

MOREHEAD CITY NORTH CAROLINA



PERSONNEL POLICIES

Adopted by City Council June 22, 2016
Amended and Approved by City Council August 13, 2019
Amended September 12, 2019

WELCOME TO ALL EMPLOYEES OF THE TOWN OF MOREHEAD CITY

The Town of Morehead City Mayor and Council are making these Personnel Policies available to provide important information about your employment with Morehead City. Whether you are a new employee or have been a Morehead City employee for many years, we believe you will find the information contained in the Personnel Policies useful in understanding your responsibilities as a Morehead City employee and a helpful guide to explaining the benefits available to you.

The Personnel Policies provide the City with a framework to promote consistent human resource management practices and procedures throughout all City departments. We believe these policies promote a work environment that helps employees perform their duties to the best of their abilities. In this way, the Personnel Policies positively contribute to the City's efforts to provide the most efficient and responsible service to its citizens. The policies are designed to protect the rights and well-being of all employees and assure a productive, safe and well-managed work force with high standards of service to the residents of the community. They also provide ethical guidelines for City employees that are responsive to the public needs and to preclude even the appearance of impropriety in the performance of their duties. The corrective actions identified here should be viewed as problem solving tools to help the employees identify and correct inappropriate conduct.

Employees are responsible for becoming familiar and complying with the content of these policies. If you have questions about any of the policies and how they apply to you, you are encouraged to contact your Supervisor or Human Resources for more information.

The Personnel Policies do not constitute a guarantee or contract of employment and the City reserves the right to change, revoke, interpret, or add to any of these policies at any time at its sole discretion without prior notice. The City is an "at-will" employer and retains the right to terminate employment at any time and for any reason not prohibited by law.

The policies and procedures in the Personnel Policies cannot cover every possible situation that may arise. There may be amendments to the Personnel Policies over time. As policies are amended, employees will be supplied with a copy of the new or updated policy. The Personnel Policies can also be found on the City's website.

TOWN OF MOREHEAD CITY PERSONNEL POLICIES ACKNOWLEDGMENT

By signing below, I acknowledge that I have received, read, and understand the City's Personnel Policies. I understand that the Personnel Policies are provided to me for general guidance and are not an exhaustive statement of City policies or procedures.

In addition, I understand that the Personnel Policies do not constitute a contract of employment and that the City may change, revoke, interpret, or add to any of these policies at any time at its sole discretion without prior notice. I understand that the City is an at-will employer and retains the right to terminate my employment at any time for any reason not prohibited by law.

Finally, I understand that any amendment of the Personnel Policies will always govern and supersede any prior version. I also understand that if I have questions or concerns regarding my terms of employment or working conditions with the City, I should contact my Supervisor or Human Resources.

Employee Name (Printed): _____

Employee Name (Signature): _____

Date: _____

This page is reproduced at the end of the Personnel Policies. Employees are to sign and date both pages. This page will remain attached to the Personnel Policies; the reproduced page at the end of the Personnel Policies (page 83) will be detached and becomes part of the employee's personnel file.

TABLE OF CONTENTS

TABLE OF CONTENTS	4
DIVISION I. GENERAL PROVISIONS	8
Section 1. Purpose of the Policy.....	8
Section 2. At Will Employment.....	8
Section 3. Merit Principle	8
Section 4. Responsibilities of the City Council	9
Section 5. Responsibilities of the City Manager.....	9
Section 6. Responsibilities of the Human Resources Director	9
Section 7. Application of Policies, Plan, Rules, and Regulations.....	10
Section 8. Departmental Rules and Regulations	10
Section 9. Definitions.....	10
DIVISION II. POSITION CLASSIFICATION PLAN.....	15
Section 1. Purpose.....	15
Section 2. Composition of the Position Classification Plan	15
Section 3. Use of the Position Classification Plan	15
Section 4. Administration of the Position Classification Plan.....	15
Section 5. Authorization of New Positions and the Position Classification Plan.....	15
Section 6. Request for Reclassification	16
DIVISION III. THE PAY PLAN.....	17
Section 1. Definition.....	17
Section 2. Administration and Maintenance	17
Section 3. Starting Salaries	17
Section 4. Trainee Designation and Provisions	18
Section 5. Pay for Performance.....	18
Section 6. Pay for Performance Bonus	18
Section 7. Salary Effect of Promotions, Demotions, Transfers, Reclassifications.....	19
Section 8. Salary Range Revisions.....	20
Section 9. Transition to a New Salary Plan	20
Section 10. In-Range Salary Adjustment	21
Section 11. Effective Date of Salary Changes	21
Section 12. Overtime Pay/Compensatory Time Provisions	21
Section 13. Standby.....	24
Section 14. Holiday Pay	25

Section 15. Holiday Pay Eligibility	25
Section 16. Payroll Deduction.....	25
Section 17. Hourly Rate of Pay.....	26
Section 18. Pay for Acting in a Higher Level Classification.....	26
DIVISION IV. RECRUITMENT AND EMPLOYMENT	27
Section 1. Equal Employment Opportunity Statement.....	27
Section 2. Recruitment, Selection, and Appointment.....	27
Section 3. Probationary Period	28
Section 4. Promotion.....	29
Section 5. Demotion	29
Section 6. Transfer.....	30
DIVISION V. CONDITIONS OF EMPLOYMENT	31
Section 1. Service to the Public	31
Section 2. Standard Work Period	31
Section 3. Political Activity	31
Section 4. Outside Employment	32
Section 5. Dual Employment.....	32
Section 6. Employment of Relatives	32
Section 7. Harassment / Sexual Harassment Prohibited.....	33
Section 8. Solicitation and Acceptance of Gifts and Favors	34
Section 9. Performance Evaluations.....	34
Section 10. Safety	34
Section 11. Drug Free Work Place.....	35
Section 12. Internet and Email.....	35
Section 13. Attendance	35
Section 14. Inclement Weather/Emergency Closing.....	35
DIVISION VI. EMPLOYEE BENEFITS	40
Section 1. General/Eligibility.....	40
Section 2. Group Health Insurance/Supplemental Insurance.....	40
Section 3. Medical Insurance for Retired Employees	41
Section 4. Retirement.....	42
Section 5. Supplemental Retirement Benefits.....	42
Section 6. Social Security	42
Section 7. Workers' Compensation	42

Section 8. Unemployment Compensation.....	43
Section 9. Tuition Reimbursement Program.....	43
Section 10. Flexible Spending Accounts (FSA) & Health Savings Accounts HSA) ...	43
Section 11. Employee Assistance Program (EAP).....	44
Section 12. Open Enrollment and Qualifying Event Changes	44
Section 13. Law Enforcement Officers' Separation Allowance.....	44
DIVISION VII. HOLIDAYS AND LEAVES OF ABSENCE	46
Section 1. Policy	46
Section 2. Holidays	46
Section 3. Religious Holiday Observance	46
Section 4. Holidays: Effect on Other Types of Leave.....	46
Section 5. Vacation Leave	47
Section 6. Vacation Leave: Accrual Rate.....	47
Section 7. Vacation Leave: Maximum Accumulation	47
Section 8. Vacation Leave: Manner of Taking	48
Section 9. Vacation Leave: Payment upon Separation	48
Section 10. Vacation Leave: Payment upon Death.....	49
Section 11. Sick Leave.....	49
Section 12. Sick Leave: Accrual Rate and Accumulation.....	49
Section 13. Sick Leave – Manner of Taking	50
Section 14. Transfer of Sick Leave from Previous Employer	50
Section 15. Sick Leave: Medical Certification	51
Section 16. Family and Medical Leave.....	51
Section 17. Paid Parental Leave.....	53
Section 18. Workers' Compensation Leave.....	56
Section 19. Workers' Compensation Leave - Return to Work	57
Section 20. Leave Of Absence Without Pay (LWOP) – Short.....	58
Section 21. Leave Of Absence Without Pay (LWOP) - Extended.....	59
Section 22. Voluntary Shared Leave Program.....	61
Section 23. Military Leave.....	63
Section 24. Reinstatement Following Military Service	64
Section 25. Civil Leave.....	64
Section 26. Parental School Leave	64
Section 27. Bereavement Leave	65

DIVISION VIII. SEPARATION AND REINSTATEMENT	66
Section 1. Types of Separations.....	66
Section 2. Resignation	66
Section 3. Reduction in Force.....	66
Section 4. Voluntary Retirement.....	66
Section 5. Death.....	67
Section 6. Dismissal	67
Section 7. Reinstatement – Reduction in Force.....	67
Section 8. Rehiring.....	67
DIVISION IX. EMPLOYEE ETHICS AND STANDARDS OF CONDUCT	68
Section 1. Purpose.....	68
Section 2. Policy	68
Section 3. Definitions.....	68
Section 4. General Provisions.....	69
Section 5. Ethical Standards	69
Section 6. Unacceptable Conduct	70
Section 7. Administration.....	73
Section 8. Suspension Pending Investigation	74
DIVISION X. GRIEVANCE PROCEDURE.....	75
Section 1. Policy	75
Section 2. Grievance Defined	75
Section 3. Purposes of the Grievance Procedure.....	75
Section 4. Grievance Procedure for Non-Discrimination	76
Section 5. Role of the Human Resources Director.....	77
Section 6. Grievance Procedure for Discrimination.....	78
DIVISION XI. RECORDS AND REPORTS.....	79
Section 1. Public Information	79
Section 2. Access to Confidential Records.....	80
Section 3. Personnel Actions	80
Section 4. Records of Former Employees	81
Section 5. Remedies of Employees Objecting to Material in File.....	81
Section 6. Penalties for Permitting Access to Confidential Records	81
Section 7. Examining and/or Copying Confidential Material without Authorization....	81
Section 8. Destruction of Records Regulated	81

DIVISION I. GENERAL PROVISIONS

Section 1. Purpose of the Policy

It is the purpose of this Personnel Policy, herein referred to as “Policy”, and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of the City under the supervision of the City Manager. This Policy is established under authority of Chapter 160A, Division 7, of the General Statutes of North Carolina. For purposes of this Policy, the Town of Morehead City will hereinafter be referred to as “City”.

Section 2. At Will Employment

The employment relationship between the City and the employee is terminable at the will of either at any time and with or without cause and with or without notice, so long as there is no violation of applicable federal or state law. No employee, officer or representative of the City has any authority to enter into any agreement or representation, verbally or in writing, which alters, amends, or contradicts this provision or the provisions in these policies. Any exception to this Policy of at-will employment must be expressly authorized in writing, approved by the Council and executed by the officers designated by the Council.

None of the benefits or policies set forth in these policies are intended, because of their publication, to confer any rights or privileges upon employees or to entitle them to be or remain employed by the City. The contents of this document are presented as a matter of information only. Although the City believes wholeheartedly in the plans, policies, and procedures described herein, they are not conditions of employment.

These personnel policies are not a binding contract, but merely a set of guidelines for the implementation of personnel policies. The City explicitly reserves the right to modify any of the provisions of these policies at any time and without any notice to employees.

Section 3. Merit Principle

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

Section 4. Responsibilities of the City Council

The City Council will be responsible for approving any revisions, modifications, or additions to the personnel policies, the position classification and pay plan, and may change the policies and benefits as necessary. They also will make and confirm appointments when so specified by the NC General Statutes.

Section 5. Responsibilities of the City Manager

The City Manager will be responsible to the City Council for the administration and technical direction of the personnel program. The City Manager will appoint, suspend, and remove all City employees except those whose appointment is otherwise provided for by law. The City Manager will make appointments, dismissals and suspensions in accordance with the City charter and other policies and procedures spelled out in other Divisions in this Policy. The City Manager will supervise or participate in:

- Recommending rules and revisions to the personnel system to the City Council for consideration;
- Making changes as necessary to maintain an up-to-date and accurate position classification plan;
- Preparing and recommending necessary revisions to the pay plan;
- Determining which employees will be subject to the overtime provisions of FLSA;
- Performing such other duties as may be assigned by the City Council not inconsistent with this Policy; and
- Appointing an employee to the role of Human Resources Director.

Section 6. Responsibilities of the Human Resources Director

The responsibilities of the Human Resources Director will be to ensure the establishment, implementation and management of a modern personnel system reflecting the equal employment opportunity and non-discriminatory vision and values of the City. Those responsibilities include, but will not be limited to, the following:

- Recommending rules and revisions to the personnel system to the City Manager for consideration;
- Recommending changes as necessary to maintain an up-to-date and accurate position classification plan;
- Recommending necessary revisions to the pay plan;
- Recommending which employees will be subject to the overtime provisions of FLSA;
- Maintaining a roster of all persons in the municipal service;
- 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;

- Developing and administering such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the City;
- Developing and coordinating training and educational programs for City employees;
- Periodically investigating the operation and effect of the personnel provisions of this Policy; and
- Performing such other duties as may be assigned by the City Manager not inconsistent with this Policy.

Section 7. Application of Policies, Plan, Rules, and Regulations

This Policy and all rules and regulations adopted pursuant thereto will be applicable to all City employees. The City Manager, City Attorney, members of the City Council and advisory boards and commissions will be exempted except in sections where specifically included. The City Manager's employment agreement (contract) will contain the necessary language regarding the application of policies, plan, rules and regulations as may apply to the Manager. An employee violating any of the provisions of this Policy will be subject to appropriate disciplinary action, as well as prosecution under any civil or criminal laws which may have been violated.

Section 8. Departmental Rules and Regulations

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

Section 9. Definitions

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

Adverse Action: A demotion, dismissal, reduction in pay, layoff, suspension, or an involuntary transfer.

Allocated Position: An allocated position is authorized as a regular position by the City Council. Regular allocated positions are assigned a specific job title, salary grade, salary range, duties, and minimum qualifications. Appointments to allocated positions are made through a competitive selection process. All City positions are subject to budget review and approval each year by the City Council.

Class: A position or group of positions having similar duties and responsibilities requiring similar qualifications, which can be properly designated by one title indicative of the nature of work performed, and which carry the same salary range.

Classification Plan: A systematic plan of structuring groups of classifications in a formal method to facilitate ranking the classifications or groups of classifications with respect to their individual relationships.

Compensatory Time: Time off that is granted to an employee as compensation for working hours in excess of their normal work hours/schedule.

Continuous Service: Years of regular service with the City without a separation or rehire of employment. This does not include Family and Medical leaves of absence. An employee who is a member of the military will have continuous service with the City in accordance with the Uniformed Services Employment and Re-Employment Rights Act (USERRA).

Demotion: The reassignment of an employee to a position or classification having a lower salary range than the position from which the reassignment is made.

Employee:

- a) **Full-Time Employee** - An employee who is in a position which is authorized for an average workweek of at least forty (40) hours and budgeted for twelve (12) months.
- b) **Part-Time Employee** – An employee who is in a position which is authorized for an average workweek less than forty (40) hours and budgeted for at least twelve (12) months.
- c) **Seasonal Employee** – An employee who is in a position scheduled to work in a seasonal capacity for normally less than six (6) months and less than 1,000 hours in a twelve (12) month period.
- d) **Temporary Employee** - An employee who is in a position scheduled to work less than 1,000 hours per year in an on-call, as needed, or otherwise variable work schedule. Temporary status may also be applied to employees whose jobs are budgeted for short durations or paid by funds that have limited availability.
- e) **Regular Employee** – An employee appointed to a full or part-time allocated position who has successfully completed the designated probationary period.
- f) **Probationary Employee** – A person appointed to an allocated position who has not yet successfully completed the designated probationary period. A probationary employee may be, dismissed, demoted, or suspended without exercising the disciplinary process. A probationary employee generally does not have the right to the appeal process, except those provisions dealing with objections to materials contained in their personnel file, as outlined in Division XI.
- g) **PRN (Pro Re Nata)** – An employee with no set or standard schedule and who works “as needed and when necessary” and works less than 1,000 hours in a twelve (12) month period.
- h) **Trainee** – An employee status when an applicant is hired or an employee promoted, demoted or transferred who does not meet all of the requirements for the position.

Fair Labor Standards Act (FLSA): A United States law enacted in 1938 which sets out various labor regulations including, but not limited to, interstate commerce employment, minimum wages, requirements for overtime pay, and limitations on child labor.

Grievance: A claim or complaint 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 expectations.

Hiring Rate: The hourly rate paid an employee when hired into City service.

Maximum Salary Rate: The maximum salary authorized for an employee within an assigned salary grade.

Merit Increase: An increase in salary within the same salary grade, based on meritorious service and on performance of duties above the standard for the assigned position.

Merit Principle: A systematic and uniform method of personnel administration designed to provide objective recruiting, employment, retention and promotion of those persons best qualified, excluding all other criteria.

