

TOWN OF HOLLY RIDGE PERSONNEL POLICY

***Adoption and effective by the Town Council
on April 10, 2018.***

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Article I: General Purpose and Scope

1-1 Purpose of Policy

The purpose of this policy is to establish a personnel system that promotes a fair and effective means of employee recruitment and selection and the development and retention of an effective and responsible work force that is highly responsive to the needs of our citizens. The policy is intended to inform and guide employees regarding working conditions, key policies, procedures, and benefits affecting employment at the TOWN OF HOLLY RIDGE. The TOWN OF HOLLY RIDGE Personnel Policies do not constitute a guarantee or contract of employment.

In this document the TOWN OF HOLLY RIDGE is defined as the municipal corporation in Onslow County North Carolina chartered under the name "Town of Holly Ridge." This policy is established by the TOWN OF HOLLY RIDGE under the authority granted in North Carolina General Statutes 160A Article 7 of the General Statutes of North Carolina.

1-2 Coverage

All employees in the TOWN OF HOLLY RIDGE's service are subject to this policy except as specified below:

- a. Town Council; and
- b. Members of advisory boards and commissions and special boards, task forces, and committees.

1-3 Changes in Policy

This manual supersedes all previous employee manuals and memos.

While every effort is made to keep the contents of this document current, the TOWN OF HOLLY RIDGE reserves the right to modify, suspend, or terminate any of the policies, procedures, and/or benefits described in the manual with or without prior notice to employees. Personnel Policy amendments will always govern and supersede any prior version.

1-4 Employee Classifications

Full-time Employee	An employee, either regular or temporary, who is regularly scheduled to work forty (40) hours per week. Law enforcement employees who work staggered schedules (ex. 36 hours one week and 48 hours the next week) shall be considered full time.
Part-Time Employee	An employee, either regular or temporary, who is regularly scheduled to work less than forty (40) hours per week not to exceed 999 hours in 364 calendar days.
Probationary Employee	A person appointed to a budgeted position who has not yet completed the probationary period.
Regular Employee	An employee who has successfully completed the prescribed probationary period. All Town positions are subject to budget review and approval annually by the Town and all employees' work and conduct must meet standards of performance and behavior. Therefore, reference to "regular" employees is not to be construed as a contract or right to perpetual funding or employment and does not affect the "at-will" status of the employment relationship.

Temporary Employee	A person appointed to serve in a position for a definite period not to exceed 364 calendar days from the employee's hire date nor exceed 999 hours. A temporary employee is not eligible for TOWN OF HOLLY RIDGE benefits.
Seasonal Employee	A temporary employee who works in a position that is seasonal in nature and typically does not exceed a ten (10) month period of continuous employment in any calendar year nor exceed 999 hours. A seasonal employee is not eligible for TOWN OF HOLLY RIDGE benefits.
Contractor Employee	A worker who performs a contract or agreed upon function or service for TOWN OF HOLLY RIDGE that, based upon Internal Revenue Service guidance, has the status of employee. This classification is not eligible for any benefits or compensation other than that which is specified in the contract, agreement, or Memorandum of Understanding; or otherwise required by federal or state laws and regulations.

1-5 Definitions

Adverse Action	A negative personnel action against an employee; including demotion, dismissal, reduction in pay, layoff, or involuntary transfer or suspension.
Class Description	Provides a general overview of the position that includes the class title, general definition of work, essential job functions, required knowledge, skills and abilities, education and experience, physical requirements and any special requirements for the position.
Class Title	Job title providing a brief and descriptive designation of the type of work performed.
Demotion	Movement of an employee from one job class to another where the pay grade and/or pay rate for the new position is lower than that of the former position. Generally, a demotion is a result of disciplinary action due to unacceptable personal conduct, unacceptable job performance, or grossly inefficient job performance; however, in some instances a demotion may be voluntary.
Exempt Employee	An employee who is not entitled to minimum wage and overtime compensation pursuant to the Fair Labor Standards Act.
Fiscal Year	TOWN OF HOLLY RIDGE's fiscal year runs from July 1 through June 30.
FLSA	The Fair Labor Standards Act (FLSA) is a federal law, sometimes referred to as the "Wage and Hour Bill", which was enacted by Congress in 1938. The law regulates minimum wage and overtime compensation, as well as other wage and labor related issues.
Immediate Family	Unless otherwise specified, immediate family means spouse, mother, father, guardian, children, sister, brother, grandparents, grandchildren, plus the various combinations of half, step, in-law and adopted relationships that can be derived from these named.
Job Description	See Class Description.
Maximum Salary	The maximum salary authorized for an employee within an assigned pay grade.
Minimum Salary	The salary in TOWN OF HOLLY RIDGE's pay table that is associated with the lowest rate within a particular salary grade.

Non-exempt Employee	An employee who is entitled to minimum wage and overtime compensation pursuant to the Fair Labor Standards Act.
Overtime	Work performed at the express authorization of the supervisor in excess of forty (40) hours per week as defined by the Fair Labor Standards Act.
Pay grade	A level within a pay and classification table into which job classes with similar characteristics based on a review of job factors are placed for compensation purposes. Pay grades have a minimum rate, a midpoint rate, and a maximum rate and define what an employer is willing to pay for a particular job.
Probationary Period	The required six (6) month period of time an employee serves before obtaining regular status when entering the service of TOWN OF HOLLY RIDGE or when changing positions after hire where an additional period of probation is required, or twelve (12) month period of time in the case of law enforcement personnel
Promotion	Movement of an employee from one job class to another where the pay grade for the new position is higher than that of the former position.
Reclassification	The re-assignment of a single position or a group of positions to a higher or lower pay grade.
Transfer	Movement of an employee from one job class or position to another where the pay grade remains the same as the former position.
Reassignment	A reassignment is a change in employment to another position that may be in the same pay grade or a lower pay grade. Reassignments may be voluntary at the request of the employee or involuntary, when the Town Manager reassigns a position to meet organizational requirements.
Trainee	An applicant who is deemed best qualified from the applicant pool who does not meet the minimum qualifications for the position because they do not hold one or more of the required certifications at the time of hire may be brought in as a trainee and paid below the minimum of the pay grade in keeping with the provisions in this personnel policy and with the approval of the HR Director.

1-6 Responsibilities of the Town

North Carolina General Statutes 160A-164 ("Article") authorized and empowers the TOWN OF HOLLY RIDGE to engage in all actions enumerated in the Article and to do all acts and things necessary or convenient to carry out the powers granted by the Article.

1-7 Responsibilities of the Town Manager

North Carolina General Statutes 160A-147 authorizes the TOWN OF HOLLY RIDGE, among other things, to employ a town manager. The Town Manager is responsible to the Town Council and serves at the pleasure of the Council. In accordance with North Carolina General Statutes 160A-148, the Town Manager, or his/her designee, shall perform the duties necessary to provide for the administration and maintenance of a fair and equitable human resources system.

1-8 Responsibilities of the Human Resources Director

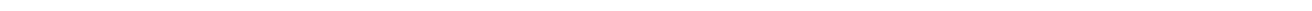
In accordance with the provisions of North Carolina General Statutes 160A, the Human Resources Director, as employed and directed by the Town Manager, is authorized to undertake all actions necessary to establish, implement, maintain, and, when necessary, revise all elements of a fair and equitable human resources system.

1-9 Enforcement and Administration

The Town Manager has the final authority and responsibility to enforce the rules and regulations set forth herein.

Because of the particular personnel requirements of the various departments of the Town, each department is

authorized to establish supplemental Standard Operating Procedures. All Standard Operating Procedures shall be subject to the approval of the Manager and shall not in any way conflict with the provisions of this Policy but shall be considered as a supplement to this Policy.



Article II: Employment

2-1 Statement of Equal Employment Opportunity, Affirmative Action and ADA Compliance

It is the policy of the TOWN OF HOLLY RIDGE to provide equal employment opportunity for all employees and applicants seeking employment. All employment policies and practices will be nondiscriminatory in compliance with federal laws, state statutes and local ordinances.

The TOWN OF HOLLY RIDGE will take affirmative action to ensure that all employment practices are administered without regard to race, religion, color, creed, national origin, sex, age, political affiliation, disability or any other protected category under local, state, or federal law. These employment practices include, but are not limited to recruitment, hiring, compensation, transfer, promotion, demotion, layoff, recall, benefits, training, and termination. The TOWN OF HOLLY RIDGE's policy is to ensure that all employment decisions, including promotions, are based solely on individual qualifications and suitability for the job.

The Human Resources Director serves as the Equal Opportunity Officer and is responsible for carrying out the Equal Employment Opportunity policy. Employees can bring complaints, ask questions, and raise concerns under this policy without fear of reprisal. Charges or complaints of discrimination should be referred to the Human Resources Director. The TOWN OF HOLLY RIDGE will not tolerate retaliation, harassment, intimidation, threats, coercion or discrimination against anyone who files a complaint, exercises a right, opposes improper conduct or assists in an investigation.

2-2 Reasonable Accommodations under the Americans with Disabilities Act (ADA)

The TOWN OF HOLLY RIDGE will not discriminate against a qualified individual because of disability with regard to job application procedures, hiring, promotion, compensation, job training, employee benefits, discharge of employees, and other terms or conditions of employment. Disability means having a physical or mental impairment that substantially limits one or more of the major life activities of such individuals, having a record of such impairment or being regarded as having such impairment.

Reasonable accommodations, which do not present an undue hardship to the TOWN OF HOLLY RIDGE, will be provided for testing and job placement upon request from an applicant. The TOWN OF HOLLY RIDGE will also provide reasonable accommodations, which do not present an undue hardship to the TOWN OF HOLLY RIDGE, for the continued employment of individuals who become disabled while employed by the TOWN OF HOLLY RIDGE, provided that employees notify the Human Resources Director in writing of their need for an accommodation as soon as possible, but not more than 180 days after the employee knew or should have known the accommodation was needed. Examples of reasonable accommodations to be considered by the TOWN OF HOLLY RIDGE may include reassigning non-essential duties, modifying work schedules, acquisition or modification of assistive equipment or devices; and/or other similar actions, unless it can be demonstrated that a particular adjustment or alteration would impose an undue hardship on the TOWN OF HOLLY RIDGE. The Human Resources Director serves as the TOWN OF HOLLY RIDGE's ADA Coordinator.

2-3 "At-Will" Employment

Employment with the TOWN OF HOLLY RIDGE is considered "at-will", which means that continued employment and the conditions of employment are solely at the discretion of the TOWN OF HOLLY RIDGE.

Employment is "at will" and either the employee or TOWN OF HOLLY RIDGE may choose to terminate the employment relationship at any time and for any reason not prohibited by law.

Nothing in this policy creates an employment contract or term between the TOWN OF HOLLY RIDGE and its employees. No person has authority to grant any employee any contractual rights of employment.

2-4 Recruitment

Recruitment practices are conducted solely on the basis of ability, merit, qualifications and competence without regard to race, religion, color, creed, national origin, sex, age, political affiliation, handicapping condition or any other protected category under local, state, or federal law.

When a position becomes vacant, and prior to the posting or advertisement of any position, the Department Head must prepare a job requisition and submit the request to fill the position to the Human Resources Director. All job requisitions require the authorization of the Town Manager who will ensure a position will not be posted or advertised if it has not been previously budgeted and authorized by the Town Council.

2-5 Job Advertisements

Employment opportunities with the TOWN OF HOLLY RIDGE will be advertised internally or externally using job posting sites deemed appropriate by the Human Resources Director in order to establish a diverse and qualified applicant pool. It is the TOWN OF HOLLY RIDGE's policy to post vacant positions for a minimum of five (5) business days.

2-6 Applications for Employment

All persons expressing interest in an advertised position with the TOWN OF HOLLY RIDGE, including current employees who have not had any disciplinary actions in the past twelve (12) months shall be given the opportunity to submit an application for employment when the TOWN OF HOLLY RIDGE is advertising to fill a vacant position. Applicants must complete the TOWN OF HOLLY RIDGE application for each position for which they are applying. Applicants may be required to submit certificates from educational and training institutions, proof of licensure, and other documentation requested which provides reasonable proof of any statement made on the application. False statements within the application may be cause for rejection of the application/resume or disciplinary action up to and including dismissal. Applications for a position will be accepted up to 5:00 PM on the advertised closing date.

2-7 Minimum Qualification Standards

Minimum qualification standards must be consistent with the established job class requirements and with any specialized requirements for specific positions. Minimum qualification standards include the specified education, experience, physical capabilities, and other knowledge, skills, and abilities defined for the job class.

2-8 Selection

The TOWN OF HOLLY RIDGE will select the best qualified person for each available position from among the applicants who meet the minimum qualifications established for the position. Evaluation of qualifications is based upon job-related criteria without regard to race, religion, color, creed, national origin, sex, age, political affiliation, disability or any other protected category under local, state, or federal law.

The TOWN OF HOLLY RIDGE reserves the right to employ an applicant in a trainee capacity who does not meet all minimum qualifications for a particular position when thorough on the job training and schooling the

candidate can meet minimum qualifications within a reasonable amount of time if that candidate is otherwise deemed best qualified for the position.

It is the responsibility of the Human Resources Director to manage the selection process to ensure compliance with state and federal laws and consistency with the TOWN OF HOLLY RIDGE's employment practices and all written offers of employment will be approved by the Town Manager, or his/her designee and issued by the Human Resources Director, or his/her designee.

Selection procedures used to determine the qualifications of applicants for any position may include but are not limited to an evaluation of the employment application and other submitted materials; structured interviews; reference checks; driver's license checks; academic verifications; criminal background and credit checks; and controlled substance testing. The TOWN OF HOLLY RIDGE reserves the right to condition an offer of employment on the results of one or more of the above pre-employment screening requirements.

2-9 Probationary Period of Employment

When a new employee is hired to fill a position, or when existing employees are promoted, transferred, or demoted, the probationary period is regarded as an important part of the selection process. In addition to providing the employee an opportunity to become acquainted with the duties of the new position, the probationary period also provides the TOWN OF HOLLY RIDGE an opportunity to closely monitor and evaluate the employee's skills and effectiveness in the new position. The TOWN OF HOLLY RIDGE may dismiss any employee with or without cause at any time during the probationary period. Except in the case of alleged illegal discrimination, an employee who is dismissed during his/her initial probationary period will not be subject to appeal.

The probationary period encompasses the first six (6) months following the employee's initial date of hire or date of hire into the new position for regular employees and twelve (12) months for law enforcement. The Town Manager may waive or shorten the probationary period for a current employee moving into another position, due to promotion, transfer or for other reasons.

Prior to the completion of the probationary period, the employee's supervisor and the Department Head must review the performance of the probationary employee and make a decision to retain or dismiss the employee.

Upon the successful completion of the probationary period, the employee's status will be changed to 'regular' employee.

Employees serving a probationary period are eligible to apply for other positions within the TOWN OF HOLLY RIDGE. Employees serving an initial hire probationary period are not eligible for cost of living increases.

2-10 Promotions and Transfers

Employees who have had any formal disciplinary actions in the past twelve (12) months may not apply for open positions within the TOWN OF HOLLY RIDGE.

The TOWN OF HOLLY RIDGE has the right to make the final hiring decision based on qualifications, abilities, experience and operational requirements and does not make a guarantee of a promotion or transfer to existing employees.

The Town Manager reserves the right to effect promotions or transfers without regard to the recruitment process, if it is determined by the Town Manager to be in the best interest of the TOWN OF HOLLY RIDGE.

This policy does not limit the TOWN OF HOLLY RIDGE's right to transfer employees to another position within

the same job class taking into account the operational needs of the TOWN OF HOLLY RIDGE and the employee. Disciplinary Actions are discussed in Article VIII.

2-11 Demotion

A demotion is an adverse personnel action resulting in a change in employment to an open position of a lower pay grade and/or pay rate. Generally, a demotion is a result of disciplinary action due to unacceptable personal conduct, unacceptable job performance, or grossly inefficient job performance.

2-12 Reassignment

A reassignment is a change in employment resulting from assignment to a position in a lower or like pay grade. This change may be the result of a mutual agreement between the employee and the employer, it may be the result of an employee applying for and being selected for a position at the same or a lower grade, or it may be a reassignment to a position in a lower grade as the result of an organizational change initiated by the Town Manager to address operational needs. The Town Manager is authorized to initiate or approve an employee reassignment from one work section and/ or Department to another due to change in workload or manpower requirement to best utilize existing personnel.

2-13 Interim Appointment

The Town Manager may appoint an employee of the TOWN OF HOLLY RIDGE to serve in an acting or interim capacity following the resignation of a key employee, such as a Supervisor, Manager, or Department Head. The employee designated as acting/interim may or may not be an employee of the same work section or department.

2-14 Re-employment

Former employees who have not been terminated for cause may apply for any TOWN OF HOLLY RIDGE position for which they are qualified. Employees hired within one year of their most recent separation will be credited with their previous accrued sick leave balance, experience time balance and hire date, provided the employee has not applied for or withdrawn retirement funds from the State of North Carolina retirement system. Rehired former employees will be subject to a six (6) month probationary period.

