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ARTICLE I. ORGANIZATION OF THE PERSONNEL SYSTEM

Section 1. Purpose

This policy is designated the Town of Franklin Personnel 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. The Town Manager is the official appointing authority covered by this personnel policy. This policy is established under authority of G.S. 160A-164 and G.S. 126 of the General Statutes of North Carolina.

Section 2. At Will Employment

The Town of Franklin is an “at will” employer. Nothing in this policy creates an employment contract or term between the Town and its employees. The policy can be changed at any time by action of the Town Council.

Section 3. Merit Principles

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

Section 4. Responsibility of the Town Council

The Town Council shall be responsible for establishing and approving human resources policies and rules, the classification and pay plan, and it may change the policies and benefits as needed. The Board shall also make and confirm appointments in accordance with state statutes.

The following appointments are required by law to be made by the Council:

Position Status Reference

Town Manager	G.S. 160A-147
Town Attorney	G.S. 160A-173

Section 5. Responsibilities of the Town Manager

The Town Manager is accountable for the human resources system and its overall administration and direction. Upon delegation a human resources position will carry out certain responsibilities for the Manager, but final hiring, suspension and dismissal authority resides with the Manager as defined in G.S. 160A-148.

The Town Manager shall be responsible to the Town Council for the administration and technical direction of the human resources program. The Town Manager shall appoint, suspend, and remove Town employees except those whose appointment is otherwise provided for by law. The Town Manager shall make appointments, dismissals and suspensions in accordance with state statutes and other policies and procedures spelled out in other Articles in this Chapter.

The Town Manager shall:

- a) recommend rules and revisions to the personnel system to the Town Council for consideration;
- b) make changes as necessary to maintain an up to date and accurate position classification plan;
- c) prepare and recommend revisions to the pay plan to the Town Council for approval;
- d) determine which positions shall be subject to the overtime provisions of FLSA;
- e) 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;
- f) periodically investigate the operation and effect of the Personnel Policy; and
- g) at his discretion, appoint a town personnel committee comprised of town staff,

Section 6. Responsibilities of Human Resources Officer

The responsibility of the Human Resources Officer is to make recommendations to the Town Manager on the following:

- a) Recommend rules and revisions to the personnel system to the Town of Franklin Manager for consideration;

- b) Recommend changes as necessary to maintain an up to date and accurate position classification plan;
- c) Recommend necessary revisions to the pay plan;
- d) Recommend which positions shall be subject to the overtime provisions of FLSA;
- e) Maintain a roster of all persons in the Town service;
- f) Establish and maintain a list of authorized positions in the Town service at the beginning of each budget year which identifies each authorized position, class title of position, salary range, any changes in class title and status, position number and other such data as may be desirable or useful;
- g) 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;
- h) Develop and coordinate training and educational programs for Town employees;
- i) periodically investigate the operation and effect of the Personnel Policy; and
- j) Perform such other duties as may be assigned by the Town Manager not inconsistent with this Policy.

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

This personnel policy and all rules and regulations adopted pursuant thereto shall be binding on all Town employees. The Town Manager, Town Attorney, elected officials, appointed members of the Town Board 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 that have been violated.

The following employees are covered only by the listed articles and sections:

- A.** Temporary employees, as designated by the Town Council, shall be subject to all articles except Articles VI and XI.

Section 8. Definitions (Listed Alphabetically)

Adverse Action. An involuntary demotion, involuntary reduction in pay, involuntary transfer, suspension without pay, layoff, or dismissal. (Note: In agencies covered by The State Personnel Act, involuntary transfer is not an adverse action if it is a lateral transfer.)

Anniversary Date. The employee's original date of employment with the Town service in a permanent position.

Appointing Authority. Any Town board or official with the legal authority to make hiring decisions.

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

Cost-of-Living Increase. An annual adjustment that may be made by the Town Council all pay ranges for all regular employees who have served a minimum of six months service in a permanent position.

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

Fulltime Employee. An employee appointed to a permanently established position that is regularly scheduled to work forty (40) hours or more per workweek, and is designated as full time.

Grievance. Any matter of concern or dissatisfaction arising from the working conditions of an employee, subject to the control of the Town.

Hiring Rate. The salary paid an employee when hired into Town service is normally the minimum salary rate, unless otherwise approved by the Town Manager.

Maximum Salary Rate. The maximum salary authorized by the pay plan for an employee within an assigned salary grade.

Merit Increase. An increase in salary above the standard job rate based on service that exceeds the standard and/or expected performance of the assigned position.

Part Time Employee. An employee appointed to an established position, the duties of which are regularly scheduled less than ***thirty (30)*** hours per week, who is paid on an hourly basis and is designated by the Town Council as a part time employee.

Pay Plan. A schedule of pay ranges arranged by sequential rates including hiring, minimum, and maximum steps for each class assigned to a salary range.

Performance Evaluation System. A periodic review of an employee's performance, designed to facilitate year and equitable merit pay decisions, recognizing performance as the basis for pay increases within the established pay range.

Permanent Regular Position. A position that has been approved by the Town Council, the duties and responsibilities of which are required to be performed on a continuous basis, normally requiring full-time employment of an individual.

Position. A group of current duties and responsibilities requiring the full or part-time employment of one person.

Position Classification Plan. An approved plan by the Town Council that assigns classes (positions) to the appropriate pay grade.

Probationary Employee. An individual appointed to a regular/permanent position who has served less than nine (9) months in the position or whose probationary period has been extended.

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

Reclassification. The reassignment of an existing position from one class to another.

Regular Employee. An employee in a General Town position appointed to a full or part time position who has successfully completed the designated probationary period, and has been approved by the Town Manager based on the recommendation of approval for regular status by the department head, with approval, where applicable, of the Human Resources Director.

Salary Grade. All positions that are sufficiently comparable to warrant one range of pay rates.

Salary Plan Revision. The uniform raising or lowering of the salary ranges of every grade within the salary plan.

Salary Range. The minimum and maximum salary levels for a given classification for hiring purposes.

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

Salary Schedule. A listing of all salary grades reflecting approved maximum and minimum salary ranges authorized by the Town Council, and assigned to each classification of work setting the minimum and maximum rates for all pay actions.

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

Temporary Position. A position for which the duties and responsibilities are required to be met for a specific short period of time, and which may or may not require attendance by a person for a full work day and/or work week.

Transfer. The reassignment of an employee from one position or department to another.

ARTICLE II. POSITION CLASSIFICATION

Section 1. Policy

The position classification plan provides a complete inventory of all authorized and regular (SPA-permanent) 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. All positions covered by the personnel policy are to be classified according to the assigned duties, responsibilities, qualifications needed, and other required factors. In order to ensure its continuing value as a personnel management tool, the positions classification plan will be maintained to reflect the current work assignments and other conditions and requirements which are factors in proper classification and allocation of regular positions.

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 the work of the class;
- c) Written specifications for each class of positions; and
- d) An allocation list showing the class title of each position in the classified service.

Section 3. Use of the Position Classification Plan

The classification plan is to be used:

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

Section 4. Administration of the Position Classification Plan

The Town Manager, assisted by the Human Resources Officer, shall allocate each position covered by the classification plan to its appropriate class, and shall be responsible for the administration of the position classification plan. The Human Resources Officer shall periodically review individual positions or portions of the classification plan and recommend revisions to the Town Manager to ensure that classifications accurately reflect current job duties and responsibilities. New positions shall be established only with the approval of the Town Council after which the Human Resources Officer shall either (1) allocate the new position to the appropriate class within the existing classification plan, or (2) recommend that the Town Manager and the Town Council amend the position classification plan to establish a new class to which the new position may be allocated.