Pay:

- a) **Overtime Pay:** Pay for time earned by a non-exempt employee at a rate of time and one-half for hours worked in excess of forty (40) hours in a workweek; or in the case of law enforcement personnel, in excess of 171 hours in a 28 day cycle; or in the case of Fire-EMS personnel, 212 hours in a 28 day cycle.
- b) **Straight Time Pay:** Pay for time earned by a non-exempt employee for hours worked up to, but not in excess, of forty (40) hours in a workweek; or in the case of law enforcement personnel, up to, but not in excess of 171 hours in a 28 day cycle; or in the case of Fire-EMS personnel, up to, but not in excess of 212 hours in a 28 day cycle. *(Amended 4-9-19; 9-12-19)*

Pay Plan: A schedule of pay ranges systematized into sequential rates including minimum, midpoint and maximum for each class assigned to any given salary range. For the purpose of this definition, the words “Salary Plan” are used interchangeably.

Pay Plan Revision: The uniform raising and lowering of the salary ranges of every grade within the pay plan.

Pay Status:

- a) **Active Status** – This category includes all employees who are working a regular schedule. Employees in active status must be able to work and cannot be on any form of leave of absence. The use of approved and available vacation and sick leave does not preclude an employee from being on active status except when such time is used to supplement income during a leave of absence.

- b) **Inactive Status** – This category includes all employees who are on any recognized leave of absence or are suspended from work for disciplinary reasons.

Position: A group of current duties and responsibilities requiring the full or part-time employment of one person, but the existence of a position or its identity does not depend upon it being occupied by an employee.

- a) **Full-Time Position** – A position that has been approved by the City Council whose duties and responsibilities are required to be performed on a continuous basis requiring full-time employment.
- b) **Part-Time Position** – A position that has been approved by the City Council whose duties and responsibilities are required to be performed on a continuous basis requiring part-time employment.

Position Classification Plan: A plan approved by the City Council that assigns classes to the appropriate pay grade.

Prior Service: Prior employment with any North Carolina governmental unit or subdivision thereof.

Probationary Period: The initial months of employment, promotion, or transfer representing the period of observable work performance to determine the suitability and ability of the employee to satisfactorily perform the duties and responsibilities of the position. Probationary periods for hired and rehired employees are:

- 6-months: General employees
- 6-months: Department Heads
- 12-months: Police and Fire-EMS employees (non-administrative)

Probationary periods for promoted or transferred employees are:

- 6-months: All employees

Probationary periods may be extended up to an additional six (6) months but will not exceed twelve (12) months (18 months Police, Fire-EMS). Initial probationary period for promoted or transferred employee must have been completed. However, a probationary employee may be considered for a promotion or transfer at the discretion of the Department Head and with approval of the City Manager.

Promotion: The reassignment of an employee to an existing position or classification in the City service having a higher salary range than the position or classification from which the reassignment is made.

Reclassification: The reassignment of an existing position from one class to another based on changes in job content such as duty, kind, difficulty, required skill and responsibility of the work performed.

Salary Grade: All positions which are sufficiently comparable to warrant one range of pay rates. For the purpose of this definition, the words “grade,” and “level” are used interchangeably.

Salary Range: The hiring (minimum) standard job rate and maximum salary for a given classification.

Salary Range Revision: The raising or lowering of the salary range for one or more specific classes of positions within the classification plan.

Salary Schedule: A listing by grade of all the approved minimum, midpoint, and maximum salary ranges authorized by the City Council for various position classifications of City government.

Standard Workweek: Seven (7) day period from Thursday through Wednesday.

Transfer: A movement of an employee 1) from one position to another position in the same salary grade either in the same department or a different department, or 2) from the same position to like position in another department.

DIVISION II. POSITION CLASSIFICATION PLAN

Section 1. Purpose

The position classification plan provides a complete inventory of all authorized and allocated positions in the City service, and an accurate description and specification for 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 will consist of:

- a) 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;
- b) Class titles descriptive of the work of the class;
- c) Written specifications for each class of positions; and
- d) 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:

- a) As a guide in recruiting and examining applicants for employment;
- b) In determining lines of promotion and in developing employee training programs;
- c) In determining salary to be paid for various types of work;
- d) In determining personnel service items in departmental budgets; and
- e) In providing uniform job terminology.

Section 4. Administration of the Position Classification Plan

The Human Resources Director will allocate each position covered by the classification plan to its appropriate class, and will be responsible for the administration of the position classification plan. The Human Resources Director will periodically review portions of the classification plan and recommend appropriate changes to the City Manager.

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

New positions will be established upon recommendation of the City Manager and approval of the City Council. New positions will be recommended to the Council with a recommended class title after which the City Manager, or designee, will either allocate the new position into the appropriate existing class, or revise the position classification plan to establish a new class to which the new position may be allocated. The position

classification plan, along with any new positions or classifications, will be approved by the City Council and on file with the Human Resources Director.

Section 6. Request for Reclassification

Any Department Head who considers a position within their department to be misclassified will submit a request in writing for reclassification to the Human Resources Director. Upon receipt of such request, the Human Resources Director will study the request, determine the merit of the reclassification, and recommend any necessary revisions to the classification and pay plan to the City Manager for approval.

DIVISION III. THE PAY PLAN

Section 1. Definition

The pay plan includes the basic salary schedule and the assignment of classes to grades approved by the City Council. Each position is assigned a classification title and each title is assigned to a salary grade with a specific salary range. Positions are assigned to grades within the pay plan based on the duties and responsibilities assigned. Positions with more complex tasks, more responsibility, or requiring more technical knowledge are assigned to higher salary ranges than positions with lower responsibilities or knowledge requirements. Salary ranges are set based on two components: competitiveness with the market and internal equity with similar position and occupational groups. The salary range consists of the minimum (normal hiring rate), mid-point, and maximum rates of pay for all classes of positions.

Section 2. Administration and Maintenance

The City Manager, in coordination with the Human Resources Director, will be responsible for the administration and maintenance of the pay plan. All employees covered by the pay plan will 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 City, and other factors. To this end, each budget year the City will make comparative studies of all factors affecting the level of salary ranges including the consumer price index, anticipated changes in surrounding employer plans, and other relevant factors, and will recommend to the City Manager such changes in salary ranges as appear to be pertinent. Such changes will be made in the salary ranges such that the minimum and the maximum change according to the market. Periodically, the City Manager will recommend that individual salary ranges be studied and adjusted as necessary to maintain market competitiveness. Such adjustments will be made by increasing or decreasing the assigned salary grade for the class and possibly adjusting the rate of pay for employees in the class when the action is approved by the City Council.

Section 3. Starting Salaries

A new or re-hired employee is normally hired at the minimum of the salary range for the classification involved. Appointments above the minimum may be made with approval of the Human Resources Director and the City Manager when deemed in the best interest of the City, and will be based on such factors as exceptional qualifications of the

applicant, higher than the required education and experience for the class, shortage of qualified applicants, equal pay justification or operational need.

Section 4. Trainee Designation and Provisions

Applicants being considered for employment or City employees who do not meet all of the requirements for the position for which they are being considered may be hired, promoted, demoted, or transferred by the City Manager to a "trainee" status. In such cases, a plan for training, including a time schedule, must be prepared by the Department Head.

"Trainee" salaries will be no more than two grades below the minimum salary rate established for the position for which the person is being trained. A new employee designated as "trainee" will be regarded as being in a probationary period. However, trainee periods may extend from three (3) to eighteen (18) months. A trainee will remain a probationary employee until the trainee period is satisfactorily completed.

If the training is not successfully completed to the satisfaction of the City Manager, or his/her designee, the trainee will be transferred, demoted, or dismissed. If the training is successfully completed, the employee will be paid at least the minimum rate established for the position for which the employee was trained.

Section 5. Pay for Performance

Performance increases in a given fiscal year is a budgetary consideration and is driven by individual employee performance. The amount of funds available is determined and allocated annually by the City Council. Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria. Procedures for determining performance levels and performance pay increases or other performance-related movement within the range will be established in procedures approved by the City Manager. All employees, except PRN's, seasonal, and temporary, will be eligible for pay for annual performance appraisals. Employees on a leave of absence will be eligible for a performance review and possible increase upon their return to work. All provisions regarding performance pay will be reviewed, determined, and established annually by the City Manager and City Council via budget adoption.

Section 6. Pay for Performance Bonus

Employees who are at the maximum amount of the salary range for their position classification may be considered for a performance bonus at their regular performance evaluation time. Bonuses may be awarded based upon the performance of the employee as described in the performance evaluation and in the same amounts as employees who are within the salary range. Bonuses will be awarded in lump sum payments and do not become part of base pay.

Section 7. Salary Effect of Promotions, Demotions, Transfers, Reclassifications

Promotion: A promotion is a move to a position with a higher salary grade. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. When an employee is promoted, the employee's salary will normally be advanced to the minimum of the new salary grade, or to a salary which provides an increase of approximately 5% over the employee's salary before the promotion, whichever is greater. In the event of highly skilled and qualified employees, shortage of qualified applicants, or other reasons related to the merit principle of employment, the City Manager may set the salary at an appropriate rate in the range of the position to which the employee is promoted that best reflects the employees' qualifications for the job and relative worth to the City, taking into account the range of the position and the relative qualifications of other employees in the same classification. In no event, however, will the new salary exceed the maximum rate of the new salary range. In setting the promotion salary, the City will consider internal comparisons with other employees in the same or similar jobs.

Demotion: A demotion is a move to a position in a lower salary grade. Demotions can be either 1) voluntary, where the employee chooses to take a position in a lower salary grade, 2) involuntary, resulting from inefficiency in performance or other similar cause, or 3) as a disciplinary action. When an employee is demoted to a position for which qualified, the salary may be reduced with approval of the City Manager to reflect a decrease in job responsibilities. The new salary will be set in the lower pay range that provides a salary commensurate with the employee's qualifications and is consistent with the placement of other employees within the same classification.

Transfer: A transfer is a movement of an employee 1) from one position to another position in the same salary grade either in the same department or a different department, or 2) from the same position to like position in another department at the same grade. The salary of the transferred employee will be subject to City Manager approval based on the recommendation of the Department Head.

Reclassification: A reclassification is a change in a position's salary grade and title due to a significant increase or decrease in job responsibilities and duties. An employee whose salary is below the minimum of the new salary grade will receive a salary increase at least up to the new minimum salary. If the current salary is above the new salary range minimum, there may be a pay increase based on increased job responsibilities and commensurate with the employee's qualifications and is consistent with the placement of other employees within the same classification.

If the position is reclassified to a lower pay range, the employee's salary will remain the same; however, if the employee's salary is above the maximum established for the new range, the salary of that employee will be reduced to the maximum salary of the new grade range.

Labor Market Adjustment: When an employee's position is adjusted to a class having a higher salary range due to the current labor market trends for hiring and retention, the employee's salary will be adjusted to at least the minimum of the new salary range.

Redefinition of Class: When an employee's position is redefined due to redefinition of position class or class series to include departmental organizational changes and/or classification description, no salary increase will be given, only the position title will change.

Section 8. Salary Range Revisions

A salary range revision is a change in the salary range or grade assigned to a specific class of positions. The change may be based upon increased salaries in the relevant labor market, recruitment and retention data, or increased complexity in job content. Salary equity within the work unit must be maintained and other management needs must be given consideration when salary changes based on range revisions are made. When a class of positions is assigned to a higher salary grade, the employees' salaries may also change according to the following guidelines:

- a) Employee salaries will be increased, if it is below the new minimum, to at least the minimum rate of the new salary range;
- b) Salaries that fall between the new minimum and the midpoint of the new salary range do not have to be increased; and
- c) 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 will be maintained at that level until such time as the employee's salary range is increased above the employee's current salary.

Section 9. Transition to a New Salary Plan

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

- a) No employee will receive a salary reduction as a result of the transition to a new salary plan;
- b) All employees being paid at a rate lower than the minimum rate established for their respective classes will have their salaries raised to the new minimum for their classes. This adjustment may be accomplished in one or more budget periods; and
- c) All employees being paid at a rate above the maximum rate established for their respective classes will be maintained at that salary level until such time as the employees' salary range is increased above the employees' current salary.

Section 10. In-Range Salary Adjustment

It is the policy of the City, subject to the availability of funds, to grant in-range salary adjustments to recognize job change of employees in regular full-time and part-time positions, to establish equitable salary relationships, and/or to respond to labor market conditions. Only regular full-time or part-time employees are eligible for increases under this Policy and adjustments will be considered on a case-by-case basis. In-range adjustments may be considered in the following circumstances:

- a) Job Change – This type of adjustment is to compensate for changes in job duties and responsibilities as documented in position classification specifications that are at a higher level, but not enough to justify a reclassification to a higher salary grade, or a salary range revision.
- b) Recruitment/Retention Problems – This type of salary adjustment may be made to reduce or avoid turnover due to market or other conditions that affect retention.
- c) Salary Equity – This type of salary adjustment is used to establish or re-establish equitable salary relationships among employees in a relevant work unit performing the same type and level of work considering education, skill, related work experience, length of service and performance level.

It is the responsibility of the Human Resources Director to assess salary administration priorities and in-range salary adjustment requests. As part of this process, the salary of each employee in the department should be examined for equity purposes. A completed request for an in-range salary adjustment must be in writing from the Department Head and include the following information: employee name, classification title, current salary, summary of conditions that support the request, and justification for percent increase requested.

Section 11. Effective Date of Salary Changes

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

Section 12. Overtime Pay/Compensatory Time Provisions

The City will comply with all provisions of the Fair Labor Standards Act (FLSA) and all subsequent amendments. The Human Resources Director will determine which positions are subject to the Act in areas such as hours of work and work periods, rates of overtime compensation and other provisions. This Policy will be applicable to all employees who are covered under the provisions of the FLSA. Employees of the City can be requested and may be required to work overtime hours as necessitated by the needs of the City and determined by the Department Head.

Non-exempt - General, Police (non-sworn), Fire-EMS (Administrative) Employees:

- a) Full-time and part-time employees who have been classified as “non-exempt” from the overtime provisions of the FLSA must be paid for overtime hours worked

or given compensatory time off in accordance with the guidelines in this Policy. Overtime is paid or compensatory time off is given to non-exempt employees for hours worked in excess of 40 hours per week. The workweek of the City is defined as Thursday through the following Wednesday.

- b) When overtime is paid or compensatory time off given, it is at the rate of 1 ½ times the employee's regular hourly rate for those hours actually worked in excess of 40 in a workweek (vacation, sick, holidays, and compensatory leave taken do not count as hours actually worked).
- c) All overtime hours worked by a non-exempt employee must be approved in advance by the employee's Department Head or Supervisor. Based upon the provisions of the FLSA, non-exempt employee work which has not been requested by management, but is endured or permitted, is considered work time. Therefore, when an employee voluntarily works prior to or after their regularly scheduled work day, and it is endured or permitted, it is considered overtime when in excess of 40 hours in the workweek although the work had not been specifically authorized. An employee who works overtime after the Department Head or Supervisor has denied authorization to work overtime may be subject to disciplinary action.
- d) Department Heads are responsible for ensuring that overtime hours are authorized, recorded, and properly documented for overtime pay or compensatory time off in accordance with the established record keeping forms and instructions. Department Heads are responsible for ensuring that all time worked above the regular workweek is necessary and time actually spent on the job.
- e) Whenever practicable, departments will give compensatory time off during the applicable work period rather than paid overtime. When time off within the work period cannot be granted, paid overtime will be paid in accordance with the FLSA.
- f) The City has set the following as maximum levels for the accrual of compensatory time:
 - General employees - 48 hours
 - Police (sworn) employees – 48 hours
 - Fire-EMS (non-administrative) employees - 48 hoursIt will be the responsibility of the employee and the Department Head and/or Supervisor to manage hours of compensatory time in order to maintain a level below the maximum. If conditions warrant that an employee's work schedule require the accrual of compensatory time after reaching the maximum level, paid overtime will apply.
- g) Compensatory time earned or used will be in fifteen (15) minute increments.
- h) Paid compensation for use of compensatory time or for accrued compensatory time will be paid at the regular rate earned by the employee at the time the employee receives such payment.
- i) Compensatory time will be encouraged to be used prior to using vacation leave in order to keep compensatory levels at or below maximum levels.
- j) Compensatory time does not extend an employee's separation date.

Non-exempt Police (sworn) Employees:

- a) Full-time and part-time employees who have been classified as “non-exempt” from the overtime provisions of the FLSA due to law enforcement sworn status will be paid for overtime hours worked or given compensatory time off.
- b) The procedure for compensation is the same as listed above for non-sworn employees, however, overtime is paid or compensatory time off is given to employees for hours worked in excess of 171 hours in a 28 day work period.

