

Personnel Policy



Adopted October 10, 1994
Revisions through September 28, 2009

**TOWN OF MATTHEWS PERSONNEL POLICY
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BE IT RESOLVED by the Board of Commissioners of the Town of Matthews that the following policies apply to the appointment, classification, benefits, salary, promotion, demotion, dismissal, and conditions of employment of the Town of Matthews.

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ARTICLE I. GENERAL PROVISIONS

Section 1. Purpose of the Policy

It is the purpose of this policy and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of the Town under the supervision of the Town Manager. (Nothing in this policy creates an employment contract or term between the Town and its employees.) This policy is established under authority of Chapter 160A, Article 7, of the General Statutes of North Carolina.

Section 2. Responsibilities of the Board of Commissioners

The Board of Commissioners shall be responsible for establishing and approving personnel policies, the position classification and pay plan, and may change the policies and benefits as necessary. They also shall make and confirm appointments when so specified by the general statutes.

Section 3. Responsibilities of the Town Manager

The Town Manager shall be responsible to the Board of Commissioners for the administration and technical direction of the personnel program and shall act in accordance with the Town Charter and other policies and procedures spelled out in other Articles in this Policy. The Town Manager may appoint the Assistant Town Manager as Human Resources Director and shall authorize the Human Resources Director to approve the appointment, suspension and removal of all employees, except department heads and those elected by the people or whose appointment is otherwise provided for by law.

The Town Manager shall authorize the Human Resources Director to:

- a) recommend rules and revisions to the personnel system to the Board of Commissioners for consideration;
- b) make changes as necessary to maintain an up-to-date and accurate position classification plan;
- c) prepare necessary revisions to the pay plan;
- d) determine which employees shall be subject to the overtime provisions of FLSA;
- e) establish and maintain a roster of all persons and authorized persons in the municipal service, setting forth each position and employee, class title of position, salary, any changes in class title and status, and such data as may be desirable or useful;
- f) develop and administer such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
- g) develop and coordinate training and educational programs for Town employees;
- h) investigate periodically the operation and effect of the personnel provisions of this policy; and

The Town Manager shall perform such other duties as may be assigned by the Board of Commissioners not inconsistent with this Policy.

Section 4. Application of Policies, Plan, Rules and Regulations

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

Section 5. Department Rules and Regulations

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

Section 6. Definitions

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

Full-time employee. An employee who is in a position for which an average work week equals at least 40 hours, and continuous employment of at least 12 months. (Rev. 7/28/08)

Immediate family member. Immediate family shall be defined as spouse, child, step-child, parent or step-parent, brother, sister, grandparent, grandchild, son-in-law, daughter-in-law, father-in-law or mother-in-law of the employee or spouse of the employee, or guardian. (Rev. 7/28/08)

Part-time employee. An employee who is in a position for which an average work week is at least 20 hours, but less than 40 hours, and is continuous for 12 months annually. These employees are part of the classification system and as such have the same type of job description as that of full-time employees. These employees are eligible for a pay increase on the same basis as full-time employees through the Performance Review Process. (Rev. 7/28/08)

Probationary employee. An employee appointed to a full-time position who has not yet successfully completed the designated probationary period. (Rev. 7/28/08)

Regular employee. A full-time employee who has completed the designated probationary period.

Reserve officers. A part-time, sworn law enforcement officer who possesses enforcement powers and performs many of the same duties as full-time officers.

Temporary employee. An employee who fills a position either on a seasonal or ongoing basis averaging less than 20 hours of work per week or normally requires less than 12 consecutive months of work. These employees are brought in at the hiring rate of the appropriate grade and are entitled to at least the minimum of the appropriate range. (7/28/08)

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

ARTICLE II. POSITION CLASSIFICATION PLAN

Section 1. Purpose

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

Section 2. Composition of the Position Classification Plan

The Classification Plan shall consist of:

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

Section 3. Use of the Position Classification Plan

The Classification Plan is to be used:

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

Section 4. Administration of the Position Classification Plan

The Town Manager shall allocate each position covered by the Classification Plan to its appropriate class, and shall be responsible for the administration of the Position Classification

Plan. The Town Manager shall periodically review portions of the Classification Plan and recommend appropriate changes to the Board of Commissioners.

Section 5. Adoption of the Position Classification Plan

The Position Classification Plan shall be adopted by the Board of Commissioners and shall be on file with the Town Clerk. Copies will be available to all Town employees for review upon request. New positions shall be established upon recommendation of the Town Manager and approval of the Board of Commissioners after which the Town Manager shall either allocate the new position into the appropriate existing class, or revised the Position Classification Plan to establish a new class to which the new position may be allocated.

Section 6. Request for Reclassification

Any employee who considers the position in which classified to be improper shall submit a request in writing for reclassification to such employee's immediate supervisor, who shall immediately transit the request to the department head. Should the department head deem the request valid, it shall become a part of the departmental budgetary request. If approved through the budget process, the effective date will normally be July 1 of the ensuing fiscal year.

ARTICLE III. RECRUITMENT AND EMPLOYMENT

Section 1. Equal Employment Opportunity Policy

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

Section 2. Implementation of Equal Employment Opportunity Policy

All personnel responsible for recruitment and employment will continue to review regularly the implementation of this Personnel Policy and relevant practices to assure that equal employment opportunity based on reasonable, job-related requirements is being actively observed to the end that no employee or applicant for employment shall suffer discrimination because of age, sex, race, color, religion, disability, national origin, political affiliation, or marital status.

Section 3. Position Vacancies, Recruitment, Selection and Appointment (Rev. 9/28/09)

Position Vacancies. It is the desire of the Town to promote and hire from within whenever possible to promote efficiency, dedication, loyalty, and goodwill among employees. When a

position becomes vacant, it will be posted for a minimum of five (5) business days via email to all employees and by hard copy in all Town department locations. The position shall be publicized on the Town website and generally in diverse media outlets. Information regarding the title, department, salary range, job description, minimum qualifications and the closing date for application will be included. Individuals shall be recruited from a geographic area as wide as necessary to ensure that well qualified applicants are obtained for Town service.

Internal candidates are expected to meet the minimum requirements and are subject to the same application and testing requirements of external candidates. An applicant's personnel file may be reviewed and the current supervisor may be contacted. Staffing limitations or other circumstances that might affect the internal candidate's transfer or promotion may also be considered.

If a vacancy occurs within three (3) months of advertisement for the same position, recruitment can be made from existing applications and resumes.

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

Applicant Interest Card. Persons interested in employment with the Town may complete an applicant interest card concerning all of the positions for which they wish to apply. These cards will be maintained for a period of six (6) months under the direction of the Human Resources Director. When a vacancy occurs in positions of interest, the card will be sent, notifying the person and requesting the person complete an application before the designated deadline.

Applicant Reserve File. Applications shall be kept in an inactive reserve file for a period of two years, in accordance with Federal and State laws.