Department Heads shall be responsible for bringing to the attention of the Human Resources Officer material changes in the nature of duties, responsibilities, working conditions, or other factors affecting the classification of any existing positions. Department heads shall present to the Human Resources Officer written justification for why there should be a change in position classification. In the case of a new position or a vacant position where duties have or will change, the justification should include the proposed changes in duties and responsibilities. In the case of an occupied position, the request shall reflect changes in assigned duties and responsibilities. The department head's written justification should be detailed and specific enough for the Human Resources Officer to make a determination regarding further study.

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

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

Section 6. Request for Reclassification

Any employee who considers the classification of his/her position to be improper shall submit a request in writing for reclassification to the immediate supervisor. The supervisor shall evaluate the request and forward a recommendation to the Department Head who shall evaluate and then forward a recommendation to the Human Resources Officer who will evaluate and then forward a recommendation to the Town Manager. Upon receipt of such request, the Town Manager shall study the request, determine the merit of the reclassification, and make the necessary changes to maintain a fair and accurate classification plan. Determination will be finalized within sixty (60) days of request.

ARTICLE III. THE PAY PLAN

Section 1. Composition and Approval

The pay plan includes the “Salary Schedule” and the Assignment of Classes to Salary Grades and Ranges approved by the Town of Franklin Council. The salary schedule consists of a Minimum, Midpoint, and Maximum for each job classification.

Section 2. Policy

The pay of Town employees shall be administered in a fair and systematic manner in accordance with work performed. The Town shall have a pay structure that is externally competitive, that maintains proper internal relationships among all positions based on the relative level of duties and responsibility, and that recognizes performance levels as the basis for pay increases within the established pay ranges. The program shall provide for effective control of pay on a uniform basis, shall permit decentralization of pay decisions while maintaining appropriate control, and shall evaluate each employee in accordance with the Town’s Performance Evaluation Policy.

Section 3. Administration and Maintenance of the Pay Plan

The Town Manager with the assistance of the Human Resources Officer shall be responsible for the administration and maintenance of the pay plan. All employees covered by the pay plan shall be paid at a rate 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 duties and responsibilities, the comparable rates of pay for positions in other comparable entities or employers, changes in the cost of living and the financial conditions of the Town. The Human Resources Officer shall, from time to time, make comparative studies of all factors affecting the level of salary ranges and shall recommend to the Town Manager, such changes in salary ranges as appear to be warranted. The Board shall adopt the salary schedule and assignment of job classes to salary grades, including adjustments made by the Town Manager during the previous budget year, as part of the annual budget process. The Town Manager may approve in-range adjustments to employee salaries when necessary to accommodate inequities, special performance or achievements, or other issues.

Section 4. Starting Salary

All persons employed in positions approved in the position classification plan normally shall be employed at the hiring rate, which is the entry salary rate for each salary grade, for the classification in which they are employed. However, on the recommendation of the department head, with the approval of the Town Manager, employee salaries may

be approved above the entry/hiring rate. Reasons for hiring above the entry/hiring rate include exceptional education and experience qualifications of the applicant, a shortage of qualified applicants, and/or the refusal of qualified applicants to accept employment at the hiring rate. Department heads shall consider internal equity of other employees in the department when making a recommendation for employment above the hiring rate.

Section 5. Trainee and Work Against Designation and Salaries

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 Town Manager to a "trainee" status, or as a "work against" for classes under the State Personnel Act.

The supervisor shall prepare a plan for training to meet the minimum qualifications for the job classification including a time schedule. An employee shall remain at the trainee or "work against" salary level until the Department head certifies that the employee is qualified to assume full responsibilities of the position and the Town Manager approves the certifications. The Department head shall review the progress of each employee in a trainee or "work against" status every six months or more frequently as necessary to determine when the employee is qualified to assume full responsibilities of the position.

"Trainee" salaries may be one to three grades below the minimum salary established for the position for which the person is being trained. Assignment three grades below the minimum is appropriate when the trainee period is expected to last two or more years. Assignment two grades below the minimum is appropriate for more than nine months but less than two years. (Note: Positions subject to the State Personnel Act are subject to state established trainee progression for the specific class.) The actual assignment should be reviewed and approved by the Human Resources Officer. A new employee designated as "trainee" shall be in a probationary status until requirements for the full job class are met. General Town employees in "work against" positions are also probationary status until full requirements for the class are met.

If the training is not successfully completed as planned, the employee shall be transferred, demoted, or dismissed. If the training is successfully completed, the employee shall be paid at least at the minimum rate established for the job class.

Section 6. Probationary Pay Increases

Employees may receive a salary increase within the salary range upon successful completion of the probationary period.

Section 7. Performance Pay Bonus

If the Town implements a performance pay system, employees who are at the maximum of the salary range for their position classification are eligible to be considered for a performance (merit) bonus at their regular performance evaluation time. Performance (merit) bonuses shall be awarded based upon the performance of the employee as described in the performance evaluation and shall be the same

percentage of annual salary as employees within the salary range with the same performance level. Performance (merit) bonuses do not become part of base pay and shall be awarded in a lump sum payment.

Section 8. Salary Effect of Promotions, Demotions, Transfers, and Reclassifications

Promotions. When an employee is promoted to a position with a higher salary grade the employee's salary shall normally be advanced to at least the Minimum level of the new position. However, the new salary may not exceed the maximum rate of the new salary range. The purpose of the promotional pay increase is to recognize and compensate the employee for assuming increased responsibility. The amount of the salary adjustment should be based on:

- a) the employee's related education, training, and experience;
- b) the nature and magnitude of the change in jobs;
- c) budget availability;
- d) consistency with similar situations in the past;
- e) internal equity within the work unit; and
- f) other relevant issues.

Cost of living (or market adjustments), probationary increases for a previous job, and other in-range increases cannot take the place of a promotional increase. The position of the employee's adjusted salary within the new range shall not exceed the position of the employee's salary within the current range.

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

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 grade shall not be changed by the reassignment.

Reclassifications. An employee whose position is reclassified to a class having a higher salary range shall receive a pay increase at least to the Minimum of the new pay range. If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is above the maximum established for the new range, the salary of that employee shall be maintained at the current level until the

range is increased above the employee's salary.

Section 9. Salary Effect of Salary Range Revisions

When a class of positions is assigned to a higher salary range as a result of labor market conditions, employees in that class shall receive a pay increase for each salary grade increase. When a class of positions is assigned to a lower salary range, the salaries of employees in that class will remain unchanged. If the assignment to a lower salary range results in an employee being paid at a rate above the maximum step established for the new class, the salary of that employee shall be maintained at that level, until such time as the employee's salary range is increased above the employee's current salary.

Section 10. Transition to a New Salary Plan

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

- 1) No employee shall receive a salary reduction as a result of the transition to a new salary plan.
- 2) All employees being paid at a rate lower than the minimum rate established for their respective classes shall have their salaries raised to the new minimum for their classes. The only exception will be those employees in probationary status and currently being paid at the hiring rate, a trainee rate, or in a "work against" status. They will remain in their same relative pay status in the new salary grade assigned.
- 3) All employees being paid at a rate above the minimum and below the maximum are considered as being paid at a competitive rate for the job class and may receive any approved salary plan implementation increases as authorized by the Town Council.
- 4) All employees being paid at a rate above the maximum rate established for their respective classes shall be maintained at that salary level until such time as the employees' salary range is increased above the employees' current salary.

