

The Town expressly prohibits the possession, sale, use distribution, manufacture or purchase of controlled substances or paraphernalia by Town employees on Town premises.

The Town shall comply with all federal, state and other laws and regulations regarding a drug free workplace and mandated testing for designated positions such as those requiring a COL.

Training. All employees will receive training on the dangers of controlled substances and alcohol abuse, the Town's policy on substance abuse and expectations, testing procedures, rehabilitation and disciplinary actions. Supervisory employees will receive additional periodic training on the administration of the policy and the required procedures to follow.

Pre-Employment. All applicants selected for employment will be required to have post-offer drug and alcohol tests prior to hiring. A confirmed positive result will result in the conditional offer of employment being withdrawn. If an applicant refuses to take the tests, the conditional offer of employment will be withdrawn.

Reasonable Suspicion. Drug tests, including alcohol, will be conducted on any Town employee when there is a reasonable suspicion based on objective, observable behaviors to indicate the employee may be impaired by any substance. This includes post-accident testing when there is a reasonable suspicion the accident was the result of an impairment based on any substance. Post-accident testing for CDL drivers will comply with the specific regulations applicable to COL drivers.

Random Testing. Where authorized by federal law, the Town will conduct random and post-accident drug testing for employees subject to federal Department of Transportation drug testing regulations. Employees in designated safety sensitive positions are also subject to random testing.

Rehabilitation. Employees who voluntarily notify the Town of a dependency prior to being required to submit to a drug or alcohol test will be allowed to enter a certified rehabilitation program and will be allowed to use leave while in the program. Return to work will be authorized upon certification to the Human Resources Officer of successful completion of the rehabilitation program.

Disciplinary Action. Refusal to submit to a drug or alcohol test under this policy or testing positive for a controlled substance will result in disciplinary action up to and including dismissal.

The Human Resources Officer is responsible for recommending for the Town Manager's approval all necessary procedures to implement and administer the substance abuse policy and federal and state regulations regarding a drug free workplace. For details on procedures and additional information see "Town of Carolina Beach Substance Abuse Manual".

ARTICLE VI. EMPLOYEE BENEFITS

Section 1. Eligibility

All full-time employees of the Town are eligible for employee benefits as provided for in this policy. These benefits are subject to change at the Town's discretion and are subject to annual budget appropriation. Part-time, temporary and seasonal employees are eligible only for legally required benefits such as workers' compensation and FICA.

Employees who are retired military in receipt of group health insurance through Tricare may voluntarily elect to waive the town's group health insurance. If the employee elects to waive his/her eligibility then the Town will reimburse the employee for their insurance for any level of coverage up to \$500 per year.

Section 2. Group Insurance-Health, Dental, and Short-Term Disability

The Town provides group insurance including health, dental, and short-term disability benefits to full-time employees and their families as specified under the terms of the group insurance contract.

The Town contributes to the cost of health, dental and short-term disability insurance for full-time employees. Full-time employees may, if they so desire, purchase available group health and dental coverage through the Town for qualified dependents within the stipulations of the insurance contract. Employees will pay the total cost of dependent coverage unless otherwise provided.

New insurance participants may have waiting periods for pre-existing conditions reduced or waived by providing proof of previous insurance coverage with no break in coverage longer than 63 days immediately prior to coverage under the Town's insurance program as provided for in the Health Insurance Portability and Accountability Act (HIPAA).

Information concerning cost and benefits is available to all employees from the Human Resources Office.

Section 3. Group Life Insurance

The Town provides group life insurance for each full-time employee subject to the stipulations of the insurance contract. Currently, life insurance is provided by the Town in the amount of one times the employee's salary rounded to the nearest \$1,000, and is subject to annual budget appropriation. Employees may elect to purchase additional coverage and/or to insure other family members at their expense subject to the stipulations of the insurance contract.

Section 4. Other Optional Group Insurance Plans

The Town may make other group insurance plans available to employees upon authorization of the Town Manager or Town Council.

Section 5. Retiree Benefits

Retirees under age 65 with at least 5 years of continuous years of service with the Town of Carolina Beach may continue to participate in the Town's group health and dental plans, subject to the stipulations of the insurance contract, according to the schedule as follows:

<u>Continuous Years of Service</u>	<u>Amount Paid by Town</u>
20 + years	100%
15-19 years	50%
5-14 years	0%

Retirees with 5 to 14 years of continuous service with the Town of Carolina Beach may elect to continue on the Town's group health and dental plans; however, the retiree is responsible for paying the entire premium for coverage.

Retired employees who elect to continue with family coverage on the Town's health and/or dental plans are responsible for paying the entire family coverage cost.

When the retiree turns 65 years of age and becomes eligible for Medicare, the Town will provide the same level of coverage for the Medicare Supplement premium, offered through the Town's insurance program, as before age 65.

Retired employees who are also retired military on Tricare who voluntarily elect to waive the Town's group health insurance and at age 65 become recipients of Medicare are eligible to receive reimbursement for their Medicare insurance premium up to the regular premium paid for the Town's group insurance.

Information concerning benefits and their cost is available to all retirees from the Human Resources Officer.

Section 6. Retirement

Each employee who is expected to work for the Town more than 1,000 hours annually shall join the North Carolina Local Governmental Employees' Retirement System on the first day eligible as a condition of employment as defined by the Retirement System.

Employees contribute six percent (6%) of salary each payroll with an actuarial match by the Town as determined by the North Carolina Local Governmental Employee's Retirement System.

Section 7. Supplemental Retirement Benefits

The Town may provide supplemental retirement benefits for its full-time employees. As prescribed by North Carolina State Law, the Town will contribute a percentage of salary to the State 401-K plan for each sworn law enforcement officer currently five percent (5%) beginning after 30 days of employment. The Town may provide, subject to appropriation by the Town Council, supplemental 401-K benefits for non-sworn full-time employees. All full-time employees may make voluntary contributions to the 401-K plan up to the limits established by law and the 401-K provider.

Section 8. Law Enforcement Separation Allowance

A Separation Allowance is available to qualified retiring law enforcement officers according to the conditions set forth in NC 143-166.42.

Currently the law enforcement separation allowance is "equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service".