Article III: Employee Responsibilities

3-1 Codes of Behavior/Personal Conduct

It is the responsibility of every employee to conduct him or herself in a manner that contributes to a workplace environment that advances the mission and goals of the TOWN OF HOLLY RIDGE and fosters a harmonious working environment that encourages all employees to perform at their best. The TOWN OF HOLLY RIDGE recognizes that unprofessional and unacceptable personal conduct affecting the workplace contributes to low employee morale, absenteeism, turnover and loss of productivity. It also erodes the public's trust and the agency's credibility in the community.

Every employee is expected to conduct him or herself in a professional manner in the workplace. Any employee that continually causes disruption in the workplace or causes degeneration in the general morale and atmosphere by generating or perpetuating gossip may be disciplined. Whenever there is a failure to abide by acceptable personal conduct standards TOWN OF HOLLY RIDGE management may take action, including disciplinary action, even if the conduct at issue does not rise to the level of *illegal* discrimination or harassment under state and federal law.

3-2 Work Schedules

The Town Manager is authorized to establish standard hours of operation for TOWN OF HOLLY RIDGE Departments. The Town Manager and/or his/her designee is also authorized to make adjustments to standard hours of operation and Department or work section schedules as needed to meet services and operational needs. A Department Head may request in writing approval for a deviation from the established standard operating hours for one or more work sections from the Town Manager. If approved, it is the Department Head's responsibility to report the work schedule in writing to both Finance and HR.

3-3 Modified Work Schedules

Authorization of temporary modified work schedules for individual employees is at the discretion of the Department Head with approval of the Town Manager. The schedule modification must not interrupt Department functions or the work sections ability to provide efficient customer service. Once the modification is approved, it is the Department Head's responsibility to inform Finance and HR in writing of such changes.

3-4 Breaks and Meal Periods

The TOWN OF HOLLY RIDGE recognizes that certain breaks in the daily schedule promote employee health and productivity. Employees may take one fifteen (15) minute paid break for every four (4) hours worked, to include breaks for smoking. Under these circumstances break time is not banked to be 'made up' at another more convenient time. All breaks must be arranged so that they do not interfere with TOWN OF HOLLY RIDGE business or continuous service to the public.

Employees may also take an unpaid meal break. Meal-breaks must be scheduled with the approval of the employee's Supervisor and/or Department Head. The scheduling of meal breaks may vary depending on workload. Hourly employees must be relieved of all work duties while on their meal break and, therefore, shall not take their lunch break at their work station. The time allowed for an employee's lunch break includes any driving time required to get to and from a chosen lunch location.

3-5 Breaks for nursing mothers

The TOWN OF HOLLY RIDGE will provide reasonable break time for an employee to express milk for her nursing child for a period of one year after the child's birth each time such employee has a need to express the milk. The TOWN OF HOLLY RIDGE will provide a private location for the employee's use for this purpose. In keeping with the policy established for rest periods, the TOWN OF HOLLY RIDGE will pay for two- fifteen (15) minute breaks for this purpose in a regular eight-hour work day. A reasonable amount of additional time will be granted, if needed, but may be counted towards the employee's vacation time.

3-6 Smoking and Tobacco Use

Exercising the authority granted in NCGS 130A-498, which allows local governments and authorities to restrict smoking in public places, the TOWN OF HOLLY RIDGE, a public authority, has enacted a no smoking or tobacco use (to include the use of electronic cigarettes) policy inside all TOWN OF HOLLY RIDGE facilities. This includes a prohibition of all tobacco use in TOWN OF HOLLY RIDGE vehicles. Smoking and tobacco products may only be used outside TOWN OF HOLLY RIDGE facilities and only in designated smoking areas.

Smoke breaks shall be taken in the same manner as other breaks and rest periods as detailed in Section 3-4 above.

3-7 Attendance and Punctuality

The TOWN OF HOLLY RIDGE provides services to our residents that are both essential and continuous. Employees are expected to report for work no later than their scheduled start time, to work all scheduled hours, and to work any required overtime. Excessive tardiness and poor attendance will not be tolerated due to the fact that both disrupt work flow, create an undue burden on co-workers and interfere with our ability to serve our customers. Excessive tardiness and poor attendance may result in disciplinary action up to and including dismissal.

Employees must contact their immediate supervisor no later than thirty (30) minutes prior to their scheduled start time when they are unable to report to work due to illness and as soon as practicable when they expect to be late for work due to unusual and unavoidable circumstances.

3-8 Timekeeping Requirements and Guidelines

Accurately recording time worked is the responsibility of every non-exempt employee. Altering, falsifying, or tampering with time records may result in disciplinary action up to and including dismissal.

Non-exempt employees should report to their work station no more than seven (7) minutes prior to their scheduled start time nor stay more than seven (7) minutes after their scheduled stop time without expressed, prior authorization from their supervisor. If a non-exempt employee would like to arrive early or stay late, for personal reasons, he or she must get supervisory approval and not perform work during the time.

3-9 Overtime

An employee must receive prior authorization from their immediate supervisor prior to working any overtime. Overtime is paid in accordance with the Federal Fair Labor Standards Act.

3-10 Gifts and Favors

Public employees are to serve all persons fairly and equitably without regard to personal or financial benefit. Therefore, all employees of the TOWN OF HOLLY RIDGE are prohibited from accepting a non-monetary gift that exceeds a nominal value (\$25). Non-monetary gifts may include: advertising items or souvenirs, honoraria for participating in meetings, and meals at banquets. Non-monetary free meals not provided at banquets are prohibited from being accepted by the TOWN OF HOLLY RIDGE employees. Any non-monetary gift received by an employee must be reported to their respective Department Head. All employees are strictly prohibited from accepting any type of direct or implied cash or monetary payment, gift or reward. All employees are strictly prohibited from soliciting or receiving any gift, reward, promise of reward, or anything of value, directly or indirectly, in exchange of, or consideration for, some action to be taken or not taken in the performance of the employee's duties. All employees are strictly prohibited from disclosing confidential information concerning the property or affairs of the TOWN OF HOLLY RIDGE or using such information to advance the financial or other private interest of themselves or others.

Nominal gifts that are provided to a department or group of employees, such as seasonal fruit baskets, cookie tins, candy assortments, etc., may be accepted provided they are approved by the Department Head and made available to all the employees in the department or group.

No employee of the TOWN OF HOLLY RIDGE who is involved in making or administering a contract on behalf of the TOWN OF HOLLY RIDGE may receive any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award.

If there is any doubt as to the acceptability of a gift or favor it is in the best interest of the employee to refuse the item or favor. If there is any doubt or question concerning a specific area that may present a conflict of interest, the issue should be brought to the attention of the Town Manager who will consult with the Town Attorney.

Any TOWN OF HOLLY RIDGE employee who violates this policy is subject to disciplinary action up to and including dismissal.

3-11 Political Activity Restricted

Each employee has a civic responsibility to support good government by every available means and in every appropriate manner. The public has a right to expect excellent service from all Town employees on an equal basis without regard to political affiliation. Each employee may join or affiliate with the 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 of America.

However, no employee shall:

- a. engage in any political or partisan activity while on duty or in uniform;
- b. use official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for office;
- c. coerce or compel contributions for political or partisan purposes by another employee of the TOWN OF HOLLY RIDGE;
- d. use any supplies or equipment of the TOWN OF HOLLY RIDGE for political or partisan purposes;

No employee can be required to contribute funds for political or partisan purposes as a duty or condition of

employment, promotion, or tenure of office.

Under Federal law, the Hatch Act, all employees whose salary is completely funded by loans or grants made by the United States Government or a federal agency are prohibited from being a candidate for public office in a partisan election. Any TOWN OF HOLLY RIDGE employee that is considering running for office in a partisan election shall notify the Human Resources Director. The employee will be provided with the proper procedures to follow to determine if their candidacy might be in violation of the Hatch Act.

An employee who violates this Section is subject to disciplinary action up to and including suspension or dismissal.

3-12 Safety and Health

The TOWN OF HOLLY RIDGE is committed to providing a safe and healthy working environment for all employees. Safety is a responsibility of both the TOWN OF HOLLY RIDGE and employees. Through the establishment of a comprehensive safety program that includes a safety committee, employee training, a Safety and Health Program Guide, and safety inspections, the TOWN OF HOLLY RIDGE has taken reasonable precaution to prevent the incidence of accidents, injuries, and illnesses for all employees. Employees, however, also share the responsibility for maintaining a safe working environment. Employees are expected to follow safe working procedures and use good common safety sense when at work. The Safety and Health Program Guide includes a collection of safety related policies and procedures that serve as the TOWN OF HOLLY RIDGE's safety guidelines. All employees are expected to comply with these policies and procedures. A copy of the Safety and Health Program Guide is available in each work sections.

3-13 Reporting of work place injuries

Employees are required to immediately report to their supervisor any work-related accident or injury, or any work-related illness that occurs while on the job. If the employee requires medical attention as a result of a work-related accident, injury, or illness, the employee and supervisor are required to follow the procedures set forth in the Safety Policy.

3-14 Outside or Secondary Employment

The work of the TOWN OF HOLLY RIDGE will take precedence over other occupational interests of employees. All outside or secondary employment for salaries, wages, or commission, and all self-employment must be reported in writing to and approved by the employee's Department Head, the Human Resources Director and the Town Manager. Outside or secondary employment that conflicts with the employee's availability or ability to perform their job for the TOWN OF HOLLY RIDGE; or, creates or is perceived to create a conflict of interest is prohibited. A conflict of interest exists when an employee engages in any employment or business, whether direct or indirect, that is incompatible with the proper discharge of his or her job functions with the TOWN OF HOLLY RIDGE. A conflict of interest exists when an employee:

- a. has a financial interest as owner, member, partner, officer, employer, stockholder or other participant in a private business or professional enterprise that will be affected by the outcome of any matter under consideration before him or her in his or her capacity as a TOWN OF HOLLY RIDGE employee;
 - b. has such interest in any matter which may be averse to the public interest and the proper performance of his or her functions as a TOWN OF HOLLY RIDGE employee;
 - c. has an interest in speculative or investment activities that will benefit from the use of confidential information obtained as a TOWN OF HOLLY RIDGE employee;
 - d. utilizes property, either real or personal, owned by the TOWN OF HOLLY RIDGE in any business venture or enterprise that results in private gain, monetary or otherwise to the TOWN OF HOLLY RIDGE employee.
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The Town Manager shall be responsible for final interpretation of conflicts of interest matters, and approval of requests for outside or secondary employment. Unreported or unauthorized incidents of conflicting outside or secondary employment will be grounds for disciplinary action up to and including dismissal.

3-15 Off the Job Injuries

An employee who sustains an injury or illness in connection with outside employment who is also receiving workers' compensation from that secondary employer shall not be entitled to receive TOWN OF HOLLY RIDGE workers compensation benefits or accrued TOWN OF HOLLY RIDGE sick or vacation leave.

In cases where an injury off the job while working for a secondary employer results in temporary disability, an employee may:

- a. request a leave of absence without pay;
- b. request to use accrued vacation leave; or
- c. be subject to termination by the TOWN OF HOLLY RIDGE due to lack of availability for work, following a three-month absence.

3-16 Employment of Relatives

For the purposes of this policy, immediate family is defined as spouse, mother, father, guardian, children, sister, uncle, aunt, brother, grandparents, grandchildren plus the various combinations of half, step, in-law and adopted relationships that can be derived from those named.

The following provisions are applicable to all employees:

- a. Members of an immediate family may not be employed in the same work section..
- b. Members of an immediate family may not fall under any aspect of a supervisor's scope of responsibility. This restriction includes involvement of family members in writing or reviewing employee performance evaluations.
- c. No one in a supervisory position with hiring authority shall hire members of their immediate family to work in any area under their scope of responsibility.
- d. Employees who become immediate family members after their initial hiring will not be in jeopardy of losing their jobs if they are not supervised by or do not supervise the immediate family member. However, if this occurs the employee will be considered for any vacancy for which they are qualified, or they will be given six (6) months to seek other employment prior to termination.

3-17 Unlawful Workplace Harassment

The TOWN OF HOLLY RIDGE is committed to providing a workplace that is free from harassment and retaliation. The desired standard of employee behavior is one of cooperation and respect for each other despite any differences.

To this end, the TOWN OF HOLLY RIDGE prohibits in any form unlawful workplace harassment and retaliation against any employee who files a complaint or participates in an investigation in relation to harassment complaints; violation may result in disciplinary action up to and including termination.

All employees in the service of the TOWN OF HOLLY RIDGE are responsible for conducting themselves in a manner consistent with the spirit and intent of this policy. Conduct prohibited by these policies is unacceptable in the workplace and in any work-related settings outside the workplace, such as during business trips, business meetings and business-related social events.

1. Unlawful Workplace Harassment defined

For the purposes of this policy, "unlawful workplace harassment" is defined as unsolicited and unwelcome speech or conduct based upon race, sex, creed, religion, national origin, age, color, or disability that creates a hostile or abusive work environment or circumstances involving sexual harassment.

Conduct that may rise to the level of creating a hostile work environment includes verbal, nonverbal, or physical behavior that both a reasonable person would find hostile or abusive and one that the particular person, who is the object of the harassment, perceives to be hostile or abusive. The determination of the existence of a hostile work environment is made following a careful review of all circumstances or incidents; including frequency of alleged harassing behavior, severity, and whether it unreasonably interferes with an employee's performance or adversely affects the employee's employment opportunities.

Retaliation is adverse treatment which occurs because of opposition to unlawful workplace harassment.

Sexual harassment consists of unwelcome sexual advances, requests for sexual favors, and other verbal, visual, written or physical conduct of a sexual nature when:

- a. The employee is told or threatened, expressed or implied, that submission to the conduct will influence any personnel decision (employment, wages, advancement, assigned duties, shifts, or any other condition of employment or career development);
- b. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- c. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment can occur in many different forms. Prohibited conduct includes, but is not limited to the following:

- Verbal propositions or innuendo; lewd or sexually offensive comments; humor, jokes or teasing about sex or gender – specific traits; rumors about other employees, verbal abuse, and insults;
- Nonverbal, sexually oriented gestures, signs, cartoons, pictures, cards, books, magazines, graffiti, or paraphernalia; whistling; email, internet, or other computer transmissions; and/or
- Physical contact that may include any unwelcome touching such as rubbing, patting, pinching, or brushing the body.

2. Role of the Town Manager, Department Heads, and Supervisors

The Town Manager, Department Heads, and Supervisors are responsible for conducting themselves in a manner consistent with the spirit and intent of this policy. They shall establish

and maintain a climate which encourages employees to communicate questions or concerns regarding this policy; recognize incidents of unlawful workplace harassment; take immediate corrective action to stop such behavior; and notify the Human Resources Director so that consistent investigatory procedures may be implemented.

The Town Manager, and any Department Head, or Supervisor who observes, is confronted with, or becomes aware of any situation involving unlawful workplace harassment must advise the offending individual(s) to stop the harassing behavior and report the situation immediately to an immediate supervisor, such as the Department Head and/or the Human Resources Director. Disciplinary action up to and including termination may result against the Town Manager, Supervisors, and Department Heads who fail to respond immediately and appropriately to perceived unlawful workplace harassment.

3. Complaints Procedure for Unlawful Workplace Harassment

An employee who perceives he or she is being subjected to unlawful workplace harassment should immediately contact his or her supervisor, Department Head, the Human Resources Director, or the Town Manager. This procedure does not require reports to be made to the immediate supervisor or to anyone the employee believes to be participating in the unlawful workplace harassment. Employees are encouraged to speak with whomever they feel most comfortable with from those filling one of the above positions. The individual receiving the complaint, whether it is a supervisor, Department Head, the Human Resources Director, or the Town Manager, will prepare a written statement documenting the complaint. Complaints of unlawful workplace harassment will be kept as confidential as possible while the matter is thoroughly investigated and promptly dealt with as appropriate. Under no condition will the investigation be conducted by or under the direction of the person(s) reported to have engaged in the unlawful workplace harassment.

The employee who is accused of unlawful workplace harassment may be placed on investigation leave while fact-finding is conducted. A finding of facts regarding the complaint will be completed as confidentially as possible, and a written report shall be completed by the designee. Within a reasonable period of time, the Town Manager or his/her designee will determine whether the conduct of the person against whom a complaint has been made constitutes unlawful workplace harassment. In making that determination, the report as a whole and the totality of circumstances, including the nature of the conduct in question, the context in which the conduct, if any, occurred, and the conduct of the person accused of unlawful workplace harassment shall be reviewed.

If it is determined that the complaint of unlawful workplace harassment is founded, immediate and appropriate disciplinary action shall be taken consistent with applicable laws and policies. The disciplinary action shall be consistent with the nature and severity of the offense, the rank of the employee and any other factors deemed appropriate.

Retaliation against employees or job applicants who report, or file complaints or charges due to perceived unlawful workplace harassment, or who participate in investigations or proceedings as witnesses, or in other capacities is prohibited and will not be tolerated and should be reported immediately according to the reporting procedure outlined in this policy.

4. Unlawful Workplace Harassment by Non-Employees

When reports of unlawful workplace harassment against an employee in the workplace involve a non-employee, the TOWN OF HOLLY RIDGE will support appropriate steps to address the unlawful workplace harassment.