(Amended 4-9-19; 9-12-19)

Non-exempt Fire-EMS Employees:

- a) Full-time and part-time employees who have been classified as “non-exempt” from the overtime provisions of the FLSA and whose positions require fire suppression training and engagement (Fire-EMS) will be paid for overtime hours worked or given compensatory time off.
- b) The procedure for compensation is the same as listed above for Fire-EMS administrative employees, however, overtime is paid or compensatory time off is given to employees for hours worked in excess of 212 hours in a 28 day work period. *(Amended 4-9-19; 9-12-19)*

Exempt Employees:

- a) Employees who are exempt from the provisions of the FLSA are not eligible to receive payment for hours worked in excess of 40 hours in a workweek. Exempt employees include executive, administrative, and professional employees whose exempt status is determined based upon an evaluation of the specific job descriptions, responsibilities, duties and level of decision making authority of the employees involved.
- b) State and federal law do not require the employer to make overtime or compensatory time available to exempt employees. Exempt employees are expected to work whatever number of hours is required in order to accomplish their duties rather than being paid for the number of hours worked in a workweek.
- c) In accordance with Department of Labor (DOL) 29 C.F.R. 553.28 and 29 C.F.R. 541.604(a), an employer may grant time earned and additional compensation beyond the employee’s salary without losing the exemption or violating the salary basis requirement. This time is considered “other” compensatory time.
- d) It will be the policy of the City to grant to exempt employees the opportunity to accumulate and use “other” compensatory time.
- e) Exempt compensatory time will be accrued on an hour-for-hour basis for time worked in excess of 40 hours in a workweek. It will be the responsibility of the exempt employee to get approval for “other” compensatory time earned and to track and record such time.
- f) Use of “other” compensatory time will be approved by the City Manager, Department Head, and/or Supervisor where the convenience of the department allows.
- g) There will be no cash compensation for accrued “other” compensatory time at the time of separation from the City. It will not be used to extend an employee’s separation date.

- h) The maximum number of accrued hours will not exceed 48. Any accrued hours exceeding 48 will be forfeited.
- i) Since this provision is not covered by the FLSA, there is no assurance that such “other” compensatory time is guaranteed and the manner that it may be provided to exempt employees will be determined by the City Manager.

(Amended 8-17-16-Section12(f)(h)Non-exempt;Section12(h)Exempt)

Section 13. Standby

The City must provide a variety of critical emergency services twenty-four (24) hours a day, seven (7) days a week. Need for these services may occur when employees with necessary skills are not on duty. As a result, the City must be assured that skilled employees are always readily available by placing some employees on standby status. At other times 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 City is the acceptance of a share of the responsibility for continuous service, in accordance with the nature of each position. If an employee fails to respond to reasonable calls for emergency service, either special or routine, the employee will be subject to disciplinary action, up to and including dismissal.

On-Call Pay: On-call pay compensates certain non-exempt employees who are required to be on-call and return to work outside of normal scheduled working hours in the event of an emergency. On-call status is a designated period of (7) seven consecutive days. Hours of on-call status are not considered hours of work, and are not recordable on a time sheet. All non-exempt on-call employees will receive an additional salary base of \$84.00 for each entire week served on-call. On-call status of less than a period of seven (7) consecutive days (i.e., hurricanes) will be compensated at \$12.00 per day. There is no additional compensation for being on-call when there is a holiday. Hours actually worked while on-call are calculated beginning when the employee reports to the work site and are added to the regular total of hours worked for the week.

Call-Back Pay: Non-exempt employees will be guaranteed a minimum payment of two (2) hours of wages for being called back to work outside of normal scheduled working hours when not on call. Non-exempt employees will be paid at the established hourly rate of pay for hours worked outside their normal schedule if they are actually required to return to work and will receive overtime for eligible overtime hours. The minimum of two (2) hours pay is guaranteed for non-exempt employees who are called back or actual hours worked, whichever is greater. Call-back provisions do not apply to previously scheduled overtime work (scheduled one or more days in advance). If more than one call-back occurs within a given shift, total call-back time cannot exceed two (2) hours unless the work time exceeds two (2) hours. Hours actually worked when called back are calculated beginning when the employee reports to the work site and are added to the regular total of hours worked for the week.

Section 14. Holiday Pay

Full-time employees will receive compensation for each holiday observed, or an equivalent based on employee's regularly scheduled hours of work. Holiday pay will be calculated according to the following:

General employees:	40 hour work week (2080 annual hours)	8.0 hours
Police employees:	42 hour work week (2184 annual hours)	8.4 hours
Fire-EMS employees:	56 hour work week (2912 annual hours)	11.2 hours
Exempt employees:		8.0 hours

Holidays are for the benefit of the employee to take leave from work. Due to the responsibilities of public safety positions (Police, Fire-EMS), work may be required on a holiday due to shift schedules. For this reason, Police and Fire-EMS employees will be entitled to receive holiday pay for the hours as noted above whether the employee works the shift or not. Holidays are always paid at straight time and will be excluded from hours worked in calculating overtime. Hours worked on a holiday will be paid in accordance with the provisions of the FLSA. Refer to Division VII, Section 2 for holiday designation.

Section 15. Holiday Pay Eligibility

To be eligible for holiday pay, an employee must be in an active pay status on the work day before and the work day after the holiday. Pay status will be defined as an approved day off with pay or a regularly scheduled work day. If employees have excused absences for illness or reasons related to Family and Medical Leave (FMLA), during a period in which the holiday falls, they will receive the holiday pay if they are in a paid status. Police and Fire-EMS employees whose work schedules differs from the standard workweek schedule, and who work greater than 8-hour shifts, will meet this requirement by working the "scheduled work shift" before and the "scheduled work shift" after the holiday or have been given approved leave.

An employee separating from City service will be required to work the day (shift) before and the day (shift) after the holiday to be eligible for holiday pay – approved leave is not allowed. However, in cases of retirement, the employee may use leave time prior to the date of retirement and be eligible for holiday pay.

Section 16. Payroll Deduction

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

Section 17. Hourly Rate of Pay

All employees will be paid at a listed hourly rate within the salary ranges established for their respective job classes, except for employees in a trainee status. This hourly rate will be multiplied by the number of annual hours the position is required to work to obtain an annual salary.

Section 18. Pay for Acting in a Higher Level Classification

An employee who is formally designated to perform the duties of a position that is assigned to a higher salary grade than that of the employee's regular classification, for an amount of time that is greater than a bi-weekly period and expected to continue thirty (30) days or more, will receive an increase for the duration of the "Acting" assignment. The employee will receive a salary adjustment to the minimum level of the job in which the employee is acting or an increase of 5%, whichever is greater. The salary increase will be temporary and upon completion of the assignment, the employee will go back to the salary he or she would have had if not assigned to the "Acting" role, taking into account any increases the employee would have received if he/she had not been placed in the "Acting" role.

DIVISION IV. RECRUITMENT AND EMPLOYMENT

Section 1. Equal Employment Opportunity Statement

The City fosters, promotes, and maintains a consistent recruitment program to promote equal employment opportunity and to identify and attract the most qualified applicants for all vacancies. This intent is achieved through consistency in announcing all positions, evaluating all applicants on the same criteria, providing reasonable accommodations as needed, and by applying consistent testing methods when applicable. The City will 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, without regard to race, color, religion, gender, national origin, political affiliation, non-disqualifying disability, age, marital status, sexual orientation, or veteran status.

Section 2. Recruitment, Selection, and Appointment

Recruitment Sources/Job Advertisements: When position vacancies occur, the Human Resources Office will publicize these opportunities for employment, including applicable salary information and employment qualifications. Information on job openings and hiring practices may be provided to a variety of recruitment sources. Job openings may be advertised in sources including, but not limited to, news media, professional publications, employment recruitment centers (Employment Security Commission), and other relevant publications in order to establish a diverse and qualified applicant pool. In addition, notice of job openings will be posted internally and on the City's website. Employment advertisements will contain assurances of equal employment opportunity and will comply with Federal and State statutes. Individuals will 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 City service. In rare situations because of emergency conditions, high turnover, etc., the City may hire or promote without advertising the position, upon approval of the City Manager.

Position Vacancy Announcements: The City will conduct a program of open recruitment in all positions to establish a diverse and qualified applicant pool. All position vacancy announcements will be posted for a minimum of seven (7) days. Before a vacancy announcement is posted by the Human Resources Director, the Department Head should review the job description and inform the Human Resources Director of any changes in job duties or requirements.

The City will use the following posting options, which are at the discretion of the Department Head, to use when filling vacancies:

- a) Internal Posting (for City-wide Employees only) - This option allows for vacancy announcements to be posted throughout each department within the City. This allows City employees the first opportunity to apply for vacant positions.

- b) External Posting (for City-wide Employees and Outside Applicants) – This option allows for recruitment efforts to be conducted for external and internal qualified candidates simultaneously. Special consideration will be given to qualified internal applicants.

Application for Employment: All persons expressing interest in employment with the City will be given the opportunity to file an application for employment for only positions that are vacant. Applications are screened and referred to the hiring department by the Human Resources Director. The hiring department conducts interviews, checks references, and selects the candidate best qualified for the job. Both Human Resources and the City Manager approve hires before job offers are made. A current City employee wishing to apply for any advertised vacancy must complete and submit the employment application to the Human Resources Office.

Selection: Department Heads and the Human Resources Director will make such investigations and conduct such examinations as necessary to assess accurately the knowledge, skills, and experience qualifications required for the position, including education verification and criminal history. All selection devices administered by the City will be valid measures of job performance.

Appointment: Before any commitment is made to an applicant, either internally or externally, the Department Head will make recommendations to the Human Resources Director regarding the salary requested and the reasons for selecting the candidate over other applicants. The Human Resources Director and Department Head will make recommendations to the City Manager regarding the candidate and starting salary of appointments for his/her approval.

Section 3. Probationary Period

An employee hired, promoted, or transferred to a position will serve a probationary period. The probationary period serves as an extension of the selection process. It provides time for the employee to adjust and allows the supervisor time to ensure the new employee can satisfactorily meet performance expectations before granting regular status.

Probationary periods for newly hired employees are:

- 6-months: General employees
- 6-months: Department Heads
- 12-months: Police and Fire-EMS employees (non-administrative)

Probationary periods for promoted or transferred employees are:

- 6-months: All employees

During the probationary period, Supervisors will monitor an employee's performance and communicate with the employee concerning performance progress. Supervisors are encouraged to have an informal review with employees six (6) months into a 12-

month probation. Employees hired as “trainees” will remain on probation until the provisions of their traineeship are satisfied.

Before the end of the probationary period, the Supervisor will conduct a performance conference with the employee to discuss accomplishments, strengths, and needed improvements. The Supervisor will 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 (6) 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 procedures as outlined in Division IX and Division X of this Policy. An employee terminated during the probationary period does not have the right to the grievance procedure process.

A promoted or transferred 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 will be dismissed. Promoted and transferred employees who are on probation retain all other rights and benefits including the right to use the grievance procedure.

Section 4. Promotion

Promotion is the movement of an employee from one position to a vacant position in a class assigned to a higher salary grade. The City will promote and provide career opportunities for its current employees whenever possible. Therefore, when a current employee applying for a vacant position is the best suited of all applicants, that applicant may be hired to that position. Internal candidates will apply in the same manner as described in the Application Employment Section of this Division.

The City will balance three (3) goals in the employment process: 1) obtaining the best possible employee who will provide the most productivity in that position; 2) providing equal employment opportunity and a diversified workforce to the community; and 3) the benefits to employees and the organization of promotion from within. Candidates for promotion will be considered on the basis of their qualifications and their work records. However, exceptions occur where internal candidates do not meet the qualifications, experience, or performance standards required for the vacant position and the City may consider external candidates rather than promoting from within.

Upon a promotion, an employee will serve a 6-month probationary period and all conditions as described in the Probationary Period section of this Division will apply. While on probation, promoted employees retain all other rights, benefits, and leave, including the right to use the grievance procedure.

Section 5. Demotion

Demotion is a reassignment to a lower position than the employee had worked previously. The position will generally have a lower level of responsibility or required

skill and a lower pay grade than the previous position. Demotion may be either voluntary, involuntary, or disciplinary as follows:

- a) Voluntary Demotion - An employee who wishes to accept a vacant position with less complex duties and reduced responsibilities may request a voluntary demotion by submitting their application directly to the Human Resources Office. A voluntary demotion is not a disciplinary action and is made without using the disciplinary procedures outlined in Division IX of this Policy.
- b) Involuntary Demotion - An employee may be involuntarily demoted when the work habits, performance, or conduct of the employee become unsatisfactory or exhibit some other deficiency that it impairs the overall administration and/or operation of the department. An involuntary demotion of this type may occur without any prior warning or without use of the disciplinary procedures as outlined in Division IX of this Policy and must be approved by the City Manager.
- c) Disciplinary Demotion - An employee may be demoted to a lower position as a result of disciplinary action when their work or conduct in the current position fails to satisfactorily meet job requirements or warrants just cause for warning or disciplinary action. Such disciplinary demotion will follow the disciplinary procedures outlined in Division IX of this Policy.

Section 6. Transfer

A transfer is the movement of an employee 1) from one position to another position in the same salary grade either in the same department or a different department, or 2) from the same position to like position in another department at the same grade. This movement may occur as a result of the following:

- Employee Directed - If a vacancy occurs and an employee in another department is interested in transferring to the position, the employee will apply in the manner as described in the Application for Employment Section of this Division.
- Department Head Directed – If a vacancy occurs, a Department Head wishing to transfer an employee to a different department will discuss intent of transfer with receiving Department Head and, upon the Department Head's mutual consent to the transfer, submit transfer request to City Manager for approval.

Upon a transfer, an employee will serve a 6-month probationary period and all conditions as described in the Probationary Period Section of this Division will apply. While on probation, transferred employees retain all other rights and benefits such as the right to use the grievance procedures.

DIVISION V. CONDITIONS OF EMPLOYMENT

Section 1. Service to the Public

The City is committed to providing the highest quality service to all municipal customers. To that end, all employees are expected to be courteous, helpful, and respectful of all citizens and visitors to the area. In addition, all City employees are expected to behave and dress in a professional manner while at all times conducting themselves with the highest ethical standards to maintain public confidence. Failure to honor this commitment may be grounds for disciplinary action, up to and including dismissal.

Section 2. Standard Work Period

City employees will work a standard work period determined by the City Manager and Department Head as deemed necessary to meet operational needs. Departments will either operate on a 40 hour workweek, a work cycle of 171 hours (law enforcement) or 212 hours (Fire-EMS) over a 28 day work period. The standard seven-day workweek is Thursday to the following Wednesday. Standard business hours will be set by the City Manager. Department Heads and other exempt personnel will work the number of hours necessary to assure satisfactory performance of their departments and generally not less than 40 hours per week. Employees will be advised of their work schedule by the Department Head or Supervisor. Any deviation from the assigned work schedule must be approved by the employee's Department Head. The City Manager, however, will authorize permanent schedule changes on a departmental level. *(Amended 4-9-19; 9-12-19)*

Section 3. Political Activity

All City employees have 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 while in active service will:

- a) Engage in any political or partisan activity while on duty;
- b) Use official authority of influence for the purpose of interfering with or affecting the result of a nomination or an election for office;
- c) 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;
- d) Coerce or compel contributions from another employee of the City for political or partisan purposes;
- e) Use any supplies or equipment of the City for political or partisan purposes; and
- f) Be a candidate for nomination or election to office under the City Charter.

Any violation of this section will subject the employee to disciplinary action, up to and including dismissal.

Section 4. Outside Employment

The work of the City will have precedence over other occupational interests of employees. The City understands that for various reasons employees may seek to hold other jobs while continuing to work for the City. Outside employment is prohibited when it would create a conflict of interest or interfere with the employee's ability to perform work for the City in a satisfactory manner. Before an employee begins working at another outside position, he/she must obtain approval from the Department Head. The Department Head will review such requests for possible conflict of interest and then submit a record of the employment review to the employee's personnel file. Failure to obtain permission or accepting another position after permission has been denied may be grounds for disciplinary action, up to and including dismissal. In addition, if an employee's outside position interferes with the employee's ability to work at the City, the employee will be subject to discipline for poor performance or poor attendance using the disciplinary procedures as outlined in Division IX of this Policy.

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

- a) Employment with organizations or in capacities that are regulated by the employee or employee's department; and
- b) Employment with organizations or in capacities that negatively impact the employee's perceived integrity, neutrality, or reputation related to performance of the employee's City duties.

The City must approve any outside employment while an employee is out of work while on any leave of absence.

Section 5. Dual Employment

A full or part-time employee of the City may simultaneously hold another temporary position with the City if the temporary position is in a different department and clearly in a different program area from that of the full or part-time position. The work of the temporary position must also be performed on an occasional or sporadic basis as identified in FLSA regulations. However, the work of the full or part-time position will take precedence over the temporary position, and such temporary work will not count toward the calculation of overtime for pay or time off.

Section 6. Employment of Relatives

No person will be hired or assigned to work under the supervision of a relative, nor will any employee's relative be employed where one member occupies a position, which has influence over another's employment, promotion, salary administration and other related management or personnel considerations. The following will apply with regard

to employment of relatives:

- a) Employment of a relative of any member of the City Council of the Town of Morehead City is prohibited;
- b) Employment of relatives may be permitted in strictly emergency situations for temporary periods of time, with the approval of the City Manager in cases where other qualified applicants are not available for an essential task; and
- c) For the purposes of this section, relative will mean spouse, children, brother, sister, parents, step and “in-laws” of the employee and anyone living as a part of the same household of the employee.

Section 7. Harassment / Sexual Harassment Prohibited

The City prohibits, and will not tolerate, sexual harassment or harassment on the basis of race, color, religion, gender, national origin, political affiliation, disability, age, marital status, sexual orientation, or veteran status. Harassment complaints or allegations will be investigated promptly and where it is determined that such inappropriate conduct has occurred, the City will act immediately to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action, up to and including dismissal.