To qualify for the allowance law enforcement officers will have completed 30 or more years of creditable service or have attained 55 years of age and completed 5 or more years of service as a sworn law enforcement officer with at least 50% of their creditable retirement service in law enforcement. Documentation must be provided by the North Carolina Local Governmental Employees' Retirement System to determine and verify "years of creditable service" to be used in the formula.

The Separation Allowance benefit will cease at the death of the individual or on the last day of the month in which he/she attains 62 years of age or upon the first day of re-employment with any local governmental employer. Notwithstanding these provisions, a local government employer may employ retired officers in a public safety position in a capacity not requiring participation in the Local Governmental Employees Retirement System, and in doing so shall not cause payment to cease to those officers under the provisions of this section.

After cessation of special separation allowance payments under this policy and by Town Resolution No. 08-907, such benefits shall not reinitiate upon a change in circumstances of the retired employee.

Should the separation allowance for law enforcement officers, now required by law, be rescinded, this separation allowance shall be rescinded at the same time.

Section 9. Social Security

The Town, to the extent of its lawful authority and power, extends Social Security benefits for its eligible employees and eligible groups and classes of such employees.

Section 10. Workers' Compensation

All employees of the Town (full-time, part-time, and temporary) are covered by the North Carolina Workers' Compensation Act and are required to report all injuries arising out of and in the course of employment to their immediate supervisors at the time of the injury in order that appropriate action may be taken at once.

Employees may use sick and vacation leave and/or compensatory time earned both during the waiting period before Workers' Compensation benefits begin, and afterward to supplement the remaining one-third of salary, except that employee may not exceed the regular salary amount using this provision. This provision also applies to reactions to small pox vaccinations administered to Town employees under Section 304 of the Homeland Security Act. Such reactions shall be treated the same as any other Workers' Compensation claim as regards leave and salary continuation.

Responsibility for claiming compensation under the Workers' Compensation Act is the injured employee's, and such claims should be filed with the North Carolina Industrial Commission within five days of the date of injury and must be filed with two years from the date of injury. The Human Resources Officer will assist the employee in filing the claim.

Section 11. Unemployment Compensation

In accordance with Public Law 94-566 and subsequent amendments, local governments are covered by unemployment insurance. Town employees who are terminated due to a reduction in force or released from Town service may apply for benefits through the local Employment Security Commission office, where a determination of eligibility will be made.

Section 12. COBRA Continuation

COBRA provides for employees and their covered dependents to continue health, dental and vision coverage if coverage would otherwise end because of certain qualifying events.

Employees and covered dependents are eligible for up to 18 months of continuation coverage if the employee terminates employment (except for gross misconduct) or work hours are reduced causing a loss of group benefits.

Employees and covered dependents are eligible to continue coverage for up to 29 months if the employee retires due to total disability as determined by Social Security and Medicare.

Covered dependents are eligible for up to 36 months of continuation coverage if their coverage is, or would normally be, terminated because of the employee's death, divorce or legal separation, Medicare qualification or if the dependent child ceases to be a dependent under the terms of the group contract.

COBRA participants shall pay the total cost of any coverage plus a two percent (2%) administrative fee. If a participant is eligible for and elects the 29 months continuation coverage for total disability, the costs will be 102% of the group rate for the first 18 months of coverage and 150% of the group rate for the last 11 months.

Failure to pay premiums in a timely manner, as defined by the COBRA law, will cause the participant to be terminated from coverage and he/she shall not be eligible for re-enrollment.

Section 13. Tuition Assistance Program

Full-time employees who have completed initial probation may apply for tuition reimbursement for courses taken on their own time which will improve their skills for their current job or prepare them for promotional opportunities with the Town.

Tuition, registration, fees, laboratory fees, and student fees are eligible expenses. Employees may be reimbursed eligible expenses up to a total of five hundred dollars (\$500) per fiscal year. Satisfactory completion of the courses will be required for reimbursement. Requests for tuition assistance shall be submitted to the Human Resources Office prior to course registration and

are subject to the review and approval of the department head and Town Manager, and are subject to availability of funds.

ARTICLE VII. HOLIDAYS AND LEAVES OF ABSENCE

Section 1. Policy

The policy of the Town is to provide vacation, sick leave, and holiday leave to all full-time and part-time employees, and to provide proportionately equivalent amounts to employees having average work weeks of different lengths. Leave balances accrue with each bi-weekly payroll at a pro-rated amount when employees work or are on a paid leave status. Leave balances are provided to employees with each paycheck including net accrued sick leave, vacation, etc.

Section 2. Holidays

The Town will follow the same holiday schedule as the State of North Carolina. At the beginning of each calendar or fiscal year, Town management, aided by the Human Resources Officer, will publish a list of holidays with dates to be followed for the year and distribute it to employees.

When any recognized holiday falls on Saturday, Friday will be observed. When the holiday falls on Sunday, the following Monday will be the designated holiday.

In order to receive a paid holiday, an employee must be in a paid status before and after the holiday.

Employees wishing to schedule time off for religious observances, other than those observed by the Town, may request vacation leave from their respective department head. The department head will attempt to arrange the work schedule so that an employee may be granted vacation leave for the religious observance. Vacation leave for religious observances may be denied only when granting leave would create an undue hardship for the Town.

Section 3. Holidays: Effect on Other Types of Leave

Regular holidays which occur during a vacation, sick or other leave period of any employee shall not be considered as vacation, sick, or other leave.

Section 4. Holidays: Compensation When Work is Required or Regularly Scheduled Off for Shift Personnel

Employees required to perform work on regularly scheduled holidays will be paid at their hourly rate for hours actually worked in addition to any holiday pay granted by the Town.

If a holiday falls on a regularly scheduled off-duty day for shift personnel, the employee shall receive the hours for paid holiday leave. Departments with employees working a shift schedule may elect to compensate those employees for working on the "true" holiday rather than the designated holiday. Holiday pay will be calculated according to the formula in Section 16 of this article.

Section 5. Vacation Leave

Vacation leave may be used for rest and relaxation, school appointments, medical appointments, and other personal needs.

Employees wishing to schedule time off for religious observances, other than those observed by the Town, may request vacation leave from their respective department head. The department head will attempt to arrange the work schedule so that an employee may be granted vacation leave for the religious observance. Vacation leave for religious observances may be denied only when granting leave would create an undue hardship for the Town

Section 6. Vacation Leave: Use by Probationary Employees

Employees serving a probationary period following initial employment shall be permitted to take accumulated vacation leave during the probationary period.