Screening and Selection. Department Heads shall make such investigations and examinations as necessary to assess accurately the knowledge, skills, and experience of the candidates as required for the position. All selection devices administered by the Town shall focus on knowledge, skills, abilities, and suitability to perform the job.

Appointment. Before any commitment is made to an applicant, either internal or external, the Department Head shall make a recommendation to the Human Resources Director of the candidate to be hired, the salary to be paid, and the reasons for selecting the recommended candidate over other candidates. The Human Resources Director shall approve appointments and the starting salary for all applicants.

ARTICLE IV. CONDITIONS OF EMPLOYMENT

Section 1. Work Schedule

Department Heads shall establish work schedules, with the approval of the Human Resources Director, which meet the operational needs of the department in the most cost effective manner possible.

Section 2. Political Activity

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

- a) Engage in any political or partisan activity while on duty;
- b) Use official authority or influence for the purpose of interfering with or affecting the result of a nomination or an election for office;
- c) Be required as a duty of employment or as a condition for employment, promotion or tenure of office to contribute funds for political or partisan parties;
- d) Coerce or compel contributions from another employee of the Town for political or partisan purposes;
- e) Use any supplies or equipment of the Town for political or partisan purposes; or
- f) Be a candidate for nomination or election to office under the Town Charter.

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

Section 3. Outside Employment

The work of the Town shall have precedence over other occupational interests of employees. All outside employment for salaries, wages, or commission and all self-employment must be reported in advance to the Department Head. The Department Head will review such employment for possible conflict of interest and then place a record of the employment in the personnel file. Conflicting or unreported outside employment is grounds for disciplinary action up to and including dismissal.

Section 4. Dual Employment

A full or part-time employee of the Town may simultaneously hold another position with the Town if the dual position is substantially different from that of the full or part-time position and is occasional or sporadic. However, the work of the full or part-time position shall take precedence over the dual position, and such work will not count toward the calculation of overtime for pay or time off.

Section 5. Employment of Relatives

The Town prohibits the hiring of any person who is an immediate family member of individuals holding the following positions: Mayor, Mayor Pro-Tem, Board of Commissioners Member, Town Manager, Assistant Town Manager, Human Resources Director, Town Attorney, Town Clerk, Public Works Director, Finance Director, Police Chief, Fire/EMS Chief, Parks and Recreation Director or Planning Director. "Immediate family" is defined in Article VII, Section 13. The Town may consider employing family members, other than those listed above, of Town employees, provided that such employment does not result in a relative supervising relatives.

The intent of this section is to allow employees to remain with the Town if a relative is elected to office. (Rev. 7/28/08)

Section 6. Sexual Harassment

The Town opposes sexual harassment by supervisors and co-workers in any form. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when 1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; 2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or 3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

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

Section 7. Acceptance of Gifts and Favors

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

Section 8. Safety

Safety is the responsibility of both the Town and employees. It is the policy of the Town to establish a safe work environment for employees. The Town shall establish a safety program including policies and procedures regarding safety practices and precautions and training in safety methods. Department Heads and supervisors are responsible for ensuring the safe work procedures of all employees and providing necessary safety training programs. Employees shall follow the safety policies and procedures and attend safety training programs as a condition of employment. Employees who violate such policies and procedures shall be subject to disciplinary action up to and including dismissal.

Section 9. Substance Abuse Policy

The Town may establish policies and procedures related to employee substance abuse in order to ensure the safety and well-being of citizens and employees, and to comply with any state, federal, or other laws and regulations.

ARTICLE V. THE PAY PLAN

Section 1. Definition

The Pay Plan includes the basic salary schedule and the “Assignment of Classes to Grades and Ranges” adopted by the Board of Commissioners. The salary schedule consists of the minimum and maximum rates of pay for all classes of positions, and a designation of the standard hours in the work week for each position.

Section 2. Administration and Maintenance

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

The Pay Plan is intended to provide equitable compensation for all positions, reflecting differences in the duties and responsibilities, the comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial conditions of the Town, and other factors. To this end, from time to time the Human Resources Director shall make comparative studies of all factors affecting the level of salary ranges and will recommend to the Board of Commissioners such changes in salary ranges as appear to be pertinent. Such assignments will be made by increasing or decreasing the assigned salary grade for the class and adjusting the rate of pay for employees in the class when the action is approved by the Board of Commissioners.

Section 3. Starting Salaries

All persons employed in positions approved by the Position Classification Plan shall be employed at the minimum rate for the classification in which they are employed; however, exceptionally well qualified applicants may be employed above the minimum rate of the established salary range upon approval of the Human Resources Director.

Section 4. Trainee Designation and Provisions

Applicants being considered for employment or Town employees who do not meet all of the requirements for the position for which they are being considered may be hired, promoted, demoted, or transferred by the Human Resources Director to a “trainee” status. In such cases, a plan for training the employee to meet the qualifications of the job, including a time schedule within which the employee should meet the job qualifications, must be prepared by the department head. “Trainee” salaries may be no more than two grades below the minimum salary established for the position for which the person is being trained. A newly hired employee designated as “trainee” shall be regarded as a probationary employee.

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

Section 5. Probationary Period

An employee hired, promoted, or demoted to a regular position shall serve a probationary period. Employees shall serve a six-month probationary period, except that sworn police personnel shall serve a twelve-month probationary period.

Probationary employees shall receive performance evaluation(s) before the end of six months. During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. In the probationary performance evaluation, the supervisor shall conduct a performance evaluation conference with the employee and discuss accomplishments, strengths, and needed improvements. A summary of this discussion should be documented in the employee's personnel file. The supervisor shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted or dismissed. Probationary period may be extended for a maximum of three additional months.

Disciplinary action, including demotion and dismissal, may be taken at any time during the probationary period of a new hire without following the steps outlined in this Policy. A promoted employee who does not successfully complete the probationary period may be transferred or demoted to a position in which the employee shows promise of success. If no such position is available, the employee may be dismissed.

Section 6. Promotion

Promotion is the movement of an employee from one position to a vacant position in a class assigned to a higher salary range. It is the Town's policy to create career opportunities for its employees and to encourage promotion from within whenever possible. Therefore, when a current employee applying for a vacant position is best suited of all applicants, that employee shall be promoted to that position. The Town will balance three goals in the employment process: 1) the benefits to employees and the organization of promotion from within; 2) providing equal employment opportunity and a diversified workforce to the community; and 3) obtaining the best possible employee who will provide the most productivity in that position. Therefore, except in rare situations where previous Town experience is essential (such as promotions to Police Sergeant), or exceptional qualifications of an internal candidate so indicate, the Town recruit externally and consider other applicants rather than automatically promote from within. Candidates for promotion shall be chosen on the basis of their qualifications and their work records. Candidates shall apply for promotions using the same application process as external candidates.

Section 7. Demotion

Demotion is the movement of an employee from one position to a position in a class assigned to a lower salary range. An employee whose work or conduct in the current position is unsatisfactory

may be demoted provided that the employee shows promise of becoming a satisfactory employee in the lower position. Such demotion shall follow the disciplinary procedures outlined in this Policy.