Section 11. Effective Date of Salary Changes

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

Section 12. Overtime Pay Provisions (Compensation Time)

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 supervisor and approved by the Department Head and Human Resource Officer.

To the extent that local government jurisdictions are so required the Town shall comply with the Fair Labor Standards Act (FLSA). The Town Manager 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 compensated at a straight time rate for hours up to the FLSA established limit for their position (usually 40 hours in a 7-day period or alternative FLSA approved full time schedule). Employees in public safety job classes may earn overtime based on a pay period established under 7(k) exemption in FLSA. Hours worked beyond the FLSA established limit will be compensated in 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 annual, sick leave, or holidays be included in the computation of hours worked for FLSA purposes.

All compensatory time should be kept to a minimum and supervisors shall make every effort to see that work is accomplished within the established forty (40) hour workweek. When time off within workweek cannot be granted, compensation for overtime worked will be given in the form of compensatory time off or pay in accordance with the FLSA. Compensatory time must be taken within a year from the date earned and the maximum amount of compensatory time that may be accrued at any given time is sixty (60) hours. Compensatory time must be used before use of vacation leave. Any exception requires approval of Town Manager. Sick leave may be taken before use of compensatory time. All compensatory time will normally be paid in the form of time off. However, with recommendation of the department head and approval of the Town Manager, an employee may be paid for compensatory time in lieu of granting time off if budgeted funds are available.

Training Time

Required attendance at training sessions, workshops, and other meetings, whether before, during or after the employee's regular work schedule, is work time.

Voluntary attendance at training sessions, workshops, and other meetings is not work time. Attendance is voluntary only if the employee is not led to believe that his working conditions or continued employment would be adversely affected by non-attendance.

Travel Time

Travel time is subject to the Fair Labor Standards Act. A separate travel policy has been developed for use in the Town of Franklin. This travel policy should be considered as an addendum to the Town of Franklin Personnel Policy.

Exempt Employees

Employees in positions determined to be "exempt" from the FLSA (as Executive, Administrative, or Professional staff) will not receive pay for hours worked in excess of their normal work periods. These employees may be granted compensatory leave by their supervisor where the convenience of the department allows and in accordance

with procedures established by the Town Manager. Such compensatory time is not guaranteed to be taken and is not compensable upon separation from the organization.

Section 13. Longevity Pay (as approved by the town board on June 15, 2009 and amended on August 3, 2009.)

Longevity pay is to recognize continuous service of regular/permanent, full-time and part-time employees. Longevity pay is an automatic, annual payment, made in a lump sum at the end of the month upon which the employee's anniversary date falls.

<u>YEARS OF SERVICE</u>	<u>LONGEVITY PAY RATE</u>
10 but less than 15 years	1.00%
15 but less than 20 years	1.50%
20 but less than 25 years	2.25%
25 or more years	3.25%

To be eligible to receive longevity pay the employee must meet the following requirements:

- A.** An employee shall have at least ten (10) years of qualifying service with the Town of Franklin, and the town will also recognize a maximum of seven (7) years of other service within the North Carolina Local Government Retirement System or equivalent as determined by the Town Manager and Human Resources Director.
- B.** The employee must have a full-time or part-time, regular/permanent appointment and receive compensation for at least 75% or 1,570 hours pay at the same rate.
- C.** Credit for the service requirement shall not be given for temporary fulltime, or temporary part-time employment. No longevity shall be paid until after the initial 12-month employment with the Town of Franklin.
- D.** Town service is the time for continuous, regular/permanent, trainee, and probationary employment. If an employee is in pay status through working, using vacation or sick leave, drawing Worker's Compensation, or on authorized military leave for one-half or more of the regularly scheduled workdays in a month, credit shall be given toward qualifying service.
- E.** Regular/permanent, part-time employees will receive longevity pay in proportion to the number of hours regularly scheduled to work.
- F.** Longevity will be prorated and paid at termination of employment to qualified employees.

The Finance Officer shall be responsible for initiating the necessary steps for payment.

Section 14. Preparation of Payroll

All payrolls shall be prepared in the finance department from time sheets approved by the appropriate department heads. Payroll is on a bi-weekly schedule. Direct Deposit

is mandatory for all town employees. Pay shall be distributed every two (2) weeks. Advice Slips shall be distributed by the department heads or other appropriate administrative personnel approved by the Human Resources Officer.

Section 15. Payroll Deductions

The Town Finance Officer is authorized to make established deductions from an employee's gross pay to cover federal and state income taxes, contributions for retirement systems, 401 (K) contributions and employee group insurance premiums. With the authorization of the employee, the Finance Officer may also make payroll deductions for credit union payments and other deductions for qualified programs. Individual deductions requested by the employee for other than qualified programs shall be made only with the approval of the Human Resources Officer.

Section 16. Termination Pay

Upon termination of employment, an employee is entitled to payment, in the regular scheduled pay period, for unused annual leave up to a maximum of thirty (30) days, less any deductions for debts outstanding against the Town. No sick leave shall be paid upon termination of employment. The Finance Officer shall deduct withholdings from the final paycheck any amount owed the Town for group insurance premiums or approved advanced leave. The final payment for unused vacation leave will be combined with the last paycheck when possible.

No severance pay will be allowed unless specifically approved by the Town Council.

ARTICLE IV. RECRUITMENT AND SELECTION

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 race, color, religion, sex, national origin, political affiliation, qualified disability, or age. Applicants with 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

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

Section 3. Recruitment, Selection and Appointment

Recruitment for vacant positions shall be conducted in a fair and equitable manner. Current employees are given priority consideration for vacant positions, however, good management practices dictate obtaining the best possible pool of applicants.

Veterans of the armed services and employees separated because of reduction in force policies shall also be given priority consideration provided they are qualified for the position.

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

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

Application for Employment. Persons interested in employment with the Town may complete an application for positions for which they wish to apply. The Town of Franklin application form will be accepted for any position, in lieu of a resume and cover letter.

All information provided on the application must be true and correct. Providing false or misleading information may be grounds for elimination from consideration for a vacant position and/or dismissal from Town employment. Additional punishment may be received as provided under G.S. 14-3. (G.S. 14-122.1)

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

Selection. Department heads, with the assistance of the Human Resources Officer, shall make such investigations and conduct such examinations as necessary to assess accurately the knowledge, skills, and experience qualifications required for the position. All selection devices administered by the Town shall be valid measures of job performance.

Appointment. Before any commitment is made to an applicant either internal or external, the Appointing Authority shall make recommendations to the Human Resources Officer including the position to be filled, the salary to be paid, and the reasons for selecting the candidate over other candidates. The Human Resources Officer and department head shall recommend approval of appointments and the starting salary for all applicants to the Appointing Authority.

After an investigation of the qualifications of the applicants the department head and Human Resources Officer shall recommend the most qualified candidate to the Town Manager for appointment. The department head and/or Human Resources Officer shall document reasons why the successful candidate was selected, the classification of the position to be filled, and the recommended salary.

Appointments of part time employees may be filled by department heads with the approval of the Human Resources Officer.

Section 4. Probationary Period

An employee with a new appointment or one who has been promoted to a regular or permanent position shall serve a probationary period. Employees shall normally serve a nine-month probationary period,

During the probationary period, supervisors shall monitor an employee's performance and communicate regularly with the employee concerning performance progress. Before the end of the probationary period, the employee's immediate supervisor shall

determine whether or not the employee is performing satisfactory work and meeting job expectations. The employee's progress (accomplishments, strengths, and weaknesses) will be discussed with the employee and a summary of this discussion should be documented in the employee's personnel file. The department head shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted, or dismissed. Probationary periods may be extended with approval of the Town Manager.