Section 7. Vacation Leave: Accrual Rate

Each full and part-time employee of the Town shall earn vacation at the following schedule, prorated by the average number of hours scheduled in the workweek:

<u>Years of Service</u>	<u>Days Accrued Per Year</u>
0 - 4 years	12
5 - 9 years	15
10 - 14 years	18
15 - 19 years	21
20 + years	24

Vacation is accrued in each payroll period. Employees working greater or fewer hours than forty will have their vacation leave prorated based upon the formula in Section 16 of this Article.

Section 8. Vacation Leave: Maximum Accumulation

Vacation leave may be accumulated without any applicable maximum until December 31 of each year. Effective with the last payroll in the calendar year, any employee with more than 240 hours of accumulated leave shall have the excess accumulation removed so that only 240 hours are carried forward to January 1 of the next calendar year. Employees are not eligible to receive pay for vacation time not taken.

Employees will have the excess vacation leave (over the 240 hours maximum) converted to sick leave.

Employees are cautioned not to retain excess accumulated vacation leave until late in the year. Because of the necessity to keep all functions in operation, large numbers of employees cannot be granted vacation leave at any one time. If an employee has excess leave accumulation during the latter part of the year and is unable to take such leave because of staffing demands, the employee shall receive no special consideration either in having vacation leave scheduled or in receiving any exception to the maximum accumulation.

Regardless of accumulated balance if the employee separates from service, payment for accumulated vacation leave shall not exceed 240 hours.

Section 9. Vacation Leave: Manner of Taking

Employees should request vacation leave two weeks in advance. Employees shall be granted the use of earned vacation leave at those times designated by the department head which will least obstruct normal operations of the Town. Department heads are responsible for ensuring that approved vacation leave does not hinder the effectiveness of service delivery. Vacation may be taken in one hour increments. An exception to this section may be granted by the Town Manager.

Section 10. Vacation Leave: Payment upon Separation or Retirement

An employee who has successfully completed six months of the probationary period will normally be paid for accumulated vacation leave upon separation, subject to a 240 hours maximum, provided written notice is given to the supervisor at least two weeks in advance of the effective date of resignation (minimum of 30 days notice for department heads). Any employee failing to give the written notice required by this section shall forfeit payment for accumulated leave. The notice requirement may be waived by the Town Manager when deemed to be in the best interest of the Town.

An employee retiring under the provisions of the North Carolina Local Government Retirement System may have any excess vacation (above the 240 hours maximum) converted to sick leave and used for retirement service credit.

Section 11. Vacation Leave: Payment Upon Death

The estate of an employee who dies while employed by the Town shall be entitled to payment of all the accumulated vacation leave credited to the employee's account not to exceed 240 hours.

Section 12. Sick Leave

Sick Leave with pay is a privilege granted to employees by the Town, not a right, and may be used only for the purposes described in this Policy. Sick leave may be granted to an employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examinations or treatment, or exposure to a contagious disease, when continuing work might jeopardize the health of others.

Sick leave may be used when an employee must care for a member of his or her immediate family who is ill or needs medical care. "Immediate family" shall be defined as spouse, child, parent brother, sister, grandparent, grandchild, and the various combinations of "step", "in-law", and adopted relationships of the employee or guardian.

Sick leave may also be used to supplement Workers' Compensation Disability Leave both during the waiting period before Workers' Compensation benefits begin, and afterward to supplement the remaining one third of salary, except that the employee may not exceed the regular gross salary amount using this provision.

Section 13. Sick Leave: Accrual Rate, Accumulation and Manner of Taking

Sick leave shall accrue at a rate of one day per month of service or twelve days per year for employees working a forty hour work week. Sick leave for full-time and part-time employees working other than the basic work schedule shall be pro-rated as described in Section 16 of this Article.

Notification of the desire to take sick leave shall be submitted to the employee's supervisor prior to the leave or not later than two hours after the beginning of a scheduled work day. An employee who works in shifts must notify his/her supervisor of the desire to take sick leave prior to leave or not later than two hours prior to the beginning of the shift. Failure to so notify the appropriate supervisor may result in disciplinary action.

Sick leave will be cumulative for an indefinite period of time and may be converted upon retirement for service credit consistent with the provisions of the North Carolina Local Government Employees' Retirement System.

All sick leave accumulated by an employee shall end and terminate without compensation when the employee resigns or is separated from the Town, except as stated for employees retiring or terminated due to reduction in force and are re-instated.

Section 14. Transfer of Sick Leave from Previous Employer

The Town will accept the transfer of sick leave for employees from other employers who are participants of the North Carolina Local Government or State Employees Retirement System. The sick leave will be treated as though it were earned with the Town of Carolina Beach. The sick leave amount must be certified by the previous employer, and it is the employee's responsibility to provide documentation from the previous employer within 30 days of employment with the Town of Carolina Beach.

This sick leave, transferred from a previous employer, may be taken after the employee successfully completes the first six months of employment.

Section 15. Sick Leave: Medical Certification

The employee's supervisor or department head may require a physician's certificate stating the nature of the employee's or employee's family member's illness and the employee's capacity to resume duties, for each occasion on which an employee uses sick leave or whenever the supervisor observes a "pattern of absenteeism." The employee may be required to submit to such medical examination or inquiry as the department head deems desirable. The department head shall be responsible for the application of this provision to the end that:

1. employees shall not be on duty when they might endanger their health or the health of other employees; and
2. there will be no abuse of leave privileges.

Claiming sick leave under false pretense to obtain a day off with pay shall subject the employee to disciplinary action up to and including dismissal.

Section 16. Leave Pro-rated

Holiday, annual, and sick leave earned by full-time and part-time employees with fewer or more hours than the basic work week shall be determined by the following formula:

1. The number of hours worked by such employees shall be divided by the number of hours in the basic work week (usually 40 hours).
2. The proportion obtained in step 1 shall be multiplied by the number of hours of leave earned annually by employees working the basic work week.
3. The number of hours in step 2 divided by 12 shall be the number of hours of leave earned monthly by the employees concerned, divided by 26 shall be the number of hours of leave earned per bi-weekly payroll period.