Section 8. Transfer

Transfer is the movement of an employee from one position to a position in a class in the same salary range. If a vacancy occurs and an employee in another department is eligible for a transfer, the employee shall apply for the transfer using the usual application process. The Department Head wishing to transfer an employee to a different department or classification shall make a recommendation to the Human Resources Director with the consent of the receiving Department Head. Any employee transferred without requesting the action may appeal the action in accordance with the grievance procedure outlined in this Policy. An employee who has successfully completed a probationary period may be transferred into the same classification without serving another probationary period.

Section 9. Probationary Pay Increases

Employees hired or promoted, into the minimum rate of the pay range shall receive a salary increase within the range of **up to 5%** upon successful completion of the probationary period. Employees serving a twelve-month probationary period are eligible for consideration of this pay increase after six months of successful employment. Employees hired or promoted at or above the minimum rate on the pay range **may** be considered for a probationary increase of **up to 5%** based upon performance. Demoted employees, while serving a probationary period, are not eligible for a salary increase.

Section 10. Performance Evaluation and Merit Pay Increases

Supervisors and/or Department Heads shall conduct performance evaluation conferences with each employee at least once a year. This assumes the employee worked continually with no extended absence of more than 30 days. In the case of an extended absence of greater than 30 calendar days, the review date shall be adjusted to reflect a 12 month review period. Any associated increase shall be retroactive to the original review date. Subsequent reviews shall be based on the new review date so as to reflect a 12 month period. Exception to this policy shall be those employees who are absent due to military leave. Performance evaluations shall be documented in writing and placed in the employee's personnel file. Procedures for the Performance Evaluation Program shall be published by the Town Manager. *(December, 2007)*

Upward movement within the established salary range for an employee is not automatic, but rather based on specific performance-related reasons. Employees may be considered for advancement within the established salary range based on the quality of their overall work. Procedures for determining performance levels and performance pay increases shall be established in procedures developed by the Human Resources Director and approved by the Town Manager.

Section 11. Performance Bonus

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

Section 12. Salary Effect of Promotions, Demotions, Transfers, and Reclassifications

Review dates will be tied to the most recent personnel action, with the exception of transfers and reclassifications.

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

Demotions. When an employee is demoted to a position for which qualified, the salary shall be set at the rate in the lower pay range which provides a salary commensurate with the employee's qualifications to perform the job when the demotion is not the result of a disciplinary action. If the current salary is within the new range, the employee's salary may be retained at the previous rate if appropriate. Consideration should be given to whether the employee is receiving the same pay for decreased workload or responsibility level and action should be appropriate to this consideration. If the demotion is the result of a disciplinary action, the salary shall be decreased at least 5%, but may be no greater than the maximum of the new range.

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

Reclassification. An employee whose position is reclassified to a class having a higher salary range shall receive a pay increase of at least 5% or an increase to the minimum rate of the new pay range, whichever is higher. (Rev. 4/14/03)

If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is at the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary.

The effective date of approved reclassifications will normally be July 1 of the ensuing fiscal year. Review dates will remain unchanged by reclassifications. (Rev. 11/28/05)

Section 13. Salary Effect of Salary Range Revisions

When a class of positions is assigned to a higher salary range, employees in that class shall receive a pay increase of at least 5%, or to the minimum rate of the new range, whichever is higher. When a class of positions is assigned to a lower salary range, the salaries of employees in that class will remain unchanged. If this assignment to a lower salary range results in an

employee being paid at a rate above the maximum established for the new class, the salary of that employee shall be maintained at that level until such time as the employee's salary is increased above the employee's current salary.

Section 14. Transition to a New Salary Plan

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

- a) No employee shall receive a salary reduction as a result of the transition to a new salary plan.
- b) All employees being paid at a rate lower than the minimum rate established for their respective classes shall have their salaries raised to the new minimum rate for their classes. Employees who have completed probation should be placed at least at the same % above the minimum as they received at the completion of their probationary period of their current classification.
- c) All employees being paid at a rate below the maximum rate established for their respective classes shall be paid at a rate within the salary schedule.
- d) All employees being paid at a rate above the maximum rate established for their respective classes shall be maintained at that salary level until such time as the employee's salary range is increased above the employee's current salary.

Section 15. Effective Date of Salary Changes

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

Section 16. Overtime Pay Provisions

Employees of the Town can be requested and may be required to work overtime hours as necessitated by the needs of the Town and determined by the Department Head.

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

Non-exempt employees will be paid at a straight time rate for hours up to the FLSA established limit for their position (usually 40 hours in a 7 day period; hours for emergency personnel, as defined by FLSA, may be different). Hours worked beyond the FLSA established limit will be compensated in either time or pay at the appropriate overtime rate. In determining eligibility for overtime in a work period, only hours actually worked shall be considered; in no event will vacation, sick leave, floating days, or holidays be included in the computation of hours worked for FLSA purposes, except in those situations where the Department Head has determined that adherence to this provision would result in an unequal or unfair treatment of employees due to any unforeseen situation resulting in required work time beyond regular working hours. Such a

determination is subject to approval by the Human Resources Director. Any overtime time earned that totals less than one hour shall automatically be paid during the pay cycle it was worked, in accordance with FLSA. Time worked totaling one hour or more may either be paid or accrued. Any compensatory time accrued in excess of 40 hours must be used within 45 days of its accrual. No employee may carry a balance of accrued compensatory time in excess of 40 hours without the approval of the Human Resources Director. There shall be no payout, except upon separation. No employee shall exceed the maximum balance of hours of compensatory leave allowed by FLSA. (Rev. 12/8/08)

Whenever practicable, departments will schedule time off on an hour-for-hour basis within the applicable work period for non-exempt employees, instead of paying overtime. When time off within the work period cannot be granted, overtime worked will be paid in accordance with the FLSA.

In emergency situations, where employees are required to work long and continuous hours, the Human Resources Director may approve compensation at time and one-half for those hours worked and/or grant time off with pay for rest and recuperation to ensure safe working conditions.

Employees in positions determined to be "exempt" from FLSA (as Executive, Administrative, or Professional staff) will not receive pay for hours worked in excess of their normal work periods. These employees may be granted personal leave by their supervisor where the convenience of the department allows and in accordance with procedures established by the Human Resources Director. Such personal leave is not guaranteed. (Rev. 3/27/07)

Section 17. Call-back and On-call Pay

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

Call-back. Non-exempt employees will be guaranteed a minimum payment of one hour wages for being called back to work outside of normal working hours. "Call-back" provisions do not apply to previously scheduled overtime work.

On-call. Non-exempt employees required to be "on-call" duty will be paid for eight hours of work for each week (approximately 128 hours, excluding work time) of on-call time they serve. On-call compensation for less than one full week shall be determined by the ratio of .062 hours of pay per one hour of on-call time. Hours actually worked while on call are calculated beginning when the employee is en route to the work site and are added to the regular total of hours worked for the week. On-call time is defined as that time when an employee is restricted to a single location whereby he/she is available for a call at that established telephone number and is available to respond. Employees restricted to the local area of the town and are easily contacted by other means (i.e. radio, pager, cellular phone), or are restricted from certain personal behaviors so that they are fit to respond, are not considered On-call for the purposes of this Policy for compensation.