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 Chapter. A promoted regular town 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 that is within the same department. If no such position is available, the employee shall be dismissed.

Section 5. Promotion

Promotion is the movement of an employee from one position to a vacant position in a class assigned to a higher salary range. It is the Town's policy to create career opportunities for its employees whenever possible. Therefore, when a current employee applying for a vacant position is most qualified of all applicants, that applicant 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) provide a diversified workforce to the community; and 3) obtain the best possible employee to provide the most productivity in the position. Applicants for promotion shall be chosen on the basis of their qualifications and their work records. Applicants shall apply for promotions using the same application process as external applicants.

Section 6. Demotion

Demotion is the movement of an employee from one position to a position in a class assigned to a lower salary range. An employee whose work or conduct in the current position is unsatisfactory may be involuntarily 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 chapter. Involuntarily demoted employees may appeal this decision based on the Grievance Process outlined in this Personnel Policy.

Section 7. Transfer

Transfer is the movement of an employee from one position to a position in a class in the same salary range. If a vacancy occurs and an employee in another department is eligible for a transfer, the employee shall apply for the transfer using the usual application process. The department head wishing to transfer an employee to a different department or classification shall make a recommendation to the Town Manager. Any employee transferred without requesting the action may appeal the action in accordance with the grievance procedure established in this policy.

Section 8. Driver License Requirements

Those persons applying for positions that operate a motor vehicle must present a valid North Carolina driver's license at the time of employment. Any exception shall be approved by the Human Resource Officer.

ARTICLE V. CONDITIONS OF EMPLOYMENT

Section 1. Work Schedule

Employees other than law enforcement officers, emergency services personnel and department heads shall normally work five (5) eight (8) hour days per week. Normal work week shall be Monday through Friday. Normal work hours shall be from 8:00 a.m. to 5:00 p.m. with one hour permitted for lunch. Departments open for public service shall schedule lunch hours on a rotating basis when possible in order to provide uninterrupted assistance to the public. Because of the nature of various Town activities, some positions require a workweek of more than five (5) days such as law enforcement. Department heads shall work those hours necessary to assure the satisfactory performance of their departments but not normally less than forty (40) hours per week. When the activities of a particular department require some other schedule to meet work needs, the Town Manager may authorize a deviation from the normal schedule.

A workweek shall consist of seven (7) consecutive days

Section 2. Gifts and Favors

An employee shall not accept any gift or gratuity, whether in the form of service, loan, thing of value, or promise from any person, business concern, or organization who is interested directly or indirectly in business dealing with the Town. These limitations are not intended to prohibit the acceptance of articles of nominal value which are distributed generally, nor prohibit employees from obtaining personal loans from regular lending institutions.

An employee shall not grant, in the discharge of his official duties, any improper favor, service, or thing of value.

Section 3. Use of Town Time, Equipment, Supplies, and Vehicles

Town supplies and equipment are to be used exclusively for the Town's business. During working hours, an employee shall only engage in Town business. Use of Town time, supplies, or equipment for personal or other purposes not related to the employee's Town duties and responsibilities is prohibited and subjects the employee to disciplinary action, up to and including dismissal.

All employees, who use Town vehicles, are required to follow applicable motor vehicle and safety requirements. Violation or misuse of Town vehicles also subjects the employee to disciplinary action, up to and including dismissal.

Section 4. Employment of Relatives

The provisions of this policy limiting the employment of relatives by the Town shall apply to fulltime and part time employees.

- A. No two members of an immediate family shall be employed within the same department if such employment will result in one supervising a member of his or her immediate family or create a conflict of interest with either relative and the Town.
- B. The term “immediate family” means an employee’s wife, husband, mother, father, guardian, son, daughter, brother, sister, grandchild, and grandparent, as well as the various combinations of half, step, in-law, foster and adopted relationships that can be derived from those family members named herein.
- C. The Town also prohibits the employment of any person into a regular/permanent position who is an immediate family member of individuals holding the following positions: Mayor, Alderman, Town Manager, Human Resources Officer, Town Clerk or Town Attorney. Otherwise, the Town will consider employing family members or related persons in the service of the Town, provided that such employment does not:
 - 1) result in a relative supervising relatives;
 - 2) result in a relative auditing the work of a relative;
 - 3) create a conflict of interest with either relative and the Town; or
 - 4) create the potential or perception of favoritism.
- D. The provisions of this section shall not be retroactive, and no action will be taken concerning those members of the same family employed in conflict with Subsection A, B or C, above, prior to the adoption of this policy or by future elections or appointments.

Section 5. Political Activity

Every employee of the Town of Franklin has a civic responsibility to support good government by every available means and in every appropriate manner. Any employee may join or affiliate with civic organizations of a partisan or political nature, may attend political meetings, and 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 the constitution and laws of the United States of America. However, while on duty, no employee of the Town of Franklin shall:

- 1. Engage in any political or partisan activity;
- 2. Use official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for office;
- 3. Be required as a duty of employment or as a condition of employment, promotion, or tenure of office to contribute funds for political or partisan purposes;

4. Coerce or compel contributions for political or partisan purposes from another employee of the Town or;
5. Use any funds, supplies, or equipment of the Town for political or partisan purposes.

Employees subject to the Federal Hatch Act may--

- Run for public office in nonpartisan elections
- Campaign for and hold office in political clubs and organizations
- Actively campaign for candidates for public office in partisan and nonpartisan elections
- Contribute money to political organizations and attend political fund raising functions

Employees subject to the Federal Hatch Act may not--

- Be a candidate for public office in a partisan election
- Use official authority or influence to interfere with or affect the results of an election or nomination
- Directly or indirectly coerce contributions from subordinates in support of a political party or candidate

Any violation of this section may subject the employees to dismissal or other disciplinary action.

Section 6. Outside Employment

The work of the Town takes priority over other employment interests of employees. All outside employment for salaries, wages, or commission and all self-employment must be reported to the employee's department head before such work is to begin and documentation placed in the employee's personnel file. The department head and the Human Resources Officer will determine whether the outside work would create a conflict of interest or otherwise be incompatible with the Town service. The assumption of outside employment without prior approval by the Town may be deemed improper conduct, and subject the employee to disciplinary action, up to and including dismissal.

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

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

Section 7. Dress Code

The image of the Town is directly related to the employees of the Town and the way in which they conduct and present themselves.

All employees are expected to dress at all times in an appropriate and professional manner which is consistent with good business practice, nature of work, and weather conditions. The department head is responsible for determining what is acceptable attire for the department with final approval by the Town Manager and Human Resources Officer.

Section 8. Ethical Conduct Expectations

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

As stewards of public resources and holders of the public trust, Town employees are expected to uphold the highest standards of ethical conduct while fulfilling their job duties and responsibilities.

Town employees are expected to discharge their duties conscientiously and to conduct themselves in a manner, on and off the job, which will reflect favorably upon the Town. Additionally:

- A.** Employees shall refrain from any use of their position that is motivated by the desire for private gain for themselves or other persons. They must conduct themselves in such a manner that there is no suggestion of the extracting of private advantage from their employment with the Town.
- B.** Employees shall exercise discretion in their care of personal financial activities to avoid any legal liabilities which would reflect unfavorably upon the Town.
- C.** Employees shall not use their positions, in any way, to coerce, or give the appearance of coercing, another person to provide any financial benefit to the employee or to other persons.
- D.** An employee shall avoid any action which might result in giving preferential treatment to any organization or person; losing his independence or impartiality of action; or affecting adversely the confidence of the public in the integrity of the Town.