5. Employee Responsibilities

Employees are obligated to cooperate in every fact-finding of unlawful workplace harassment. Employees are also obligated to refrain from filing fraudulent or "bad faith" complaints of unlawful workplace harassment.

Disciplinary action up to and including dismissal may also be taken against any employee who fails to report instances of unlawful workplace harassment or who fails or refuses to cooperate in the fact finding of a complaint of unlawful workplace harassment or who files a complaint of unlawful workplace harassment in bad faith.

3-18 Workplace Violence

The TOWN OF HOLLY RIDGE has established a zero tolerance for workplace violence and/ or the threat of workplace violence by employees. It is the TOWN OF HOLLY RIDGE's intent to provide a safe workplace that is free from violence for all employees, in keeping with the Federal Occupational Safety and Health Act of 1970, which requires employers to provide their employees with a safe and healthy work environment. Violent acts against employees, whether committed while on-duty or off-duty, have the potential to impact an employee's ability to perform assigned duties. The TOWN OF HOLLY RIDGE will not tolerate any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities.

1. Prohibited Conduct

This list of behaviors, while not inclusive, provides examples of conduct that is prohibited:

- a. Causing physical injury to another person;
 - b. Making threatening remarks;
 - c. Aggressive or hostile behavior that creates a reasonable fear of injury to another person or unreasonably subjects another individual to emotional distress
 - d. Intentionally damaging TOWN OF HOLLY RIDGE property or property of another employee;
 - e. Possession of explosive or other device designed to injure or destroy persons or property while on TOWN OF HOLLY RIDGE property or while on TOWN OF HOLLY RIDGE business;
 - f. Carrying an explosive or other device designed to injure or destroy persons or property in a TOWN OF HOLLY RIDGE owned vehicle;
 - g. Committing acts motivated by, or related to, sexual harassment or domestic violence;
 - h. Harassing surveillance, also known as stalking, the willful, malicious and repeated following of another person and making credible threat with intent to place the other person in reasonable fear of his/her safety;
 - i. Intimidating or attempting to coerce an employee to do wrongful acts that would affect the business interests of the TOWN OF HOLLY RIDGE.
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2. Manager and Supervisor Roles and Responsibilities

- a. Ensure all employees review this policy.
- b. Facilitate, support and track the attendance of employees at mandatory workplace violence training, as available.
- c. Learn to recognize the signs of conflict, understand the TOWN OF HOLLY RIDGE policies, and take appropriate action.
- d. Take appropriate steps to resolve differences through conflict resolution, mediation, or other communications techniques.
- e. Report all acts and threats of violence.
- f. Take the necessary action to maintain or restore a safe working environment.
- g. Without endangering personal safety, take all reasonable steps to protect employees from the source of violence.
- h. Properly document and investigate all incidents of violence or threatened violence.
- i. Take the necessary disciplinary action and document.
- j. Make information available on work place violence and prevention.

3. Role and Responsibilities of Employees

Employees are expected to treat others with respect and consideration. They are expected to show good judgment in the areas of inter-personal relationships and avoid behavior which may be interpreted as violent, or offensive, which violates another person's right to a workplace free of intimidation and violence.

Employees shall cooperate in every investigation of workplace violence. This includes but is not limited to: coming forward with evidence, whether favorable or unfavorable to a person accused of violence in the workplace, and the employee shall fully and truthfully answer questions during the course of an investigation on violence and or intimidation.

Employees will:

- a. Attend workplace violence training as offered.
- b. Resolve differences through conflict resolution, mediation, or other communications techniques, as appropriate and when possible.
- c. Report to their immediate supervisor, or through the supervisory chain, acts of violence or threats of violence. The initial report shall be done on a Supervisor's Workplace Violence Investigation Form. Reports should include statements from the victim or any other witnesses to the incident.
- d. Refrain from exhibiting violent behaviors in the workplace.
- e. Report to their direct supervisor, their Department Head, the Human Resources Director if they become aware of any signs of potential violence. Failure to report knowledge of potential violations by an employee of any provision of this policy may lead to disciplinary action up to and including termination.

4. Reporting Procedures

All workplace violence events or potentially dangerous situations must be reported immediately to a supervisor, the Human Resources Director, and/or the Safety Officer/Risk Manager. Whoever is informed directly has an obligation to ensure that the Human Resources Director, the Safety Officer/Risk Manager and the Town Manager are promptly informed of the incident. Injuries resulting from a workplace violence incident must be reported to the Safety Officer in accordance with OSHA standards.

Reports may be made anonymously, and all reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will be disclosed to others only on a need-to-know basis.

5. No Retaliation

The TOWN OF HOLLY RIDGE forbids retaliation against any person for reporting or complaining about a violation of this policy or for cooperating in any investigation pursuant to the policy or for filing a complaint relating to workplace violence, assisting in making a complaint, or cooperating in any investigation with or by the TOWN OF HOLLY RIDGE. Any such retaliation will be considered a violation of this policy. If an employee feels he or she has been the subject of retaliation, he or she is required to notify a supervisor or the Human Resources Director.

6. Risk Reduction Measures

Hiring

The TOWN OF HOLLY RIDGE takes reasonable measures to conduct background investigations to review candidates' backgrounds and reduce the risk of hiring individuals with a history or violent behavior.

Safety

The TOWN OF HOLLY RIDGE conducts inspections of the premises to evaluate and determine any vulnerability to workplace violence or hazards. Any necessary corrective action will be taken to reduce all risks.

Individual Situations

While there is no expectation that employees be skilled at identifying potentially dangerous persons, employees are expected to exercise good judgment and to inform their supervisor if any employee exhibits behavior which could be a sign of a potentially dangerous situation.

7. Recognizing Inappropriate Behavior

Inappropriate behavior is often a warning sign of potential hostility or violence, when left unchecked it can escalate to higher levels. Employees who exhibit the following behaviors should be reported and disciplined in accordance with this policy:

- Unwelcome name-calling, obscene language, and other abusive behavior
- Intimidation through direct or veiled verbal threats
- Throwing objects in the workplace due to anger regardless of the size or type of object being thrown or whether a person is the target of a thrown object
- Physically touching another employee in an intimidating, malicious, or sexually harassing manner. That includes such acts as hitting, slapping, poking, kicking, pinching, grabbing, and pushing.

Other behaviors may include:

- Displaying overt signs of extreme stress, resentment, hostility, or anger
 - Making threatening remarks
 - Sudden or significant deterioration of performance
 - Displaying irrational or inappropriate behavior
 - Irrational beliefs and ideas
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- Verbal, nonverbal or written threats or intimidation
- Expressions of a plan to hurt himself/herself or others
- Externalization of blame
- Unreciprocated romantic obsession
- Taking up much of supervisor's time with behavior or performance problems
- Fear reaction among coworkers/clients
- Displays of unwarranted anger
- New or increased source of stress at home or work
- Inability to take criticism
- Feelings of being victimized
- Intoxication from alcohol or other substances
- Expressions of hopelessness or heightened anxiety
- Productivity and/or attendance problems
- Violence towards inanimate objects
- Stealing or sabotaging projects or equipment
- Lack of concern for the safety of others or self

8. Dangerous/Emergency Situations

Employees who confront or encounter an armed and dangerous person should not attempt to challenge or disarm the individual. Employees should remain calm. If a supervisor can be safely notified of the need for assistance without endangering the safety of the employee or others, such notice should be given. The right to use self-defense shall not be withheld when there is an imminent threat to life.

9. Enforcement

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Violent conduct has a potential adverse impact on the employee's ability or the ability of another employee to perform assigned duties and responsibilities. Any employee determined to have committed such acts, or to have otherwise violated this policy, either while on duty or when off-duty, will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on or off the TOWN OF HOLLY RIDGE property will be reported to the proper authorities.

3-19 Use of Town Property and Equipment

Employees may be issued or have access to the TOWN OF HOLLY RIDGE property in the course and scope of employment. Employees are expected to maintain TOWN OF HOLLY RIDGE property in proper and safe working condition and to report any loss of damage to their supervisor immediately. Employees may be held responsible for loss of or damage to any assigned TOWN OF HOLLY RIDGE property that is lost or damaged due to negligence, misuse or abuse. Employees are expected to return any TOWN OF HOLLY RIDGE property that is assigned otherwise in their possession upon termination of their employment. The employee's supervisor and/or Department Head in conjunction with the HR Director and Town Manager will determine if the employee is responsible for replacement or repair cost. This cost may be deducted from the employee's pay.

Town equipment, materials, tools and supplies shall not be available for personal use and are not to be removed from Town property except in the conduct of official business, unless approved by the Town Manager or his or her designee. No employee shall purchase for personal use, any equipment or supplies through Town purchase accounts.

3-20 Information Technology Use

This policy covers the use of all technology resources belonging to the TOWN OF HOLLY RIDGE, whether individually controlled or shared, stand-alone or networked. It includes, but is not limited to pagers, radios, all computer systems of any size and function and their attached peripherals, telephones, cellular phones, copiers, scanners, fax machines, voice mail systems, e-mail systems, network resources and Internet resources. All technology resources owned by the TOWN OF HOLLY RIDGE are in place to enable the TOWN OF HOLLY RIDGE to provide its services in a timely and efficient manner. This is the primary function of these resources and any activity or action that interferes with this purpose is prohibited. Ethical and legal standards that apply to information technology resources derive directly from standards of common sense and common courtesy that apply to the use of any shared resources. Because technology systems are constantly evolving, the TOWN OF HOLLY RIDGE requires its employees to use a common-sense approach to the rules set forth below, complying not only with the letter, but also the spirit, of this policy.

1. Information Access and Ownership

All technology resources and all information transmitted by, received from, or stored on the TOWN OF HOLLY RIDGE's systems is the property of the TOWN OF HOLLY RIDGE and are subject to inspection by the TOWN OF HOLLY RIDGE officials. Employees do not have an expectation or right to privacy with respect to any electronic correspondence, files, documents, images, created, stored, displayed, received or sent on the TOWN OF HOLLY RIDGE's technology systems. The TOWN OF HOLLY RIDGE reserves the right to review, monitor, and inspect use of its technology resources without advance notice. If the TOWN OF HOLLY RIDGE determines that an employee has used technology resources in a manner that violates this policy or other TOWN OF HOLLY RIDGE policies, the TOWN OF HOLLY RIDGE will take appropriate disciplinary action up to and including dismissal.

2. Personal Use

Personal use of a TOWN OF HOLLY RIDGE owned technology resource by employees is allowed with the following restrictions:

- a. Employees should be aware that personal use of a TOWN OF HOLLY RIDGE owned technology resource is subject to all of the rules in this policy including inspection and monitoring;
 - b. There must be no cost to the TOWN OF HOLLY RIDGE;
 - c. Use must be conducted on an employee's own time and at the discretion of the employee's supervisor; however, personal telephone calls on non-cellular phones or personal use of e-mail on an occasional basis may be permitted providing that they do not interfere with the TOWN OF HOLLY RIDGE's obligation to carry out TOWN OF HOLLY RIDGE duties in a timely and effective manner;
 - d. Use must not interfere with other employees performing their jobs or undermine the use of the TOWN OF HOLLY RIDGE resources for official purposes;
 - e. Use of the TOWN OF HOLLY RIDGE's technology resources for operating a personal business of any kind is prohibited.
 - f. Use of the TOWN OF HOLLY RIDGE's technology for the pursuit of higher education during working time is prohibited.
 - g. Individuals who are not employees of the TOWN OF HOLLY RIDGE (including an employee's family or friends) are not allowed to use the TOWN OF HOLLY RIDGE's technology resources other than public access stations;
 - h. Personal use of TOWN OF HOLLY RIDGE resources by an employee neither expresses nor implies sponsorship or endorsement by the TOWN OF HOLLY RIDGE.
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- i. TOWN OF HOLLY RIDGE owned technology shall not be used to “download” or view pornography or be used for any criminal purpose.

3. Security

Each employee is responsible for all actions taken while using his/her user profile, password, or access code. Therefore, these should be kept confidential and only shared when authorized by supervisory personnel to meet the needs of a work section. This should be the exception and not the rule.

Any file, program, or document received on media (diskettes, CD-ROM, tapes, or portable memory storage devices), through the Internet (including e-mail) or through file transfer must be virus checked immediately. Employees should be cautious when receiving any e-mail message not expected that contains an attachment. Employees can assist the TOWN OF HOLLY RIDGE in preventing viruses from infecting the TOWN OF HOLLY RIDGE’s network by not opening any questionable communication from an unknown sender or any attachment with a questionable title or extension. Each individual employee is responsible for the prevention of the spread of viruses.

Employees are not authorized to install or download any software without the express approval of the Finance Officer. This policy includes but is not limited to shareware, freeware, personal software or Internet distributed programs. Applicable software copyright laws must be followed.

4. Appropriate Use

When employees use the TOWN OF HOLLY RIDGE technology resources, they are representing the TOWN OF HOLLY RIDGE and are obligated to use good judgment in how they conduct and express themselves. Employees are expected to use TOWN OF HOLLY RIDGE technology resources in a responsible and professional manner. Employees must not use these resources in an illegal, malicious, inappropriate or obscene manner.

5. E-mail

The TOWN OF HOLLY RIDGE provides an E-mail system to employees for their use in performing their duties for the TOWN OF HOLLY RIDGE. All employees of the TOWN OF HOLLY RIDGE are responsible for using the E-mail system in an effective, ethical, and lawful manner. It is the TOWN OF HOLLY RIDGE’s policy that the E-mail system, like other TOWN OF HOLLY RIDGE assets, be used for the benefit of the TOWN OF HOLLY RIDGE. All E-mail use should be congruent with the TOWN OF HOLLY RIDGE’s overall government policies. The TOWN OF HOLLY RIDGE reserves the right to monitor and/or log all network activity with or without notice, including all web site communications, and therefore, users should have no expectations of privacy in the use of these resources.

Employees are strictly prohibited from using the E-mail system for anonymous or pseudonymous posting, sending unsolicited junk e-mail or chain letters (“spam”), or for sending any material that contains viruses, Trojan horses, worms or any other harmful program. Electronic mail is a public record when sent or received in normal business process according to North Carolina General Statutes.

Use of the system in violation of this or other TOWN OF HOLLY RIDGE policies is prohibited and may lead to disciplinary action, up to and including dismissal.

6. Internet Access

The TOWN OF HOLLY RIDGE provides Internet (to include LAN) access to employees for their use in performing their duties for the TOWN OF HOLLY RIDGE. All employees of the TOWN OF HOLLY RIDGE are responsible for using Internet resources in an effective, ethical, and lawful manner. It is the TOWN OF HOLLY RIDGE's policy that the Internet resources, like other TOWN OF HOLLY RIDGE assets, be used for the benefit of the TOWN OF HOLLY RIDGE. All Internet use should be congruent with the TOWN OF HOLLY RIDGE's overall government policies. The TOWN OF HOLLY RIDGE reserves the right to monitor and/or log all network activity with or without notice, including all web site communications, and therefore, users should have no expectations of privacy in the use of these resources.

Use of the system in violation of this or other TOWN OF HOLLY RIDGE policies is prohibited and may lead to disciplinary action, up to and including termination.

3-21 Surrender of property

An employee who is terminated either voluntarily or involuntarily shall be required to return all items of equipment, including uniforms, owned by the TOWN OF HOLLY RIDGE. If items such as uniforms are not returned, cost of the items may be withheld from the final paycheck, with the written agreement of the employee.

3-22 Immigration Law Requirements

All employees are required to furnish proof of citizenship or other required documents indicating a legal right to work in the United States. I-9 forms shall be maintained in accordance with Federal law. Immigration status for all applicants for employment shall be ascertained using the Federal E-verify system.

3-23 Failure to Obtain or Maintain Required Licenses, Registrations, or Certifications

Depending on the position, some assigned duties may be performed only by persons who are duly licensed, registered or certified as required by the relevant law, rule or regulation. Employees in such positions are responsible for maintaining current, valid credentials as required by law, rule or regulation, and must inform their supervisor immediately of any change in certification or license. Failure to obtain or maintain the required credentials is a basis for immediate dismissal without prior warning.

3-24 Drug-Free Workplace and Drug and Alcohol Testing

The TOWN OF HOLLY RIDGE is committed to providing an alcohol and drug free workplace. The TOWN OF HOLLY RIDGE may establish policies and procedures related to employee substance abuse in order to insure the safety and well-being of citizens and employees, and to comply with any state, federal, or other laws and regulations.

The Town:

- a) prohibits employees from being under the influence of legal or illegal substances while on duty,
 - b) is authorized to conduct pre-employment drug tests for safety sensitive positions,
 - c) is authorized to conduct drug and alcohol tests based on a reasonable suspicion that the employee in any Town position is under the influence of substances on the job, and
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d) where authorized by federal law, is authorized to conduct random and post-accident drug tests for any employee subject to federal Department of Transportation drug-testing regulations.

3-25 Maintaining Security

Keys and employee identification badges are issued to TOWN OF HOLLY RIDGE employees to promote the security of the TOWN OF HOLLY RIDGE buildings, offices, equipment and supplies, and records and to protect the TOWN OF HOLLY RIDGE from theft or damage to these assets.