This means that full-time law enforcement officers scheduled for an average 42 hour week earn 8.4 hours for each day of sick, vacation, or holiday leave they earn. Full-time paid firefighters earn 10.6 hours of leave.

Section 17. Family and Medical Leave

The Town will grant up to 12 weeks of family and medical leave per calendar year to eligible employees in accordance with the Family and Medical Leave Act of 1993 (FMLA). The leave may be paid (coordinated with the Town's Vacation and Sick Leave policies), unpaid, or a combination of paid and unpaid. Unpaid leave will be granted only when the employee has exhausted all appropriate types of paid leave. Additional time away from the job beyond the 12 week period may be approved in accordance with the Town's Leave without Pay policy.

To qualify for FMLA coverage, the employee must have worked for the employer 12 months or 52 weeks; these do not have to be consecutive. However, the employee must have worked 1,250 hours during the twelve month period immediately before the date when the FMLA time begins.

Family and medical leave can be used for the following reasons:

1. the birth of a child and in order to care for that child;
2. the placement of a child for adoption or foster care;
3. to care for a spouse, child, or parent with a serious health condition;
4. the serious health condition of the employee; or
5. military exigency.

A serious health condition is defined as a condition which requires inpatient care at a hospital, hospice, or residential medical care facility, or a condition which requires continuing care by a

licensed health care provider. This policy covers illness of a serious and long-term nature resulting in recurring or lengthy absences. Generally, a chronic or long term health condition which results in a period of incapacity or more than three days would be considered a serious health condition.

If a husband and wife both work for the Town and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (not parent in-law) with a serious health condition, the husband and wife together may only take a total of 12 weeks leave under FMLA.

An employee taking leave for the birth of a child may use paid sick leave for the period of actual disability, based on medical certification. The employee shall then use all paid vacation, accumulated compensatory time or leave without pay for the remainder of the 12 week period.

"Military Exigency" is a qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a military service member (reserve or national guard member) under a call or order to federal active duty in support of a contingency operation. Qualifying events are:

1. deployment of service member with seven or fewer days notice;
2. military ceremonies and events such as family-assistance or informational programs related to the family member's active duty or call to active duty;
3. urgent, immediate childcare or arranging for alternative childcare for the children of service members;
4. attending school or daycare meetings relating to the child of service member;
5. making financial or legal arrangements related to a family member's active duty status or call to active duty; or
6. post-deployment activities for a period of ninety days after the termination of the service member's active duty status.

Military Caregiver Leave: An employee whose spouse, son, daughter, parent or next of kin is a current service member who is undergoing treatment, therapy, recuperation or outpatient treatment or has temporary disability retirement for injury or illness sustained in the line of duty, is eligible for 26 weeks of FMLA leave in a single 12 month period. During a single 12 month period, the employee is eligible for a total of 26 weeks of all types of FMLA Leave combined.

The request for the use of leave must be made in writing by the employee and approved by the department head or Town Manager.

An employee who takes leave under this policy will return to the same job or a job with equivalent status, pay, benefits, and other employment terms. The position will be the same or one which entails substantially equivalent skill, effort, responsibility, and authority.

Section 18. Family and Medical Leave - Certification

In order to qualify for leave under this law, the Town requires medical certification. This statement from the employee's or the family member's physician should include the date when the condition began, its expected duration, diagnosis, and brief statement of treatment. For the employee's own health condition, it should state that the employee is unable to perform the essential functions of his/her position. For a seriously ill family member, the certification must include a statement that the patient requires assistance and the employee's presence would be beneficial or desirable.

This certification should be furnished at least 30 days prior to the needed leave unless the employee's or family member's condition is a sudden one. The certification should be furnished as soon as possible (no longer than 15 days from the date of the employee's request). The certification and request must be made to the department head and filed with the Human Resources Officer.

The employee is expected to return to work at the end of the time frame stated in the medical certification, unless he/she has requested additional time in writing under the Town's Leave Without Pay or other applicable policies.

Section 19. Family and Medical Leave: Retention and Continuation of Benefits

When an employee is on leave under FMLA the Town will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. If an employee chooses not to return to work for reasons other than a continued serious health condition, the Town will require the reimbursement of the amount paid for the employee's health insurance premium during the FMLA leave period.

Other insurance and payroll deductions are the responsibility of the employee and the employee must make those payments for continued coverage of that benefit.

Section 20. Leave Without Pay

A full or part-time employee may be granted a leave of absence without pay for a period of up to twelve months by the Town Manager. The leave shall be used for reasons of personal disability after both sick leave and vacation have been exhausted, sickness or disability of immediate family members, continuation of education, special work that will permit the Town to benefit by the experience gained or the work performed, or for other reasons deemed justified by the Town Manager.

The employee shall apply in writing to the supervisor for leave. The employee is obligated to return to duty within or at the end of the time determined appropriate by the Town Manager. Upon returning to duty after being on leave without pay, the employee shall be entitled to return to the same position held at the time leave was granted or to one of like classification, seniority, and pay. If the employee decides not to return to work, the supervisor shall be notified immediately. Failure to report at the expiration of a leave of absence, unless an extension has been requested, shall be considered a resignation.

An employee shall retain all unused vacation and sick leave while on Leave without Pay. An employee ceases to earn leave credits on the date leave without pay begins. The employee may continue to be eligible for benefits under the Town's group insurance plans at his or her

own expense, subject to any regulation adopted by the Town Council and the regulations of the insurance carrier.

Section 21. Workers' Compensation Leave

An employee absent from duty because of sickness or disability covered by the North Carolina Workers' Compensation Act may elect to use accrued sick leave, vacation, or compensatory time during the first waiting period. The employee may also elect to supplement workers' compensation payments after they begin with sick leave, vacation, or compensatory time, provided that the combination of leave supplement and workers' compensation payments does not exceed normal compensation.

When workers' compensation leave extends long enough for the waiting period to be reimbursed, the employee shall return the reimbursement check to the Town and have leave hours re-instated for all time covered by paid leave. In such cases, the Town will pay the employee for any unpaid time that is owed the employee.

An employee on workers' compensation leave may be permitted to continue to be eligible for benefits under the Town's group insurance plans.

Section 22. Military Leave

The Town will fully comply with the requirements of the Uniformed Services Employment and Re- Employment Rights Act (USERRA) and other related federal regulations.