An employee who witnesses another employee engaging in an unlawful act on the job shall report that employee to the Human Resources Officer.

Employees in certain departments may be subject to additional employee ethics.

Section 9. Dual Employment

A full or part-time employee of the Town may simultaneously hold another position with the Town if the temporary position is in a different department or agency and substantially different capacity and occupational area from that of the full or part time position. The work must also be performed on an occasional or sporadic basis. Any other situation requires weighted average pay scales and/or overtime pay. However, the work of the full or part-time position shall take precedence over the temporary position, and such work will not count toward the calculation of overtime for pay or time off.

Section 10. Breaks

Breaks are not required by law and consequently should be considered as a privilege and limited to the time indicated by the department head. Breaks should not interfere with the employee's work and should not be taken unless work circumstances warrant. Office personnel and other employees responsible for answering the telephone and serving walk-in visitors shall arrange to have their duties handled by another employee while they are on break. Under no circumstance is a Town office to be left unattended without authorization from the department head.

Breaks shall be used only as rest periods. Under no circumstances may break time be carried over into another time period, saved for another day, combined with other types of leave or added together to make one long break. Break time will not exceed fifteen (15) minutes each for the morning and afternoon.

Section 11. Harassment

The Town of Franklin has established a separate policy on workplace harassment which is incorporated herein to the same extent as if it were a part of this Personnel Policy.

Section 12. Background Checks

Any final candidate for any position with Town of Franklin shall be subject to a criminal background check pursuant to Board policy and the General Statutes of North Carolina.

Section 13. Smoking Policy

Employees have the right to work in a smoke-free environment as much as practical. Employees may smoke only in designated places, which shall be determined by the department head.

Per the Town of Franklin Ordinance Banning Tobacco Use In Town Buildings and Vehicles, adopted September 8, 2009, no person may smoke in any building or facility controlled by Town of Franklin. No person may smoke in any vehicle, now or hereafter, owned or leased by Town of Franklin.

This policy shall not be in conflict with State or Federal regulations or other policies that may be adopted by policy-making boards regarding smoking in public places.

Section 14. Drug Free Workplace Policy

All employees shall be given a copy of the Town of Franklin Drug Free Workplace Policy. All employees shall be asked to sign a statement acknowledging receipt of the policy and evidencing their willingness to comply with it. Compliance with the Drug Free Workplace Policy is a condition of employment.

Section 15. Disclosure of Confidential Information

No Town official or employee shall unless otherwise provided by law, disclose confidential information concerning the property, government or affairs of the Town, nor shall he, under any circumstances, use such information to advance the financial or other private interest of himself or others.

Section 16. Soliciting

No Town employee shall advertise or engage in solicitation for personal gain using county equipment on county time.

No door-to-door solicitation or distribution of intra-departmental flyers, etc. of any type will be allowed on Town property by anyone.

Section 17. Performance Evaluation

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

Section 18. Safety

Safety is the responsibility of both the Town and its 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. Employees who violate such policies and procedures shall be subject to disciplinary action up to and including dismissal.

Additional detailed procedures regarding safety, worker's compensation, injury, and infection control may be established by the Town Manager.

Section 19. Immigration Law Requirements

All employees are required to furnish proof of citizenship or other approved documents indicating a legal right to work in the United States. Copies of the completed I-9 form shall be a permanent part of their personnel file.

ARTICLE VI. EMPLOYEE BENEFITS

Section 1. Group Life and Accidental Death and Dismemberment Insurance

The Town provides group life insurance to all regular/permanent employees which is effective on the first of the month following thirty days of employment. Coverage is based on annual salary and employees have the option of purchasing additional coverage through payroll deductions.

Section 2. Hospitalization and Medical Benefits

The Town provides to all regular/permanent employees a group Health Insurance Plan. Coverage is effective on the first of the month following first day of employment or on the first of the month following thirty days of employment depending on budgeted funds. The Town pays the full cost of the monthly insurance premium for regular/permanent fulltime employees. Other coverage is paid up to a maximum amount decided upon by the Town Council.

Upon termination employees are eligible for continued coverage under COBRA (Consolidated Omnibus Budget Reconciliation Act). Town paid coverage will end on the last day of the month in which an employee's final day is worked, except as follows:

- The Town will pay the full cost of insurance for retirees with 30 years of service.
- The Town will pay the full cost of insurance for retirees with 20 years of services if the retiree is 62 or older.
- The Town will pay 75 percent of the cost of insurance for retirees with 15 to 20 years of service who are at least 57 years of age.
- The Town will pay the full cost for disabled retirees if the retiree has at least 20 years of service.
- In all cases, payment of insurance ceases when the retiree becomes Medicare eligible, subject to the provisions of COBRA.
- The employee has the option of maintaining family coverage at his or her expense for a period of time not to exceed five (5) years.

The Town shall pay the cost of such continued coverage at the current town levels at the time of retirement. Dependents will be eligible for qualified service under COBRA.

Section 3. Deferred Compensation and Optional Insurance Benefits

The Town handles payroll deductions for employees through several insurance and deferred compensation agencies/companies. Information is made available through the respective companies and departments will be notified when agents are working the group.

401(k) Plan - The Town provides a 401(k) plan, which allows employees to defer a portion of their income before taxes into a 401(k) tax deferment plan. The Town provides a contribution of 5% for Town employees enrolled in the Local Government Employees' Retirement System.

The Town provides a contribution of 5% to a 401(k) plan for active law enforcement personnel enrolled in the North Carolina Law Enforcement Officers Retirement System as required by State law. The Town also pays a separation allowance to retired law enforcement officers as required by General Statutes.

Section 4. Retirement

Social Security – As required by the Federal Government employees contribute a set percentage of their salary to the Federal Social Security Program. This amount is matched by the Town.

Retirement System – Regular/permanent employees working a minimum of twenty (20) hours per week will be enrolled in the Local Government Employees' Retirement System (qualifying law enforcement officers will be enrolled in the N.C. Law Enforcement Officers Retirement System). The employee's contribution, through payroll deduction, is 6% of gross salary. This contribution is not subject to state or federal taxes. The Town contributes a variable percentage that is set by the Retirement System.

Death Benefit – After one year of employment, members of the Retirement System(s) automatically are eligible for death benefit \$25,000 – \$50,000 pursuant to provisions set forth by Local Government Retirement System.

Separate Insurance Benefits for Law Enforcement Officers – If a law enforcement officer is killed in the line of duty, benefits are paid from a separate insurance plan handled by the Retirement System.

Section 5. Workers' Compensation

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

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

Section 6. Unemployment Compensation

Town employees who are laid off or dismissed from the Town service may apply for unemployment compensation through the local office of the Employment Security Commission (ESC). Eligibility for unemployment compensation will be determined by the ESC.

ARTICLE VII. LEAVES OF ABSENCE

Section 1. Policy

The policy of the Town is to provide vacation leave, sick leave, and holiday leave to all fulltime and part time employees in a regular position with the Town.

Section 2. Paid Holidays Observed

The following holidays, and such others as the Town Council may designate, shall be observed by Town offices and shall be counted as hours worked:

New Year's Day	Labor Day
MLK Jr. Birthday	Veteran's Day
Good Friday	Thanksgiving (two days)
Memorial Day	Christmas Day (plus additional day(s) designated by the Town Manager
Independence Day	

Employees who wish to use leave for religious observances must request leave from their respective department heads. The department head will attempt to arrange the work schedule so that an employee may be granted vacation leave for the religious observance. Vacation leave for religious observance may be denied only when granting the leave would create an undue hardship for the Town.