Section 18. Payroll Deduction

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

ARTICLE VI. EMPLOYEE BENEFITS

Section 1. Eligibility

All full-time employees of the Town are eligible for employee benefits as provided for in this Article. Part-time employees are eligible for sick leave and vacation benefits. Benefits are subject to change at the Town's discretion. (Rev. 7/28/08)

Section 2. Group Health and Hospitalization Insurance

The Town provides group health and hospitalization insurance programs for full-time employees. Information concerning cost and benefits shall be available to all employees.

Section 3. Group Life Insurance

The Town may elect to provide group life insurance for each full-time employee subject to the stipulations of the insurance contract. Employees may elect to purchase additional coverage and/or to insure other family members under this plan at their expense subject to the stipulations of the insurance contract.

Section 4. Other Optional Group Insurance Plans

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

Section 5. Retirement

Each employee who is expected to work for the Town 1,000 hours or more on a calendar year basis shall join the North Carolina Local Governmental Employees' Retirement System, when eligible, as a condition of employment.

Section 6. Supplemental Retirement Benefits

The Town may provide supplemental retirement benefits for its full and part-time employees. Each law enforcement officer shall receive 401-K benefits as prescribed by North Carolina State Law.

Each general employee may receive supplemental benefits as approved by the Board of Commissioners.

A full-time employee retiring with at least 20 years service with the Town may continue on the Town's health insurance policy, at the retiree's expense, until such time as said retiree shall reach the age of 65 or become Medicare eligible. (Rev. 11/8/99)

Section 7. Social Security

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

Section 8. Short-term Disability Leave

The Town provides short-term disability for all full-time employees. An employee who is disabled due to an accident or illness is eligible for pay at one-half his or her regular rate. Eligibility begins on the first day for an accident and on the seventh day for an illness and after all available accrued leave has been exhausted. The maximum coverage is for 26 weeks. Successive disabilities separated by less than two weeks of full-time work (regularly scheduled hours) will be considered one disability, unless the subsequent disability is due to a different cause and does not begin before the employee returns to work. This does not cover disability due to an accident related to any employment or sickness covered under workers' compensation. An employee who is disabled must provide a doctor's documentation of that disability to the Town prior to disability payment. Disability payments shall be made based on one half the number of work hours authorized for a position such that an employee receives one half of normal pay exclusive of overtime or any other bonus or special payment. (Rev. 7/28/08)

Section 9. Workers' Compensation

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

Responsibility for claiming compensation under the Workers' Compensation Act is on the injured employee, and such claims must be filed by the employee with the North Carolina Industrial Commission within two years from date of injury. The supervisor will assist the employee in filing the claim.

An employee having an adverse reaction to a smallpox vaccination received as an employee of the Town of Matthews will be covered under the Town's Workers' Compensation Policy.

Section 10. Unemployment Compensation

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

Section 11. Tuition Assistance Program (Rev. 12/8/08)

For many employees of the Town of Matthews, improving job skills and advancing work knowledge is an important personal and professional goal. The Tuition Assistance Program was established and funded by the Board of Commissioners to help employees reach their goals.

To be eligible for the Tuition Assistance Program, employees must be full-time employees who have successfully completed their probationary period.

Approved courses must be taken at or sponsored by a community college, technical college, 4-year college, university, trade or vocational school, business school, or correspondence school. Each school must meet accreditation through the Southern Association of Colleges and Schools (SACS) or equivalent and be approved by the Assistant Town Manager. Course(s) shall be considered eligible when, in the opinion of the Department Head and the Assistant Town Manager, the course(s) either improves the employee's ability to do his/her present job or helps in preparing the employee for other positions within the Town organization.

Employees must be "off the clock" when they attend classes supported through the Tuition Assistance Program. Use of personal leave time, comp time, and schedule adjustments, when approved by a Supervisor, may provide workable alternatives to classes offered only during regular work time.

Any employee wanting to participate in the Tuition Assistance Program must complete a Tuition Assistance Form prior to enrolling in any educational program or class. Forms submitted after enrollment, or without prior approval from the Assistant Town Manager, will not be approved.

When the Tuition Assistance Form has been completed, it must be reviewed and signed by a Department Head. The completed form must be sent to the Assistant Town Manager for final approval.

The employee shall be responsible for requesting reimbursement. Each employee shall be required to retain ALL receipts for which reimbursement is requested, as well as course completion. (A grade of "C" **or better**, or of "Pass" in a pass/fail course, is required.)

Employees participating in the Tuition Assistance Program may also receive reimbursements for books used in classes that have been successfully completed. Original receipts of book purchases must accompany each request.

Each year, beginning on July 1, the Town Board provides the Town of Matthews an annual budget. Tuition assistance amounts available to each employee are established within the budget process. Currently we have \$1500 as a maximum amount of tuition assistance available for an employee on a fiscal year basis. The amount provided is for the period July 1 through June 30. The first day of class establishes the fiscal year from which the tuition assistance funding is

counted. The balance of funds must be used within the same fiscal year. There is no carryover from one fiscal year to another.

Classes not covered by the program include, but are not limited to:

- Realtor Classes
- Pilot Training
- Test Preparation
- Dale Carnegie
- Certification Test Preparation
- Examination Preparation Class

Educational items and materials not reimbursed:

- Parking
- Paper, pens, supplies
- Computer software or hardware
- Calculators, fax machines, scanners, printers, DSL lines
- Shipping costs for books when available at a local store
- Tools, lab coats, gloves, hard hats, goggles, etc.

Costs covered:

- Student fees (sports events excluded)
- Lab fees
- Computer lab fees
- Tuition
- Books

Reimbursement payments:

Reimbursement payments shall be made to the employee in full upon satisfying the program requirements. If the employee severs his or her employment by voluntary action, prior to receiving full reimbursement, then and in that event, the employee shall not be eligible for reimbursement. If the employee severance occurs beyond his or her control, then that employee shall be eligible for reimbursement payment. (Rev. 12/8/08)

Section 12. Longevity Pay

A program of longevity pay may be provided to recognize and reward the length of current service of Town employees. The annual payment will be made, to current employees in good standing, within the first two weeks in December to those regular employees who have completed the required number of years of service as of November 30 of the year the payment is made.

1 year	\$100
2 - 4 years	\$300
5 - 9 years	\$500
10 - 19 years	\$750
20 years and over	\$1,000

Section 13. Strategic Planning Committee

The Strategic Planning Committee provides an opportunity for a representative group of employees to review the workplace environment, conditions of employment, and operational policies and make any recommendations to the Human Resources Director. All employees shall have the opportunity to serve on this committee and/or have their concerns heard by the committee. Membership changes periodically and the Assistant Town Manager serves as a liaison to the Committee for the purpose of policy interpretation.