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when 1) submission to or rejection of 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.

Harassment, other than sexual, is verbal or physical conduct that denigrates or shows hostility or aversion towards an individual because of race, color, religion, gender, national origin, age, sexual orientation, or disability, which has the purpose or effect of creating an intimidating, hostile, or offensive work environment or unreasonably interferes with an individual's work performance or otherwise adversely affects an individual's employment opportunities. Harassing conduct includes, but is not limited to, epithets, slurs, negative stereotyping, or threatening, intimidating, or hostile acts. Written or graphic material which denigrates or indicates hostility or aversion toward an individual or group is prohibited from display on the employer's premises or circulation in the workplace.

Any employee who feels harassed or who knows of or suspects the occurrence of forbidden harassment is responsible for immediately informing the Human Resources Director or the City Manager in writing of the facts regarding such harassment so that management may promptly and thoroughly conduct an investigation. Department Heads and Supervisors who receive a harassment complaint are to contact the Human Resources Director immediately.

If an investigation determines that prohibited harassment occurred, the City will take immediate corrective action, including discipline up to and including immediate dismissal of employment of the responsible party as is appropriate. Employees making complaints of sexual harassment are protected against retaliation from alleged harassers or other employees. Employees who believe they have been retaliated against for making such complaints should immediately inform the Human Resources Director or City Manager.

Section 8. Solicitation and Acceptance of Gifts and Favors

No official or employee of the City will solicit or accept gifts, favors, gratuities, discounts or price breaks, entertainment, or anything greater than de-minimus value from any person, organization or group with which he or she has official, enforcement or regulatory relationships 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 9. Performance Evaluations

Department Heads and/or Supervisors will conduct performance evaluation reviews with each employee at least once a year. Procedures for the performance evaluation program will be published by the City Manager.

The City's performance management system requires regular employees to receive a total score of at least "meeting expectations" on the performance evaluation in order to receive a performance increase. In the event an employee is rated "below expectations" overall, he/she will not be eligible for a performance increase adjustment awarded for the same fiscal year. In this event, the Supervisor will develop a written Corrective Action Plan outlining performance deficiencies and measures to be taken to correct these deficiencies. A deadline for correcting these deficiencies will also be set on or before the next performance review date. If the employee's performance does not improve to a satisfactory standard by the deadline date, salary increases will continue to be withheld and the Supervisor will initiate such disciplinary action as deemed necessary.

Section 10. Safety

Safety is the responsibility of both the City and employees. It is the policy of the City to establish a safe work environment for employees. The City has established a safety program including policies 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 will follow the safety policies and procedures and attend safety-training programs as a condition of employment. Employees who violate such policies and procedures will be subject to disciplinary action, up to and including dismissal.

Section 11. Drug Free Work Place

The City is concerned with the safety of both employees and the public. As such, the City provides a drug free workplace for all employees and conducts pre-employment, random, post-accident, and reasonable suspicion drug testing in addition to any required by law. The City has established a detailed policy and procedure relating to employee substance abuse and drug testing in order to ensure the safety and wellbeing of citizens and employees, and to comply with any state, federal, or other laws and regulations. This policy serves as the City's guide to administer, regulate, and enforce a drug free work place.

Section 12. Internet and Email

All electronic communication devices and sources used for City business are the property of the City and, as such, will be monitored, audited and reviewed for proper use. Employees will not make any intentional use of the Internet, email or other electronic communications devices or sources that is illegal, malicious, inappropriate or obscene. Improper use of the Internet, Email and other City electronic business devices or sources will subject the employee to disciplinary action, up to and including dismissal. Internet access is restricted to workstations and devices for positions that have a clear and on-going need for such access that will benefit the City. The City has established a detailed policy and procedure guideline relating to electronic communication which is available upon request.

Section 13. Attendance

The City depends on employees to provide needed services every day. Regular attendance is mandatory and is part of the work standards for all jobs. Poor attendance can negatively affect performance evaluations or may lead to disciplinary action. Excessive absenteeism or a chronic attendance problem can lead to disciplinary action, up to and including dismissal.

Section 14. Inclement Weather/Emergency Closing

Purpose:

As a local government, the essential services of the Town of Morehead City must be provided even during periods of inclement weather or other emergency conditions. For purposes of this Policy, "inclement weather" conditions will include cold weather (snow, ice, etc.) and warmer weather (hurricane, tropical storm, tornado, etc.) events. "Other emergency" conditions include, but not limited to, unexpected events such as fire, equipment failure, disruption of power or other critical utility support systems, contamination by hazardous agents and terrorist acts. The City is committed to maintaining full service levels to the extent possible while addressing the safety for City employees.

Announcements and Notifications:

When conditions warrant, the City Manager will determine and announce all decisions to close, delay, or cancel activities of the City. If inclement weather or emergency conditions develop during a scheduled working day, employees will be notified of closings through normal supervisory channels. When the City's schedule is altered after normal working hours, operational status will be available through news media outlets, the City's main telephone number, the City website, and/or through the employee's supervisor.

Employees are always encouraged to communicate with their Department Head and/or Supervisor if they have any questions about inclement weather and other emergency conditions and/or their responsibilities regarding reporting to work.

Employee Status:

Some City operations require employees to report for work in order to provide essential and emergency services during periods of inclement weather or other emergency conditions. For purposes of this Policy, employees will be categorized into one of the following groups:

- Essential Employees – Employees whose nature of work/job duties and responsibilities are required for the essential operations of the City during the time of the actual event. Essential employees will be required to report for work per their regular schedule or may be called in to work on an unscheduled work day, in spite of an official closing, delay, or cancellation. Essential employees who are required to remain at work during hazardous times may be relieved of duties for the period of time necessary to assure the safety of their families.
- Non-Essential Employees – Employees whose nature of work/job duties and responsibilities are not generally required for the essential operations of the City during the time of the actual event. Non-essential employees are excused from working during an official closing, delay, or cancellation unless they are notified by their Department Head or Supervisor that they must report for work to support the necessary operations of City government in spite of a closing, delay, or cancellation. Such determinations and notifications are made on a situation-specific basis and will not necessarily result in a permanent change to the non-essential employee designation for the position or require a change to the position description.

The Human Resources Office will ensure that the designations of “essential” or “non-essential” are made part of each position description and will make sure that new employees are advised of these requirements as part of new employee orientation. The Human Resources Director and Department Head, with the approval of the City Manager, will designate a position as “essential” or “non-essential” based on the duties and responsibilities of the position.

Reporting for Work:

Once the City Manager has made the decision and announced the closing, delay, or cancellation of City services due to inclement weather or other emergency conditions, the designation of the position of the employee as essential or non-essential will determine the status of the employee to work or be relieved of duties. The following will apply when City offices are closed or operations/services are curtailed due to inclement weather or emergency conditions:

- Employees who are designated as non-essential will be relieved of duties once the City Manager has made the determination to close, delay, or cancel City operations/services.
- In some cases, non-essential employees may have cause (i.e., travel, family) to leave work early, not report to work, or arrive late to work as a result of the inclement weather or emergency condition. Conversely, in some cases, non-essential employees may have cause to work during hours after the City Manager has closed, delayed, or cancelled City offices and/or services. In these cases, the employee's Department Head or Supervisor will have the responsibility to assess the reason for the employee's request and make the determination to either approve or deny the request. Careful attention will be taken to maintain the safety of the employee.
- In some cases, department necessity may require that non-essential employees must report to work or remain at work during a particular emergency situation. Department Heads will establish a procedure for notifying these employees individually and every employee will be required to work when their Supervisor directs they do so unless the Supervisor and the employee mutually agree that it is in the best interest that the employee not do so.
- Essential employees should not expect approval of personal leave day requests during inclement or other emergency conditions or events. Personal leave day requests made and approved prior to the inclement weather or other emergency event should be discussed between the employee and Department Head or Supervisor to determine whether the circumstances surrounding the inclement weather or emergency event have impacted the previously approved request.

Compensation for Work:

- Non-essential employees:
 - ❖ Compensation for non-essential employees will be paid for those hours worked prior to and after the event that caused the City Manager to close, delay, or cancel City offices and/or services. If City offices and/or services remain closed for a standard business work day or more, the City Manager will have the authority to grant up to three (3) working days off with pay for inclement weather/emergency closing, per employee, annually.
- Essential employees – Compensation for essential employees who must come to work to maintain the safety and well-being of the City and its citizens will be compensated based on the following:

- ❖ Non-exempt employees will receive their base rate of pay for all hours worked. Fair Labor Standards Act (FLSA) overtime rules apply. All hours worked over the employee's regular work schedule will be compensated at 1 ½ times the regular hourly rate or as compensatory time at 1 ½ hours for each overtime hour worked (>40 in 7-day week, >=171 or 212 in 28 day cycle). In addition, eight (8) hours of inclement weather/emergency closing pay per day, not to exceed twenty-four (24) hours annually, will be paid. These hours will not be included when calculating overtime pay.
- ❖ Exempt employees will receive their base rate of pay for all hours worked not to exceed forty (40) hours. Exempt employees who have worked in excess of forty (40) hours will receive eight (8) hours of inclement weather/emergency closing pay per day, not to exceed twenty-four (24) hours annually. In addition, in the event a State of Emergency declaration is proclaimed for the City, all exempt employees will be compensated for any time worked in excess of forty (40) hours in a standard seven-day work week at 1 ½ times the regular hourly rate. *(Amended 4-9-19; 9-12-19)*

Accounting For Time Not Worked:

All employees must account for any work time lost due to inclement weather or emergency closings. This is true if City offices close, if an employee leaves work early, or if an employee does not report to work. Employees are expected to use their best judgment if inclement weather creates extreme travel hazards for commuting to and from the workplace. They should not endanger themselves nor ignore the statements of local officials about traveling during inclement weather. Employees must notify their Department Head or Supervisor if they are unable to report to work or remain at work when City offices are operating under a normal work schedule. Failure to do so may result in disciplinary action. However, when conditions cause an employee to arrive late to work and notification was not made to the Department Head or Supervisor, he/she may determine that the conditions justified the late arrival. In such cases, no disciplinary action will be taken.

To cover absences during inclement weather or other emergency conditions, employees may elect:

- use of vacation leave;
- use of compensatory leave;
- take leave without pay.

If an employee does not have available leave time to use and leave without pay would cause the employee an undue financial burden, advancement of vacation leave may be considered by the Department Head with approval by the City Manager. Conversely, if an employee prefers not to use leave time and would not be affected by non-payment of the lost time, leave without pay may be used without adverse discipline consequences.

Due to inclement weather or an emergency closing, the departmental needs may be such that the Department Head may allow or require an employee(s) to work during the

period of the closing or work additional hours to make up for the time not worked. This decision will be solely based on the Department Head's discretion, keeping in mind that make up work may be used to offset the time not worked and/or may result in an overtime situation. All hours worked will be paid in accordance with FLSA.

Exempt employees, who are not required to work during the emergency condition, will account for absences in the same manner as non-exempt employees. However, if the exempt employee works additional hours to make up for the time not worked and causes the exempt employee to work in excess of forty (40) hours in a workweek, the employee may be granted compensatory leave in the future by their Department Head where the convenience of the department allows.

Employees who are on a pre-approved vacation leave or sick leave will charge leave to the appropriate account with no provision for make-up time.

DIVISION VI. EMPLOYEE BENEFITS

Section 1. General/Eligibility

General:

As an integral part of a comprehensive, competitive compensation program, the City offers a variety of benefits. Specific benefit programs will vary from time to time and the type, level, eligibility and cost of such programs are subject to change at any time at the sole discretion of the City. To that end, the City will periodically review each employee benefit and may, with or without prior notification, modify, delete or add benefits at its own discretion as may be deemed to be appropriate and necessary.

This portion of the Policy contains a very general description of the benefits to which employees may be entitled to and does not provide all the details of these benefits. Therefore, this Policy does not change or otherwise interpret the terms of the official plan documents. Employees' rights can be determined only by referring to the full text of the official plan documents, which are available for examination in the Human Resources Office. Benefits generally have a specific waiting period or eligibility requirements described in the official plan documents. To the extent that any of the information contained in this Policy is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases. For more complete information regarding any of the benefit programs, please refer to the Summary Plan Descriptions which are provided during new hire orientation or contact the Human Resources Director.

All City benefits, except those required by Federal or State law, are subject to annual appropriation by the City Council and are subject to change at the City's discretion.

Eligibility:

All full-time employees of the City and others as specifically provided herein will be eligible for employee's benefits as provided for in this Division.

Section 2. Group Health Insurance/Supplemental Insurance

All full-time employees, elected officials, and employees eligible under Federal and State law will be eligible to participate in the group health insurance plan. Health insurance offerings including, but not limited to, medical, dental, vision, life and short term disability may be available to eligible City employees depending on funding and Council approval each fiscal year. The City will make every effort to appropriate the funds for the cost of group health insurance premiums; however, depending on budgetary limitations, employee cost share may be necessary.

In addition, the City may offer a range of supplemental insurances to provide additional insurance needs for the employee and their family members at the employee's expense including, but not limited to, accident, term life, and cancer insurance.

Section 3. Medical Insurance for Retired Employees

The City offer's post-employment medical-only insurance for employees who retire from the City. The employee must meet the following conditions:

- The employee has given at least ten (10) years of continuous service with the City prior to retirement;
- The employee is eligible to retire with the NCLGERS on a basic service retirement;
- The employee is eligible to retire with the NCLGERS on unreduced benefits: and
- The employee is a covered member under the City group health plan at the time of retirement.

Eligible retired employees will receive \$10.00 per month for each year of employment with the City with a maximum monthly amount of \$300 for an employee working thirty (30) or more years with the City. The payment reimbursement will become effective on the first day of retirement, as determined by the NCLGERS, and will be paid to the eligible retired employee, as determined by the City, upon submission to the City of proof of insurance coverage and receipt of payment to insurance carrier. The retiree is not eligible to remain on the City's insurance plan.

Retired employees are no longer eligible to receive this benefit upon:

- The eligible retired employee reaching age 65;
- The discontinuance of receiving retirement benefits from the NCLGERS;
- Receiving insurance from any employer sponsored group health plan; and
- The death of the retired employee.

Dental and vision insurance may be available to retiring employees and their dependents at their expense under provisions provided by the group benefits package. The retiring employee and their dependents must be covered under the City's group health plan at the time of retirement to be eligible for any insurance benefit. Retiree is not eligible to resume any insurance if they direct cancellation of benefits.

The City will review this benefit annually and may, with or without notification, make changes including, but not limited to, additions, deletions, and modifications. Annually, the retiree must certify with the City that they meet the conditions to continue to receive the benefit.

As defined herein this section, medical insurance for retired employees will apply to those employees hired on or after the effective date of July 1, 2016. Employees hired prior to the effective date of July 1, 2016 will be eligible for benefits as stated in the Personnel Policy adopted on June 11, 2013.

Section 4. Retirement

The City provides a retirement income plan for eligible employees under the rules and provisions of the North Carolina Local Governmental Employees' Retirement System (NCLGERS). Participation, as defined by the NCLGERS, includes employees hired by a NCLGERS participating unit in a county, city, town, or other local government and the position the employee holds is regularly employed and requires 1,000 or more hours of service per year. Employment, as defined by the NCLGERS, will be as follows:

- Regularly employed is defined in NCGS 128-21(10a) as employment in a position for which the duties require at least 1,000 hours of work in a calendar year, but does not include temporary or statutorily required interim employment.
- Temporary employment is defined in NCGS 128-21(10b) as employment for a limited term which does not exceed twelve (12) consecutive months on a non-recurring basis.
- Statutorily-required interim employment is defined in NCGS 128-21(10c) as employment as an interim city or county manager for a period that does not exceed 12 months on a non-recurring basis.

Employees who qualify for NCLGERS participation are also eligible to participate in the NC 401(k) Plan.

Section 5. Supplemental Retirement Benefits

Employees who are enrolled in NCLGERS are also eligible to participate in the NC 401(k) Plan through payroll deduction. Participation is not required, but the City may contribute to an employee's 401(k) if the employee contributes a minimum amount as prescribed by the City. Sworn law enforcement officers are automatically enrolled in the NC 401(k) Plan in compliance with NCGS 143-166.50. All employee contributions are voluntary except as required by law.

Employees are eligible to participate in additional supplemental pre-tax and Roth IRA retirement benefits offered by the City. Payroll deducted contributions are voluntary and payable at the employee's expense.

Section 6. Social Security

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

Section 7. Workers' Compensation

All City employees are covered by the North Carolina Workers' Compensation Act and may be eligible for medical attention for on-the-job injuries, accidents, and illnesses and may be compensated for absence from work due to injury or illness covered by the Act. All workers' compensation claims are subject to approval or denial based on the

provisions under Chapter 97 of the NCGS. The terms and conditions of Workers' Compensation Leave are discussed in Division VII, Section 18.