Regular/permanent part time employees are entitled to be paid for holidays in proportion to the number of hours scheduled to work. In other words, if any employee is ordinarily scheduled to work one-half time, then that employee would receive pay for one-half the holiday.

Section 3. Effect of Work on Holidays on Other Types of Paid Leave

Regular holidays that occur during a vacation, sick or other paid leave period of any employee of the Town shall not be charged as vacation, sick or other paid leave.

Section 4. Holidays: Compensation When Work Required

Employees required to perform work on regularly scheduled holidays shall receive time off on an hour for hour basis for those hours worked, or if funds are budgeted may be paid for the hours worked with the prior approval of the department head and Human Resources Officer. This time must be taken with the approval of the department head, within thirty (30) days from the holiday worked.

Section 5. Vacation Leave

Vacation leave may be used for rest and relaxation, school appointments, medical appointments and other personal needs. Any compensatory time earned by nonexempt employees must be used prior to using vacation leave.

Section 6. Vacation Leave: Accrual Rate

Each regular/permanent fulltime or probationary Town employee shall earn annual leave as follows:

<u>Years of Aggregate Service</u>	<u>Days Earned In One Year</u>
1 year	5 days
2 years	6 days
3 years	7 days
4 years	8 days
5 years	9 days
6-10 years	10 days
11-15 years	15 days
16-20 years	20 days
21-25 years	25 days
25 years and over	30 days

For annual leave earned above the minimum, such shall be computed beginning with the first day of the pay period following the pay period of the employee's anniversary date. Full-time Town employees whose work week is more than forty (40) hours shall earn annual leave in direct proportion to their work week, unless their hours are annualized per FLSA regulations.

The term "completed year" will be deemed to mean a period of twelve (12) months in which the employee is in active pay status or is receiving workmen's compensation payments while on leave without pay. A "completed month" will be deemed to mean any month in which an employee works at least one-half of the workdays.

Regular/permanent, part-time employees are entitled to accumulate vacation leave in relation to the number of hours scheduled to work. In other words, if an employee is scheduled to work one-half time, that employee would earn one-half the number of days listed in the schedule.

A part-time employee who takes vacation leave will not be paid for more than the normal hours scheduled to work in a day.

Time taken off by employees using approved leave with pay, or receiving worker's compensation benefits, shall be counted as time worked for the purpose of leave accumulation.

Section 7. Vacation Leave: Maximum Accumulation

Vacation leave may not be accumulated in excess of 240 hours. Any employee with more than 30 days of accumulated leave shall have the excess accumulation converted into sick leave so that only 30 days of vacation are carried. This converted sick leave shall be used in the same manner as accrued sick leave and may be used for authorized sick leave purposes. Any unused converted sick leave may be counted toward creditable service at retirement based upon the rules and limitations of the North Carolina Local Government Employees Retirement System.

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

Section 8. Vacation Leave: Manner of Taking

Vacation leave may be taken as earned by the employee upon request in advance at those times designated by the department head that will least obstruct normal operations of the Town.

Section 9. Vacation Leave: Payment Upon Separation

An employee will normally be paid for accumulated annual leave upon separation subject to the 30 day maximum, provided proper notice is given to the supervisor in advance of the effective date of resignation.

Employees that are involuntarily separated shall receive payment for accumulated annual leave subject to the 30 day maximum.

Section 10. Vacation Leave: Payment Upon Death

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

Section 11. Vacation Leave: Leave Sharing With Other Employees

Transfer of leave from one employee to another is not allowed under any circumstances.

Section 12. Vacation Leave: Transfer to Sick Leave

Anytime an employee has more than 240 hours of vacation leave the excess will be converted into sick leave. This converted sick leave shall be used in the same manner as accrued sick leave and may be used for authorized sick leave purposes. Like regular sick leave, any unused converted sick leave may be counted toward credible service.

Section 13. Sick Leave Policy

Sick leave with pay is not a right which an employee may demand, but a privilege granted by the Town for the benefit of an employee when sick or injured or when attending to an immediate family member (spouse, parents, children, grandparents, grandchildren, including foster, step, half and in-law relationships).

Sick leave may also be used for medical appointments, physical or dental examinations or treatment, death in the immediate family (spouse, parents, children, brother, sister, grandparents, and grandchildren, including foster, step, half, and in-law relationships), and when continuing to work could jeopardize the health of others.

Sick leave may also be used to supplement Workers' Compensation Disability Leave during the waiting period before Workers' Compensation benefits begin.

Regular/permanent, part-time employees earn sick leave in relation to the number of hours normally scheduled to work. In other words, if an employee normally is scheduled to work one-half time, then that employee would earn one-half day of sick leave per month. A part-time employee who is out of work on sick leave will not be paid for more than the normal number of hours scheduled to work.

Temporary employees are not entitled to earn sick leave. Temporary employees must take leave without pay for days missed due to sickness.

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 fulltime or part time employees working other than the basic work schedule shall be prorated as described in this Article.

Time taken off by employees using approved 8 hours leave, or time off under worker's compensation, shall be counted as time worked for the purpose of sick leave accumulation.

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.

No employee will be compensated for accumulated sick leave upon separation. Sick leave will end and terminate.

Section 15. Sick Leave: Use and Reporting

Sick leave must be charged as used.

All employees are eligible to use their sick leave as it is earned.

Employees are required to notify their supervisors as soon as possible, but no later than one (1) hour after the beginning of their regular work day, if they are unable to be at work because of illness. In departments where replacements or schedule changes are necessary, employees are required to notify their supervisors no later than one hour before work is scheduled to begin. Department heads are authorized to determine requirements for notification.

Section 16. Sick Leave: Medical Certification

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

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

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

Section 17. Sick Leave: Retirement Credit

One month of retirement credit is allowed for each twenty (20) days accrued (160) hours in an employee's sick leave account at time of retirement, to employees who are members of the North Carolina Local Governmental Employees' Retirement System. (See *Your Retirement Benefits* from the North Carolina Local Governmental Employees' Retirement System.

Section 18. Sick Leave: Payment Upon Separation

Employees will not be paid for any portion of unused sick leave when they leave the employment of the Town, for any reason.

Section 19. Acceptance of Previous Sick Leave

New employees of the Town, whose last employer was the State of North Carolina or another local government in North Carolina, may be given credit for accumulated sick leave with the previous employer. The credit for sick leave only applies to employees who come directly to the Town from the previous employer with no significant gap in work time. Credit is not given for previous service with the Town or for service with a previous employer when there is over one (1) year break in work time or when retirement benefits were withdrawn.

Section 20. Sick Leave: Leave Sharing With Other Employees

Employees may transfer available vacation leave to another employee to use as sick leave. This is only allowed under specific circumstances when the receiving employee has depleted all available leave. The Town Manager and Human Resource Director shall determine the amount of leave an employee may receive, if any. An employee shall not receive, in any donations, a total of more than 240 hours of donated vacation leave. Leave may only be donated in increments of 8 hours.

Employees qualifying to receive donated leave must meet all following criteria:

- 1) The employee suffers from an illness, injury, impairment, or physical or mental condition, which is of an extraordinary or sever nature and which has caused, or is likely to cause the employee to:
 - a. Go on leave without pay status; or
 - b. Terminate town employment; and
- 2) The employee's absence and the use of shared leave are justified; and
- 3) The employee has depleted all sick, vacation, and compensatory leave; and
- 4) The employee has abided by all personnel rules regarding sick leave use.