1. Keys

TOWN OF HOLLY RIDGE employees will be issued only those keys necessary for work-related purposes. Approval of the issuance of keys must be given by the appropriate Department Head. Keys to TOWN OF HOLLY RIDGE buildings and other facilities and equipment are the property of the TOWN OF HOLLY RIDGE and must be returned immediately upon request by the TOWN OF HOLLY RIDGE or separation from employment. An employee who loses or misplaces a TOWN OF HOLLY RIDGE-provided key must report this situation immediately to his or her supervisor.

Employees will be responsible for maintaining their TOWN OF HOLLY RIDGE-provided keys in a safe manner. Unauthorized copying of keys is prohibited. If additional keys are needed, a request must be made through the employee's Department Head. Keys shall not be issued to persons who are not TOWN OF HOLLY RIDGE employees, unless approved by the Town Manager.

2. Employee identification badges

Employee identification badges are issued to all employees. All employees working in the field are required to wear an employee identification badge at all times when conducting TOWN OF HOLLY RIDGE business. The only exception to the requirement to wear TOWN OF HOLLY RIDGE identification badges is when the wearing of the badge constitutes a potential safety hazard or seriously impedes upon the satisfactory performance of duties. Anyone who loses or misplaces his or her TOWN OF HOLLY RIDGE-issued employee identification badge must report this situation immediately to his or her supervisor and arrange for reissue.

3-26 Use of TOWN OF HOLLY RIDGE Vehicles or Motorized Equipment

Employees authorized to operate TOWN OF HOLLY RIDGE vehicles or motorized equipment must use these strictly for TOWN OF HOLLY RIDGE business. TOWN OF HOLLY RIDGE vehicles or motorized equipment must be kept on the TOWN OF HOLLY RIDGE's grounds or in its facilities when not in use. The TOWN OF HOLLY RIDGE may require certain employees to commute to and from work in TOWN OF HOLLY RIDGE vehicles that are covered by certain IRS regulations. In accordance with federal and state law, an employee may not use a TOWN OF HOLLY RIDGE-owned vehicle for personal use other than commuting. Any Employee who uses any TOWN OF HOLLY RIDGE vehicle for commuting must reside within 15 miles of Holly Ridge and shall comply with the provisions of N.C. Gen. Stat. § 143-341(8)i7a. Under these conditions the TOWN OF HOLLY RIDGE will account for commuting use as required in IRS regulations.

Law enforcement employees are advised to abide by the policies and procedures established within the Police Department. Any non-law enforcement employee operating or riding in a TOWN OF HOLLY RIDGE vehicle or other motorized equipment must:

- operate the vehicle or equipment in accordance with the TOWN OF HOLLY RIDGE's safety policy
- wear seat belts
- when driving, refrain from using a cell phone at all times for both texting and verbal communication, and;
- refrain from using any tobacco products.

Failure to operate TOWN OF HOLLY RIDGE motorized equipment as prescribed by policies, procedures, work rules, or federal and state law, may result in disciplinary action up to and including dismissal.

3-27 Driver's License Requirements and Driving Record

Employees who operate TOWN OF HOLLY RIDGE vehicles as part of the essential duties of their position are required to meet the minimum driving standards set by the TOWN OF HOLLY RIDGE and have possession of an appropriate driver's license valid in the State of North Carolina. Some positions may require a North Carolina Commercial Drivers Licenses. Any employee whose license is revoked, suspended, or lost must notify his/her Department Head immediately. The employee will be unable to resume operating a TOWN OF HOLLY RIDGE vehicle until providing proof of a valid driver's license coverage to the Department Head and Human Resources. Employees who are not able to perform essential job duties due to the suspension or revocation of their driver's license may be subject to immediate dismissal.

Article IV: The Classification Plan

4-1 Adoption

Positions in the TOWN OF HOLLY RIDGE are grouped together into job classes that share the same job title on the basis of their similarity based on the duties and requirements of each position as specified in the job, or class description. The Town Council is responsible for adopting a classification plan that assigns all positions to a series of job classes based on the results of a job evaluation system.

4-2 Maintenance of the Classification Plan

The Manager is responsible for maintaining the classification plan to ensure that it accurately reflects the duties performed by employees in the job classes to which their positions are assigned. Department Heads are responsible for providing the Town Manager with documentation of substantive changes in the nature of duties, responsibilities, working conditions or other factors that could affect the classification of any existing position under their supervision.

When the Town Manager determines through a job audit and/or job evaluation that substantial change has occurred in the nature or level of duties and responsibilities of an existing position, the Town Manager may revise or reassign the existing position to the appropriate job class within the existing classification plan, to amend the classification plan by establishing a new job class to which the position may be assigned, or to take other action as needed.

Human Resources maintains all official class descriptions for all positions and maintains a record of all budgeted and authorized positions.

4-3 Classification of New Positions

The Human Resources Director, as directed by the Town Manager, is responsible for reviewing and making recommendations to assign a new position to an existing job class or to a newly created job class. The recommendation must consider documentation furnished by the Department Head outlining the duties, responsibilities, typical tasks, and qualifications proposed for the position and the results of a job audit and job evaluation to be conducted by the Human Resources Director or a designee.

4-4 Amendment of the Position Classification Plan

The Town Manager may recommend amendments to the classification plan as needed.

Article V: The Pay Plan

5-1 Adoption

The pay plan refers to the schedule of pay grades established for all job classes within the TOWN OF HOLLY RIDGE's classification plan. Each pay grade consists of a minimum, midpoint, and maximum rate of pay. The pay grade defines the lower and upper limits that the TOWN OF HOLLY RIDGE is willing to pay for positions assigned to that pay grade. Each pay grade is assigned a pay grade number that is unique to the TOWN OF HOLLY RIDGE's pay plan. Progression within a pay grade is based on merit which is tied to an employee's performance. The Town Council is responsible for adopting the pay plan.

5-2 Maintenance of the Pay Plan

The Town Manager is responsible for the administration and maintenance of the pay plan. The pay plan is intended to provide equitable compensation for all positions, reflecting differences in duties and responsibilities, the rates of pay for comparable positions in private and public employment in the area, changes in the cost of living, the financial conditions of the TOWN OF HOLLY RIDGE, and other factors. The Town Manager or his/her designee is authorized to make comparative studies of all factors affecting the pay plan and to recommend annual pay plan adjustments to the Town Council.

When the Human Resources Director determines through periodic market analysis and/or salary surveys that a reasonable change has occurred in the pay level of an existing position, a recommendation may be prepared for the Town Manager to revise or reassign the respective position to a more appropriate pay grade within the existing pay grade table, or to take other action as needed. The Town Manager is authorized to approve pay grade changes to maintain the pay plan.

5-3 Starting Salaries

Depending on qualifications, an employee may be hired at a salary that falls between the minimum and the midpoint of the assigned pay grade. Prior to making an offer of employment, the Human Resources Director, in consultation with the Department Head, will submit a recommended starting salary to the Town Manager for approval. The starting salary recommendation may consider factors including but not limited to the candidate's education, training and special certifications, relevant experience, and the salaries and relative experience of current staff in comparable positions. Appointment of an employee at a salary rate above the midpoint rate established for the job class must be approved by the Town Manager.

5-4 Salary of Trainee

A person hired for a particular position who does not meet all the established requirements of the position may be appointed with a rate of pay below the minimum pay established for the pay grade and designated as a trainee. In such cases, a plan for training, including a time schedule, will be prepared, and submitted to Human Resources Office for retention in the employee's official personnel file.

Trainee salaries are established five (5) percent below the minimum salary established for the position for which the person is being trained. The training salary will remain in effect until the supervisor and/or Department

Head determines that the trainee is qualified to assume the full responsibilities of the position. In no event will an employee remain in a trainee status for longer than six (6) months, unless preempted by the specific approved job specification.

5-5 Annual Pay Rate Adjustments

Taking into account the financial conditions of the TOWN OF HOLLY RIDGE, the Council may consider annual recommendations from the Town Manager to adjust the pay plan or pay grades within the pay plan as needed to reflect changes in the cost of living and to maintain pay rates for positions at a level comparable with rates paid by other public and private employers. The TOWN OF HOLLY RIDGE will use the data published by the U.S. Department of Labor Bureau of Labor Statistics for guidance on consumer price index of change for the previous calendar year.

5-6 Pay for Performance

When considering the budget, the Town Council may approve a specified amount of merit pay to reward employees who are performing at levels that qualify for a merit increase based on the results of an annual performance evaluation. The approval of merit pay will take into consideration the financial conditions of TOWN OF HOLLY RIDGE; consequently, there is no guarantee of funding availability for merit increases from one fiscal year to the next.

The Human Resources Director, as directed by the Town Manager, is responsible for the administration and maintenance of the pay for performance plan. A standardized performance appraisal system will be used for an annual performance evaluation. All employees, except seasonal and temporary employees, will receive annual performance reviews.

An employee must meet or exceed expectations as indicated on the employee performance evaluation to be eligible for a merit increase. Employees who have reached or exceeded the maximum rate of pay for their pay scale will receive a one-time lump sum amount the first full-pay period in whichever month designated. The lump sum payment will not become a part of the employee's base salary.

5-7 Pay Rates for Promotions, Demotions, Voluntary Reassignments, Reclassifications and Interim Appointments

The pay rate of an employee may be adjusted when the employee is promoted, demoted, reassigned, or reclassified as set forth below.

1. Promotion:

An employee who is promoted may receive up to a ten (10) percent pay increase in base pay or an increase to the minimum rate of the new pay range, whichever is higher, as long as the increase is consistent with the pay plan, and the new pay rate does not exceed the maximum pay rate established for the pay range. Pay increases that exceed the minimum of the new pay range, or ten (10) percent, whichever is higher, but do not exceed the maximum pay rate established for the new pay range, may be approved by the Town Manager if written documentation is provided to justify the increase by the Department Head.

2. Demotion

The pay of an employee who is voluntarily or involuntarily demoted will be set at the equivalent rate in the new pay range, provided that pay rate does not exceed the rate at which the

employee was paid in the position from which the employee was voluntarily or involuntarily reassigned. For example, if the employee was paid at 110% of the minimum of the previous pay range, the new pay rate will be 110% of the minimum of the new pay range. Demoted employees will be placed on a six (6) month probationary period.

3. Reassignment

An employee voluntarily or involuntarily transferring from a position in one class to a position in another class assigned to the same pay grade will continue to receive the same salary. When an employee is temporarily transferred from a position in one class to a position assigned to a higher class, the employee may be paid at a higher rate as long as the temporary transfer is in effect. The higher rate of pay is not applicable for an employee filling in for another employee while on vacation or sick leave unless it is for an extended period of time. Extended period of time is defined as more than three (3) weeks.

4. Reclassification

A job class is assigned to a pay grade based on a systematic evaluation of a position's work requirements and characteristics. A series of job factors, such as training and ability, experience level, physical demands, independence of action, among other factors, are carefully evaluated and assigned a numerical point value in order to determine the appropriate pay grade for each job class. Positions may be reclassified to a different pay grade, either higher or lower when through a job audit and an evaluation of job factors it is determined that a pay grade change is warranted. A change or addition of job duties alone does not always warrant or result in a pay grade increase. Reclassifications are typically requested by the Department Head, reviewed by the Town Manager, and considered as part of the budget process.

An employee whose position is recommended for reclassification to a higher pay grade whose current base rate of pay is below the minimum of the new pay grade will be moved to the minimum of the new grade. Employees whose current rate of pay is above the minimum of the new pay grade may receive a five (5) percent pay increase in base pay. Any change in a pay rate must be consistent with the pay plan, and the new pay rate should not exceed the maximum pay rate established for the pay range. If the position is reclassified to a lower pay range and the employee is receiving a salary above the maximum rate established for the new class, the employee's pay will be reduced to the maximum rate established for the new class and maintained at that level until such time as the pay range to which the employee's job class is assigned increases.

5. Interim Appointments

Employees serving in an interim or acting capacity may receive up to a ten (10) percent pay increase in base pay or an increase to the minimum rate of the pay range for the position, whichever is higher, as long as the increase is consistent with the pay plan, and the new pay rate does not exceed the maximum pay rate established for the pay range. Criteria involved in determining the amount of compensation shall include consideration of a) the difference between the existing job and that being filled on a temporary basis, and b) the degree to which the employee is expected to fulfill all the duties of the temporary assignment.

Any increase received by an employee for functioning in an interim or acting capacity will cease when the employee no longer functions in that capacity.

Any deviation from the pay practices detailed in this section must be requested in writing by the respective Department Head and approved by the Town Manager.

5-8 Overtime Pay

It is the TOWN OF HOLLY RIDGE's policy to comply with the provisions of the Fair Labor Standards Act (FLSA) and to prohibit improper deductions from pay, whether for lack of work or for any other reason.

The Town Manager is assigned responsibility to designate each job class as exempt or non-exempt in accordance with the provisions of the Fair Labor Standards Act (FLSA).

Employees in an exempt job class will not be paid for hours worked over forty (40) hours in a work week.

Regular employees in a nonexempt job class who work more than forty (40) hours in a work week will be compensated at an overtime rate of one and one-half hours for every hour worked in excess of forty (40) hours. Law enforcement shall work a twenty-eight (28) day schedule at 168 hours per cycle. Hours worked beyond the FLSA established limit will be compensated either with compensatory time or pay at the appropriate overtime rate.

All overtime must be authorized in advance by the employee's Department Head or a supervisor who has been designated to make such decisions.

Paid holidays or hours during which an employee does not physically work, including but not limited to, paid vacation, sick leave, and rest time, will not be counted as hours worked in computing overtime. Time actually worked on a TOWN OF HOLLY RIDGE designated holiday will be considered time worked for the purposes of computing overtime compensation. Non-exempt employees who work overtime will be paid for all overtime incurred during the pay period in which the overtime was worked, unless permission to convert to compensatory time is requested and granted.

The TOWN OF HOLLY RIDGE has the right to adjust work schedules to stay within budget constraints.

5-9 Payroll Deductions

Only payroll deductions specifically mandated or authorized by applicable federal and state laws and regulations or approved by the Town Council may be deducted from employee pay each pay period. All voluntary deductions must be authorized in writing by the employee.

In the event that the TOWN OF HOLLY RIDGE becomes aware of a deduction which may have been made improperly, the TOWN OF HOLLY RIDGE will fully investigate the situation and reimburse any employees who have had improper deductions from their pay and take actions to prevent continued improper deductions of this kind.

5-10 Time Records

Time records must be submitted to Finance on a timely basis for each respective pay period. It is the employee's responsibility to provide a true and accurate time record for each pay period by the established deadline. It is the responsibility of the employee's supervisor to verify and approve time records for each pay period. Falsification or misrepresentation of time records may result in disciplinary action, up to and including termination of employment.

5-11 Pay Periods

The TOWN OF HOLLY RIDGE has established a seven (7) day work week that begins Saturday at 12:01 AM and runs through the following Friday at 12:00 AM. Each pay period includes one work week. Employees are paid via direct deposit weekly for the prior pay period. Employees must elect to receive electronic pay notification. Employees that have discrepancies in their pay are to report the discrepancy to their supervisor immediately.

5-12 Effective Date of Salary Changes

Salary changes approved after the first working day of the pay period shall become effective at the beginning of the next pay period. When approved by the Town Council, annual cost of living increases will go into effect the first full pay period in July. Annual performance evaluations for employees participating in the annual performance evaluation cycle will go into effect the first full pay period in whichever month has been designated for implementation.

5-13 On-Call

The TOWN OF HOLLY Ridge routinely provides certain public services continuously, and in addition emergency situations may arise requiring the provision of public service, therefore it is necessary for certain employees to respond to any reasonable request for duty at any hour of the day or night. One of the conditions of employment with the TOWN OF HOLLY RIDGE is the acceptance of a share of the responsibility for continuous service, in accordance with the nature of each job position. If an employee fails to respond to reasonable calls for emergency service, either special or routine, the employee shall be subject to disciplinary actions up to and including dismissal.

The TOWN OF HOLLY RIDGE will compensate non-exempt, hourly employees who are scheduled for standby duty when the employee is called in to work by guaranteeing a minimum of two (2) hours per day, when the actual response takes less than two (2) hours, with these exceptions:

- a. If the response exceeds two hours, the actual time will apply.
- b. If an employee is called back within one hour of their regular start time or end time, the two-hour minimum does not apply, however, the employee's start time for that day will reflect the early arrival.
- c. If the employee is not called in to work, the employee will not receive any guaranteed hours.
- d. The two-hour minimum applies only one time within a given work day; if called back a second time, the actual time applies.
- e. The overtime was previously scheduled.

5-14 Safety Bonus Plan

In an effort to encourage a higher level of safety in the workplace, the TOWN OF HOLLY RIDGE will reward all Town employees with one paid day off if the Town as a whole has had no accidents that result in lost work-time after 12 consecutive months (beginning July 1, 2018 – June 30, 2019). Employees are not eligible their first year of employment if they have not worked for the TOWN OF HOLLY RIDGE for at least 12 months. If this time has not been used within one year of accrual the employee shall receive one day of pay.