Regular employees who are members of an Armed Forces Reserve organization or National Guard shall be granted two calendar weeks per year for military training leave with pay. On rare occasions due to annual training being scheduled on a federal fiscal year basis; an employee may be required to attend two periods of training in one calendar year. For this purpose only, an employee shall be granted an additional ten days of military training leave during the same calendar year.

If the compensation received while on military training leave is less than the salary that would have been earned during this same period as a Town employee, the employee shall receive partial compensation equal to the difference. The effect will be to maintain the employee's salary at the normal level during this period.

If such duty is required beyond these ten workdays, the employee shall be eligible to take accumulated vacation leave or be placed in a leave without pay status, and the provisions of that leave shall apply. While taking military training leave, the employee's leave credits and other benefits shall continue to accrue as if the employee physically remained with the Town during this period.

Employees performing military duty of more than 30 days may elect to continue the town's health care for up to 24 months but will be responsible for paying the insurance premiums up to 102% of the premium costs. Employees whose military duty is less than 31 days will have their health insurance coverage paid as if they were at work with the Town.

Section 23. Reinstatement Following Military Service

An employee who volunteers or is called to active duty with the United States military forces, and who returns to work in less than five years will be returned to the same or like position he or she occupied prior to the active duty enlistment with full seniority, status, leave accrual rates and pay as if there had been no break in employment. A military discharge form "00214" with an honorable discharge must be submitted with the notification of intent to return to work.

Time limits for employees to reapply for return to work after release from military service and travel to their home are:

1. Less than 31 days absence- employee must report to employer by the next business day.
2. 31 days-180 days absence - notification to the supervisor must be submitted within 14 days.
3. More than 180 days absence - notification to the supervisor must be submitted within 90 days.

Section 24. Civil Leave

A Town employee called for jury duty or as a court witness for the federal or state governments, or a subdivision thereof, shall receive leave with pay for such duty during the required absence without charge to accumulated leave. The employee may keep fees and travel allowances received for jury or witness duty in addition to regular compensation; except, that employees must turn over to the Town any witness fees or travel allowance awarded by that court for court appearances in connection with official duties. While on civil leave, benefits and leave shall accrue as though on regular duty.

Section 25. Parental School Leave

A Town employee who is a parent, guardian, or person standing in loco parentis (in place of the parent) may take up to four hours of unpaid or paid leave (vacation or accrued compensatory leave) annually to involve him or herself in school activities of his or her child(ren). This leave is subject to the three following conditions:

1. The leave must be taken at a time mutually agreed upon by the employee and the Town;
2. The Town may require the employee to request the leave in writing at least 48 hours prior to the time of the desired leave; and
3. The Town may require written verification from the child's school that the employee was involved at the school during the leave time.

Section 26. Adverse Weather/Hazardous Conditions

The Town has responsibility for emergency services including law enforcement and fire fighting. Adequate staffing is required to operate these critical services seven days per week and 24 hours per day in all weather. Department heads should designate which staff members are in critical positions required to report to work regardless of weather or other hazardous conditions.

The adverse weather/hazardous conditions policy is established to be as fair as possible to all employees applying the following principles:

1. maintain adequate staffing at all times of emergency services;
2. provide for as much safety as possible for all employees in traveling to and from work in hazardous conditions; and
3. not pay regular salaries to some employees for not working when others are required to be at work.

Town offices and departments shall remain open for the full scheduled working day unless authorization for closing or other deviation is received from the Town Manager's office. The Manager will consider the hazard of driving conditions and other relevant factors in determining whether to close Town offices. All departments and offices will be given sufficient advance notice of any authorized closing of non-critical town functions. In the event of an authorized closing, non-critical staff may use vacation, earned compensatory time, or time without pay for the non-worked hours. Employees who leave work before an official early closing time, as well as employees who report for work late or do not report for work because of hazardous conditions may also use earned vacation or compensatory leave for days or hours not worked.

Section 27. Bereavement Leave

Bereavement Leave may be used for death in the employee's immediate family, as defined in Section 12, of this article, but may not exceed three days for any one occurrence. Additional leave time required for such occurrence may be charged to vacation or other approved leave such as compensatory time when approved by the department head and/or Town Manager. Bereavement Leave for those not covered by the immediate family definition may be charged to vacation or compensatory time.

ARTICLE VIII. SEPARATION AND REINSTATEMENT

Section 1. Types of Separations

All separations of employees from positions in the service of the Town shall be designated as one of the following types and shall be accomplished in the manner indicated: Resignation, reduction in force, disability, voluntary retirement, dismissal, or death.

Section 2. Resignation

An employee may resign by submitting the reasons for resignation and the effective date in writing to the immediate supervisor as far in advance as possible. In all instances, the minimum notice requirement is two weeks; 30 days notice is required for department heads. Failure to provide minimum notice shall result in forfeit of payment for accumulated vacation unless the notice is waived upon recommendation of the department head and approval by the Town Manager.

Three consecutive days of absence without contacting the immediate supervisor or department head will be considered to be a voluntary resignation. Sick leave will only be approved during the final two weeks of a notice with a physician's certification or comparable documentation.

Employees may only take sick and vacation leave in the final two weeks notice period when approved by the department head and Town Manager.

Section 3. Reduction in Force

In the event that a reduction in force becomes necessary, consideration shall be given to the quality of each employee's performance, organizational needs, and seniority in determining those employees to be retained. Employees who are separated because of a reduction in force shall be given at least two weeks notice of the anticipated action. No regular employee shall be separated because of a reduction in force while there are temporary or probationary employees serving in the same class in the department, unless the regular employee is not willing to transfer to the position held by the temporary or probationary employee.

Section 4. Disability

An employee who cannot perform the required duties because of a physical or mental impairment may be separated for disability. Action may be initiated by the employee or the Town. In cases initiated by the employee, such action must be accompanied by medical evidence acceptable to the Town Manager. The Town may require an examination, at the Town's expense, performed by a physician of the Town's choice.

Employees who meet the requirements of the North Carolina Local Governmental Employees Retirement System may qualify for a disability retirement. Information about this option is available from the Human Resources Officer or the Retirement System.

Section 5. Voluntary Retirement

An employee who meets the conditions set forth under the provision of the North Carolina Local Government Employee's Retirement System may elect to retire and receive all benefits earned under the retirement plan.