It is the responsibility of both parties to be familiar with the Town of Franklin's Personnel Policy in regards to proper use of sick leave, accumulated sick leave's effect on retirement, and the guidelines of the Family and Medical Leave Act (FMLA).

Section 21. Leave Prorated

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

- 1) The number of hours worked by such employees shall be divided by the number of hours in the basic workweek (usually 40 hours).
- 2) The proportion obtained in step 1 shall be multiplied by the number of hours of leave earned annually by employees working the basic workweek.
- 3) The number of hours in step 2 divided by 12 shall be the number of hours of leave earned monthly by the employees concerned.

Section 22. 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 qualifying 12 month period will commence at the beginning of the initial approved period. The leave may be paid (coordinated with the Town's Vacation and Sick Leave policies), unpaid, or a combination of paid and unpaid. Employees shall be required to exhaust eligible paid leave before going on a leave without pay status. Department heads shall notify the Human Resource Officer of any employees who are absent for more than three consecutive days.

Family and Medical Leave may be taken for one or more of the following reasons:

- (1) To care for the employee's child after birth or the placement of a child for adoption or foster care;
- (2) To care for the employee's family member (child, spouse, or parent) who has a serious health condition; or
- (3) For a serious health condition that makes the employee unable to do his or her job.

Eligible Employees

- (1) Regular/permanent employees – An employee who has been employed with Town government for a total of at least 12 months and who has worked at least 1250 hours during the past 12 months
- (2) Temporary employees – This federal requirement does not cover temporary employees; however, if a temporary employee has worked for the Town at least 1250 hours during the past 12 month period they will be covered; however any leave granted to a temporary employee would be without pay.
- (3) Spouses employed by the Town. A husband and wife who are eligible for Family and Medical Leave and are both employed by the town are permitted to take only a combined total of 12 weeks leave during any 12 month period if the leave is taken:
 - a) For birth of a son or daughter or to care for the child after birth;
 - b) For placement of a son or daughter for adoption or foster care, or to care for the child after placement; or
 - c) To care for a parent (but not a parent “in-law”) with a serious health condition.

Definitions

- (1) Spouse means a husband or wife as defined or recognized under North Carolina law for purposes of marriage.
- (2) Parent means a biological parent or an individual who stands or stood in *locco parentis* to an employee when the employee was a child. The term does not include parent “in law”.
- (3) Son or daughter means a biological, adopted or foster child, stepchild, a legal ward, or a child of a person standing in *locco parentis*, who is either under age 18, or age 18 or older and “incapable of self-care because of a mental or physical disability”.
- (4) Town means the Town of Franklin.
- (5) Department head means the department head of the department in which the employee is assigned, or if the employee is assigned to work for more than one department, the department head of the department in which the employee is assigned for the greater part of a workweek.
- (6) Child means the son or daughter of the employee.
- (7) Serious health conditions means an illness, injury, impairment or physical or mental condition that involves:

- a) Any period of incapacity or treatment in connection with or consequent to inpatient care (i.e. an overnight stay) in a hospital, hospice or residential medical care facility;
 - b) Any period of incapacity requiring absence from work, school, or other regular daily activities, of more than three calendar days, that also involves continuing treatment by (or under the supervision of) a health care provider; or
 - c) Continuing treatment by (or under the supervision of) a health care provider for a chronic or long-term health condition that is incurable or so serious that if not treated, would likely result in a period of incapacity of more than three days; or for prenatal care.
- (8) Continuing treatment by a health care provider means one or more of the following:
- a) The employee or family member in question is treated two or more times for the injury or illness by a health care provider. Normally this would require visits to the health care provider or to a nurse or physician's assistant under direct supervision of the health care provider.
 - b) The employee or family member is treated for the injury or illness two or more times by a provider of health care services (e.g. physical therapist) under orders of, or on referral by, a health care provider, or is treated for the injury or illness by a health care provider on at least one occasion which results in a regiment of continuing treatment under the supervision of the health care provider to resolve the health condition.
 - c) The employee or family member is under the continuing supervision of, but not necessarily being actively treated by, a health care provider due to a serious long-term or chronic condition or disability that cannot be cured. Examples include persons with Alzheimer's and persons in the terminal stages of a disease who may not be receiving active medical treatment.

Leave Charges

- (1) For the birth of a child, the parents shall exhaust available vacation leave before going on leave without pay, except that sick leave may be used during the period of disability.
- (2) For the adoption of a child, the parents shall exhaust vacation leave before going on leave without pay.
- (3) For the illness of an employee's child, spouse, or parent, the employee shall exhaust available sick and vacation leave before going on leave without pay.

(4) For the employee's illness, the employee shall exhaust available sick and vacation leave before going on leave without pay.

(5) Periods of paid leave shall account for any part of the 12 workweeks of Family and Medical Leave provided by this Section.

Intermittent Leave or Reduced Work Schedule

(1) The employee may not take leave intermittently or on a reduced work schedule for childbirth and care or for adoption unless with the approval of the department head.

(2) With approval of the department head, the employee may take leave intermittently or on a reduced schedule to care for the employee's child, spouse or parent who has a serious health condition. If such leave is foreseeable, based on planned medical treatment, the Human Resources Officer may require the employee to transfer temporarily to an available alternative position for which the employee is qualified and that has equivalent pay and benefits and better accommodates recurring periods of leave.

Employee Responsibility

The employee shall apply in writing to the department head for leave requested as follows:

(1) Birth or adoption – The employee shall give the department head no less than 30 days notice, in writing, of the intention to take leave, subject to the actual date of the birth or adoption. If the date of the birth or adoption requires leave to begin in less than 30 days, the employee shall provide such notice as is practicable.

(2) Planned Medical Treatment – When the leave is to care for the employee's child, spouse, or parent or because the employee has a serious health condition, the employee must make a reasonable effort to schedule the treatment so as not to unduly disrupt operations, subject to the approval of the employee's health care provider or the health care provider of the employee's child, spouse or parent. The employee must also give 30 day's notice of the intention to take leave, subject to the actual date of the treatment.

If the employee will not return to work, the department head or Human Resources Director, if a department head, shall be notified immediately by the employee. Failure to report at the expiration of the leave, unless an extension has been requested, may be considered as a resignation.

Certification

A claim for leave because of adoption shall be supported by acceptable proof of adoption.

A claim for leave because of a serious illness of the employee or of the employee's child, spouse, or parent shall be supported by a doctor's certification that includes the following:

- (1) The date on which the serious health condition began;
- (2) The probable duration of the condition;
- (3) The appropriate medical facts regarding the condition;
- (4) A statement that the leave is needed to care for the child, spouse, or parent, and an estimate of the amount of time that is needed; or that the employee is unable to perform the functions of the position, whichever applies; and
- (5) Where certification is necessary for intermittent leave for planned medical treatment, the dates on which the treatment is expected to be given and the duration of the treatment.

Where the department head has reason to doubt the validity of the certification, the department head shall notify the Human Resources Officer, and the department head with the approval of the Human Resources Officer may require the employee to get the opinion of a second doctor designated or approved by the Human Resources Officer. Where the second opinion differs from the opinion in the original certification provided, the Human Resources Officer may require the employee to get the opinion of a third doctor designated or approved jointly by the employer and the employee. The third opinion is final and is binding on the Town and the employee. The department head may require that the employee get subsequent re-certifications on a reasonable basis. The second and third classification and the re-certifications shall be at the Town's expense.