5-15 Longevity Pay

A longevity bonus may be provided annually prior to the first week of December to all regular employees based on years of service, subject to the availability of funding and budget approval. The amount of a longevity bonus is based on the following:

- a. The bonus will be based on continuous years of service as calculated using the anniversary date of employment.
- b. If employment ceases prior to December, the employee is not eligible to receive a longevity bonus.
- c. Employees must be on active payroll status or approved paid or unpaid leave in good standing to be eligible.

Payment shall be made in accordance with the following schedule:

1 year of service:	\$25.00	5 years of service:	1.50 % of annual salary
2 years of service:	\$50.00	10 years of service:	2.00 % of annual salary
3 years of service:	\$75.00	15 years of service:	3.00 % of annual salary
4 years of service:	\$100.00	20 years of service:	4.00 % of annual salary
		25 years of service:	5.00 % of annual salary
		30 years of service:	6.00 % of annual salary

Longevity pay for regular part-time employees will be on a pro-rata share based on the hours worked per week, based on the same parameters.

5-16 Holiday Bonus

A holiday bonus may be provided annually prior to the first week of December to all regular employees, subject to the availability of funding and Town Council's approval during the budget process. In addition, employees shall be given two hours of pay in conjunction with each holiday event.

5-17 Payment of Travel Expenses

All participation in workshops, schools, and meetings of more than a day must have prior approval of the Town Manager where any of the time and expense is to be paid by the Town. Expenses incurred as part of the job for the Town will be reimbursed at the rate set by the IRS and meals and lodging reimbursed at actual reasonable cost (meals shall not exceed \$40 per day). All travel claims must be supported by detailed documentation, usually in the form of receipts or similar vouchers. The Town Manager may deny reimbursement of any questionable, unsupported or excessive expense claim submitted by the employee.

Article VI: Time Away from Work

6-1 Holidays

The TOWN OF HOLLY RIDGE will follow the following observed holidays:

New Year's Day	January 1
Martin Luther King Day	3 rd Monday in January
Good Friday	Friday before Easter
Easter Monday	Monday after Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day after Thanksgiving
Christmas Day	December 25 (plus one to two additional work days – Town will observe same days as the State of North Carolina)

The Town Council may adjust the holiday schedule as deemed necessary. It is the TOWN OF HOLLY RIDGE's intent to ensure that regular full-time employees receive twelve (12) paid holidays, equivalent to ninety-six(96) hours annually. Any holiday falling on Saturday or Sunday will be observed on Friday or Monday based on the day observed by the State of North Carolina. If employees are assigned to a work schedule other than Monday to Friday, the holiday will be observed the day on which it actually occurs. Employees who are required to work on a scheduled holiday, will, at the discretion of the Department Head, receive payment for the holiday, or receive an equivalent day off to be taken no later than the next pay period. Under no circumstances will an employee receive payment for a holiday and an equivalent day off. Regular part-time employees will receive paid holidays on a pro-rata basis. Temporary employees are not eligible for paid holidays.

Town employees required to work on an observed holiday will receive eight (8) hours of holiday pay, plus compensation hour-per-hour for all hours required to be worked on the holiday. In cases where work on a holiday extends the employee beyond the normal forty (40) hour work week, compensatory time or pay for over forty (40) hours shall be credited or earned at the overtime rate. Police officers shall be paid for all holiday pay regardless of the schedule.

Regular holidays that occur during a vacation, sick or other paid leave period will not be charged as vacation, sick, or other paid leave.

In order to receive holiday pay, an employee must work on the last scheduled work day before and the first scheduled work day after the holiday, unless the employee is on paid vacation leave, paid sick leave, or other paid leave status.

6-2 Vacation Leave

Vacation leave is a benefit granted by the TOWN OF HOLLY RIDGE to eligible employees. Vacation leave is earned by regular full-time and part-time employees working each pay period based on years of service to the TOWN OF HOLLY RIDGE (which may include creditable service with member local government entities).

Eligible employees begin accruing vacation leave at hire; however, an employee must be employed six (6) months before the employee is eligible to take paid vacation leave, unless authorized and approved by the Town Manager. The Human Resources Director must be notified of any employee requesting more than two weeks of consecutive vacation leave prior to the approval of the leave. Any employee that separates from the TOWN OF HOLLY RIDGE prior to completing six (6) months of employment will forfeit any unpaid accrued vacation leave. The following chart provides the rate at which regular *full-time* employees earn vacation leave each period and annually.

Years of Continuous Service	Hours Earned Each Pay Period	Total Hours Annually	Annual Vacation Days (Based on 8 Hours/Day)
Less than 5 years	2.076	108 Hours	13.5
5 years, but less than 10 years	2.538	132 Hours	16.5
10 years, but less than 15 years	3.00	156 Hours	19.5
15 years, but less than 20 years	3.230	168 Hours	21
20 years and over	3.461	180 Hours	22.5

Part-time employees accrue vacation leave on a pro-rata basis. Vacation leave will begin accruing at the appropriate pro-rate amount on the employee's hire date; however, the employee must be employed six (6) months before the employee is eligible to take paid vacation leave. Any part time employee that separates from the TOWN OF HOLLY RIDGE prior to completing six (6) months of employment will forfeit any unpaid accrued vacation leave. Temporary and seasonal employees are not eligible for vacation benefits.

1. Taking Vacation Leave

Vacation leave may be taken as earned by regular employees subject to eligibility and the approval of the supervisor. Each Department and/or work section is responsible for scheduling employee vacation leave without undue disruption of operations. Leave requests shall be submitted as early as possible, or at the direction of the Department Head.

2. Maximum Accumulation

The maximum accumulation of accrued vacation leave for regular full-time employees is 240 hours in any fiscal year. The maximum accumulation for regular part-time employees is pro-rated based on the employee's regular work week. If an employee has accrued vacation leave in excess of the allowed maximum accumulation amount as of the last pay period of the fiscal year, the employee's excess vacation leave will be converted to sick leave on an hour for hour basis. The converted sick leave must be used in the same manner as accrued sick leave. (See Article VI, Section 3. Sick Leave)

Employees are strongly encouraged to plan vacations early when the intent is to avoid rolling over vacation time. Vacation requests late in the fiscal year may not be granted when multiple requests are made from within the same work section due to the need to continue with a high level of service to our customers. If an employee has excess leave accumulation during the latter part of the fiscal year and is unable to take such leave because of staffing demands, the employee shall receive no special consideration either in having vacation leave scheduled or in receiving any exception to the maximum accumulation. Employees are not eligible to receive pay for excess vacation time not taken.

3. Payout of Vacation Leave

Upon Separation

An eligible employee who is separated for reasons other than failure in performance of duties or personal conduct shall be paid for vacation leave accrued to the date of separation not to

exceed a maximum of 240 hours, provided the employee has been employed with the TOWN OF HOLLY RIDGE for six (6) months. Employees that separate as a result of failure in performance of duties or personal conduct forfeit all unpaid accrued vacation leave.

Upon Death

The estate of an eligible employee who dies while employed by the TOWN OF HOLLY RIDGE shall be entitled to payment for all the unpaid accrued vacation leave, not to exceed a maximum of 240 hours, at the time of death, provided the deceased employee had been employed with TOWN OF HOLLY RIDGE for six (6) months.

Under this subsection, all accrued vacation leave in excess of 240 hours is forfeited resulting in a zero balance for any employee or deceased employee.

6-3 Sick Leave

Sick leave is a benefit granted by the TOWN OF HOLLY RIDGE to eligible employees. Regular full-time employees accumulate sick leave at a rate of 1.846 hours for each pay period worked up to a maximum of ninety-six (96) hours per year. Part-time employees earn sick leave on a pro-rata basis. Full-time and part-time employees begin accruing sick leave on the employee's hire date. Temporary and seasonal employees do not earn sick leave benefits.

Sick leave will be granted to an employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examination or treatment, or exposure to a contagious disease, when continuing work might jeopardize the health of others.

Sick leave may be used when an employee must care for a member of the immediate family but may not exceed three (3) days for any one occurrence. Immediate family for the purposes of this policy means; spouse, mother, father, guardian, children, sister, brother, grandparents, grandchildren, plus the various combinations of half, step, in-law and adopted relationships that can be derived from these named. A supervisor may require medical verification of the family member's illness when leave abuse is suspected or the supervisor observes a pattern of absenteeism.

Employees are asked to submit requests for sick leave to their supervisor prior to the leave, when possible, or not later than one-half ($\frac{1}{2}$) hour after the beginning of a scheduled work day. Employees must have unpaid accrued sick leave to be eligible to be paid sick leave.

Payment for all unpaid accrued sick leave is forfeited upon separation of employment from the TOWN OF HOLLY RIDGE.

Absences of more than three (3) days must be reported to Human Resources to facilitate the possible notification of eligibility for leave under the Family Medical Leave Act. If an employee is using sick leave for an absence designated as Family and Medical Leave, the sick leave use and FMLA time run concurrently.

1. Physician's Certificate

An employee's supervisor or Department Head may require a physician's certificate concerning the nature of the illness and the employee's physical capacity to resume duties for each occasion on which an employee uses sick leave in excess of three (3) days. Any restrictions of duty must be prescribed (in detail) by the employee's physician and submitted on the treating physician's letterhead.

The supervisor or Department Head may also require a physician's certificate for less than three (3) days if they suspect abuse of sick leave privileges or observe a pattern of absenteeism. Supervisors and Department Heads will submit all physician certificates and other medical data pertaining to an employee to the Human Resources Director for filing in the employee's confidential medical file.

2. Sick Leave Transfer

Employees hired by the TOWN OF HOLLY RIDGE, whose immediate past employer within the last 90 days was the State of North Carolina, any of its political subdivisions, any local government entity or authority, or municipality in North Carolina, may transfer to the TOWN OF HOLLY RIDGE any unused sick leave, provided the employee has not requested, or is receiving, retirement benefits from the North Carolina Retirement System. The employee must request this transfer within 90 days of the beginning of employment, and it is the responsibility of the employee to provide bona-fide documentation of the amount of unused sick leave from the immediate past employer. Upon verification of the unused sick leave by the Finance Officer, the employee will be credited with the transferred sick leave. Transferred sick leave will be treated as if it was earned with the TOWN OF HOLLY RIDGE.

3. Sick Leave Abuse

Claiming sick leave under false pretense to obtain a day off with pay or habitual abuse shall subject the employee to disciplinary action up to and including dismissal. Sick leave abuse is defined as one or more of the following:

- a) habitual, routine and/or regular absence from work without the presence of a health condition(s) that warrants such absence;
- b) a habitual pattern of taking the sick time as soon as it is earned;
- c) routinely and/or regularly maintaining a minimum amount of accrued Sick Leave;
- d) the habitual use of sick leave on Fridays and Mondays;
- e) routinely and/or regularly using sick leave in times of difficult or unpleasant job duties; in times of inclement weather; and/or when the absence adversely affects the quality/quantity of work within the employee's work section or Department.

6-4 Bereavement Leave

An employee who has a death in their immediate family may take up to three (3) days of bereavement leave for any one occurrence in a single fiscal year. If bereavement leave is not taken in any one fiscal year, it does NOT cumulate and carry forward into the next fiscal year. Immediate family means spouse, mother, father, guardian, children, sister, brother, grandparents, grandchildren, plus the various combinations of half, step, in-law and adopted relationships that can be derived from these named. If additional time is required, the employee may use vacation leave, if available, subject to supervisory approval.

6-5 Family and Medical Leave

Eligible employees may be granted up to a total of 12 weeks of unpaid leave per 12-month period, as determined below, for any of the following reasons:

- a. The birth of employee's child and to care for the newborn child;
 - b. Placement with the employee of a child for adoption or foster;
-

- c. Care for employee's parent (in-laws not included unless the in-law is the parent of a Covered Military Member), spouse, or child (under age 18, or age 18 or older and incapable of self-care because of a disability) with a serious health condition;
- d. Serious health conditions that renders employee unable to perform the job; or
- e. Any qualifying exigency arising from the fact that employee's spouse, child, or parent is on, or has been notified of an impending call to covered active duty status in support of a contingency operation requiring deployment to a foreign country. The following reasons may constitute qualifying exigencies: short notice deployment; attendance at certain military programs related to active duty assignment; change in childcare obligations due to active duty assignment; attendance at counseling sessions that are needed as a result of an active duty assignment; short-term temporary rest and recuperation leave of a Covered Military Member during a time of deployment; attendance at certain other post-deployment activities; care for a military member's parent who is incapable of self-care when the care is necessitated by the Covered Military Member's covered active duty; and other activities as agreed by the company and employee.

Eligible employees may be granted up to a total of 26 weeks of unpaid leave during a single 12-month period to care for a spouse, child, parent (in-laws not included), or next of kin (nearest blood relative) who is a current member of the Armed Forces or covered veteran and has incurred an injury or illness in the line of duty while on active duty in the Armed Forces, or has injuries or illnesses that existed before the beginning of the member's active duty which were aggravated by active duty in the Armed Forces, provided that such injury or illness renders the service member medically unfit to perform the duties of the service member's office, grade, rank or rating for which the service member is undergoing medical treatment, recuperation or therapy, or the service member is in outpatient status, or is on the temporary disability retired list. This type of leave is referred to in this policy as "Servicemember Family Leave". During the single 12-month period in which Servicemember Family Leave may be taken, eligible employees are limited to a combined total of 26 weeks of unpaid leave for any reason under this section; however, no more than 12 of those weeks may be taken for non-Servicemember Family Leave.

All qualifying leave will be administered in accordance with this section, as follows:

1. Eligible Employees

Eligible employees are employees with at least 12-months cumulative service with the TOWN OF HOLLY RIDGE who have worked at least 1,250 hours during the preceding 12 months. To qualify for medical leave, the health condition or treatment(s) must be such that it requires the employee to be absent from work on a recurring basis for more than three (3) days for treatment or recovery.

2. Leave Requests/Extensions

Employees requesting leave must obtain the appropriate forms from the Human Resource Director and submit the completed forms no less than 30 days before the requested leave is to begin when the need for leave is foreseeable. In circumstances when 30-day's notice is not possible, then employees must provide notice as soon as practicable and, in most cases, must comply with the TOWN OF HOLLY RIDGE's normal call-in procedures. If the leave is for planned medical treatment (whether for the employee or family member), employees must consult with the TOWN OF HOLLY RIDGE in advance and make a reasonable effort to schedule the treatment so as to avoid any undue burden on the TOWN OF HOLLY RIDGE or disruption to service delivery. Failure to provide proper notice in accordance with this provision may result in the delay or denial of Family and Medical Leave.

Employees must provide sufficient information for the TOWN OF HOLLY RIDGE to determine if the leave may qualify for Family and Medical Leave, and the anticipated timing and duration

of the leave. Employees must also inform the Town OF HOLLY RIDGE if the requested leave is for a reason for which Family and Medical Leave was previously taken or certified.

Employees who fail to return to work upon the expiration of any approved period of Family and Medical Leave will be subject to termination. Employees who cannot return to work at such time due to the continuation of circumstances must request an extension of the Family and Medical Leave as soon as the need for the extension is known or in no event later than the expiration of the approved leave period.

3. Certifications

Upon request, employees requesting leave because of their own sickness or that of a parent, child, or spouse must provide medical certification or recertification from an appropriate healthcare provider. Employees requesting Servicemember Family Leave because a spouse, child, parent, or next of kin has incurred an injury or illness in the line of duty while on active duty in the Armed Forces, also must provide medical certification from an appropriate healthcare provider of the servicemember, or provide a copy of the military member's Rest and Recuperation leave orders, or other documentation issued by the military setting forth the dates of the military member's leave. Employees must contact human resources to obtain certification forms.

Employees are responsible for paying for any certification or recertification. The TOWN OF HOLLY RIDGE, at its own cost, may require a second or third opinion in the case of employee's own health condition or that of a parent, child or spouse. Upon request, employees must provide a physician's statement certifying their ability to return to work and perform the essential functions of their job. Failure to provide timely or complete certifications may result in denial of leave or return to work.

Upon request, employees requiring leave because a spouse, child, or parent is on, or has been notified of an impending call to, active duty in the Armed Forces in support of a contingency operation must provide a certification of such duty or call to duty, including a copy of the active duty orders or other military issued documentation.

4. Periodic Status Report

Upon request, employees on Family and Medical Leave will be required to report periodically, as directed, on their status and intention to return to work. Failure to report, as directed, may result in discontinuation of leave approval, denial of return to work or other disciplinary action, including termination.

5. Intermittent or Reduced Leave

Intermittent leave (leave taken in separate blocks of time) or reduced schedule leave (leave taken on a part-time basis) may be taken when medically necessary or in the case of Active Duty Leave or Servicemember Family Leave. Upon request, employees must provide medical certification that intermittent or reduced schedule leave is medically necessary, the expected duration of the leave and, if the leave is necessary for planned medical treatment, the dates on which such treatment is expected and the duration of the medical treatment. Employees must make a reasonable effort to schedule leave for planned medical treatment so as not to unduly disrupt operations. Employee's taking such leave for planned medical treatment may be required to transfer temporarily to an alternative position with equivalent pay and benefits for the duration of the leave.