ARTICLE VII. HOLIDAYS AND LEAVES OF ABSENCE

Section 1. Policy

The policy of the Town is to provide vacation leave, sick leave, floating days and holiday leave to all full-time employees.

Section 2. Accumulated Leave: Manner of Taking

Employees shall be granted the use of earned vacation, compensatory time, holiday, and floating leave upon request in advance at those times designated by the Department Head which will least obstruct normal operations of the Town. Department Heads are responsible for ensuring that approved leave does not hinder the effectiveness of service delivery. Time shall be taken in the following manner: one hour minimum, then in quarter hour (15 minute) increments. There is no minimum leave requirement for sick leave, however the quarter hour (15 minute) increments shall apply. (Rev. 12/8/08)

Employees are cautioned not to retain excess accumulated leave until late in the fiscal year. Because of the necessity to keep all functions in operation, large numbers of employees cannot be granted leave at any one time. 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 leave scheduled or in receiving any exception to the maximum accumulation.

Section 3. Holidays

The following days, and other such days as the Town Board of Commissioners may designate, are holidays with full pay for employees:

New Year's Day	Labor Day
Good Friday	Thanksgiving Thursday and Friday
Memorial Day	Christmas (see schedule below)
Independence Day	

When any recognized holiday falls on Saturday, the holiday is observed on the Friday before the holiday. When the recognized holiday falls on Sunday, the holiday is observed on the Monday following the holiday. In the case of Christmas, if the recognized holiday falls on a Saturday, the holidays will be observed the Friday prior to the holiday and the Monday following the holiday.

When Christmas Day falls on the day of the week indicated below, the days set forth will be observed as holidays: (Rev. 7/28/08)

Sunday	Monday and Tuesday
Monday	Monday and Tuesday
Tuesday	Monday and Tuesday
Wednesday	Tuesday and Wednesday
Thursday	Thursday and Friday (Rev. 11/10/03)
Friday	Thursday and Friday
Saturday	Friday and Monday

In order to receive a paid holiday, an employee must have worked the day before and the day after the holiday(s), or have been given approved leave.

Section 4. Holidays: Effect on Other Types of Leave

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

Section 5. Holidays: Compensation When Work is Required or Regularly Scheduled Off for Shift Personnel

Employees required to perform work on regularly scheduled holidays may be granted compensatory time off or paid at their regular hourly rate for hours actually worked in addition to any holiday pay to which they are entitled. Compensatory time shall be granted whenever feasible. If a holiday falls on a regularly scheduled off-duty day for shift personnel, the employee shall receive the hours for paid holiday time at another time. Any holiday time not taken by the end of the last pay period in June shall be lost. No payout is allowable. (Rev. 12/8/08)

Section 6. Floating Days (Days' Leave With Pay)

The Town Board of Commissioners has provided two floating days for employees of the Town. Floating days cannot be taken until an employee has completed his/her probationary period. The number of hours shall be pro-rated as described in this article. Floating days are earned on July 1 of each year and must be used by the last pay period in June. (Rev. 12/8/08)

Section 7. Vacation Leave

Vacation leave is intended to be used for rest and relaxation, and may be used for medical appointments. There will be no cash payout for this time.

Section 8. Vacation Leave: Use by Probationary Employees

Employees serving a probationary period following initial employment may accumulate vacation leave but shall not be permitted to take vacation leave during the probationary period. Employees shall be allowed to take accumulated vacation leave after six months of service.

Section 9. Vacation Leave: Accrual Rate

Each full-time employee of the Town shall earn annual leave at the following schedule, prorated by the average number of hours in the work day

<u>Years of Service</u>	<u>Hrs. In Pay Period</u>		
<2	80	84	88
2-9	96	101	106
10-14	120	126	132
15>	160	168	176

(Revised 1/15/08)

Each part-time employee (see “Definitions”) shall earn vacation in proportion to the number of hours worked in the basic (40 hour) work week. (Revised 7/28/08)

Section 10. Vacation Leave: Maximum Accumulation

Vacation leave may be accumulated without any applicable maximum until the last pay period in June. However, if the employee departs employment from service, payment for accumulated vacation leave shall not exceed 30 days. Effective the **last pay period in June**, any employee with more than 30 days of accumulated leave shall have the excess accumulation removed so that only 30 days are carried forward to July 1 of the next fiscal year. The excess vacation time may be converted to sick leave up to a maximum of one half of the employee’s current accrual rate. Employees shall not be paid for any excess vacation leave.

Section 11. Vacation Leave: Payment upon Separation

An employee who has successfully completed six months of the probationary period will be paid for accumulated vacation leave upon separation not to exceed 30 days. Employees who are involuntarily separated, after completion of the probationary period, shall receive payment for accumulated annual leave subject to the 30 day maximum.

Section 12. Vacation Leave: Payment upon Death

The estate of an employee who dies while employed by the Town shall be entitled to payment of all the accumulated vacation leave credited to the employee’s account not to exceed the maximums established in Section 8 of this Article.

Section 13. Sick Leave

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

Up to ten days of sick leave per year may be used when an employee must care for a member of his or her immediate family who is ill. Sick leave may also be used for death in the employee's immediate family, but may not exceed three days for any one occurrence. Additional leave time required for such occurrence may be charged to vacation or other approved leave when approved by the Department Head and/or Human Resources Director.

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

"Immediate family" shall be defined as spouse, child, step-child, parent or step-parent, brother, sister, grandparent, grandchild, son-in-law, daughter-in-law, father-in-law, or mother-in-law of the employee or spouse of the employee, or guardian. (Rev. 7/28/08)

Notification of the desire to take sick leave should be submitted to the employee's supervisor prior to the leave or not later than 30 minutes after the beginning of the scheduled workday.

Section 14. Sick Leave: Accrual Rate and Accumulation

Sick leave shall accrue at a rate of one day per month of service or twelve days per year. Sick leave for part-time employees shall be pro-rated (i.e. 30 hours per week = 9 days per year; 20 hours per week = 6 days per year). Sick leave will be cumulative for an indefinite period of time and may be converted upon retirement for service credit consistent with the provisions of the North Carolina Local Government Employees' Retirement System. (Rev. 7/28/08)

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

Section 15. Sick Leave Transfer from Other Organizations

An employee who has credible service in the State or Local Employee's Retirement System may transfer up to 96 hours of his or her sick leave balance from the organization(s) in which the retirement service was gained. This sick leave balance is to be used as described above in Section 12.