Section 8. Unemployment Compensation

In accordance with Public Law 94-566 and subsequent amendments, local governments are covered by unemployment insurance.

Section 9. Tuition Reimbursement Program

Regular, full-time employees who have completed the required probationary period and have at least one (1) year of continuous service with the City 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 within the City. Courses that are not in an area of local government or are primarily avocational will not be approved. Tuition, books, registration, fees, laboratory fees, and student fees are eligible expenses. Employees may be reimbursed for eligible expenses up to a total of two thousand five hundred dollars (\$2500) per fiscal year, subject to availability of funds with the City. If tuition reimbursement requests exceed budgeted funds, disbursements will be made on a first-come, first-served basis. Reimbursement will be based on the following passing grades:

Grade A	100% reimbursement
Grade B	75% reimbursement
Grade C	50% reimbursement
Below C	0% reimbursement

Requests for enrollment in the tuition reimbursement program will be submitted to the Department Head for approval prior to course registration.

Employees who accept tuition reimbursement commit to regular full-time service for twelve (12) months following the completion of the course(s). In the event that an employee voluntarily terminates their employment with the City or is terminated for cause during the twelve (12) month period, the employee will be responsible for repayment of tuition reimbursement. The value of the tuition reimbursement will be deducted from the employee's final paycheck and from any other amounts payable to the employee including accrued vacation leave and paid out in compliance with the Fair Labor Standards Act (FLSA).

Section 10. Flexible Spending Accounts (FSA) & Health Savings Accounts HSA)

Eligible employees have the option of enrolling in Flexible Spending Accounts (FSA) or Health Savings Accounts (HSA). This is a benefit offered by the City to employees which allows a fixed amount of pre-tax dollars to be payroll deducted for qualified expenses such as medical, dental, vision or day care expenses. The benefit to the employee is that the money deducted from the employee's pay is not subject to payroll taxes, resulting in substantial payroll tax savings.

Section 11. Employee Assistance Program (EAP)

The City has an Employee Assistance Program (EAP) to help employees resolve a wide range of personal problems that may have a negative effect on their job performance. This confidential counseling service is available to employees and their family members. City employees are encouraged to use the EAP when they are experiencing problems that impact their ability to be productive at work. Employees may choose to go to the EAP on their own, or they may be required or encouraged to use the EAP by their Department Head or Supervisor.

Section 12. Open Enrollment and Qualifying Event Changes

Employees are given the opportunity annually during open enrollment to make changes in their health and voluntary insurance coverage. In addition, employees may add or remove dependents within thirty (30) days following an IRS-defined “qualifying event”. Qualifying events must be reported to the Human Resources Office within thirty (30) days of the occurrence.

Section 13. Law Enforcement Officers’ Separation Allowance

The City complies with the provisions of the NCGS 143, Article 12.D, Special Separation Allowances for Law Enforcement Officers, as it periodically may be amended, which provides that law enforcement officers retiring before the age of 62 are eligible for a “separation allowance” under specific conditions.

The City follows the provisions of NCGS 143-166.42 when determining eligibility and compensation for the separation allowance. In determining eligibility, the officer will:

- Have completed 30 years or more of creditable service or have attained 55 years of age and completed five (5) or more years of creditable service (as the term “creditable service” is defined in G.S. 143-166.41(b); and,
- Not have attained the age of 62; and
- Have completed at least 5 years of continuous service as a law enforcement officer, as herein defined, with the City immediately preceding a service retirement.

Compensation will be an annual separation allowance beginning in the month the officer retires on a basic service retirement, 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. The allowance will be paid in equal installments on the same frequency as the regular City payroll cycle.

The City will make all required deductions from the monthly separation allowance including FICA, Medicare, taxes and any employee-paid health insurance.

The separation allowance payments to a retired officer will cease at the first of

- 1) the death of the officer;
- 2) the officer attains 62 years of age; or

3) the first day of reemployment by a local government employer in any capacity.

Notwithstanding the provisions of subdivision (3) of this subsection, 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 doing so will not cause payment to cease to those officers under the provisions of this section.

Any officer who is entitled to receive a separation allowance from the City will, within ten (10) days of any change in his/her employment status, report the same to the City Manager or Human Resources Director.

The governing body will determine the eligibility of employees for the benefits provided herein. *(Amended 8-9-16)*

DIVISION VII. HOLIDAYS AND LEAVES OF ABSENCE

Section 1. Policy

The policy of the City is to provide holiday leave, vacation leave, and sick leave to all regular full-time employees and part-time employees as noted. An employee must be in an active pay status (paid) to receive leave accruals. If an employee goes into an inactive pay status (unpaid), leave accruals will not be earned.

Section 2. Holidays

The following days, and other such days as the City Council may designate, are holidays with full pay for full-time employees of the City:

New Year's Day	Independence Day
Martin Luther King, Jr's Birthday	Labor Day
President's Day	Veteran's Day
Good Friday	Thanksgiving Thursday & Friday
Memorial Day	Christmas (3 working days)

If a holiday falls on a Saturday, the preceding Friday will be observed as the holiday. If a holiday falls on a Sunday, the following Monday will be observed as the holiday. Based on City functions and departmental needs, the City Manager may designate an alternate day for the holiday observance.

A holiday is defined as beginning at midnight on the day of the holiday and continuing for twenty-four (24) hours until the following midnight. Refer to Division III, Section 14 for compensation of holiday leave.

Section 3. Religious Holiday Observance

Employees may wish to be away from work on certain days for religious observances. Department Heads should attempt to arrange the work schedule so that an employee may be granted appropriate leave when it is requested because the day is a major religious observance for that employee. Appropriate leave should be denied only when it would create a hardship to the department.

Section 4. Holidays: Effect on Other Types of Leave

Recognized holidays that occur during a vacation, sick or other leave period of any employee will not be considered as vacation, sick, or other leave.

Section 5. Vacation Leave

Vacation leave is intended to be used for rest and relaxation, school appointments, and other personal needs. Vacation leave accrues from the first day of employment with the accrual rate determined by the length of service in accordance with the accrual table in Section 6 of this Division. Vacation leave will be taken only with the prior approval of the employee's Department Head and/or Supervisor.

Section 6. Vacation Leave: Accrual Rate

Full -time employees of the City will accrue vacation leave based on the following:

- a) Employees with no prior local or state government service will accrue vacation leave per the table below; or
- b) Employees from another local or state government without a break in service will accrue vacation leave based on the number of continuous years of service worked with their previous and most current employer prior to employment with the City and consistent with the table below.

A letter with dates of employment from the previous and most current employer must be provided to Human Resources for vacation leave credit.

Vacation leave is accrued per pay period (26 annually) based on the number of hours the employee is scheduled to work per week per table below.

YEARS OF SERVICE	DAYS EARNED PER YEAR	HOURS EARNED BI-WEEKLY PER SCHEDULED WEEKLY HOURS		
		40 HRS	42 HRS	56 HRS
Less than 5 years	15	4.62	4.85	6.46
5 but less than 15 years	20	6.16	6.46	8.62
15 or more years	25	7.70	8.08	10.77
Earned hours based on 8-hour equivalent				

Section 7. Vacation Leave: Maximum Accumulation

Vacation leave may accumulate without any applicable maximum until June 30 of each fiscal year. On a cutoff date at the end of the fiscal year, as determined by the Finance Department, those employees having accrued vacation leave in excess of thirty (30) days will transfer the unused vacation leave to sick leave, hour for hour, where it may accumulate without limit. The converted vacation leave may then be used for any authorized sick leave purposes, including creditable service at the time of retirement in accordance with the NCLGERS provisions. If the employee separates from service, payment for accumulated leave will not exceed thirty (30) days, based on the thirty (30) day equivalent hour amounts for different work weeks as follows:

40-hour work week = 240 hours vacation leave maximum
42-hour work week = 252 hours vacation leave maximum
56-hour work week = 336 hours vacation leave maximum

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 vacation leave accumulation during the latter part of the year and is unable to take such leave because of staffing demands, the employee will receive no special consideration either in having vacation leave scheduled or in receiving any exception to the maximum accumulation.

Section 8. Vacation Leave: Manner of Taking

Probationary and regular employees will be granted the use of earned vacation leave, upon request in advance, at those times designated and approved by the Department Head which will least obstruct normal operations of the City. Department Heads are responsible for insuring that approved vacation leave does not hinder the effectiveness of service delivery. Vacation leave may be taken in one (1) hour increments. Vacation leave will not be taken until it has been earned and credited to the employee's account. Failure to request or take vacation leave without prior approval may result in disciplinary action.

The City values the well-being of its employees and the need to be free from doing City work. Rest and relaxation are important to an employee's productivity and enthusiasm for their work. In this light, employees are required to take off seven (7) consecutive calendar days per fiscal year. The employee will coordinate with their Supervisor or Department Head a schedule that least disrupts the operation of the department.

Section 9. Vacation Leave: Payment upon Separation

Upon voluntary separation, a City employee with more than six (6) months of service whose performance has been satisfactory or better will be paid for accumulated vacation leave up to, but not to exceed, the equivalent of thirty (30) days, provided proper notice to the Department Head is given at least two (2) weeks (14 calendar days) in advance of the effective date of resignation. Department Heads will give at least thirty (30) days' notice to the City Manager prior to the effective date of resignation. Unless the terms of a written employment contract will state otherwise, the City Manager will give at least thirty (30) days' notice to the Mayor prior to the effective date of resignation. Unless approved by the City Manager, use of vacation leave will not be allowed during a two (2) weeks' notice. The maximum amount of accumulated vacation leave paid out at separation will be based on the amount as stated in Section 7 of this Division.

Any employee failing to give and work the 2-week notice required by this section will forfeit payment for accumulated vacation leave. The notice and work requirement may

be waived by the City Manager when deemed to be in the best interest of the City.

Employees who are involuntarily separated for any instance of failure in personal conduct or unsatisfactory performance will forfeit payment for accumulated vacation leave. Any employee who resigns or is involuntarily separated during their initial probationary period, or any extension thereof, will not be eligible for payment for accumulated vacation leave; however, an employee separated from employment as a result of a Reduction in Force action will be paid for accumulated vacation leave up to, but not to exceed, the equivalent of thirty (30) days

Section 10. Vacation Leave: Payment upon Death

The estate of an employee who dies while employed by the City will be entitled to payment of all the accumulated vacation leave credited to the employee's account not to exceed the maximums established in Section 7 of this Division.

Section 11. Sick Leave

Sick leave benefits are a privilege and not a right that an employee may demand. Sick leave is a benefit granted to full-time employees. The use of sick leave may be granted to a probationary or regular 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 is not intended to provide time off for recreation, personal reasons, or to extend vacations.

Sick leave may be used when an employee must care for a member of his or her immediate family who is ill. "Immediate family", for purpose of this Section, will be defined as spouse, children (including step children), parent (including step parents), sibling, grandparent, grandchild of the employee, and dependent person living in the same household.

Section 12. Sick Leave: Accrual Rate and Accumulation

Upon hiring, full-time employees earn sick leave at the rate of twelve (12) days per year, pro-rated and accumulated per pay period based on the number of hours scheduled to work per week:

40-hour work week = 3.69 hours earned bi-weekly
42-hour work week = 3.88 hours earned bi-weekly
56-hour work week = 5.17 hours earned bi-weekly

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 NCLGERS.

All sick leave accumulated by an employee will end and terminate without compensation when the employee resigns or is separated from the City.

Section 13. Sick Leave – Manner of Taking

Notification of the need to take sick leave should be submitted to the employee's Department Head or Supervisor prior to the leave, whenever possible. In order to be eligible for sick leave with pay, an employee must:

- a) Report promptly, within one (1) hour of scheduled work hours (the same day), to employee's Department Head or Supervisor the reason for absence;
- b) Must report in daily to Department Head or Supervisor to update status of medical condition; and
- c) Notify Department Head or Supervisor promptly upon return to work.

Lack of notification may result in the time missed being without pay and/or disciplinary action for failure to report to work. Prior approval is required when using sick leave for doctors' appointments or other planned absences which qualify for use of sick leave. Department Heads may require that employees obtain a physician's statement describing the nature of illness and/or attesting to one's capacity to resume work duties. The City has the discretion to send an employee home on sick leave if he/she exhibits signs of a serious contagious illness or to send the employee to a physician to obtain a fitness for duty note before returning to work.

Sick leave will not be taken until it has been earned and credited to the employee's account. Sick leave may be taken in one (1) hour increments. Sick leave may run concurrently with other types of leave including Family Medical Leave. Sick leave may be used to supplement Workers' Compensation during the waiting period before benefits begin. Sick leave will only be approved during the final two (2) weeks of a resignation notice with a physician's certification or comparable documentation.

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

Section 14. Transfer of Sick Leave from Previous Employer

An employee who is employed by the City in a full-time position and is transferring to the City from another state or local agency may have their accrued sick leave balance of their previous and most recent employment transferred to the City under the following guidelines:

- a) The employee bears the sole responsibility for requesting and obtaining certification of the prior sick leave balance from the previous agency;
- b) The employees' responsibility for obtaining certification of the amount of previously accrued sick leave is not discharged until the employee receives from the Human Resources Office acknowledgement of receipt of satisfactory certification; and

- c) Upon completion of one (1) continuous year of service with the City, the sick leave balance from the previous agency will be transferred to the employee's current sick leave balance.

As defined herein this section, sick leave transfers will be honored for employees who, between July 1, 2016 and the effective date of this Policy amendment, have a current request of sick leave transfer on file in the Human Resources office.

Section 15. Sick Leave: Medical Certification

The employee's Department Head and/or Supervisor may require a physician's certificate stating the nature of the employee's or employee 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 will be responsible for the application of this provision to the end that:

- a) Employees will not be on duty when they might endanger their health or the health of other employees; and
- b) There will be no abuse of leave privileges.

Section 16. Family and Medical Leave

The City of Morehead City provides up to twelve (12) weeks of job-protected leave in accordance with the Family and Medical Leave Act of 1993 (FMLA). This section is provided for informational purposes only and is not intended to grant any benefits greater than those provided by federal statute. Any conflict between the language contained in this Section and the FMLA will be resolved in favor of the FMLA. Under the Family and Medical Leave Act of 1993, eligible employees may be granted up to a total of twelve (12) weeks of unpaid leave per 12-month period, as determined below, for any of the following reasons:

- a) For incapacity due to pregnancy, prenatal medical care or child birth;
- b) To care for the employee's child after birth, or placement for adoption or foster care;
- c) To care for employee's spouse, son or daughter (under age 18 or incapable of self-care due to disability) parent (in-laws not included), with a serious health condition, as defined by FMLA;
- d) For a serious health condition, as defined by FMLA, that renders employee unable to perform the job.
- e) For qualifying exigency arising out of the fact that the spouse, child, or parent of the employee is on active duty or called to active duty status in the National Guard or Reserves in support of a contingency operation.

Service member Family Leave:

FMLA also includes a special leave entitlement that permits eligible employees to take up to twenty-six (26) weeks of leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty and is receiving medical treatment, recuperating or undergoing therapy for a serious injury or illness. In contrast to all other FMLA leaves, service member family leave may be taken only once and does not again become available with the start of a new FMLA year. An employee may not take more than a combined total of twenty-six (26) workweeks of leave in any year in which he or she uses service member family leave. The same eligibility, leave usage, and medical certification requirements apply to service member family leave as apply to all other FMLA leaves.

Eligible employees:

To qualify for FMLA coverage, the employee must have worked for the City at least twelve (12) months; these do not have to be consecutive. However, the employee must have worked 1,250 hours during the 12-month period immediately before the date when the FMLA time begins. Under the Uniformed Services Employment and Reemployment Act (USERRA) an employee ordered to active military duty is eligible for FMLA if the employee would have otherwise been qualified had it not been for the active military duty.

Leave:

Employees generally must request leave thirty (30) days in advance when the need for leave is foreseeable. When the need for leave is foreseeable less than thirty (30) days in advance or is unforeseeable, employees must provide notice as soon as possible and practicable under the circumstances. The employee's request for the use of leave must be made orally or in writing to their Department Head or the Human Resources Director. FMLA permits, and the City requires, that while on FMLA leave, employees exhaust compensatory time first, then accrued sick leave, and lastly accrued vacation leave before being granted unpaid leave. Additional time away from the job beyond the 12-week period may be requested in accordance with the City's Leave Without Pay policy. Any use of sick leave beyond three (3) consecutive days may constitute eligibility under FMLA. FMLA runs concurrently with other types of leave including sick leave, disability leave, and worker's compensation. An employee ceases to earn leave credits on the date leave without pay begins. An employee is prohibited from moonlighting or performing other outside work during any kind of leave including FMLA leave.

12-Month Period:

For the purposes of determining available leave, the 12-month period during which employees may be eligible for leave will be calculated on a rolling leave year looking backward twelve (12) months from the date an employee begins FMLA leave.