6. Newborn, Adoption, and Foster Care Leave

This leave must be completed within one year of the child's birth or placement and may not be taken on an intermittent or reduced schedule.

7. Spouses Combined Leave

Employees who are married to one another are limited to a combined total of 12 weeks of leave during the 12-month period if the leave is taken for: 1) birth of employee's child or to care for the newborn child; 2) placement with the employee of a child for adoption or foster care; or 3) care of the employee's parent with a serious health condition. If leave is taken to care for an ill child or spouse, each spouse is entitled to 12 total weeks of leave.

Employees who are married to one another are limited to a combined 26 weeks of leave during the single 12-month period during which Servicemember Family Leave may be taken if either Servicemember Family Leave or a combination of Servicemember Family Leave and FMLA leave for the birth, adoption or foster placement of a child or care for the child after birth or placement, or care of the employee's parent with a serious health condition, is taken. If the leave is taken by the husband and wife includes Family and Medical Leave other than Servicemember Family Leave, the 12-week limitation described above will apply to that non-Servicemember Family Leave.

8. 12-Month Period

For the purpose of determining available Family and Medical Leave for reasons other than Servicemember Family Leave, the 12-month period during which employees may be eligible for FMLA leave will be calculated on a 12-month period measured backward from the date the FMLA leave is requested to begin. For purposes of Servicemember Family Leave, the single 12-month period during which the leave may be taken begins on the first day the eligible employee takes such leave to care for a covered servicemember and ends 12 months after that date.

For the purposes of determining available Servicemember Family Leave, the 12-month period during which employees may be eligible will be calculated on a 12-month period measured forward from the date the employee's leave to care for the covered servicemember begins.

9. Substitution of Paid Leave

The TOWN OF HOLLY RIDGE will substitute the employee's accrued paid leave when available (including sick leave and vacation leave) for part or all of the unpaid leave, running Family and Medical Leave with the paid leave concurrently. Sick leave will be used first; once exhausted, vacation leave will be used. If both are exhausted prior to the end of the Family and Medical Leave, the employee will go into an unpaid leave status.

10. Benefits Continuation

Employee benefits will continue during Family and Medical Leave. The TOWN OF HOLLY RIDGE will continue to pay the customary portions of the monthly premiums for the covered employee. Employees who have elected spouse, child, or family coverage or optional supplemental insurance must continue to pay those premiums in order to maintain the coverage. Human Resources will advise the employee of their respective premium amount(s) and due date(s). As long as the employee is receiving a paycheck, these amounts will continue to be automatically deducted; however, any employee in an unpaid status must pay their elected coverage in the same manner and amount. Failure of the employee to pay their share of the premium will result in the suspension of coverage for health care benefits and the termination of coverage for any non-health care benefits for the period of non-payment. If the

employee chooses not to return from leave, under certain circumstances, the employee may be required to repay the TOWN OF HOLLY RIDGE's portion of the premium payment.

11. 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 the Family and Medical Leave will be reinstated to either the same or equivalent pay and benefits. Certain highly compensated employees are eligible for leave but are not guaranteed restoration to their position and may be denied reinstatement.

A physician's release may be required for the employee to return from leave.

12. Additional Information

Employees who desire to take family or medical leave should contact human resources for information concerning their eligibility for such leave under this policy.

13. Problem Resolution

It is the policy of the TOWN OF HOLLY RIDGE not to discharge or discriminate against any employee. Any employee that feels he/she has been treated unfairly should follow the Grievance Procedure detailed in this policy manual.

6-6 Leave Without Pay

Regular full-time and part-time employees, working at least 1,040 hours annually, may request a leave of absence without pay for absence from work not covered by any other type of eligible paid leave or if other paid leave balances are exhausted.

Requests for leave without pay must be submitted in writing to the employee's supervisor or Department Head. If the leave is approved, then the request will be forwarded to the Human Resources Director and the Town Manager for approval. The following requirements apply:

- Leave may be granted to an employee for a period of up to three (3) months upon the approval of the Town Manager.
- Accrued vacation leave must be exhausted prior to taking any leave without pay.
- An employee's vacation and sick leave accrual are suspended during the period of unpaid leave until the employee returns to work.
- Leave without pay will run concurrent with any eligible Family and Medical Leave.
- An employee that fails to report promptly at the end of the unpaid leave, unless otherwise prohibited by law or regulation, is presumed to have resigned.

Employees granted leave without pay are responsible for paying all benefit plan premiums, including the employee's portion, during the period of leave without pay. Failure of the employee to pay any required benefit plan premium timely will result in termination of the benefit due to non-payment of premium.

6-7 Military Leave

Employees who are members of the National Guard or Armed Forces Reserve will be allowed two (2) calendar weeks for a total of fourteen (14) days of military training leave annually. If the employee's military pay is less than the employee's regular pay the TOWN OF HOLLY RIDGE will pay the difference, provided the employee provides proof of compensation from the respective military branch. Otherwise this leave is without pay. Employees may elect to use vacation leave to cover part or all of the military leave.

Employees who are required to attend inactive duty training (weekend duty) may be granted accrued vacation leave or unpaid leave for assignments requiring their absence from their position on Friday afternoon.

If such military duty is required beyond the two (2) calendar week's annual training period, the regular employee will be eligible to take accumulated vacation leave or be placed in a leave without pay status. While taking military leave with partial pay or without pay, the employee's leave credits and other benefits shall continue to accrue as if the employee physically remained with the TOWN OF HOLLY RIDGE during this period.

Employees who are Guardspersons and Reservists have all job rights specified in the Veterans Readjustment Assistance Act and The Uniformed Services Employment and Reemployment Act (USERRA).

Employees are required to provide copies of official orders for all periods of active duty training to Human Resources prior to leaving. The employee will provide a memorandum from the unit commander for periods of inactive duty training (weekend duty) and proof of compensation if the duty requires the employee to be absent from work.

6-8 Reinstatement Following Military Service

An employee called to extended active duty with the United States military forces, who does not volunteer for service beyond the period for which called, shall be reinstated with full benefits provided the employee:

- a) Applies for reinstatement within ninety days after the release from military service; and
- b) Is able to perform the duties of the former position or similar position; or
- c) Is unable to perform the duties of the former position or a similar position due to disability sustained as a result of the military service but is able to perform the duties of another position in the service of the TOWN OF HOLLY RIDGE. In this case the employee shall be employed in such other position as will provide the nearest approximation of the seniority, status, and pay which the employee otherwise would have been provided, if available.

6-9 Civil Leave

1. Jury Duty

The TOWN OF HOLLY RIDGE recognizes that jury duty is a civic responsibility. Civil leave will be granted during regularly scheduled working hours to regular employees who are summoned to attend court as a juror or witness, except when involved in personal litigation. In no case will your employment be affected if you perform jury duty. On rare occasions when the summons to jury duty occurs at a time when the employee or the TOWN OF HOLLY RIDGE might experience a significant impact on customers or staffing from the loss of the employee to jury duty, a TOWN OF HOLLY RIDGE representative may write a letter to the court requesting the postponement of the employee's jury duty.

Employees must provide a copy of the jury duty summons to Human Resources and the employee's supervisor within one day of receiving the summons and proof of service each day served.

- If you report for jury duty and are dismissed, you are expected to report for work for the remainder of each day on which this occurs.
 - If you call and are advised not to report to the court on any day of the jury duty, you are required to report to work.
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- Jury duty pay may be retained by the employee. Employees who are on Jury Duty and are scheduled for work on night shifts the same workday shall be protected from loss of pay for the entire twenty-four (24) hour period. The employee must notify the supervisor of the date and time of the appearance, provide a copy of the respective subpoena, and return to work immediately after release from court and submit proof of appearance to the supervisor upon completion of such service.

An employee required to serve as a witness as a result of his or her official duties must remit to the TOWN OF HOLLY RIDGE any witness fees paid by the court.

While on civil leave, benefits and leave shall accrue as though on regular duty.

6-10 Parent Involvement in Schools

Employees who are parents, guardians, or persons "standing in loco parentis" of a school-aged child will be granted sixteen (16) hours per year (four (4) hours paid leave and 12 hours unpaid leave or accumulated vacation leave) to attend or otherwise be involved at their child's school. Leave for Parent Involvement in Schools is subject to the following conditions:

- The leave shall be at a mutually agreed upon time between the supervisor and the employee;
- A written request must be submitted to the supervisor for the leave at least forty-eight (48) hours before the time desired for the leave;
- Written verification from the child's school that the employee attended or was otherwise involved at the school during the time of the leave.

For the purposes of this section, "school" means any public school, private church school, church of religious charter, non-public school, preschool and child daycare facilities. A year shall be considered the same as a fiscal year, which is in keeping with the school calendar.

6-11 Inclement Weather or Area Emergencies

It is the policy of the TOWN OF HOLLY RIDGE to remain open for business whenever possible during our regularly scheduled hours of operation, to the maximum extent allowable by weather and other emergency conditions. The Town Manager may at his/her discretion delay the opening of or close Town facilities and functions for the safety of the employees and the public when warranted by adverse weather conditions or emergency situations.

1. Delays and Closures

When adverse weather conditions or an emergency warrant closure, as declared by the Town Manager, the following pay and leave policies are in effect:

- Any employee who is on a previously scheduled vacation leave, sick leave or leave without pay when TOWN OF HOLLY RIDGE is closed due to adverse weather conditions or an emergency situation may not claim the delay/closure hours in lieu of using leave hours.
 - If an employee requests vacation due to the road conditions or for other weather/event related reasons *prior to* the actual closing, the employee's leave will only be charged for those hours TOWN OF HOLLY RIDGE is actually open.
 - Employees who are not scheduled to work when TOWN OF HOLLY RIDGE is closed due to adverse weather conditions or an emergency situation may not claim the delay/closure hours as part of his/her work hours for the week.
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- Adverse weather or emergency delays or closure hours are considered paid work hours and are granted to each non-exempt employee who was scheduled to work during the delay/closure time frame.
- Exempt employees will receive their regular rate of pay for the day of closure.

2. Key and Essential Personnel:

Staff assigned as key and essential personnel because operations require staffing 24/7 during adverse weather or emergency situations are needed to ensure continuous operation, even when the TOWN OF HOLLY RIDGE operations may close for adverse weather or emergency situations. The following policies apply to those key and essential personnel:

- In the event the TOWN OF HOLLY RIDGE is delayed or closed due to adverse weather conditions or an emergency situation, it is the responsibility of the supervisors to ensure that required operations remain staffed 24/7 following the established emergency response plan. The safety of our employees is paramount; supervisors should have guidelines in place for extending or reducing regular shift hours to limit travel during adverse conditions and to keep overtime costs in check.
- Employees on duty when the delay or closure is announced may be required to extend their shift until that time road conditions or other hazards improve. Employees on duty at the time a closure or delay is announced will be paid their regular rate of pay for actual hours worked.
- Employees who are not on duty at the time of the delay or closure but were scheduled to work during all or part of the closure will be paid their regular rate of pay only for those scheduled hours coinciding with the delay and/or closure. These hours will not be considered as 'actual hours worked' for the purposes of calculating overtime pay for the work week in which the closure occurs.
- Employees who were not scheduled to work during the delay or closure will not be compensated.

3. When the TOWN OF HOLLY RIDGE Remains Open

In the event that the TOWN OF HOLLY RIDGE remains open during adverse weather conditions; all employees are encouraged to use their judgment in determining their safety needs during severe weather and to act accordingly. All employees who are not able to report due to weather conditions are required to notify their supervisor and to report to work when safety permits. Employees must also notify their supervisor prior to leaving work during severe weather. In both cases, non-exempt employees will be required to use leave for the hours missed or to take leave without pay.

4. Notification of Delays or Closures

Each Department Head and supervisor is responsible for maintaining a current Call List for their area of responsibility. At the minimum, the call list should include the employee's name and title, home phone number, cell number and e-mail address. The call list should illustrate who is responsible for notifying whom so that word of closures or delays gets passed within a very short period of time.

Every effort will be made to ensure that closures will be announced over local media and via the TOWN OF HOLLY RIDGE website no later than 6:30 AM the morning of the delayed opening or office closure.

ARTICLE VII: Separation from Employment

7-1 Types of Separation

Separation from the TOWN OF HOLLY RIDGE service occurs when the employee leaves the payroll for reasons listed below.

1. Resignation

A minimum of a two (2) week written notice is expected of all resigning employees. Such notice should be given to the employee's immediate supervisor, with notification to the Department Head, and human resources.

2. Job Abandonment

An employee who is absent from work and does not contact the employer for three (3) consecutive scheduled workdays may be separated from employment for job abandonment. Termination pursuant to this policy should not occur until the employing Department or work section has undertaken reasonable efforts to establish that the employee was able to give or have someone else give notice during the period of days in question. This provision also applies when the employee is absent for at least three (3) consecutive scheduled workdays, has been instructed verbally or in writing of a specific manner of reporting by management, and does not report to the appropriate supervisory personnel on a regular basis satisfactory to the appropriate supervisory personnel.

3. Retirement

An employee may retire when he or she is eligible and applies for retirement benefits from the North Carolina Local Government Employees Retirement System.

4. Reduction-in-Force

An employee may be reduced in force and separated from service for reasons of a shortage of funds or work, elimination of a position, reorganization, or other changes in duties. Retention of employees in classes affected shall be based on systematic consideration of job performance, type of employment, and length of service. Employees who are separated because of a reduction-in-force will be given, when practicable, at least two (2) weeks written notice of the anticipated separation. No regular or permanent employee will be separated while there are temporary, probationary, or trainee employees serving in the same job class, unless the regular or permanent employee is not willing to transfer to the position held by such employees, or the regular or permanent employee does not have the knowledge, credentials or skills required to perform the work of the alternate position, or cannot obtain the knowledge, credentials or skills within a reasonable period of orientation and training.

5. Dismissal

Dismissal is an involuntary separation for cause in accordance with Article VIII (Disciplinary Actions). Employees who are involuntarily terminated will be paid through their termination date.

6. Death

Payment for unpaid salary and reimbursement for travel or other outstanding expenses will be made, upon establishment of a valid claim, to the deceased employee's administrator or executor.

Separation due to unavailability or dismissal may be grieved or appealed in accordance with the Grievance Policy (See Article VIII – Grievance Process).

It is the TOWN OF HOLLY RIDGE's intent to assist and promote improved employee performance, rather than to punish. This policy covers all types of performance related deficiencies and does not require that successive disciplinary actions all concern the same type of unsatisfactory performance. Disciplinary actions related to personal conduct may be included in the successive system for performance-related dismissal provided that the employee received at least the number of disciplinary actions, regardless of the basis of the disciplinary actions, required for dismissal on the basis of inadequate performance. Disciplinary actions administered under this Section are intended to bring about a permanent improvement in job performance. Should the required improvement later deteriorate, or other inadequacies occur, the supervisor may deal with this new unsatisfactory performance with further disciplinary action.

Department Heads and supervisors are responsible for maintaining the proper conduct and discipline of employees under their supervision. When an employee's performance or conduct is determined by a supervisor or Department Head to be unacceptable, disciplinary action may be taken. Disciplinary action is not to be considered as limiting or restrictive in nature, and application may vary based upon the circumstances. In no case will an employee be suspended without pay, demoted or dismissed without approval of the Town Manager.

8-1 Cause for Disciplinary Action and Types of Disciplinary Action

Any employee, regardless of occupation, position, or profession may be warned, demoted, suspended or dismissed by the Town Manager or his/her designee. Such actions may be taken against all employees. The degree and type of action taken shall be based upon the sound and considered judgment of the Town Manager or his/her designee. When cause exists, the only disciplinary actions provided for under this Article are:

- a. Written Warning
- b. Disciplinary suspension without pay
- c. Demotion; and
- d. Dismissal

There are three reasons for the discipline or dismissal of employees; including:

1. Discipline or dismissal imposed on the basis of unsatisfactory performance of job duties,
2. Discipline or dismissal for grossly inefficient job performance; and
3. Discipline or dismissal imposed on the basis of unacceptable personal conduct.

Either unsatisfactory or grossly inefficient job performance or unacceptable personal conduct constitutes just cause for discipline or immediate dismissal. The categories are not mutually exclusive, as certain actions by employees may fall into both categories, depending upon the facts of each case. No disciplinary action shall be invalid solely because the disciplinary action is labeled incorrectly.

The imposition of any disciplinary action shall comply with the procedural requirements of this Section for equity and consistency during the disciplinary process with all employees.

8-2 Dismissal for Unsatisfactory Performance of Job Duties

Unsatisfactory job performance is work-related performance that fails to satisfactorily meet job requirements as specified in the relevant class description or position description, work plan or as directed by the management of the Department or work section.

Unsatisfactory performance of duties, depending upon the circumstances, includes, but is not limited to:

- Quality of work;
- Quantity of work;
- Work habits;
- Promptness;
- Timely performance of work related analysis, decisions, or judgment;
- Accuracy of work;
- Ability to follow instructions, directions, or procedures;
- Appropriateness of work performed;
- Failure to meet goals and objectives set forth in the employee's performance evaluation.