Section 6. Death

Separation shall be effective as of the date of death. All compensation due shall be paid to the estate of the employee.

Section 7. Dismissal

An employee may be dismissed in accordance with the provisions and procedures of Article IX.

Section 8. Reinstatement

An employee who is separated because of a reduction in force may be reinstated within one year of the date of separation, upon recommendation of the department head, and upon approval of the Town Manager. An employee who is reinstated in this manner shall be re-credited with his or her previously accrued sick leave.

An employee in good standing who is separated due to a reduction in force shall be given the first opportunity to be reinstated in the same or a similar position.

Section 9. Rehiring

An employee who resigns while in good standing may be rehired with the approval of the Town Manager, and may be regarded as a new employee, subject to all of the provisions of rules and regulations of this Policy.

ARTICLE IX. UNSATISFACTORY JOB PERFORMANCE AND DETRIMENTAL PERSONAL CONDUCT

Section 1. Disciplinary Action for Unsatisfactory Job Performance

A regular employee may be placed on disciplinary suspension, demoted, or dismissed for unsatisfactory job performance, if after following the procedure outlined below, the employee's job performance is still deemed to be unsatisfactory. The Human Resources Officer will be available to assist all parties with the procedures in taking or responding to disciplinary actions. All cases of disciplinary suspension, demotion, or dismissal must be approved by the Town Manager prior to giving final notice to the employee.

Section 2. Unsatisfactory Job Performance Defined

Unsatisfactory job performance includes any aspects of the employee's job which are not performed as required to meet the standards set by the department head.

Examples of unsatisfactory job performance include, but are not limited to, the following:

1. demonstrated inefficiency, negligence, or incompetence in the performance of duties;
2. careless, negligent or improper use of Town property or equipment;
3. physical or mental incapacity to perform duties after reasonable accommodation;
4. absence without approved leave;
5. repeated improper use of leave privileges;
6. habitual pattern of failure to report for duty at the assigned time and place;
7. failure to complete work within time frames established in work plan or work standards; or
8. failure to meet work standards over a period of time.

Section 3. Communication and Warning Procedures Preceding Disciplinary Action for Unsatisfactory Job Performance

When an employee's job performance is unsatisfactory, or when incidents or inappropriate actions warrant, the supervisor will meet with the employee as soon as possible in one or more counseling sessions to discuss specific performance problems. A brief summary of these counseling sessions should be noted in the employee's file by the supervisor.

An employee whose job performance is unsatisfactory over a period of time should normally receive at least two written warnings from the supervisor, one of which may be the final written warning, before disciplinary action is taken. In each case, the supervisor should record the dates of discussions with the employee, the performance deficiencies discussed, the corrective

actions recommended, and the time limits set. If the employee's performance continues to be unsatisfactory, then the supervisor should use the following steps:

1. A final written warning from the supervisor serving notice upon the employee that corrected performance must take place immediately in order to avoid suspension, demotion, or dismissal.
2. If performance does not improve, a written recommendation should be sent to the department head or Town Manager for disciplinary action such as suspension, demotion, or dismissal.

Disciplinary suspensions are for the purpose of communicating the seriousness of the performance deficiency, not for the purpose of punishment, and for nonexempt employees should not generally exceed three work days.

Under FLSA, unpaid disciplinary suspensions for exempt employees shall be for one full work week in order to retain the exempt status under FLSA. Under FLSA suspensions of exempt employees for less than a week are authorized for major safety violations or serious infractions of workplace conduct rules (detrimental personal conduct).

Section 4. Disciplinary Action for Detrimental Personal Conduct

With the approval of the Town Manager, an employee may be placed on disciplinary suspension, demoted, or dismissed without prior warning for causes relating to personal conduct detrimental to Town service in order to:

1. avoid undue disruption of work;
2. to protect the safety of persons or property; or
3. for other serious reasons.

In exigent circumstances, a department head or designated supervisor may, with or without prior approval, suspend employees for the remainder of the work day. In such cases, the department head shall immediately notify the Town Manager.

Section 5. Detrimental Personal Conduct Defined

Detrimental personal conduct includes behavior of such a serious detrimental nature that the functioning of the Town may be or has been impaired; the safety of persons or property may be or have been threatened; or the laws of any government may be or have been violated. Examples of detrimental personal conduct include, but are not limited to, the following:

1. fraud or theft;
2. conviction of a felony or the entry of a plea of nolo contendere thereto;
3. falsification of records for personal profit, to grant special privileges, or to obtain employment;

4. willful misuse or gross negligence in the handling of Town funds;
5. willful or wanton damage or destruction to property;
6. willful or wanton acts that endanger the lives and property of others;
7. possession of unauthorized firearms or other lethal weapons on the job;
8. brutality in the performance of duties;
9. discourteous treatment of the public or other employees or behaviors that discredit the organization;
10. reporting to work under the influence of alcohol or drugs or partaking of such while on duty; prescribed medication may be taken within the limits set by a physician as long as medically necessary;
11. engaging in incompatible employment or serving a conflicting interest;
12. request or acceptance of gifts in exchange for favors or influence;
13. engaging in political activity prohibited by this policy;
14. harassment of an employee or the public with threatening or obscene language and/or gestures;
15. harassment of an employee(s) and/or the public on the basis of sex or any other protected class status; or
16. insubordination or a stated refusal to perform assigned duties or a flagrant violation of work rules and regulations.

Section 6. Pre-dismissal Conference

Before dismissal action is taken, whether for failure in personal conduct or failure in performance of duties, the Town Manager and/or department head will conduct a pre-dismissal conference. At this conference, the employee may present any response to the proposed dismissal to the Town Manager or department head. The Town Manager or department head will consider the employee's response, if any, to the proposed dismissal, and will, within three working days following the pre-dismissal conference, notify the employee in writing of the final decision. If the employee is dismissed, the notice shall contain a statement of the reasons for the action and the employee's appeal rights under the Town's grievance procedure.