Section 16. Sick Leave: Medical Certification

The employee's supervisor or Department Head may require a physician's certificate stating the nature of the employee's illness and the employee's capacity to resume duties, for each occasion on which an employee uses sick leave or whenever the supervisor observes a "pattern of

absenteeism.” The employee may be required to submit to such medical examination or inquiry as the Department Head deems desirable. The Department Head shall be responsible for the application of this provision to the end that:

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

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

Section 17. Shared Leave Policy (Rev. 8/10/09)

Any regular (as defined in this Policy) employee, when facing circumstances requiring sick leave due to personal illness or bodily injury, or that of the employee’s spouse or legal dependent living in the home with the employee, who has exhausted all available leave time (sick, vacation, holiday, floating, and compensatory) may apply to the Human Resources Director for a transfer of “Shared Leave Hours” in an amount sufficient to compensate the employee for that leave. Following are the procedures for requesting and obtaining “Shared Leave Hours”:

- Step 1: To qualify for Shared Leave Hours, a regular employee (as defined in this Policy) must contribute to the pool the amount of one work day’s (based upon shift schedule) sick leave each year, but must retain a minimum of 5 days of accrued sick leave after contributing. Employees are eligible to contribute to this pool only during the open enrollment period in June of each year.
- Step 2: An employee may make application to the Human Resources Director for consideration of Shared Leave Hours. A doctor’s certification of need shall be required for consideration.
- Step 3: The Human Resources Director shall consider the request and the employee will be notified in writing.

If approved, a number of hours sufficient to completely compensate the employee for up to one full pay period shall be granted. A written request for additional hours may be made prior to the end of that pay period. No employee shall be granted more than two full pay periods of Shared Leave Hours within any twelve-month period.

If an employee has not contributed the minimum shared leave hours during a given year, and wishes to use time from the Shared Leave Pool, they must complete the appropriate application, and submit it to the Human Resources Director for one-time consideration. If “Shared Leave Hours” are granted, the employee must contribute one work days (based on shift schedule) vacation or sick leave through an agreed-upon payment plan. The Human Resources Director may approve or deny the request at his/her discretion. The employee is expected to continue to contribute annually to remain eligible under the Shared Leave Policy.

Shared leave may also be used by regular and probationary employees for bereavement leave due to the death of an immediate family member (as defined in Article I, Section 6 of this Policy) for a maximum of five days. The employee does not have to qualify for use as defined in Step 1 of

this section; however, any employee who wishes to use time from the Shared Leave Pool must present their request to his/her department head who will submit written documentation to the Human Resources Director.

If an employee has no other leave time available, and needs extra time, he/she may present a written request to the Department head who will submit it to the Human Resources Director for consideration. The employee does not have to qualify for use as defined in Step 1 of this section. The Human Resources Director may approve or deny the request at his/her discretion.

Employees should recognize that any sick leave time donated into this program shall not be returned to the employee except where any qualifying employee is eligible to apply for Shared Leave Hours as described in this Policy. Donated hours shall also not be available for computation of accredited work hours by the State Retirement System. The use of Shared Leave Hours does not constitute a waiver of the options available to the Town to terminate the employee after Leave Without Pay provisions of this Policy have expired, nor does it change the employee's "at will" employment status.

Section 18. Family and Medical Leave

The Town will grant up to 12 weeks of family and medical leave during any 12 month period to eligible employees in accordance with the Family and Medical Leave Act of 1993 (FMLA). The leave may be paid (coordinated with the Town's Vacation and Sick Leave policies), unpaid, or a combination of paid and unpaid. Additional time away from the job beyond the 12-week period may be approved in accordance with the Town's Leave Without Pay policy. Employees may be required to exhaust eligible paid leave before going on a leave without pay status.

To qualify for FMLA coverage, the employee must have worked for the employer 12 months or 52 weeks; these do not have to be consecutive. However, the employee must have worked 1,250 hours during the twelve-month period immediately before the date when the FMLA time begins. As adopted by resolution on August 23, 2004, by the Town Board of Commissioners, the Plan Year for Family and Medical Leave for the Town begins July 1 and ends June 30 (the Town fiscal year).

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

- c) the birth of a child and in order to care for that child;
- d) the placement of a child for adoption or foster care;
- e) to care for a spouse, child, or parent with a serious health condition; or
- f) the serious health condition of the employee.

A serious health condition is defined as a condition which requires inpatient care at a hospital, hospice, or residential medical care facility, or a condition which requires continuing care by a licensed health care provider. This Policy covers illness of a serious and long-term nature resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition which results in a period of incapacity of more than three days would be considered a serious health condition.

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

An employee taking leave for the birth of a child may use paid sick leave for the period of actual disability, based on medical certification. The employee may then use all paid annual leave for the remainder of the 12-week period.

The Town of Matthews may start the employee's FMLA leave on the first day of absence and must notify the employee.

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

Section 19. Medical and Family Leave - Certification

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

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

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

Section 20. Leave Without Pay

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

The employee shall apply in writing to the supervisor for leave. The employee is obligated to return to duty within or at the end of the time determined appropriate by the Human Resources Director. Upon returning to duty after being on leave without pay, the employee shall be entitled to

return to the same position held at the time leave was granted or to one of like classification, seniority, and pay. If the employee decides not to return to work, the supervisor shall be notified immediately. Failure to report at the expiration of a leave of absence, unless an extension has been requested, shall be considered a resignation.

The employee may continue to be eligible for benefits under the Town's group insurance plans at his or her own expense, subject to any regulation adopted by the Board of Commissioners and the regulations of the insurance carrier.

Section 21. Family Medical Leave and Leave Without Pay: Retention and Continuation of Benefits

When an employee is on leave under FMLA (maximum of 12 weeks in a year), the Town will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. If an employee chooses not to return to work, for reasons other than a continued serious health condition, the Town will require the reimbursement of the amount paid for the employee's health insurance premium during the FMLA leave period.

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

An employee shall retain all unused vacation and sick leave while on FMLA Leave and Leave Without Pay. An employee ceases to earn leave credits on the date leave without pay begins. The employee may continue to be eligible for benefits under the Town's group insurance plans at his or her own expense, subject to any regulation adopted by the Board of Commissioners and the regulations of the insurance carrier.

Section 22. Workers' Compensation Leave

An employee absent from duty because of sickness or disability covered by the North Carolina Workers' Compensation Act may elect to use accrued sick leave or vacation during the waiting period. The employee may also elect to supplement workers' compensation payments, after they begin, provided that the combination of leave supplement and workers' compensation payments does not exceed normal compensation. An employee on workers' compensation leave may be permitted to continue to be eligible for benefits under the Town's group insurance plans.

Section 23. Military Leave

Regular employees who are members of an Armed Forces Reserve organization or National Guard shall be granted ten workdays per calendar year for military leave without pay. On rare occasions, due to annual training being scheduled on a federal fiscal year basis, an employee may be required to attend two periods of training in one calendar year. For this purpose only, an employee shall be granted an additional ten days of military leave during the same calendar year. If the compensation received while on military leave is less than the salary that would have been earned during this same period as a Town employee, the employee shall receive partial

compensation equal to the difference in the base salary earned during this same period as a Town employee. The effect will be to maintain the employee's salary at the normal level during this period. If such duty is required beyond this ten workdays, the employee shall be eligible to take accumulated vacation leave or be placed in a leave without pay status, and the provisions of that leave shall apply. While taking military leave, the employee's leave credits and other benefits shall continue to accrue as if the employee physically remained with the Town during this period. Employees who are eligible for military leave have all job rights specified by the Vietnam Veterans Readjustment Act.

Section 24. 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. 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.