Medical Certification:

The City will require medical certification to assess FMLA eligibility, as well as updates

at reasonable intervals for continued certification. Employees are responsible for paying for the certification or re-certification. The City, at its own cost, may also require the employee to get a second or third opinion from a physician designated by the City. Failure to provide adequate information within fifteen (15) calendar days may result in denial of leave. 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 City's Leave Without Pay policy. The City requires a physician's statement certifying an employee's ability to return to work prior to returning from medical leave. Upon receiving a valid return to work notice from the employee's physician, an employee who does not return to work within two (2) working days after their FMLA expires will be considered to have resigned their position, as outlined in Division VIII, Section 2 of this Policy

Spouse's Combined Leave:

If a husband and wife both work for the City 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 twelve (12) weeks leave during the 12-month period under FMLA.

Benefits Continuation:

The City will continue to provide health care benefits during approved FMLA; however, the employee will be responsible for paying his/her portion of the premium for dependent coverage if applicable. Other insurance and payroll deductions (i.e. dental, flexible spending accounts, etc.) are the responsibility of the employee and the employee must continue to make those payments for coverage(s) to remain active. The Human Resources Director will work with the employee to make arrangements for payment of said premiums. Failure to pay premiums may result in loss of coverage. Under federal regulations, the City has the right to recover the insurance premiums if the employee fails to return to work. In this case, the City will use the FMLA guidelines to recover unpaid premiums.

Reinstatement:

Under most circumstances, employees who return to work immediately after the expiration of this leave, and who do not exceed the amount of leave permitted under FMLA, will be reinstated to either the same or equivalent job. If the twelve (12) or twenty-six (26) weeks of this leave are exhausted and the employee has not returned to work, the employee may apply for an extended leave of absence under the conditions as outlined in Sections 20 and 21 of this Division.

Section 17. Paid Parental Leave

The City believes that strong families benefit both the local community and the workplace. For this reason, The City offers the option of Paid Parental Leave (PPL) to parents following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care. The purpose of PPL is to allow up

to four (4) workweeks of paid leave to enable the employee to care for and bond with a newborn or a newly adopted or placed child.

Eligibility:

In order to qualify for PPL, the following eligibility conditions apply:

- a) Must be a regular, full-time benefit-eligible employee;
- b) Must be eligible to qualify for Family Medical Leave (FMLA);

In addition, eligible employees must meet one (1) of the following criteria:

- a) Have given birth to a child;
- b) Be the biological parent of a child;
- c) Be a recognized spouse, as defined under FMLA, of a person who has given birth to a child;
- d) Have adopted a child or been placed with a foster child, as defined under FMLA;
or
- e) Placement of a child for whom the employee is acting “in loco parentis”, as defined under FMLA.

Procedure for Requesting PPL:

An employee requesting to receive PPL must follow the City’s procedures for requesting FMLA and request PPL at the same time. The request, with supporting documentation, must be submitted to Human Resources at least thirty (30) days prior to the date of the qualifying event. Human Resources will provide the employee the appropriate FMLA and PPL paperwork to make the request.

The review and approval process for PPL will follow the same procedure and timeline as FMLA. The employee will be notified in writing that either the request has been approved or that additional information is required.

Amount, Time Frame, and Duration of PPL:

The amount, time frame, and duration of PPL eligible employees will receive is based on the following:

- a) Up to a maximum of four (4) workweeks of PPL per birth, adoption, or placement of child within a rolling 12-month period, regardless of whether more than one birth, adoption or placement event occurs within that 12-month time frame. The fact that a multiple birth, adoption or placement occurs does not increase the four (4) weeks total amount of PPL;
- b) If both parents are employed by the City and have one (1) qualifying event, each parent is limited to a maximum combined total of four (4) workweeks of PPL;
- c) PPL must be taken in one continuous period and cannot be taken intermittently;
- d) PPL must run concurrently with FMLA and commence on the first day of FMLA;
- e) If an employee returns back to work earlier than the amount of approved PPL, the paid leave will cease on the date returned back to work and the unused PPL would not be eligible for a different qualifying event;

- f) Upon resignation, retirement, or termination of employment, employee will not be paid for any unused PPL.

Benefits, Leave, and Pay During PPL:

The following outlines benefits, leave and pay during a period of PPL:

- a) The City will maintain all benefits for employees during the PPL period just as if they were taking any other paid leave;
- b) The employee and applicable dependents will continue to be covered as long as the employee pays for any required contributions via payroll deductions;
- c) Vacation and sick leave accrual will continue during the PPL period;
- d) Pay, paid at straight time, during a period of PPL will be based on the employee's standard workweek schedule as follows:
 - ❖ General employees: 40 hours
 - ❖ Police non-administrative employees: 42 hours
 - ❖ Fire-EMS non-administrative employees 56 hours
- e) If a holiday falls during a period of PPL, compensation will be paid just as if any other type of paid leave was being used; however the holiday will count as a day of PPL;
- f) Is not receiving income from any other benefit source including, but not limited to, workers' compensation, short-term disability, etc.

Return from PPL:

An employee must return to work after the duration of any approved PPL/FMLA leave. If, after the exhaustion of PPL, the employee is unable to return back to work, an extension may be requested per the applicable provision(s) in this Policy.

An employee who fails to remain in an active status for a minimum of twelve (12) months after returning from PPL will be required to reimburse the City for any paid PPL received. The value of the PPL will be deducted from the employee's final paycheck and any other amounts payable to the employee including accrued vacation leave and paid out in compliance with the Fair Labor Standards Act (FLSA). The City Manager may waive the payback provision if medical complications, a special needs birth, or other documented family hardship impacts the employee's ability to return to work.

City Responsibility:

The City prohibits and will not tolerate discrimination, retaliation, or any adverse action against any employee or applicant due to pregnancy or PPL. In addition, no employee will be disciplined, intimidated, or otherwise retaliated against because that person exercised rights under the policy or applicable law.

If any employee feels that they or someone else may have been subjected to conduct that violates this provision, it should be reported immediately.

Section 18. Workers' Compensation Leave

All City employees are covered by the North Carolina Workers' Compensation Act, hereinafter referred to in this section as the "Act", are eligible for medical attention for all on-the-job injuries, accidents, and illnesses and may be compensated for absence from work due to injury or illness covered by the Act. Responsibility for claiming compensation under the Act is on the injured employee.

Employees are required to report in writing all injuries arising out of and in the course of their employment with the City to their Department Head or Supervisor at the time of the injury in order that appropriate action may be taken at once. The Supervisor will complete an injury report and provide the employee with appropriate forms and instructions for obtaining any required medical attention. Employees will be directed to a healthcare provider. Subject to the provisions of the Act and all applicable laws, rules, and regulations pertinent to workers' compensation claims, the following guidelines will be applicable to all claims submitted by City employees:

- a) Workers' compensation claims are filed with the City's Workers' Compensation insurance carrier by the Human Resources Office on behalf of an affected employee. Notification of a workplace injury must be reported immediately to an employee's immediate Supervisor. Failure to report a work-related injury or illness could result in denial of the workers' compensation claim or disciplinary action.
- b) The Act imposes a waiting period for the first seven (7) calendar days of absence from work due to the injury or illness where no compensation for lost time is provided. During the 7-day waiting period, employees may either use approved accrued leave or take leave without pay. Part-time employees receiving no leave benefits will go directly to a leave without pay status and will receive all benefits for which they are eligible under the Act. However, no leave will be charged on the day of injury if the designated healthcare provider instructs the employee not to return to work, thus the employee will be paid for their normal work day. If the employee decides not to return to work without instructions from the healthcare provider, accrued leave will be charged for the time not worked.
- c) Beginning on calendar day eight (8) following the injury or illness, employees who have not returned to work will be placed in a Workers' Compensation Leave Without Pay status and will begin receiving all benefits for which they are eligible under the Act. The Act provides a weekly benefit which is a percentage of the employee's average weekly salary up to a maximum established annually by the NC Industrial Commission. Compensation will be made directly to the employee through the Workers' Compensation carrier.
- d) When an employee qualifies for Workers' Compensation Leave, FMLA will run concurrently with the leave and begin on the eighth (8) day after the initial 7-day waiting period.
- e) No supplement of vacation, sick, or compensatory leave will be allowed during a Workers' Compensation leave and the employee will be placed in a leave without pay status.
- f) Holiday pay will cease while in a leave without pay status.

- g) Leave benefits will be suspended during the leave without pay status. However, employees in a leave without pay status will retain all accrued leave while receiving Workers' Compensation benefits.
- h) Health insurance and other applicable insurance benefits will continue while on Workers' Compensation leave. The City will continue to pay the employer's share of city-paid health benefits. Employees must continue to pay the employee share of health premiums and voluntary insurance premiums while on workers' compensation leave. Employee must coordinate payment of said premiums with the Human Resources Office.
- i) During a period of workers' compensation leave, contributions to the NC Local Governmental Employees Retirement System (NCLGERS) and the NC 401k Plan will be placed on a "hold" status and notice of suspension of contributions will be communicated to both organizations. Credit, however, may be purchased for this time per established guidelines of each plan.
- j) The City's personnel policies will continue to apply to an employee on Workers' Compensation leave in the same manner as they would apply to an employee who continues to work or is absent while on some other form of leave.
- k) An employee is prohibited from moonlighting or performing other outside work during Workers' Compensation leave.
- l) Periodic healthcare statements of the employee's physical condition and progress may be requested at any time.
- m) Employees are responsible for providing to the Human Resources office written notice of any change in restrictions by the healthcare provider.
- n) Upon return to work, the employee's salary will be computed on the basis of the last salary plus any salary increases that may apply to which the employee would have been entitled during the absence covered by Workers' Compensation benefits.

Section 19. Workers' Compensation Leave - Return to Work

Before an employee may return to work from Workers' Compensation Leave at full or light duty, the employee must provide a physician's note or a Fitness-For-Duty certification to his/her Department Head and Human Resources indicating that he/she is released and capable of resuming duties, and what, if any restrictions are in place.

If the employee retains some temporary disability after Workers' Compensation leave which prevents successful performance in his/her original position, efforts will be made to place the employee in a modified duty assignment. A modified duty assignment is a temporary position to which an employee is assigned when he/she is unable to return to his/her regular position following an on-the-job injury or illness. The modified duty assignment temporarily addresses the restrictions placed on the employee by the treating physician. For work to be considered suitable modified employment, the following conditions must be met:

- a) The employee must meet the required qualifications for the modified duty assignment;

- b) The work must be a meaningful and productive part of the department's operations;
- c) The work must conform to the medical restrictions set by the medical care provider, and;
- d) The modified duty assignment and/or modified work schedule cannot exceed ninety (90) calendar days.

If the employee's regular department is unable to meet the employee's need for modified duty, the City may contact other departments for suitable modified work. If the employee is placed in a modified duty position in another department, the employee's department will be responsible for payment of the employee's salary and benefits. A salary equivalent to the salary of other employees holding the same position may be paid during the modified duty assignment. The City cannot guarantee placement and is under no obligation to offer or create any specific position for purposes of offering placement. An employee may choose to accept or refuse the modified duty job offer. However, an employee who refuses a modified duty job offer may be subject to disciplinary action, provided employee is no longer covered under the provisions of the FMLA. Rejection of the job offer may also result in cancellation of income benefits under Workers' Compensation Insurance.

When an employee with a Workers' Compensation claim who has returned back to work, as part of the treatment plan, needs to be absent from work for follow-up doctors' visits or medical treatment, the absences during their normal work hours will be compensated. However, the hours will not be included in the calculation of overtime.

If an employee is still in a no-work status after exhaustion of FMLA, he/she may request an extended leave of absence per Section 21 of this Division. A request for an extended leave of absence will be processed in the same manner of all such requests and does not guarantee continued employment. The City reserves the right to consider a separation of employment for any employee who is out on Workers' Compensation leave for an extended period of time thus causing hardship for the department.

If the employee is unable to return back to work at his/her regular position, the Human Resources Office will assist the employee in obtaining all available options.

Section 20. Leave Of Absence Without Pay (LWOP) – Short

A leave of absence without pay (LWOP)-Short, eligible to all regular full and part-time employees, is an employee's privilege and not an employee's right. An employee may be on a LWOP-Short for a period not to exceed fourteen (14) calendar days without affecting benefits and leave accrual. The decision as to whether to grant the requested leave will be on a case by case basis. The following will constitute a request for LWOP-Short:

- Approved Absences – Examples of approved absences would include, but not limited to, time off for inclement weather or emergency closings, workers'

compensation waiting period, exhaustion of leave accrual, exhaustion of FMLA, and suspensions due to a disciplinary action.

Accompanying paperwork to justify the reason for the absence must be submitted to the employee's Department Head and/or Supervisor seven (7) calendar days prior to the effective date of leave. If approved by the Department and/or Supervisor after consultation with the Human Resources Director, the request is forwarded to the City Manager for final approval. In cases of a Department Head making the request, submission will be forwarded to the Human Resources Director for review prior to submitting to the City Manager for approval or denial.

Where an employee requests LWOP under this Section due to exhaustion of leave accrual and the request is denied by the Department Head thus affecting the employee's inability to report to work, the City will consider no work for two (2) consecutive days as a voluntary resignation without notice per Division VIII, Section 2.

Section 21. Leave Of Absence Without Pay (LWOP) - Extended

A leave of absence without pay (LWOP)-Extended is an employee's privilege and not an employee's right. When an employee is ineligible to request leave on the basis of any other provision of this Policy, the employee may be granted a leave of absence without pay. The decision as to whether to grant the requested leave will be on a case by case basis and is not a guarantee of continued employment.

All regular full and part-time employees who have completed their probationary periods may be eligible to request leave without pay for a period of greater than fourteen (14) days. A LWOP-Extended may be granted to employees upon recommendation of the Department Head after consultation with the Human Resources Director, and upon approval by the City Manager. When considering granting an employee's request for LWOP, the Department Head, Human Resources Director, and the City Manager will consider such factors as, but not limited to, the length of the request, the responsibilities the employee's position has in the department, and the hardship the absence causes the operations of the department.

Leave without pay will be based on the following conditions:

- a) Leave without pay will be used for reasons of (1) exhaustion of FMLA due to personal disability, sickness or disability of the employee or an immediate family member, (2) continuation of education, (3) special work that will permit the City to benefit by the experience gained or the work performed, (4) or for other reasons deemed justified by the City Manager.
- b) The employee will apply in writing to their Supervisor for leave no later than thirty (30) days prior to the effective date of the leave. The request should include the reason for leave, date expected for beginning leave, duration of leave, the expected date to return to work, and other documentation applicable for the request. If leave is approved by the Department Head, the request is then forwarded to the Human Resources Director prior to submitting to the City

Manager for approval or denial. In cases of a Department Head making the request, submission will be forwarded to the Human Resources Director for review prior to submitting to the City Manager for approval or denial. The 30-day notice may be waived when a doctor justifies in writing that employee must leave their job earlier for medical reasons.

- c) Eligible employees will be required to exhaust their accrued compensatory time, vacation leave, and sick leave prior to requesting a leave of absence. If an employee is out on Workers' Compensation Leave under the provisions in Section 18 of this Division, accrued leave does not have to be exhausted prior to LWOP.
- d) Employees may be eligible for LWOP and be placed on a leave of absence under the Family Medical Leave Act (FMLA), Military Leave, and Workers' Compensation to which the Policy guidelines under each Section will apply.
- e) Vacation and sick leave accrual cease during the period of unpaid leave until the employee returns back to work and is in a paid leave status;
- f) Holiday pay ceases during the period of unpaid leave until the employee returns back to work and is in a paid leave status;
- g) City sponsored benefits will cease upon commencement of LWOP in accordance with the guidelines in this Policy and the plan provisions of the benefit provider (Exception: For leave without pay occurring under the 12-week FMLA entitlement, the City's contributions to health insurance is maintained). If plan provisions permit the employee to continue participation in benefits, the employee will bear the cost of such benefits. Arrangements to continue benefits must be made with the Human Resources Office in advance of the leave. Failure of the employee to pay the required premium timely will result in termination of the benefits due to non-payment of premiums.
- h) While out on LWOP, since the employee is not earning compensation, the employee and the City are unable to make contributions to the NC Local Governmental Employees' Retirement System (NCLGERS) and the NC 401(k) Plan account. All accumulated retirement credits will be retained. If the employee is on LWOP for worker's compensation or military leave, upon the employee returning to work, the employee may choose to purchase retirement credit from the NCLGERS.
- i) Upon returning to duty after being on LWOP, if possible, the employee will be returned to the same position held at the time the leave was granted or to one of like classification, seniority, and pay. The City cannot guarantee reinstatement to the employee's former position upon return from a leave of absence. However, every effort will be made to place an employee in their former position.
- j) The employee is obligated to return to duty within or at the end of the time determined appropriate by the City Manager. If the employee decides not to return to work, the Supervisor will be notified immediately. Failure to report at the expiration of a leave of absence, unless an extension has been requested in writing and approved, will be considered a resignation. If an employee is unable to return to work at the end of the approved leave of absence or if the request is denied, the last day of approved leave (including FMLA) will be considered a voluntary resignation without notice and will be the end of employment with the

City unless some other mutually agreeable solution is identified that would allow employment to continue.