Section 7. Non-Disciplinary Suspension

During the investigation, hearing, or trial of an employee on any criminal charge, or during an investigation related to alleged detrimental personal conduct, or during the course of any civil action involving an employee, when suspension would, in the opinion of the department head, be in the best interest of the Town, the department head may suspend the employee for part or all of the proceedings as a non-disciplinary action. In such cases, the department head may:

1. temporarily relieve the employee of all duties and responsibilities and place the employee on paid or unpaid leave for the duration of the suspension, or
2. assign the employee new duties and responsibilities and allow the employee to receive such compensation as is in keeping with the new duties and responsibilities.

If the employee is reinstated following an unpaid suspension such employee shall not lose any compensation or benefits to which otherwise he/she would have been entitled had the suspension not occurred. If the employee is terminated following suspension, the employee shall not be eligible for any pay from the date of suspension; provided, however, all other benefits with the exception of accrued vacation and sick leave shall be maintained during the period of suspension.

ARTICLE X. GRIEVANCE PROCEDURE AND ADVERSE ACTION APPEAL

Section 1. Policy

It is the policy of the Town to provide a just procedure for the presentation, consideration, and disposition of employee grievances. The purpose of this article is to outline the procedure and to assure all employees that a response to their complaints and grievances will be prompt and fair.

Employees utilizing the grievance procedures shall not be subjected to retaliation or any form of harassment from supervisors or employees for exercising their rights under this policy. Supervisors or other employees who violate this policy shall be subject to disciplinary action up to and including dismissal from Town service.

Section 2. Grievance Defined

A grievance is a claim or complaint by an employee based upon an event or condition, which affects the circumstances under which an employee works, allegedly caused by misinterpretation, unfair application, or lack of established policy pertaining to employment conditions.

Section 3. Purposes of the Grievance Procedure

The purposes of the grievance procedure include, but are not limited to:

1. providing employees with a procedure by which their complaints can be considered promptly, fairly, and without reprisal;
2. encouraging employees to express themselves about the conditions of work which affect them as employees;
3. promoting better understanding of policies, practices, and procedures which affect employees;
4. increasing employees' confidence that personnel actions taken are in accordance with established, fair, and uniform policies and procedures;
5. increasing the sense of responsibility exercised by supervisors in dealing with their employees;
6. encouraging conflicts to be resolved between employees and supervisors who must maintain an effective future working relationship, and therefore, encouraging conflicts to be resolved at the lowest level possible of the chain of command; and
7. creating a work environment free of continuing conflicts, disagreements, and negative feelings about the Town or its leaders, thus freeing up employee motivation, productivity, and creativity.

Section 4. Procedure

When an employee has a grievance, the following successive steps are to be taken unless otherwise provided. The number of calendar days indicated for each step should be considered the maximum, unless otherwise provided, and every effort should be made to expedite the process. However, the time limits set forth may be extended by mutual consent. The last step initiated by an employee shall be considered to be the step at which the grievance is resolved. A decision to rescind a disciplinary suspension, demotion or dismissal must be approved by the Town Manager before the decision becomes effective.

Informal Resolution. Prior to the submission of a formal grievance, the employee and supervisor should meet to discuss the problem and seek to resolve it informally. Either the employee or the supervisor may involve the Human Resources Officer as a resource to help resolve the grievance. Mediation may be used at any step in the process and is encouraged. Mediation is the neutral facilitation of the conflict between or among parties where the facilitator helps the parties find a mutually agreeable outcome.

Step 1. If no resolution to the grievance is reached informally, the employee who wishes to pursue a grievance shall present the grievance to the appropriate supervisor (the person who took the action which created the grievance issue, which could be the immediate supervisor, division head, department head, etc.) in writing. The grievance must be presented within seven calendar days of the event or within seven calendar days of learning of the event or condition. The supervisor shall respond to the grievance within seven calendar days after receipt of the grievance. The supervisor should, and is encouraged to, consult with any employee of the Town in order to reach a correct, impartial, fair and equitable determination or decision concerning the grievance. Any employee consulted by the supervisor is required to cooperate to the fullest extent possible.

The response from the supervisor for each step in the formal grievance process shall be in writing and signed by the supervisor. In addition, the employee shall sign a copy to acknowledge receipt thereof. The responder at each step shall send copies of the grievance and response to the Human Resources Officer.

Step 2. If the grievance is not resolved to the satisfaction of the employee by the supervisor, the employee may appeal, in writing, to the next level supervisor within seven calendar days after receipt of the response from Step 1. The next level supervisor shall respond to the appeal, stating the determination of decision within seven calendar days after receipt of the appeal. The employee may continue to appeal through the chain of command using the guidelines in Step 2 to the department head.

Step 3. If the grievance is not resolved to the satisfaction of the employee at the end of Step 2, the employee may appeal, in writing, to the Town Manager within seven calendar days after receipt of the response from Step 2. The Town Manager shall respond to the appeal, stating the determination of decision within seven calendar days after receipt of the appeal. The Town Manager's decision shall be the final decision. The Town Manager will notify the Town Council of any impending legal action.

Department Heads. In the case of department heads or other employees where the Town Manager has been significantly involved in determining disciplinary action, including dismissal, the Town Manager may wish to obtain a neutral outside party to either:

1. provide mediation between the grieving department head and the Town Manager (see definition of mediation in "informal resolution" above); or
2. consider an appeal and make recommendations back to the Town Manager concerning the appeal. Such parties might consist of human resource professionals, attorneys, mediators, or other parties appropriate to the situation.

The Town Manager's decision shall be the final decision. The Town Manager will notify the Town Council of any impending legal action.

Section 5. Role of the Human Resources Officer

Throughout the grievance procedure, the Human Resources Officer shall:

1. advise parties (including employee, supervisors, and Town Manager) of their rights and responsibilities under this policy, including interpreting the grievance and other policies for consistency of application;
2. be a clearinghouse for information and decisions in the matter including maintaining files of all grievance documents;
3. give notices to parties concerning timetables of the process, etc.;
4. assist employees and supervisors in drafting statements;
5. facilitate the resolution of conflicts in the procedures or of the grievance at any step in the process; and
6. help locate mediation or other resources as needed.

The Human Resources Officer shall also determine whether or not additional time shall be allowed to either side in unusual circumstances if the parties cannot agree upon extensions when needed or indicated.