In order to be dismissed for a current incident of unsatisfactory job performance, an employee must first receive at least three (3) written warnings. The written warning must notify the employee that failure to make the required performance improvements may result in dismissal. Prior to the decision to dismiss an employee, the supervisor or his/her designee must conduct a pre-disciplinary conference with the employee in accordance with the procedural requirements of this Section.

Time limits for filing a grievance do not start until the employee receives written notice of any applicable appeal rights, or a copy of the written notice of any applicable appeal rights are mailed by certified mail, or delivered by overnight courier, to the employees last known address.

8-3 Grossly Inefficient Job Performance

Grossly inefficiency (Grossly Inefficient Job Performance) occurs in instances in which the employee fails to perform job requirements satisfactorily as specified in the job description, work plans, or as directed by the management of the Department or work section or the TOWN OF HOLLY RIDGE and that failure results in:

1. The creation of the potential for death or serious harm to a client(s), an employee(s), members of the public or to a person(s) over whom the employee has responsibility; or
2. The loss of or damage to any TOWN OF HOLLY RIDGE property or funds.

Actions that could rise to the level of grossly inefficient job performance, depending upon the circumstances, include, but are not limited to:

- Careless, negligent, or improper use of TOWN OF HOLLY RIDGE vehicles and equipment
- Negligence in the performance of duties
- Negligence in the performance of duties outside the scope of employment

Dismissal on the basis of grossly inefficient job performance is administered in the same manner as for unacceptable personal conduct. Employees may be dismissed on the basis of a current incident of

grossly inefficient job performance without any prior disciplinary action.

Prior to dismissal of a non-probationary employee on the basis of grossly inefficient job performance, there shall be a pre-disciplinary conference between the employee and the Department Head or his/her designee and the Human Resources Director or his/her designee, or in the case of Department Heads, the Town Manager or his designee.

Dismissals for grossly inefficient job performance require written notification to the employee. Such notification must include specific reasons for the dismissal and notice of the employee's right of appeal.

Time limits for filing a grievance do not start until the employee receives written notice of any applicable appeal rights, or a copy of the written notice of any applicable appeal rights are mailed by certified mail, or delivered by overnight courier, to the employees last known address.

8-4 Unacceptable Personal Conduct

Employees may be dismissed for a current incident of unacceptable personal conduct. Unacceptable Personal Conduct includes, but is not limited to:

- Conduct for which no reasonable person should expect to receive prior warning;
- Job related conduct which constitutes a violation of state or federal law;
- Conviction of a felony;
- Conviction of an offense involving moral turpitude that is detrimental to or impacts the employee's service;
- The willful violation of known or written work rules or policies;
- Conduct unbecoming an employee that is detrimental to the TOWN OF HOLLY RIDGE's service;
- Falsification of an employment application or other employment documentation;
- Insubordination. Insubordination is considered unacceptable personal conduct for which any level of discipline, including dismissal, may be imposed without prior warning;
- Absence from work after all authorized leave credits and benefits have been exhausted;
- Abuse of sick leave.

Prior to dismissal of a non-probationary employee on the basis of unacceptable personal conduct, there shall be a pre-disciplinary conference between the employee and the Department Head or his/her designee and the Human Resources Director or his/her designee or in the case of Department Heads, the Town Manager or his designee.

Dismissals for unacceptable personal conduct require written notification to the employee. Such notification must include specific reasons for the dismissal and notice of the employee's right of appeal. Time limits for filing a grievance commence when notification is given to the employee in person or mailed by certified mail, or delivered by overnight courier, to the employee at the last known address.

8-5 Written Warning

The supervisor shall monitor and promote the satisfactory performance of work assignments and acceptable standards of personal conduct. All types of performance related job inadequacies could constitute unsatisfactory job performance under this policy. Unacceptable personal conduct can be work related or non-work-related conduct and may be intentional or unintentional. When the supervisor determines that disciplinary action is appropriate for unsatisfactory job performance, the supervisor shall meet with the employee and provide a written warning. The supervisor may elect to issue a written warning for grossly inefficient job performance or unacceptable personal conduct. Written warnings shall be maintained active in the employee's official personnel file for a period of twelve (12) months.

The written warning must:

- a. Inform the employee that this is a written warning and not some other non-disciplinary process;
- b. Inform the employee of the specific issues that are the basis for the warning;
- c. Tell the employee what specific improvements, if applicable, must be made to address these specific issues;
- d. Tell the employee the time frame allowed for making the required improvements/corrections. Absent a specified time frame, 60 days is the time frame allowed for correcting unsatisfactory job performance. Immediate correction is required for grossly inefficient job performance or unacceptable personal conduct.
- e. Tell the employee the consequences of failing to make the required improvements/corrections.

Written warnings may be issued to correct behavior for minor infractions or repeated violations of policy, procedure, or work rules, including conduct, depending on the severity of the incident.

A written warning must be issued in accordance with the procedural requirements of this Section.

8-6 Disciplinary Suspension without Pay

An employee may be suspended without pay for disciplinary purposes for unsatisfactory job performance after the receipt of at least one prior disciplinary action or for causes relating to any form of unacceptable personal conduct or grossly inefficient job performance. A disciplinary suspension without pay for an employee who is subject to the overtime compensation provisions of the Fair Labor Standards Act (FLSA) must be for at least one full work day, but not more than two workweeks. The length of a disciplinary suspension without pay for an employee who is exempt from the overtime compensation provisions of the FLSA must be for at least one full workweek, but not more than two full workweeks. Prior to placing any employee on disciplinary suspension without pay, the Department Head or his/her designee and the Human Resources Director or his/her designee shall conduct a pre-disciplinary conference with the employee in accordance with the procedural requirement of this Section. An employee who has been suspended without pay must be furnished a statement in writing setting forth the specific acts or omissions that are the reasons for the suspension and the employee's appeal rights.

8-7 Demotion

1. Reasons for Demotion

Any employee may be demoted as a disciplinary measure. Demotion may be made on the basis of either unsatisfactory or grossly inefficient job performance or unacceptable personal conduct.

Unsatisfactory Job Performance

An employee may be demoted for unsatisfactory job performance after the employee has received at least one Written Warning.

Grossly Inefficient Job Performance

An employee may be demoted for grossly inefficient job performance without any prior disciplinary action.

Personal Conduct

An employee may be demoted for unacceptable personal conduct without any prior disciplinary action.

2. Procedures

An employee who is demoted must receive written notice of the specific reasons for the demotion, as well as notice of any applicable appeal rights. Disciplinary demotions may be accomplished in three ways:

1. The employee may be demoted to a lower pay grade with a reduction in salary rate as long as the new salary rate does not exceed the maximum of the salary range for the new lower pay grade;
2. The employee may be demoted to a lower pay grade without a reduction in salary rate as long as the salary rate does not exceed the maximum of the salary range for the new lower pay grade; or
3. The employee may be demoted while retaining the same pay grade with a reduction in salary rate. In no event shall an employee's salary rate be reduced to less than the minimum salary rate for the applicable pay grade or the special entry rate, if in effect.

Prior to the decision to demote an employee for disciplinary reasons, the Department Head or his/her designee and the Town Manager or his/her designee, must conduct a pre-disciplinary conference with the employee in accordance with the procedural requirements of this Section.

8-8 Procedural Requirements for Disciplinary Actions

The following procedural requirements must be followed to issue disciplinary action under this Section:

1. Fact Finding

The supervisor will discuss the facts of the case with the Department Head. The Department Head shall then discuss the facts of the case with the Human Resources Director. Prior to taking any formal disciplinary action, a fact-finding inquiry, to include a conference with the affected employee, to gather any and all pertinent details regarding the situation will be conducted by the Human Resources Director or his/her designee. The Human Resources

Director and the Department Head will discuss the facts of the case and pursue any further disciplinary actions deemed appropriate based on the information gathered during the fact-finding inquiry.

2. Written Warning

A written warning issued by an employee's supervisor and witnessed by the Department Head or his/her designee must detail the matters referenced in the Written Warning section above and be approved by the Town Manager or his/her designee.

3. Disciplinary Suspension without Pay

Prior to placing an employee on disciplinary suspension without pay, the Department Head or his/her designee must consult with and obtain the Town Manager or his/her designee approval and comply with the following procedural requirements:

- a. In matters of unsatisfactory job performance, ensure that the employee has received at least one Written Warning. In matters of grossly inefficient job performance or unacceptable personal conduct no prior disciplinary actions are required, so an employee may be suspended without pay for a current incident of grossly inefficient job performance or unacceptable personal conduct;
- b. Schedule and conduct a pre-disciplinary conference after providing the employee with advance oral or written notice of the time, location, and the issue for which discipline has been recommended. The amount of advance notice should be as much as is practical under the circumstances;
- c. Furnish the employee a statement in writing setting forth the specific acts or omissions that are the reasons for the suspension;
- d. Advise the employee of any applicable appeal rights in the document affecting the suspension.

4. Demotion

Prior to demoting an employee, the Department Head or his/her designee must consult with and obtain the Town Manager or his/her designee approval and comply with the following procedural requirements:

- a. In matters of unsatisfactory job performance, ensure that the employee has received at least one Written Warning;
 - b. In matters of grossly inefficient job performance or unacceptable personal conduct, there is no requirement for previous disciplinary action, so an employee may be demoted for a current incident of grossly inefficient job performance or unacceptable personal conduct without any prior disciplinary action;
 - c. Give advance oral or written notice of the appropriate pre-disciplinary conference to the employee of the time, location, and the issue for which discipline has been recommended. The amount of advance notice should be as much as is practical under the circumstances;
 - d. Give an employee who is demoted written notice of the specific acts or omissions that are the reasons for the demotion;
 - e. Advise the employee of how and to what extent the demotion will affect the employee's salary rate or pay grade; and
 - f. Advise the employee of any applicable appeal rights in the document affecting
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the demotion.

5. Dismissal

Before an employee may be dismissed, the Department Head or his/her designee must comply with the following procedural requirements:

- a. The supervisor recommending dismissal shall discuss the recommendation with the Department Head or his/her designee and the Town Manager or his/her designee who shall conduct a pre-disciplinary conference with the employee. The person conducting the pre-disciplinary conference must have the authority to decide what, if any, disciplinary action should be imposed on the employee;
 - b. The supervisor or designated management representative shall schedule a pre-disciplinary conference with the employee;
 - c. Advance written notice of the pre-disciplinary conference must be given to the employee of the time, location, and the issue for which dismissal has been recommended. The amount of advance notice should be as much as is practical under the circumstances;
 - d. The Department Head or his/her designee shall conduct a pre-disciplinary conference with the employee, limiting attendance to the employee, the employee's supervisor, and the Town Manager. The purpose of the pre-disciplinary conference is to review the recommendation for dismissal with the affected employee and to listen to and to consider any information put forth by the employee in order to ensure that a dismissal decision is sound and not based on misinformation or mistake. Security personnel may be present when, in the discretion of the person conducting the conference, a need for security exists. No attorneys representing either side may attend the conference;
 - e. In the conference, the Department Head or his/her designee shall give the employee oral or written notice of the recommendation for dismissal, including specific reasons for the proposed dismissal and a summary of the information supporting that recommendation. The employee shall have an opportunity to respond to the proposed dismissal action and to offer information or arguments in support of the employee's position. Every effort shall be made to ensure that the employee has a full opportunity during the conference to set forth any available information in opposition to the recommendation to dismiss. This opportunity does not include the option to present witnesses;
 - f. Following the conference, the Department Head or his/her designee shall review and consider the response of the employee and reach a decision on the proposed recommendation. If the recommendation is to dismiss the employee, the Department Head or his/her designee shall notify the Town Manager, who in turn will consult with legal counsel if necessary. If the Town Manager concurs with the recommendation, the Department Head or his/her designee will be authorized to issue a written letter of dismissal (with Town Manager review and approval) that includes the specific reasons for dismissal, the effective date of the dismissal and the employee's appeal rights shall be issued to the employee in person or by certified mail, return receipt requested, the last known address of the employee. To minimize the risk of dismissal based on erroneous information, and to allow time following the conference for management to review all necessary information, the decision to dismiss should not be communicated to the employee in accordance with this
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subparagraph prior to the beginning of the next business day following the conclusion of the pre-disciplinary conference or after the end of the second business day following the completion of the pre-disciplinary conference;
 The effective date of a dismissal for unsatisfactory job performance shall be determined by the Town Manager or his/her designee. The effective date of the dismissal shall not be earlier than the letter of dismissal.

8-9 Special Provisions

1. Placement on Investigation

Investigation status is used to remove an employee temporarily from work status. Placement on investigation with pay does not constitute a disciplinary action. The Town Manager or his/her designee must notify the employee in writing of the reasons for investigatory placement no later than the second scheduled workday after the beginning of the placement.

An investigatory placement with pay may last no longer than 30 calendar days without written notice of extension. When an extension beyond the 30-day period is required, the Town Manager or his/her designee must advise the employee in writing of the extension. If no action has been taken by the TOWN OF HOLLY RIDGE by the end of the 30-day period and no further extension has been imposed, the TOWN OF HOLLY RIDGE must either take appropriate disciplinary action on the basis of the findings upon investigation or return the employee to active work status. Under no circumstances is it permissible to use placement on investigation status for the purpose of delaying an administrative decision on an employee's work status pending the resolution of a civil or criminal court matter involving the employee. It is permissible to place an employee in investigation status with pay only under the following circumstances:

- a. To investigate allegations of performance or conduct deficiencies that would constitute just cause for disciplinary action;
- b. To provide time within which to schedule and conduct a pre-disciplinary conference; or
- c. To avoid disruption of the workplace and/or to protect the safety of persons or property.

2. Suspension with Pay

Pending a Pre-disciplinary hearing, an employee may be placed on Suspension with Pay. An employee shall not be placed on Suspension without Pay pending a Pre-disciplinary hearing. The employee may remain on Suspension with Pay only until the employee receives notice of the results of the pre-disciplinary hearing.

3. Credentials

By statute, and rule, some duties assigned to positions may be performed only by persons who are duly licensed, registered, or certified as required by the relevant provision. All such requirements and restrictions are specified in the statement of essential qualifications or recruitment standards for classifications established by the TOWN OF HOLLY RIDGE and/or in the class description or job description for the position.

Employees in such classifications are responsible for obtaining and maintaining current, valid credentials as required by law. Failure to obtain or maintain the legally required credentials

constitutes a basis for immediate dismissal without prior warning, consistent with dismissal for unacceptable personal conduct or grossly inefficient job performance. An employee who is dismissed for failure to obtain or maintain credentials shall be dismissed under the procedural requirements applicable to dismissals for unacceptable personal conduct or grossly inefficient job performance.

Falsification of employment credentials or other documentation in connection with securing employment constitutes just cause for disciplinary action. When credential or work history falsification is discovered after employment with the TOWN OF HOLLY RIDGE, disciplinary action shall be administered as follows:

- If an employee was determined to be qualified and was selected for a position based upon falsified work experience, education, registration, licensure, or certification information that was a requirement for the position, the employee must be dismissed in accordance with procedures outlined in this policy.
- In all other cases of post-hiring discovery of false or misleading information, disciplinary action will be taken, but the severity of the disciplinary action shall be at the discretion of the Town Manager.
- When credential or work history falsification is discovered before employment with the TOWN OF HOLLY RIDGE, the applicant shall be disqualified from consideration for the position in question.

8-10 Delegation of Authority

Immediate supervisors are responsible for initial documentation. The Town Manager may delegate authority to Department Heads and Human Resources Director or his/her designee for the execution of disciplinary actions, up to and including dismissal. The affected employee has the option to appeal any disciplinary action to the Town Manager for the purpose of affirming, modifying, or reversing the disciplinary action as appropriate, based upon the facts and evidence in each case. The Town Manager retains final authority for appeals decisions and will consider any facts presented by the employee, the supervisor or Department Head and the Human Resources Director or his/her designee.

8-11 Employee Responsibilities

All employees are responsible for conduct and performance of their job duties and assignments in a manner that is consistent with, but not limited to, job expectations, class descriptions, personnel policies, and work rules. Employees are responsible for knowing, understanding, and abiding by the TOWN OF HOLLY RIDGE's existing employment policies and subsequent policies and amendments that are adopted by the Town Council of the TOWN OF HOLLY RIDGE.

8-12 Supervisor Responsibilities

It is the responsibility of all supervisors to address immediately and resolve as quickly as possible situations in which employees do not perform or behave in a manner consistent with, but not limited to, the TOWN OF HOLLY RIDGE's work philosophies, job expectations, known work rules, and employment policies. Supervisors are responsible for documenting incidents where employee behavior, conduct and performance are not consistent with the TOWN OF HOLLY RIDGE's work

philosophies, job expectations, and employment policies as well as the efforts made to take corrective action.

8-13 Department Head/Supervisor Responsibilities

Supervisors are responsible for ensuring timely and thorough documentation of all disciplinary actions. Documentation should include:

- a clear description of the behavior that prompted the discipline;
- the action taken by the supervisor;
- how the employee's behavior must change;
- the time frame during which the employee must demonstrate a change in behavior;
- the expectation that the new behavior must be sustained.