- k) Before being considered to return to work after a medical leave of absence, employees must provide the Human Resources Office with a physician's note stating that he/she is physically able to perform the job or what job restrictions, if any, apply.

Section 22. Voluntary Shared Leave Program

The Voluntary Shared Leave Program, hereinafter referred to in this section as the "Program", is designed to provide eligible employees the opportunity to assist and receive assistance from other eligible employees during periods of prolonged absences from work due to personal or family catastrophic medical conditions by donation of leave. "Family", for purpose of this Section, will be defined as spouse, children (including step children), parent (including step parents), sibling, grandparent, and grandchild of the employee.

Eligible Employees:

Eligibility to participate in the Program is limited to regular full-time benefited employees (donor and recipient) with two (2) years of consecutive City service and has successfully completed their probationary period prior to the date of donation and/or donation request. Further, the employees (donor and recipient) must have responsibly managed earned leave during past years of service.

Voluntary Shared Leave Bank:

A shared leave bank, hereinafter referred to in this section as the "Bank", will be used to carry out the Program. The bank will be the depository of donated leave to be used for future use by employees in need. Donated leave may be from either accrued vacation or sick leave. Donated leave will be accepted by employees into the bank in the following manners:

- a) Upon communication from Human Resources that a leave request has been approved and leave donations are being accepted; or
- b) During a non-requested leave period in order to build up reserves for future requests.

In the event the Bank does not have a sufficient reserve to administer a request for leave, Human Resources will communicate a request to all City employees advising of a need for donations, releasing only the information authorized by the requesting employee. All donated leave will be strictly confidential and voluntary and no employee will intimidate, threaten, or coerce any employee for the purpose of interfering with any right which such employee may have with respect to donating, receiving or using leave under this Program. Such action will be grounds for disciplinary action up to and including dismissal.

Procedures – Donating Leave:

The following guidelines will apply when donating leave to the shared leave bank:

- a) Donated leave may be either in the form of vacation or sick leave or a combination thereof.
- b) Compensatory leave cannot be donated.
- c) The minimum amount of donated leave is a full-day (8-hour) increment.
- d) Donor must maintain a balance of eighty (80) hours in leave balances at the time of donation.
- e) The maximum amount of donated leave will be no more than the amount of the individual's annual accrual rate.
- f) Donated leave is not refundable.
- g) Unused donated leave will not be returned to the donor.
- h) Donor must be in an active paid status and has not given a notice of separation or retirement at the time of donation.

Procedures: Receiving Leave:

In order to qualify for donation of shared leave, an eligible employee must have complied with existing leave policies. Requests for shared leave must be submitted two (2) weeks in advance of the need for leave. The Department Head in which the prospective recipient works will be responsible for reviewing the merits for participation in the Program and making a recommendation for or against it to Human Resources. Eligibility criteria are as follows:

- a) Suffered a catastrophic illness or injury that is non-work related that may require prolonged hospitalization or recovery resulting in absence from work.
- b) Absence from work due to the illness or injury will exceed fourteen (14) calendar days.
- c) Must have exhausted, or will exhaust, all accrued sick, vacation, and compensatory balances at the time of the request.
- d) The amount of leave donated will not exceed the amount of leave requested.
- e) The maximum number of hours of shared leave a recipient may receive is twelve (12) weeks based on the employee's normal workweek.
- f) Shared leave and Family Medical Leave (FMLA) will run concurrently.
- g) Use of shared leave must be used on a continuous basis.
- h) Is not receiving income from any other benefit source including, but not limited to, workers' compensation, short-term disability, etc.
- i) Must have responsibly managed earned leave during the past years of service.
- j) Submitted a completed Voluntary Shared Leave Request Form to their Department Head who will process it through to Human Resources.
- k) Produced to Human Resources medical evidence from treating physician documenting the need for leave and the estimated length of leave time required.
- l) Upon review and recommendation for approval by Human Resources, request will be forwarded to City Manager for final approval.
- m) Upon approval, shared leave will be credited to the recipients sick leave balance.
- n) Upon return to work or separation from the City due to resignation, death, retirement, or termination, any remaining shared leave balances will be returned to the Bank.

Medical conditions including, but not limited to, short-term, sporadic conditions or illness such as allergies, recurring medical or therapeutic treatments, pregnancy, and elective surgeries do not qualify as a covered catastrophic illness or injury.

A system of leave accountability will be maintained by the Human Resources and Payroll office which will accurately record the donation and recipient use of shared leave. The system established will afford a clear and accurate record for financial and audit purposes.

Section 23. Military Leave

In accordance with federal and state laws, the City provides military leave to employees who are members of a United States Armed Forces Reserve organization or National Guard for absences to perform military duty, whether voluntary or involuntary. Absences to perform any military duty (including active duty, active duty training, inactive duty training such as scheduled drills and summer camp, full-time National Guard federal duty, fitness-for-duty examination, and funeral honors duty) are covered by this Policy, unless the employee reaches the five-year maximum of military leave as established by the Uniformed Services Employment and Reemployment Rights Act (USERRA). This Policy provides military leave to regular City employees unless their employment is for a brief, non-recurrent period and there is no reasonable expectation that such employment will continue indefinitely or for a significant period.

Employees should submit a request for military leave to the Department Head or Supervisor as soon in advance of the military duty as possible. The request should be in writing and should be accompanied by a copy of the military orders. Employees must report back to work as soon after military duty as possible, consistent with federal and state laws. If the reason for the employee's delay is not related to military duties, the employee is subject to the personnel policies and practices normally applied to employees with unexcused absences.

Employees may choose whether to use earned compensatory time, accrued vacation leave, leave without pay, or some combination thereof for these absences, and the provisions of that leave will apply. Upon exhausting all other paid leave, employees may request to use sick leave, if approved by the City Manager.

Regular employees choosing to use military leave may claim up to ten (10) days of differential pay per calendar year provided the days are recorded as military leave and the military basic pay is less than the employee's regular City pay. To claim differential pay, the employee must submit a copy of his/her military orders, pay vouchers, Leave and Earnings Statement and/or other appropriate documentation evidencing performance and compensation pertinent to the military duty.

During the period of military leave, regular employees may continue health and dental insurance coverage up to eighteen months under COBRA coverage, provided they continue to pay their share of the premiums. As with any other unpaid leave, employees do not accrue vacation leave or sick leave during the period of leave without

pay. However, the balance of such accruals on the date of commencement of the military leave will remain intact until the employee's return to work.

Section 24. Reinstatement Following Military Service

Employees who are separated or discharged from military service under honorable conditions and who apply for reinstatement within the established time limits are reinstated to the same position or one of like status, seniority, and pay with the City. If, during military service, an employee is disabled to the extent that the duties of the original position cannot be performed, the employee is reinstated to a position with duties compatible with the disability, if available. The employee's salary upon reinstatement is based on the salary rate just prior to leave, plus any general salary increase(s) implemented while on leave. The addition of a performance salary increase may be considered. Employees who are eligible for military leave have all job rights specified by USERRA.

An employee's entitlement to the provisions of this section terminates upon the occurrence of any of the following events:

- a) Such employee is separated from uniformed service with dishonorable or bad conduct discharge;
- b) Such employee is separated from uniformed service under other than honorable conditions, as characterized pursuant to regulations prescribed by the Secretary concerned;
- c) The City's circumstances have so changed as to make such reemployment impossible or unreasonable; or
- d) Such employee gives clear written notice that he/she has no intention of returning to work.

Section 25. Civil Leave

A City employee called for jury duty or subpoenaed for the federal, state, or local governments, or a subdivision thereof, will receive leave with pay for such duty during the required absence without charge to accumulated leave. Payment will be based on the time frame as indicated on the jury summons. The employee may keep fees and travel allowances received for jury or witness duty in addition to regular compensation. Employees must provide documentation to their Department Head or Supervisor confirming they have been summoned to appear as a juror or witness. While on civil leave, benefits and leave will accrue as though on regular duty. Hours away from work on civil leave will not be considered work hours for purposes of overtime calculation. Employees required to be in court for their own case, defendant or plaintiff, must use compensatory time and/or vacation leave.

Section 26. Parental School Leave

NCGS 95.28.3 states that it is the belief of the General Assembly that parental involvement is an essential component of school success and positive student outcomes. Therefore, a regular City employee who is a parent, guardian, or person

standing in loco parentis (in place of the parent) of a school-aged child may take up to eight (8) hours of accrued compensatory, vacation, and/or leave without pay per fiscal year to attend school activities or otherwise be involved at that child's school. This leave is subject to the three following conditions:

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

Section 27. Bereavement Leave

Up to three (3) work days, or equivalent for shift employees, paid bereavement leave, per death of immediate family member, is granted each fiscal year for a regular City employee for making funeral arrangements, traveling to, and attending the funerals of "Immediate Family". "Immediate family", for purpose of this Section, will be defined as spouse, children (including step children), parent (including step parents), sibling, grandparent, or grandchild of the employee. Bereavement leave does not accumulate from year to year. Bereavement leave must be approved prior to use. Any additional time off may be charged as compensatory, vacation, or sick leave, if available. Extra days are granted based on the needs of the employee and the approval of the Department Head. Abuse of bereavement leave may be grounds for disciplinary action, up to and including termination.

DIVISION VIII. SEPARATION AND REINSTATEMENT

Section 1. Types of Separations

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

Section 2. Resignation

An employee may resign by submitting the reasons for resignation and the effective date in writing to the Department Head as far in advance as possible. In all instances, the minimum notice requirement is two (2) weeks; except, the minimum notice requirement will be thirty (30) days for Department Heads and the City Manager, unless the terms of a written employment contract for the City Manager states otherwise. Refer to Section 9 and Section 13 under Division VII for use of vacation and/or sick leave during two (2) week notice. Failure to provide minimum notice will result in forfeit of payment for accumulated vacation leave unless the notice is waived upon recommendation of the Department Head and approval by the City Manager.

Two (2) consecutive work days (2-12 hour shifts for Police, 1-24 hour shift for Fire-EMS) of absence without contacting the Department Head and/or Supervisor will be considered job abandonment, a voluntary resignation without notice, and employees will forfeit payment for any accrued vacation leave. Sick leave will only be approved during the final two (2) weeks of a resignation notice with a physician's certification or comparable documentation.

Section 3. Reduction in Force

In the event that a reduction in force becomes necessary, consideration will 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 will be given at least two (2) weeks' notice of the anticipated action. No regular employee will 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. An employee separated from employment as a result of a Reduction in Force action will be paid for accumulated vacation leave up to, but not to exceed, the equivalent of thirty (30) days.

Section 4. Voluntary Retirement

An employee who meets the conditions set forth under the provision of the NCLGERS may elect to retire and receive all benefits under the provisions of the retirement plan.

Section 5. Death

Separation shall be effective as of the date of death. In accordance with the applicable sections of this Policy, all compensation due shall be paid to the estate of the employee.

Section 6. Dismissal

An employee may be dismissed in accordance with the provisions and procedures of Division IX of this Policy.

Section 7. Reinstatement – Reduction in Force

An employee who is separated because of Reduction in Force may be reinstated within one (1) year of the date of separation, upon recommendation of the Department Head, and upon approval of the City Manager. An employee who is reinstated in this manner will be:

- a) Hired back at the previous salary rate, including any salary increases for which he/she may have been eligible for;
- b) Reinstated vacation accrual rate at the same level at the time of the reduction in force; and
- c) Reinstated balance of sick leave at the time of the reduction in force.

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

Section 8. Rehiring

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

DIVISION IX. EMPLOYEE ETHICS AND STANDARDS OF CONDUCT

Section 1. Purpose

The Employee Ethics and Standards of Conduct are to protect the rights and well-being of all employees and assure a productive, safe and well-managed work force with high standards of service to the residents and citizens of the community.

The purpose of this Division is intended to provide guidelines for City employees that are responsive to the public needs and to preclude even the appearance of impropriety in the performance of their duties. The corrective actions identified in this Division should be viewed as problem solving tools to help the employees identify and correct inappropriate conduct.

Section 2. Policy

Public service is a public trust that requires employees to put loyalty to its citizens and the responsibility of public employment above private gain.

It is the policy of the City to expect appropriate conduct of its employees including high ethical standards, impartiality, dependable application of time and satisfactory work performance consistent with the standards set forth herein. It is also the City's policy to provide a fair and objective process for correcting and treating unacceptable conduct and to distinguish between serious and minor offenses. Immediate disciplinary action may occur whenever it is appropriate and in the best interest of the City. Whenever feasible, the practices of progressive discipline should be applied. However, the suggested corrective actions are not a prerequisite for an employee's change in employment status.

Absolutely no **explicit or implicit right to your employment** status or continued employment is intended, or will be interpreted to exist in this or any other City policy. This policy does not modify the status of employees as "employees at will" or, in any way restrict the City's right to bypass the corrective actions as suggested.

The ethical standards and standards of conduct stated in this Division are not inclusive of every performance issue that may occur but are instead intended to serve as a guide to apply corrective action when necessary.

Section 3. Definitions

Active Notice: Written notices are considered "active" for a twelve (12) month period from the date of the offense. Active written notices will be cumulative in nature.

Mitigating Circumstances: Conditions related to a given offense that would support a reduction of the corrective action in the interest of fairness and objectivity. Mitigating

circumstances include, but are not limited to, an employee's length of service with otherwise satisfactory work performance.

Suspension for Disciplinary Action: Disciplinary action taken whereby suspension away from work is without pay in lieu of termination. Such suspension will not exceed ten (10) work days, or equivalent for shift employees.

Verbal Counseling: A discussion between the supervisor and the employee identifying inappropriate conduct and specifying the immediate need for correction. A written record of the verbal counseling will be documented in the employee's personnel file.

Written Notice: Based on the nature of the offense, notice given to the employee on a form provided by the Human Resources Director, with the approval of the City Manager, indicating the nature of the offense, action being taken as a result of the offense, and what action will follow if the offense is not corrected. A copy of each written notice will be included in the employee's personnel file.

Section 4. General Provisions

Human Resources will be consulted at any time a Department Head wishes to pursue a corrective action. The Department Head may change the order of corrective actions steps, and/or may choose not to utilize each step, depending on the facts of the case. Nothing herein will preclude the Department Head from using alternate corrective action steps where those procedures have been discussed with Human Resources and approved by the City Manager. Nothing herein will preclude the City Manager from suspending, demoting, or dismissing an employee without notice.

Section 5. Ethical Standards

Each employee, in the exercise of their duties and responsibilities, will:

- a) recognize that it is the community and its residents that are the owners of the municipal corporation by which they are employed;
- b) work to the best of their abilities in a conscientious manner;
- c) act in compliance with public law and policies of the City, the State of North Carolina and the United States;
- d) act in a fair and impartial manner, without preferential treatment to any individual or organization;
- e) act without consideration of personal purposes or private gain;
- f) handle public funds and conserve public assets in an honest and diligent manner;
- g) not accept or engage in employment incompatible with their public duties and will refuse to represent private interests before the City or in any matter involving the interests of the City as a party or in which their official position is a consideration;
- h) not disclose confidential information concerning the City government, in accordance with North Carolina Public Records Law and other appropriate statutory or local restrictions as may be applicable;

- i) not accept gifts, favors or promises of future benefits which might compromise, or appear to reasonable people to compromise one's independence of judgment or action;
- j) disclose all interests or sources of income which may represent a perceived substantial conflict of interest with their official duties;
- k) report any waste, fraud, abuse or corruption to the appropriate authorities;
- l) communicate and act in a courteous, polite, helpful and respectful manner to all employees, citizens, and visitors to the area;
- m) behave and dress in a professional manner while at all times conducting themselves with the highest ethical standards; and
- n) not engage in conduct, on or off duty, which adversely affects the morale or efficiency of the City, or is determined to cause public disrespect.

Violation of an ethical standard will follow the same administrative guidelines as stated in the provisions of Sections 6 and 7 of this Division.

Section 6. Unacceptable Conduct

Unacceptable conduct will be divided into three types of offenses according to severity. Specified corrective action for such offenses will not be exceeded.

A. First Group Offenses:

1. First group offenses include those types of conduct which would require correction in the interest of maintaining a productive and well-managed workforce. They include, but are not limited to, such problems and offenses as:
 - a) Tardiness;
 - b) unsatisfactory attendance;
 - c) repeated improper use of leave privileges;
 - d) abuse of City time such as unauthorized time away from work area or failure to notify Supervisor promptly that work has or has not been completed;
 - e) obscene or abusive language;
 - f) conviction of a moving traffic violation while using City or other public use vehicles (DUI and reckless driving are not moving violations for the purpose of this section);
 - g) inadequate or unsatisfactory job performance;
 - h) excessive personal use of office telephone, City provided cell phone, or personal phone;
 - i) avoidable vehicular accident in City vehicle where there were no serious injuries or significant property damage;
 - j) non-business use of City provided internet access and electronic mail;
 - k) failure to acquire or maintain any certification or license required to perform the essential job functions of the position; and

- l) other performance issues that in the opinion of the City Manager require corrective action.