Section 25. Civil Leave

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

Section 26. Educational Leave with Pay

A leave of absence at full or partial pay during regular working hours may be granted to an employee to take one course which will better equip the employee to perform assigned duties upon the recommendation of the Department Head, and with the approval of the Human Resources Director. Educational leave at full or partial pay for a period not to exceed twelve calendar months may be granted to an employee to take one or more courses that will better equip the employee to perform assigned duties upon the recommendation of the Department Head and the Human Resources Director and with the approval of the Board of Commissions. An employee granted such extended educational leave with pay shall agree to return to the service of the Town upon completion of training and remain in the employ of the Town for a period of twice

the educational leave received, or the employee shall reimburse the Town for all compensation received while on educational leave.

An employee on educational leave with full pay shall continue to earn leave credits and other benefits to which Town employees are entitled. An employee on educational leave with partial pay shall earn proportional leave credits.

Section 27. Inclement Weather

If the office is closed, due to inclement weather, employees will receive their pay at the regular rate. Employees required to perform work may be granted compensatory time off or paid at their hourly rate. Those required to work will also be paid the amount equal to their normal day's pay as in the case for those required not to work. Notice of closing will be on either one or both WBTV and WSOC television stations and on voice mail message at Town Hall. If the office is open and an employee is unable or chooses not to report to work, they may take either a vacation or floating day. Notification of the desire to take this day off should be submitted to the employee's supervisor no later than 30 minutes after the beginning of the scheduled workday.

ARTICLE VIII. SEPARATION AND REINSTATEMENT

Section 1. Types of Separations

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

Section 2. Resignation

An employee may resign by submitting the reasons for resignation and the effective date in writing to the immediate supervisor as far in advance as possible. The minimum notice requirement is two weeks. Notice may be waived upon recommendation of the Department Head and approval by the Human Resources Director. Department Heads must give at least 30 days notice. Vacation may be used during this period with Department Head and Human Resources Director approval. Only non-exempt employees may be paid out for unused compensatory time. Not giving and working a notice may result in the inability to be rehired by the Town.

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

Section 3. Reduction in Force

In the event that a reduction in force becomes necessary, consideration shall be given to the quality of each employee's performance, organizational needs, and seniority in determining those employees to be retained. Employees who are separated because of a reduction in force shall be given at least two weeks notice of the anticipated action. No regular employee shall be separated

because of a reduction in force while there are temporary or probationary employees serving in the same class in the department, unless the regular employee is not willing to transfer to the position held by the temporary or probationary employee.

Section 4. Disability

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

Section 5. Voluntary Retirement

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

Section 6. Death

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

Section 7. Dismissal

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

Section 8. Exit Interviews

Prior to the final day of employment, the Human Resources Director shall conduct an exit interview.

Section 9. Reinstatement

An employee who is separated because of reduction in force may be reinstated within one year of the date of separation, upon recommendation of the Department Head, and upon approval of the Human Resources Director. An employee who is reinstated in this manner shall be re-credited with his or her previously accrued sick leave.

Section 10. Rehiring

An employee who resigns while in good standing may be rehired with the approval of the Human Resources Director, and may be regarded as a new employee, subject to all of the provisions of rules and regulations of this Policy. An employee in good standing, who is separated due to a reduction in force, shall be given the first opportunity to be rehired in the same or a similar position.

ARTICLE IX. UNSATISFACTORY JOB PERFORMANCE AND DETRIMENTAL PERSONAL CONDUCT

Section 1. Unsatisfactory Performance

A. Unsatisfactory Job Performance Defined

Unsatisfactory job performance includes any aspects of the employee's job which are not performed as required to meet the standards set by the Department Head or Human Resources Director. Examples of unsatisfactory job performance include, but are not limited to the following:

- 1) Demonstrated inefficiency, negligence, or incompetence in the performance of duties;
- 2) Careless, negligent or improper use of Town property or equipment;
- 3) Physical or mental incapacity to perform duties;
- 4) Discourteous treatment of the public or other employees;
- 5) Absence without approved leave;
- 6) Repeated improper use of leave privileges;

- 7) Habitual pattern of failure to report for duty at the assigned time and place;
- 8) Failure to complete work within time frames established in work plan or work standards; or
- 9) Failure to meet work standards over a period of time.
- 10) Failure to acquire or maintain any certifications or licenses required to perform the essential job functions as defined in the job description.

B. Disciplinary Action for Unsatisfactory Job Performance

A regular employee may be placed on disciplinary suspension, demoted or dismissed for unsatisfactory job performance, if after following the procedure outlined below, the employee's job performance is still deemed to be unsatisfactory. All cases of disciplinary suspension, demotion or dismissal must be approved by the Human Resources Director prior to giving final notice to the employee.

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

When an employee's job performance is unsatisfactory, or when incidents or inappropriate actions warrant, the supervisor should meet with the employee as soon as possible in one or more counseling sessions to discuss specific performance problems. A brief summary of these counseling sessions should be noted in the employee's file by the supervisor. An employee whose job performance is unsatisfactory over a period of time should normally receive at least two warnings from the supervisor before disciplinary action resulting in dismissal is taken by the

Human Resources Director. In each case, the supervisor should record the dates of discussions with the employee, the performance deficiencies discussed, the corrective actions recommended, and the time limits set. If the employee's performance continues to be unsatisfactory, then the supervisor should use the following steps:

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

D. Pre-disciplinary Conference

Before suspension, demotion, or dismissal action is taken, for unsatisfactory performance, the Department Head or Human Resources Director will provide the employee with a written notice of proposed disciplinary action, which will include the nature of the proposed action, its recommended effective date, the reasons for the action, and a date and time for a pre-disciplinary conference. At this conference, the employee may present any response to the proposed disciplinary action to the Department Head or Human Resources Director. The Department Head or Human Resources Director will consider the employee's response, if any, to the proposed disciplinary action, and will, within three working days following the pre-disciplinary conference, notify the employee in writing of the final decision to take disciplinary action. The notice of the final disciplinary action by the Department Head or Human Resources Director will contain a statement of the reason for the action and the employee's appeal rights.

Section 2. Detrimental Personal Conduct

A. Detrimental Personal Conduct Defined

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

- 1) Fraud or theft;
- 2) Conviction of a felony or the entry of a plea of nolo contendere thereto;
- 3) Falsification of records for personal profit, to grant special privileges, or to obtain employment;
- 4) Willful misuse or gross negligence in the handling of Town funds;
- 5) Willful or wanton damage or destruction to property;
- 6) Willful or wanton acts or the threat of acts that endanger the lives and property of others;
- 7) Possession of unauthorized firearms or other lethal weapons on the job;
- 8) Brutality in the performance of duties;
- 9) Reporting to work under the influence of alcohol or a controlled substance or partaking of same while on duty; except this section may be modified when necessary by supervisors in the Law Enforcement Department; and further except it

shall not be a violation when doctor-prescribed medication is involved and within the limits of the prescription so long as job performance, operation of heavy equipment or the driving of a vehicle is not impaired.