Section 6. Grievance and Adverse Action Appeal Procedure for Discrimination

When an employee, former employee, or applicant, believes that any employment action discriminates illegally (i.e. is based on age, sex, race, color, national origin, religion, creed, political affiliation, non-job related handicap or genetic information), he or she has the right to appeal such action using the grievance procedure outlined in this Article (Section 4 above). While such persons are encouraged to use the grievance procedure, they shall also have the right to appeal directly to the Human Resources Officer or Town Manager. Employment actions subject to appeal because of discrimination include promotion, training, classification, pay, disciplinary action, transfer, layoff, failure to hire, or termination of employment. An employee or applicant should appeal an alleged act of discrimination within thirty calendar days of the alleged discriminatory action, but may appeal for up to six months following the action.

ARTICLE XI. RECORDS AND REPORTS

Section 1. Public Information

In compliance with North Carolina GS 160A-168, the following information with respect to each Town employee is a matter of public record:

1. name;
2. age;
3. date of original employment or appointment to the service;
4. the terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the Town has the written contract or a record of the oral contract in its possession;
5. current position title;
6. current salary;
7. date and amount of each increase or decrease in salary;
8. date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification;
9. date and general description of the reasons for each promotion with the Town;
10. date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the Town. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the Town setting forth the specific acts or omissions that are the basis of the dismissal; and
11. the office to which the employee is currently assigned.

For the purposes of this subsection, the term "salary" includes pay, benefits, incentives, bonuses, deferred and all other forms of compensation paid by the Town.

Any person may have access to this information for the purpose of inspection, examination, and copying, during regular business hours, subject only to such rules and regulations for the safekeeping of public records as the Town may adopt. An individual examining a personnel record may copy the information. The cost of photocopying may be assessed to the individual who requests the copies.

A record may be maintained of all disclosures of personnel records, except for authorized personnel processing personnel actions or supervisors in the line of authority of the employee. Upon request the records of disclosure will be made available to the employee to whom it pertains.

Section 2. Access to Confidential Records

All information contained in a Town employee's personnel file, other than the information listed in Section I above is confidential and shall be open to inspection only in the following instances:

1. The employee or his/her duly authorized agent may examine all portions of his/her personnel file except letters of reference solicited prior to employment, and information concerning a medical disability, mental or physical, that a prudent physician would not divulge to the patient.
2. A licensed physician designated in writing by the employee may examine the employee's medical record which will be maintained in files separate from the personnel file.
3. A Town employee having supervisory authority over the employee may examine all material in the employee's personnel file.
4. By order of a court of competent jurisdiction, any person may examine all material in the employee's personnel file.
5. An official of an agency of the State or Federal Government, or any political subdivision of the State, may inspect any portion of a personnel file when such inspection is deemed by the Town Manager to be necessary and essential to the pursuit of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution of the employee, or for the purpose of assisting in an investigation of the employee's tax liability. However, the official having custody of the personnel records may release the name, address, and telephone number from a personnel file for the purpose of assisting in a criminal investigation.
6. An employee may sign a written release to be placed in his/her personnel file that permits the record custodian to provide, either in person, by telephone, or by mail, information specified in the release to prospective employers, educational institutions, or other persons specified in the release.
7. The Town Manager, with the concurrence of the Town Council, may inform any person of the employment, non-employment, promotion, demotion, suspension or other disciplinary action, reinstatement, transfer, or termination of a Town employee, and the reasons for that action. Before releasing that information, the Town Manager shall determine in writing that the release is essential to maintaining the level and quality of Town services. The written determination shall be retained in the Town Manager's office, is a record for public inspection, and shall become a part of the employee's personnel file.

Section 3. Personnel Actions

The Human Resources Officer, with the approval of the Town Manager, will prescribe necessary forms and reports for all personnel actions and will retain records necessary for the proper administration of the personnel system. The official personnel files are those which are maintained by the Human Resources Office. These files shall contain documents such as

employment applications and related materials, records of personnel actions, documentation of employee warnings, disciplinary actions, performance evaluations, retirement, letters of recommendation, and other personnel-related documents. Any documents not contained in these files or maintained as designated by the Human Resources Officer is not an official part of the personnel file.

Section 4. Records of Former Employees

The provisions for access to records apply to former employees as they apply to present employees.

Section 5. Remedies of Employees Objecting to Material in File

An employee who objects to material in his/her file may place a statement in the file relating to the material considered to be inaccurate or misleading.

Section 6. Penalties for Permitting Access to Confidential Records

Section 160A-168 of the General Statutes provides that any public official or employee who knowingly and willfully permits any person to have access to any confidential information contained in an employee personnel file, except as expressly authorized by the designated custodian, is guilty of a misdemeanor and upon conviction shall be fined in an amount consistent with the General Statutes.

Section 7. Examining and/or Copying Confidential Material without Authorization

Section 160A-168 of the General Statutes of North Carolina provides that any person, not specifically authorized to have access to a personnel file designated as confidential, who shall knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file shall be guilty of a misdemeanor and upon conviction shall be fined consistent with the General Statutes.

Section 8. Destruction of Records Regulated

No public official may destroy, sell, loan, or otherwise dispose of any public record, except in accordance with GS 121.5, without the consent of the State Department of Cultural Resources. Whoever unlawfully removes a public record from the office where it is usually kept, or whoever alters, defaces, mutilates or destroys it will be guilty of a misdemeanor and upon conviction will be fined in an amount provided in Policy 132.3 of the General Statutes.

ARTICLE XII. IMPLEMENTATION OF POLICIES

Section 1. Conflicting Policies Repealed

All policies, ordinances, or resolutions that conflict with the provisions of these policies are hereby repealed.

Section 2. Separability

If any provision of these policies or any rule, regulation, or order there under of the application of such provision to any person or circumstances is held invalid, the remainder of these policies and the application of such remaining provisions of these policies of such rules, regulations, or orders to persons or circumstances other than those held invalid will not be affected thereby.

Section 3. Effective Date

These policies shall become effective on a date approved by the Town Council.

Section 4. Amendments

This policy may be amended by action of the Town Council and by resolution appropriately approved. Any revisions or amendments adopted in conformance with this procedure shall become effective as of the date of such adoption

Notice of any amendments will be posted on bulletin boards in all employee work locations and/or in employee newsletters.

Adopted by the Town of Carolina Beach Town Council this 14th day of February 2012.

Revised by the Town of Carolina Beach Town Council this 24th day of June 2014.