2. Procedures

- a) The City Manager, Department Head, or Supervisor verbally discusses offense with employee and advises of the need for immediate correction.
- b) If the condition is not corrected, the employee will be given written notice, provided however, that violation of subparagraph A.1.d. and A.1.h. above will result in written notice for the first occurrence.
- c) If the employee accumulates three (3) active notices, regardless of the nature of the offense, the City Manager notifies the employee in writing of a suspension without pay up to three (3) work days or equivalent up to 24 hours.
- d) If the employee accumulates a fourth active notice, the employee will be terminated. The City Manager will notify the employee in writing of termination.
- e) If mitigating circumstances are present, the employee can be transferred and/or demoted as an alternative to termination with prior written approval of the City Manager.

B. Second Group Offenses:

- 1. Second group offenses include acts and conducts of a more serious nature. They include, but are not limited to, such problems and offenses as:
 - a) failing to follow Supervisor's instructions, perform assigned work, or comply with established written policy, practices and safety rules;
 - b) unauthorized use of City materials and/or equipment for personal purposes;
 - c) failing to report to work without proper notice to the Supervisor;
 - d) leaving the worksite without permission during working hours;
 - e) unauthorized use or misuse of City property or records;
 - f) disclosure of confidential information to any person except those who may be entitled to such information or when directed by the Department Head or City Manager;
 - g) avoidable vehicular accident involving serious injury or significant property damage; and
 - h) other performance issues that in the opinion of the City Manager require corrective action.

2. Procedures:

- a) If the employee's conduct constitutes a second group offense, the employee will be suspended without pay for up to ten (10) work

days, or equivalent for shift employees. The City Manager will notify the employee in writing of the offense and suspension.

- b) If an additional second group offense occurs, the City Manager notifies the employee in writing of the offense and termination.
- c) A single second group offense, coupled with two (2) active first group offenses will result in termination. The City Manager will give the employee written notice of such termination.
- d) If mitigating circumstances are present, the employee can be transferred and/or demoted as an alternative to termination with prior written approval of the City Manager.

C. Third Group Offenses:

- 1. Third group offenses include acts and conduct of such a serious nature that the first occurrence should normally result in termination. They include, but are not limited to, such problems and offenses as:

- a) Absence of leave for two (2) consecutive work days (2-12 hour shifts for Police, 1-24 hour shift for Fire-EMS without notice to Department Head and/or Supervisor and satisfactory explanation;
- b) unlawful use or possession of controlled substances or alcohol while on the job;
- c) falsifying any records such as, but not limited to, vouchers, reports, insurance, claims, time records, leave records, or other official City documents, or knowingly make any false official statement;
- d) willfully or negligently damaging or defacing City records or City or employee property or unauthorized removal of same;
- e) gambling on City property;
- f) acts of physical violence or fighting (except official police actions);
- g) violating safety rules where there is a loss of life or threat to life;
- h) sleeping during working hours, unless approved by Department Head or Supervisor;
- i) participating in any kind of work slowdown, sit-down, or similar concerted interference with City operations;
- j) unauthorized use or possession of firearms, dangerous weapons, or explosives;
- k) insubordination or serious breach of discipline;
- l) threatening or coercing employees or supervisors;
- m) criminal convictions for acts occurring while on or off the job which are plainly related to job performance or are of such a nature that to continue the employee in the job could constitute negligence of the City's duties to the public or other City employees;

- n) acceptance of any bribe, gift, token, monies, or other things of value intended as an inducement to perform or refrain from performing any official act, or any action of extortion or other similar means of obtaining money or anything of value through their position;
- o) having a positive drug testing result or a blood alcohol content consistent with the provisions of the City's Drug & Alcohol Policy; and
- p) conduct that the City Manager feels reflects adversely on the employee, program, department, or City.

2. Procedures:

- a) If the employee's conduct constitutes a third group offense, the employee will be terminated. The City Manager will provide written notice of such termination.
- b) If mitigating circumstances are present, the employee can be transferred and/or demoted as an alternative to termination with prior written notice of the City Manager.

Section 7. Administration

- a) The offenses listed above are not intended to be inclusive. Accordingly, conduct which in the judgment of the Department Head, Human Resources Director or City Manager, although not listed in these groups of offenses, seriously undermines the effectiveness of the department's activities or the employee's performance should be treated consistent with the provisions of this Policy.
- b) Department Heads and Supervisors are responsible for consulting with the Human Resources Director prior to the administration of any disciplinary action.
- c) Department Heads and Supervisors are responsible for notifying the employee of possible or probable disciplinary consequences of inappropriate conduct and assuring corrective actions are timely and consistently applied. If the employee's behavior warrants immediate suspension or termination, the employee should be notified as soon as possible of the reasons and given an opportunity to respond.
- d) The City Manager and the Human Resources Director will review any action involving suspension or termination prior to notification to the employee. There may, of course, be circumstances where the Department Head and/or Supervisor must react immediately to the employee's behavior. In such cases, proper action would be to suspend the employee without pay pending investigation. The City Manager and the Human Resources Director will be notified as soon as possible.
- e) Employees are to receive a copy of each written notice that is placed in their personnel files. All notices must include reference to the employee's right to use the City grievance procedure.

- f) Written notices will be considered "active" for a twelve (12) month period from the date of the offense. Active written notices will be cumulative in nature.
- g) Procedures to correct actions and improve performance should be applied to probationary employees. The chief difference is the lack of availability of the grievance procedure for probationary employees.
- h) When mitigating circumstances exist, and with the concurrence of the City Manager, corrective measures may be reduced.
- i) Any non-probationary employee wishing to appeal the actions taken under this Policy may use the City's grievance procedure.

Section 8. Suspension Pending Investigation

During the investigation of a possible violation of a Group Three Offense, the following will apply:

- a) The employee may be suspended without pay for a period not exceeding ten (10) work days, or equivalent for shift employees, pending completion of the investigation of the offense. If the investigation is completed within the ten (10) work day time frame and the employee is cleared of the allegations, the employee will be reinstated with full back pay and leave. If, after the ten (10) day suspension no finding of a violation or a decision on the disciplinary action has not been determined, the suspension may be extended pending a final decision.

During the investigation of actions that involve allegations of criminal conduct on or off the job that are of such a nature that to allow the employee to continue in the job would constitute negligence in the City's duties to the public or other City employees, the following will apply:

- b) The employee may be relieved temporarily of all duties and responsibilities, pending completion of an investigation.
- c) The employee may be suspended without pay pending completion of an investigation.
- d) If, after the suspension and completion of the investigation, it is determined that disciplinary action is warranted, the employee will be notified in writing of the finding. If the determination clears the employee of the allegations, the procedure in Step a) of this Section will apply.

Upon completion of any investigation, the employee may be disciplined, terminated, or reinstated with full or partial back pay and leave as the City Manager determines to be appropriate.

DIVISION X. GRIEVANCE PROCEDURE

Section 1. Policy

The City is committed to providing employees an effective and responsive grievance process. The purpose of this Division 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 procedure will not be subjected to retaliation or any form of harassment from supervisors or employees for exercising their rights under this Policy. Any employee who violates this Policy will be subject to disciplinary action up to and including dismissal from City service.

Section 2. Grievance Defined

A grievance is a claim or complaint by a current or a former employee based upon an event or condition within control of the City, which adversely affects the circumstances under which an employee works, allegedly caused by misinterpretation, unfair application, or lack of established policy pertaining to employment conditions. An employee filing a grievance should be actually or potentially adversely affected by the condition or event being grieved. Demotions or dismissals of employment fall under the grievance procedure. Probationary employees are generally not eligible to use the grievance procedure except with respect to discrimination, harassment or objections to materials contained in the employee's personnel file. Former employees may only file a grievance regarding their dismissal from employment or with respect to objections to materials contained in their personnel file.

Section 3. Purposes of the Grievance Procedure

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

- a) Providing employees with a procedure by which their complaints can be considered promptly, fairly, and without reprisal;
- b) Encouraging employees to express themselves about the conditions of work that affect them as employees;
- c) Promoting better understanding of policies, practices, and procedures that affect employees;
- d) Increasing employees' confidence that personnel actions taken are in accordance with established, fair, and uniform policies and procedures;
- e) Increasing the sense of responsibility exercised by supervisors in dealing with their employees;
- g) 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;

- h) Creating a work environment free of continuing conflicts, disagreements, and negative feelings about the City or its leaders, thus freeing up employee motivation, productivity, and creativity; and
- h) Provide an opportunity for terminated employees to discuss the proper application of rules and evidence resulting in their dismissal.

Section 4. Grievance Procedure for Non-Discrimination

When an employee, who has successfully completed the initial probationary period, 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. Failure by the employee to adhere to the established time limits will be accepted as the employee's dismissal of the grievance. The last step initiated by an employee will be considered to be the step at which the grievance is resolved.

Informal Resolution. Prior to the submission of a formal grievance, the Supervisor and employee should meet to discuss the problem and seek to resolve it informally. This is to ensure that the Supervisor knows about and has had the opportunity to consider and investigate the problem and to resolve the problem informally before the formal grievance process is initiated. Either the employee or the Supervisor may involve the respective Department Head as a resource to help resolve the grievance. In addition, the employee or Supervisor may request mediation from a local mediation service or other qualified parties to resolve the conflict, upon approval of the Human Resources Director. Mediation is the process where a neutral party assists the parties in conflict with identifying mutually agreeable solutions or understandings.

Step 1: If no resolution to the grievance is reached informally, the employee who wishes to pursue a grievance will present the grievance to the Department Head in writing. The grievance must be presented within seven (7) calendar days of the event or within seven (7) calendar days of learning of the event or condition. The grievance should contain the following: the decision, action, or policy the employee does not agree with, on what basis the action is wrong or unfair, and the proposed resolution the employee is seeking.

The Department Head will submit a written response to the employee within seven (7) calendar days after receipt of the grievance. The Department Head will, and is encouraged to, consult with any employee of the City in order to reach a correct, impartial, fair and equitable dismissal or decision concerning the grievance. Any employee consulted by the Department Head is required to cooperate to the fullest extent possible.

The response from the Department Head for each step in the formal grievance process will be in writing, signed and dated. In addition, the employee will sign a copy to acknowledge receipt thereof. The responder at each step will send copies of the grievance and response to the Human Resources Director.

In cases involving discrimination or harassment, which may involve the Department Head and/or Supervisor, the employee may file the grievance with the Human Resources Director directly.

Step 2: If the grievance is not resolved to the satisfaction of the employee by the Department Head, the employee may appeal, in writing, to the Human Resources Director within seven (7) calendar days after receipt of the response from Step 1. The grievance should state why the employee disagrees with the Department Head's decision in Step 1 as well as offer a suggested resolution to the problem. The Human Resources Director will respond to the appeal in writing, stating the reason of the decision within seven (7) calendar days after receipt of the appeal.

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 City Manager within seven (7) calendar days after receipt of the response from Step 2. The grievance should state why the employee disagrees with the Human Resources Director's decision in Step 2 as well as offer a suggested resolution to the problem. The City Manager will respond to the appeal in writing, stating the dismissal of decision within ten (10) calendar days after receipt of the appeal. The City Manager's decision will be the final decision.

Filing a lawsuit on an issue while you have a grievance on the same issue will end your appeals under the City's grievance procedure.

Department Heads: In the case of Department Heads or other employees where the City Manager has been significantly involved in determining disciplinary action, including dismissal, the City may wish to obtain a neutral outside party to act as a mediator to assist in resolving the conflict.

Section 5. Role of the Human Resources Director

Throughout the grievance procedure, the role of the Human Resources Director will be as follows:

- a) To advise parties (including employee, supervisors, and City Manager) of their rights and responsibilities under this Policy, including interpreting the grievance and other policies for consistency of application;
- b) To be a clearinghouse for information and decisions in the matter including maintaining files of all grievance documents;
- c) To give notices to parties concerning timetables of the process;
- d) To assist employees and supervisors in drafting statements;
- e) To facilitate the resolution of conflicts in the procedures or of the grievance at any step in the process; and
- f) To help locate mediation or other resources as needed.

The Human Resources Director will also determine whether or not additional time will be allowed to either side in unusual circumstances if the parties cannot agree upon extensions when needed or indicated and advise the City Manager of such.

Section 6. Grievance Procedure for Discrimination

When any current employee, former employee, or applicant believes that any employment action discriminates illegally (i.e., is based on race, color, religion, sex, national origin, political affiliation, non-disqualifying disability, age, marital status, sexual orientation or veteran status), he/she has the right to appeal directly to the Human Resources Director or City Manager. An employee or applicant should appeal an alleged act of discrimination within thirty (30) calendar days of the alleged discriminatory action, but may appeal for up to six (6) months following the action. Nothing in this Policy is intended to discourage or prevent an employee, former employee or applicant from filing a formal charge of discrimination or other illegal action with the appropriate state or federal agency having jurisdiction.

DIVISION XI. RECORDS AND REPORTS

Section 1. Public Information

In compliance with North Carolina General Statutes NCGS 160A-168(b), the following information, with respect to each City employee, is a matter of public record:

- a) Name.
- b) Age.
- c) Date of original employment or appointment to the service.
- d) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the City has the written contract or a record of the oral contract in its possession.
- e) Current position.
- f) Title.
- g) Current salary.
- h) Date and amount of each increase or decrease in salary with that municipality.
- i) Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that municipality.
- j) Date and general description of the reasons for each promotion with that municipality.
- k) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the municipality. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the municipality setting forth the specific acts or omissions that are the basis of the dismissal.
- l) The office to which the employee is currently assigned.

The term "salary" includes pay, benefits, incentives, bonuses, and all other forms of compensation paid by the City.

Even if considered part of an employee's personnel file, the following information regarding any sworn law enforcement officer will not be disclosed to an employee or any other person, unless disclosed in accordance with NCGS 132-1.4, or in accordance with NCGS 132-1.10, or for the personal safety of that sworn law enforcement officer or any other person residing in the same residence:

- a) Information that might identify the residence of a sworn law enforcement officer.
- b) Emergency contact information.
- c) Any identifying information as defined in NCGS 14-113.20.

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 City may adopt.

Section 2. Access to Confidential Records

All information contained in a City employee's personnel file, other than the information mentioned above, is confidential and will be open to inspection only in the following instances:

- a) 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.
- b) A licensed physician designated in writing by the employee may examine the employee's medical record.
- c) A City employee having supervisory authority over the employee may examine all material in the employee's personnel file.
- d) By order of a court of competent jurisdiction, any person may examine all material in the employee's personnel file.
- e) 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 City Manager to be necessary and essential to the pursuit of a proper function of the inspecting agency, but no information will 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.
- f) 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.
- g) The City Manager, with the concurrence of the City Council, may inform any person of the employment, non-employment, promotion, demotion, suspension or other disciplinary action, reinstatement, transfer, or dismissal of a City employee, and the reasons for that personnel action. Before releasing the information, the City Manager will determine in writing that the release is essential to maintaining the level and quality of City services. The written determination will be retained in the City Manager's office, is a record for public inspection, and will become a part of the employee's personnel file.

The City Council will establish procedures for all personnel files containing information other than the public information mentioned above whereby an employee who objects to material may seek to have the material removed from the file or may place in the file a statement relating to the material.

Section 3. Personnel Actions

The Human Resources Director, with the approval of the City Manager, will prescribe

necessary forms and reports for all personnel actions and will retain records necessary for the proper administration of the personnel system. There will be one set of official personnel files, centrally located as designated by the City Manager. These files will contain documents such as employment applications and related materials, records of personnel actions, documentation of employee warnings, disciplinary actions, performance evaluations, retirement and insurance records, letters of recommendation, and other personnel-related documents.

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

NCGS 160A-168(d) provides that 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. The employee may also seek removal of such material in accordance with established grievance procedures. This provision also applies to probationary employees and former employees.

Section 6. Penalties for Permitting Access to Confidential Records

NCGS 160A-168(e) 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 will be fined in an amount consistent with the NC General Statutes.

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

NCGS 160A-168(f) provides that any person, not specifically authorized to have access to a personnel file designated as confidential, who will knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file will be guilty of a misdemeanor and upon conviction will be fined consistent with the NC 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 NCGS 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 NCGS 132-3.

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF MOREHEAD CITY PERSONNEL POLICIES ACKNOWLEDGMENT

By signing below, I acknowledge that I have received, read, and understand the City's Personnel Policies. I understand that the Personnel Policies are provided to me for general guidance and are not an exhaustive statement of City policies or procedures.

In addition, I understand that the Personnel Policies do not constitute a contract of employment and that the City may change, revoke, interpret, or add to any of these policies at any time at its sole discretion without prior notice. I understand that the City is an at-will employer and retains the right to terminate my employment at any time for any reason not prohibited by law.

Finally, I understand that any amendment of the Personnel Policies will always govern and supersede any prior version. I also understand that if I have questions or concerns regarding my terms of employment or working conditions with the City, I should contact my Supervisor or Human Resources.

Employee Name (Printed): _____

Employee Name (Signature): _____

Date: _____

This page, signed and dated, will serve as documentation of receipt of the Town of Morehead City's Personnel Policies handbook and will become part of the employee's personnel file.