Department Heads, in conjunction with the Town Manager, are also responsible for ensuring that the TOWN OF HOLLY RIDGE applies discipline on a consistent basis in accordance with policy.

8-14 Employee Appeal

A regular employee wishing to appeal a demotion, suspension or dismissal may present the matter in accordance with the provisions of the grievance procedure set forth in Article IX (Grievances).

ARTICLE IX: Appeals and Grievances

9-1 Policy and Purpose

It is the policy of the TOWN OF HOLLY RIDGE to provide a process to discuss and resolve problems and differences that may arise between employees and supervisors. Every employee has the right to present grievances in accordance with this policy, free from interference, coercion, restraint, discrimination or reprisal.

All supervisors are responsible for promptly considering and taking fair and appropriate action on a grievance brought by any TOWN OF HOLLY RIDGE employee. In adopting this policy, the TOWN OF HOLLY RIDGE sets forth the following objectives:

1. Provide employees with a procedure to address problems or complaints promptly, fairly and without fear of reprisal;
2. Encourage employees to express their opinions about conditions of employment that affect them as employees;
3. Develop a better understanding of policies, practices and procedures and promote their consistent application throughout the TOWN OF HOLLY RIDGE;
4. Give supervisors a greater sense of responsibility in their dealings with employees.

9-2 Coverage

This grievance procedure applies to all employees of the TOWN OF HOLLY RIDGE. Former employees may file a grievance concerning their dismissal; however, except in cases of alleged illegal discrimination, a dismissal during an employee's initial probationary period will not be subject to appeal.

9-3 Definition

A grievance is a written complaint or dispute concerning the interpretation or application of the TOWN OF HOLLY RIDGE policies, procedures, or practices affecting working conditions. A grievance may involve alleged safety or health hazards; unsatisfactory physical facilities, surroundings, materials or equipment; unfair or discriminatory supervisory or disciplinary practices, misapplication of work rules, or any other grievance relating to conditions of employment.

Certain management decisions are not grievable. These decisions involve management discretion and are therefore not subject to the grievance process. Examples of management decisions that are not subject to this grievance process are as follows:

- Any condition of employment in existence at the time of employment and/or subsequent change(s) thereto;
 - determining the employee benefit package;
 - determining the proper classification and rate of pay;
 - determining types of training;
 - scheduling and distribution of personnel;
 - written warnings;
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- determining methods, means, and personnel to carry out operations;
- hiring, promotion, transfer, non-disciplinary demotion and assignment decisions;
- placement on investigation status (paid);
- decisions that maintain the effectiveness and efficiency of governmental operations;
- performance reviews;
- FLSA determination;
- At-will status;
- Policies adopted by the TOWN OF HOLLY RIDGE Town Council.

While employees cannot bring grievances on the foregoing items, they are encouraged to express concerns that they may have regarding actions relating to the above.

9-4 Procedure

Unless specifically provided for in another part of the personnel policies, this grievance procedure should be applied for any complaints or disputes arising from these policies. An employee with a claim or complaint concerning employment with the TOWN OF HOLLY RIDGE should follow the steps outlined below.

The number of days indicated at each step of the grievance procedure should be considered as the maximum number of working days allowed for presentation of and response to the grievance at that level. However, when mutually agreed upon, time limits given below may be extended by those concerned. Failure on the part of the employee to satisfy the time limitations provided in this Article shall cause the grievance to be denied or dismissed.

Employees who use this procedure will be free from discrimination, coercion, restraint or reprisal.

The grievance process may vary depending on the type of grievance. Employees may file grievances or appeal decisions using the procedures listed below, which are based on the type of grievance.

1. Demotion, Suspension, or Dismissal, Reduction in Force

Employees subject to demotion, suspension, reassignment or dismissal due to a reduction in force, or any employee dismissed shall have three (3) working days from the date of receipt of written notice of such action to file an appeal in writing with the Town Manager.

2. Discriminatory Actions

Step 1: Department Head

File initial grievance with Department Head. An employee alleging discriminatory actions shall have fifteen (15) calendar days from the date of occurrence to file a grievance in writing. The Department Head shall have ten (10) working days to respond to the grievance.

Step 2: Town Manager

If the employee is not satisfied with the Department Head's final decision or is unable to obtain a final decision within a reasonable length of time, he/she may file their written grievance with the Town Manager not later than thirty (30) days after receipt of the Department Head's final decision. The Town Manager will issue a final decision to the grievance within ten (10) working days of receipt.

3. Unlawful Workplace Harassment or Sexual Harassment, including Allegations of Abusive or Hostile Environment.

Step 1: Department Head

File the initial grievance in writing with the Department Head following the complaint procedures. Should the grievance be with the Department Head, then Step 1 is skipped and the employee proceeds directly to Step 2.

Step 2: Town Manager

If the employee is not satisfied with the Department Head's final decision or is unable to obtain a final decision within a reasonable length of time, he/she may file their written grievance with the Town Manager not later than thirty (30) days after receipt of the Department Head's final decision. The Town Manager will issue a final decision to the grievance within ten (10) working days of receipt.

4. General Complaints and Grievances not otherwise described above:

Step 1: Immediate Supervisor

Each employee is encouraged to discuss problems or grievances with their immediate supervisor. If the concern is not resolved within five (5) working days, the employee may request a conference to discuss the problem or grievance with the Department Head.

Step 2: Department Head

If the problem or grievance is not resolved within five (5) working days after the conference, the employee may request a conference with the Department Head.

Step 3: Town Manager

The Town Manager will hear the facts pertaining to the problem or grievance and issue a final decision within ten (10) working days.

In all cases the decision of the Town Manager is final.

9-5 Effect of filing a lawsuit

The grievance procedure provides a mechanism for employees to address concerns and to have decisions reviewed. Using the grievance procedure is voluntary.

However, the TOWN OF HOLLY RIDGE deems the choice of an employee to file a lawsuit to be election by the employee to forego and bypass the TOWN OF HOLLY RIDGE's internal process. Therefore, unless the employee demonstrates that filing of a suit is necessary at a time to prevent the statute of limitations from running out, once an employee files a lawsuit against the TOWN OF HOLLY RIDGE or Town staff regarding the subject of the grievance, the grievance procedure is terminated.

ARTICLE X: Employee Benefits

10-1 Health, Vision, and Dental Care Benefits

The TOWN OF HOLLY RIDGE will provide individual health care, vision, and dental insurance to all regular full-time employees. Employee only coverage is paid fully or partially by the TOWN OF HOLLY RIDGE depending upon the level of coverage elected. Employees are enrolled in the programs in accordance with the provisions of the insurance contracts.

Payroll deductions are allowed, at the option of the employee, to provide health care and dental insurance for dependents in accordance with the provisions of the insurance contracts. Premiums for dependent health care and dental insurance are paid 100% by the employee.

Employees with individual and/or dependent coverage who terminate their employment during a month will be removed from the insurance plan at 12:01 a.m. on their last day of employment. These employees will be entitled to COBRA coverage as provided by law.

10-2 Vacation, Sick Leave and Holidays

See Article VI Time Away from Work.

10-3 Retirement Benefits through the North Carolina Retirement System

The TOWN OF HOLLY RIDGE participates in the North Carolina Local Government Employees' Retirement System (NCLGERS). Employees working a minimum of 1,000 hours per year are enrolled in the system upon hire as a condition of employment. State law requires both the employee and the employer to contribute to the cost of retirement. Employees are required to contribute, through payroll deduction, six percent (6%) of their gross salary. This amount is subject to change through legislative action. The TOWN OF HOLLY RIDGE contributes an actuarially determined percentage of the gross payroll each month to the Retirement Benefits. This amount is published annually by the NCLGERS or on the web at www.treasurer.state.nc.us.

Full details of the service retirement benefit, disability retirement benefit, and death benefit may be found in the booklet entitled "Your Retirement Benefits" published by the North Carolina Local Governmental Employees' Retirement System.

10-4 Retirement Health Care Benefits

These benefits are only provided to employees who retired prior to February 5, 2017. This benefit was eliminated by Council action on July 10, 2012.

Any TOWN OF HOLLY RIDGE employee who retires within the provisions of Article VII. Section 5 of this policy and with ten (10) consecutive years of service with the TOWN OF HOLLY RIDGE and who retires from the TOWN OF HOLLY RIDGE under the provisions of the North Carolina Local Government Employee's Retirement System shall be allowed continuance under the TOWN OF HOLLY RIDGE's medical coverage until they are eligible for other health coverage or Medicare. This would include the months required under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, with amendments. Spouses of employees who retire may elect to continue purchasing health care coverage until the spouse is eligible for other health coverage or Medicare during the term the employee is eligible for this benefit.

Qualifications for Retiring Employees to receive insurance benefits:

An employee shall qualify for retiree insurance benefits providing the following criteria are met:

- (1) Employee must be eligible to receive retirement from the North Carolina Local Government Employee's Retirement System. Retirement may be of any type.
- (2) Employee must have at least 10 consecutive years of TOWN OF HOLLY RIDGE employment immediately preceding retirement.

Description of Benefit:

If the above criteria are met, the retiring employee will be covered on the TOWN OF HOLLY RIDGE group plan until they are eligible for other health coverage or Medicare. Once the employee is eligible to be covered by Medicare, the Town OF HOLLY RIDGE will cease providing this medical benefit. At no time will the TOWN OF HOLLY RIDGE bear any insurance costs other than that of the retired employee, other than an HRA supplement which is offered in the sole discretion of the Town Council and may be amended or modified at any time.

Benefit Limitations:

- (1) Once the retired employee reaches the age in which they are eligible to apply for Medicare this medical benefit shall terminate.
All covered retiring employee(s) will be required to report any other group medical coverage which they have at the time of retirement or which they may obtain subsequent to retirement.
- (2) Failure to report other coverage will be considered justification for the TOWN OF HOLLY RIDGE to immediately terminate the TOWN OF HOLLY RIDGE retiree medical coverage.
- (3) No employee who is terminated involuntarily will be eligible for this benefit.
- (4) Based on the annual Budget Review process, the TOWN OF HOLLY RIDGE may amend, adjust or eliminate this benefit any time without notice.

10-5 Workers' Compensation

The TOWN OF HOLLY RIDGE strives to provide and maintain safe and healthful working conditions, and to follow operating practices that will result in safe working conditions and efficient operations. We expect all of our employees to be safety-conscious and to assist in finding conditions in our facilities which might cause an accident. If a condition exists in your area that might cause harm to you or a co-worker, you have the duty to report it immediately to your supervisor. Never take chances. Never conduct yourself in any activity that is not within your job description or specifically allowed by your supervisor. Keep in mind that the safe way is the most efficient way.

The Workers' Compensation Program is administered by the North Carolina Industrial Commission in accordance with state law. Workers' Compensation generally covers employees for sickness and injuries that are deemed job-related under the specific guidelines of Chapter 97 of the North Carolina General Statutes. The Workers' Compensation Act provides medical care benefits and management, provisions for disability rating and pay, and death benefits when appropriate.

10-6 Voluntary Shared Leave Program**1. Purpose**

There are occurrences brought about by prolonged medical conditions that cause employees to exhaust all available leave and therefore be placed on leave-without-pay. It is recognized that such employees could be without income at the most critical point in their work life. It is also recognized that

fellow employees may wish to donate some of their vacation leave voluntarily so as to provide assistance to fellow employees. This policy provides an opportunity for employees to assist another affected by a medical condition that requires absence from duty for a prolonged period of time resulting in possible loss of income.

2. Policy

In those cases of prolonged medical condition, an employee may apply for or be nominated to become a recipient of leave transferred from the vacation leave account of one or more employees. For purposes of this policy, medical condition means medical condition of an employee that is likely to require an employee's absence from duty for a prolonged period, generally considered to be at least 20 consecutive workdays. The medical condition must be non-work related. The intent of this policy is to allow one or more employees to assist another employee in cases of prolonged medical conditions which have resulted in exhaustion of all earned leave.

3. Guidelines

The request for transfer and use of vacation leave from one individual to another shall be presented in writing to the Town Manager by the appropriate Department Head.

- a. To be eligible for consideration to receive donated leave, the employee:
 - Must have been employed at least one (1) year in a regular full-time position that is eligible to earn leave benefits;
 - Employee must have exhausted all sick, vacation and compensatory leave prior to returning to work;
 - b. Donated vacation leave must be used for the sickness of the employee only.
 - c. Vacation leave donated by employees will be converted to sick leave.
 - d. The minimum leave donation is four (4) hours.
 - e. A donating employee may donate only vacation leave. After the leave donation, the donating employee must retain a minimum balance of forty (40) hours of vacation leave and forty (40) hours of sick leave. Donors shall complete an authorization form designating the number of hours being donated and to whom it is being donated. The employee must sign the form to authorize the transfer.
 - f. The employee receiving donated time will be given information on the amount of time donated but will not receive information such as the names of donating employees. Leave time will be donated to the employee anonymously.
 - g. Leave sharing shall only be considered for extreme hardship situations or catastrophic situations.
 - h. An employee may not file a grievance, or an employee appeal, if their request to receive leave or donate leave is denied. The Town Manager or his/her designee will render a final decision based upon the merits and circumstances of each request.
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- i. Leave sharing shall not be available to employees who are receiving Worker's Compensation.
- j. Any donation of leave must be done strictly on a voluntary basis. Solicitation on the part of Department Heads or supervisors is not permitted.
- k. In the event that the beneficiary should die, resign or terminate prior to exhausting all of the donated leave, the unused balance of the leave will be forfeited.
- l. The maximum amount of shared leave an employee may receive in a 12-month period is 1,040 hours, either continuously, or if for the same condition, on a recurring basis. the TOWN OF HOLLY RIDGE designates the 12-month period measured backward from each date an employee's shared leave begins (rolling 12-month period).
- m. Any donated leave may be taxable to the recipient. The dollar amount of any donated leave will be added to the recipient's W-2 as income and taxed appropriately.

10-8 Other Benefits

Section 401(k) Plan The TOWN OF HOLLY RIDGE provides a matching employer contribution into a supplemental retirement plan. The discretionary employer match on an employee deferral may be provided if funded in the budget.

Miscellaneous supplemental insurance benefits (employee contributions are optional).

SECTION XI: Employee Records and Reports

11-1 Employee Records Maintenance

Personnel records for each employee are maintained by the Human Resources Director and disclosed by the Human Resources Director only as provided in N.C. Gen. Stat. § 162A-6.1. These records provide information necessary to administer employee payroll and benefits; to comply with federal, state, and local laws and regulations; and to document employee performance. Supervisors may also keep some relevant personnel records.

In compliance with G.S. 162A-6.1 and subsequent amendments, the following information is considered public record:

- Name
- Age
- Date of original employment
- Terms of any contract
- Current position title
- Current salary
- Office to which employee assigned
- Date and amount of each increase/decrease in salary
- Date and type of each promotion, demotion, transfer, suspension, separation or other change in position classification
- Date and general descriptions of the reasons for each promotion
- Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the TOWN OF HOLLY RIDGE
- If disciplinary action was dismissal, a copy of the written notice of the final decision.

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

11-2 Access to Employee Records

As required by N.C. Gen. Stat. § 162A-6.1, any person may have access to the information listed in Section 1 of this article for the purpose of inspection, examination, and copying, during the regular business hours, subject only to such rules and regulations for the safekeeping of public records as the Town Council may adopt. Access to such information shall be governed by the following provisions:

- a) All disclosures of records shall be accounted for by keeping a written record (except for authorized persons processing personnel actions) of the following information: name of employee; information disclosed; date information was requested. This information must be retained for a period of two (2) years.
 - b) Upon request, records of disclosure shall be made available to the employee to whom it pertains.
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- c) Any individual examining an employee record may copy the information, any available photocopying facilities may be provided, and the cost may be assessed to the individual.

11-3 Confidential Information

All information included within the employee's personnel file, other than the public records noted above, will be maintained as confidential in accordance with the requirements of North Carolina General Statutes § 162A-6.1.

11-4 Records of Former Employees

The provisions for access to records are applicable to both current and former employees.

11-5 Applicant Records

Applicants and other information gathered with respect to an applicant is not public information and will be kept confidential in accordance with North Carolina General Statutes.

11-6 Remedies for Employees Objecting to Material in their Personnel File

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

11-7 References

The TOWN OF HOLLY RIDGE does not give references, other than as to employment and last salary, without the express written consent of the employee, which shall release and hold harmless the TOWN OF HOLLY RIDGE from all liability. No individual department or person may give a reference on an employee or former employee; only the TOWN OF HOLLY RIDGE Human Resource Director may provide information regarding employees. All departments must forward requests for information of this nature to the TOWN OF HOLLY RIDGE Human Resources Director.

ARTICLE XII: Implementation of Policies

12-1 Conflicting Policies Repealed

All policies or resolutions that conflict with the provisions of this policy are hereby repealed.

12-2 Severability

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

12-3 Adoption by Resolution and Effective Date

These policies shall be adopted by resolution by the Town Council of the TOWN OF HOLLY RIDGE. The effective date of these policies will be designated in the adopted resolution.