- 10) Engaging in incompatible employment or servicing a conflicting interest;
- 11) Request or acceptance of gifts in exchange for favors or influence;
- 12) Engaging in political activity prohibited by this Policy;
- 13) Harassment of any employee(s) and/or the public on the basis of sex or any other protected class status; or
- 14) Stated refusal to perform assigned duties or flagrant violation of work rules and regulations;
- 15) Insubordinate conduct or behavior towards any employee holding a superior position to that employee or any such conduct or behavior about any supervisor in that supervisor's absence but in the presence of other employees of the Town;
- 16) Any conviction resulting in the loss of the employee's North Carolina driving privileges when that employee's essential duties and tasks require the operation of motor vehicles;
- 17) Intentionally providing false responses or information to any supervisor or intentionally failing to disclose information asked by a supervisor and known to the employee;
- 18) Willful and/or intentional refusal to obey any lawful order or assignment of a supervisor of that employee.

B. Disciplinary Action for Detrimental Personal Conduct

Upon the approval of the Human Resources Director, an employee may be placed on disciplinary suspension, demoted, or dismissed without prior warning for causes related to personal conduct detrimental to Town service in order to 1) avoid undue disruption of work; 2) to protect the safety of persons or property; or 3) for other serious reasons.

C. Pre-disciplinary Conference

Before suspension, demotion, or dismissal action is taken, for detrimental personal conduct, the Department Head or Human Resources Director will provide the employee with a written notice of proposed disciplinary action, which will include the nature of the proposed action, its recommended effective date, the reasons for the action, and a date and time for a pre-disciplinary conference. At this conference, the employee may present any response to the proposed disciplinary action to the Department Head or Human Resources Director. The Department Head or Human Resources Director will consider the employee's response, if any, to the proposed disciplinary action, and will, within three working days following the pre-disciplinary conference, notify the employee in writing of the final decision to take disciplinary action. The notice of the final disciplinary action by the Department Head or Human Resources Director will contain a statement of the reason for the action and the employee's appeal rights.

Section 3. Non-Disciplinary Suspension

During the investigation, hearing, or trial of an employee on any criminal charge, or during an investigation related to alleged detrimental personal conduct, or during the course of any civil

action involving an employee, when suspension would, in the opinion of the Department Head or Human Resources Director, be in the best interest of the Town, the Department Head or Human Resources Director may suspend the employee for part or all of the proceedings as a non-disciplinary action. In such cases, the Human Resources Director may:

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

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

ARTICLE X. GRIEVANCE PROCEDURE AND ADVERSE ACTION APPEAL

Section 1. Policy

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

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

Section 2. Grievance Defined

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

Section 3. Purposes of the Grievance Procedure

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

- 1) Providing employees with a procedure by which their complaints can be considered promptly, fairly, and without reprisal;
- 2) Encouraging employees to express themselves about the conditions of work which affect them as employees;
- 3) Promoting better understanding of policies, practices, and procedures which affect employees;

- 4) Increasing employees' confidence that personnel actions taken are in accordance with established, fair, and uniform policies and procedures; and
- 5) Increasing the sense of responsibility exercised by supervisors in dealing with their employees;
- 6) Providing employees with a procedure by which they may appeal disciplinary actions which have been taken against them.

Section 4. Procedure

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

Informal Resolution. Prior to the submission of a formal grievance, the employee and supervisor should meet to discuss the problem and seek to resolve it informally. Either the employee or the supervisor may involve the respective Department Head as a resource to help resolve the grievance. If the grievance is to be filed with and considered by the Department Head, the Pre-Disciplinary Conference shall satisfy the Informal Resolution.

Step 1. If no resolution to the grievance is reached informally, the employee who wishes to pursue a grievance shall present the grievance to the appropriate supervisor in writing. The grievance must be presented within fifteen calendar days of the event or within fifteen calendar days of learning of the event or condition. The supervisor shall respond to the grievance within ten calendar days after receipt of the grievance. The supervisor should, and is encouraged to, consult with any employee of the Town in order to reach a correct, impartial, fair and equitable determination or decision concerning the grievance. Any employee consulted by the supervisor is required to cooperate to the fullest extent possible.

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

Step 2. If the grievance is not resolved to the satisfaction of the employee by the supervisor, the employee may appeal, in writing, to the appropriate Department Head within ten calendar days after receipt of the response from Step 1. The Department Head shall respond to the appeal, stating the determination of decision within ten calendar days after receipt of the appeal.

Step 3. If the grievance is not resolved to the satisfaction of the employee at the end of Step 2, or if the initial grievance is filed with and considered by the Department Head, the employee may appeal, in writing, to the Town Manager within ten calendar days after receipt of the response from Step 3. The Town Manager shall respond to the appeal, stating the determination of decision within ten calendar days after receipt of the appeal. The Town Manager's decision shall be the

final decision. The Town Manager would notify the Board of Commissioners of any impending legal action.

Department Heads - Step 1. When the grievant is a Department Head, and the only level of appeal is to the Town Manager, the employee may request that qualified mediators be used. The mediator, chosen by both the Department Head and Town Manager, will provide a neutral facilitation to assist the Department Head and Town Manager with resolving conflict.

Section 5. Grievance and Adverse Action Appeal Procedure for Discrimination

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

Section 6. Back Pay Awards

Back pay and benefits may be awarded to reinstated employees in suspension, demotion, dismissal, and discrimination cases.

(Rev. 5-14-07)

ARTICLE XI. RECORDS AND REPORTS

Section 1. Policy

The Town shall maintain such records as are necessary for the proper administration of the personnel system. The official personnel files are those which are maintained in the Town Manager's and Human Resources Director's offices. These files shall contain documents such as employment applications, records of personnel actions, performance reviews, performance warnings, pay records, retirement and insurance records, letters of commendations, leave records, and other personnel-related documents. Only documents included in these files constitute official personnel records.

Section 2. Public Information

In compliance with GS 160A-168, the following information with respect to each Town employee is a matter of public record: name; age; date of original employment or appointment to the service; current position title; current salary; date and amount of the most recent increase or decrease in salary; date of the most recent promotion, demotion, transfer, suspension, separation, or other change in position classification; and the office to which the employee is currently assigned. Any person may have access to this information for the purpose of inspection, examination, and

copying, during regular business hours, subject only to such rules and regulations for the safekeeping of public records as the Town may adopt.

Section 3. Access to Confidential Records

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

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

Section 4. Personnel Actions

The Human Resources Director will prescribe necessary forms and reports for all personnel actions and will retain records necessary for the proper administration of the personnel system.

Section 5. Records of Former Employees

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

Section 6. Remedies of Employees Objecting to Material in File

An employee who objects to material in his/her file may place a statement in the file relating to the material considered to be inaccurate or misleading. The employee may seek removal of such material in accordance with established grievance procedures.

Section 7. Penalties for Permitting Access to Confidential Records

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

Section 8. Examining and/or Copying Confidential Material without Authorization

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

Section 9. Destruction of Records Regulated

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