Employment and Benefits Protection

- (1) Reinstatement – The employee shall be reinstated to the same position held when the leave began or one of like status, pay, benefits, and other conditions of employment. The department head may require the employee to report at reasonable intervals to the employer on the employee's status and intention to return to work. The department head also may require that the employee receive certification that the employee is able to return to work.
- (2) Benefits – The employee shall be reinstated without loss of benefits accrued when the leave began. All benefits will accrue during any period of paid leave; however, no benefits will be accrued during period of leave without pay.
- (3) Health Benefits – The Town shall maintain coverage for the employee under the Town's group health and life insurance plan at the current level for the duration of leave at no additional cost to the employee. If the employee desires to continue dependent coverage, premiums must be paid to the Town each month at a time determined by the Finance Officer. The Town shall recover the premiums if the

employee fails to return after the period of leave to which the employee is entitled has expired for a reason other than the continuation, recurrence, or onset of a serious health condition or other circumstances beyond the employee's control.

Section 23. Leave Without Pay (LWOP)

A Town employee may be granted short-term leave without pay upon recommendation of the department head and approved by the Human Resources Officer. An employee granted leave without pay may be carried on the Town's books in a non-pay status. The leave will be used for personal or family disability, completion of education, parental leave or special work that will permit the Town to benefit by the experience gained or the work performed. The employee will apply in writing to the department head for leave, the department head will forward to the Human Resources Officer a recommendation. Benefits will be pro-rated for employees with over 8 hours LWOP in any pay period to make sure we apply this policy consistently. An employee on leave without pay, having exhausted accumulated sick and vacation leave will not accrue leave benefits, nor will they be entitled to holidays. That employee will however, be eligible for cost of living adjustments and merit increments and be eligible to continue to receive the benefits under the Town's group insurance policies by paying the employee and employer portions.

Section 24. LWOP: Use of Accumulated Annual and Sick Leave and Continuation of Benefits in General

Accumulated vacation leave will be exhausted when an employee goes on leave without pay, except when drawing Workmen's Compensation payments. If an employee desires to go on leave without pay for reasons of personal disability, accumulated sick leave must be exhausted first, except when drawing Workmen's Compensation payments. A physician must furnish a certification on a prescribed form when the period of disability actually begins and ends. An employee on leave without pay, having exhausted accumulated sick and vacation leave will not accrue leave benefits, nor will they be entitled to holidays. That employee will however, be eligible for cost of living adjustments and merit increments, and be eligible to continue to receive the benefits under the Town's group insurance policies by paying the employee and employer portions. An employee going on leave without pay for reasons of personal or family disability will be reinstated to the same position or one of like classification, seniority and pay upon his return to work.

Section 25. Military Leave

Regular/permanent employees who are members of the National Guard or Armed Forces Reserve organization will be granted ten workdays per year for military training with adjusted 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 workdays of military leave during the same calendar year without pay.

Adjusted pay means that the Town will make up the difference between military pay and regular Town base pay. The effect will be to maintain the employee's salary at the normal level during this period. If such duty is required beyond the ten workdays, the employee shall be eligible to take accumulated annual leave or be placed in a leave without pay status, and the provisions of that leave shall apply. Under emergency conditions, additional days of emergency leave may be granted by the Town Council. While on military leave, benefits and leave will accrue as though on regular Town duty. Employees going into or returning from military service may elect to continue health insurance coverage under the Town's group as mandated by the Uniformed Services Employment and Reemployment Rights Act under circumstances outlined in the group plan. These rights apply only to employees and their dependents covered under the plan immediately before leaving for military service.

Part-time employees, who are in a regular/permanent status, shall be allowed to take military leave in proportion to the number of hours worked. Part-time employees taking military leave shall not be paid for more than the normal hours worked in a day.

Employees serving a probationary period, and all temporary employees, must take leave without pay to serve any required duty. Employees serving military duty will be allowed to keep pay received from such duty.

Regular/permanent employees who are guardsmen and reservists have all job rights specified in the Veterans Readjustment Assistance Act. Employees who volunteer for additional duty may use vacation, compensatory time or leave without pay. If there is a compensatory balance, it should be used first for nonexempt employees.

Section 26. 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:

- 1) applies for reinstatement within ninety days after the release from military service; and
- 2) is able to perform the duties of the former position or similar position; or
- 3) 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 that the employee would otherwise have been provided, if available.

Section 27. 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. While on civil leave, benefits and leave shall accrue as though on regular duty.

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 finance officer any witness fees or travel allowances awarded for court appearances in connection with official duties.

When an employee's obligation for jury or witness duty ends during the workday, the employee should return to work as soon as practical.

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

Exception: An employee who is a principal in private litigation shall not be entitled to civil leave, but may take vacation leave or leave without pay for necessary court appearances with the approval of the Town Council.

Section 28. Bereavement Leave

The Town of Franklin offers regular full-time employees paid bereavement leave to handle family affairs and/or attend the funeral, memorial, burial, or other related events after the loss of a family member in accordance with the following:

- Regular full-time employees will be eligible for bereavement leave across a seven-calendar-day period immediately following the loss as follows:
 - Up to five (5) consecutive days of bereavement will be available for the loss of an immediate family member defined as spouse, child, mother, father, grandparent, grandchild, sister, brother, aunts, uncles, mother-in-law, father-in-law, sister-in-law, or brother-in-law plus various combinations of half or step relationships that can be derived from those named.

Additional time may be taken with the approval of the employee's supervisor and should be charged to accrued and unused vacation or sick leave.

For bereavement leave due to the loss of other family members, regular full-time employees may request accrued unused vacation time to provide income replacement during this period of absence.

(a) Requesting Bereavement Leave

Employees must submit requests for bereavement leave to his or her supervisor. Bereavement leave requests must be approved by the employee's immediate supervisor. The supervisor shall respond to the leave request from the employee within a reasonable timeframe indicating that the request has been approved or denied.

The Town of Franklin reserves the right to request satisfactory

Section 29. Educational Leave

Upon recommendation of the department head, Human Resources Officer, and Town Manager, subject to the approval of the Town Council, an employee may be granted educational leave of absence without pay for a period not to exceed twelve (12) months, or Educational Leave with pay provided such arrangements are agreeable to all parties.

Section 30. Adverse Weather Policy

In the event of severe weather conditions the Town Manager or Human Resources Officer has the authority to alter the regular business day in accordance with the following guidelines:

Cancellation During the Workday

On the occasion of severe weather occurring during the routine office day, the decision to close Town offices early will be made by the Town Manager or Human Resources Officer. Department heads and supervisors will be notified.

Under no circumstances will department heads or line supervisors release employees and close operations without direct approval from the Human Resources Officer or Town Manager.

Employees who, of their own volition, leave work before an official early closing time has been announced, will be required to use accrued vacation leave or compensatory time for all time taken, or make up the time in the manner described below.

Delayed Opening of Town Offices

Following the occurrence of severe weather conditions overnight, Town offices will attempt to open on a regular schedule. Town employees should assess the road and travel conditions in their area and report to work as soon as practical using their own discretion. Employees should notify their supervisor or department head of their status.

Any employees not reporting to work for reason of adverse weather have the following options:

- a. Make up as much as 2 hours of work per work day by the end of the work week by working during lunch or before or after hours. All leave must be documented and approved by department heads. This must be done in order to be in compliance with Federal Fair Labor Standards.
- b. Using accrued compensatory leave.
- c. Using accrued vacation leave.

Exclusions From the Adverse Weather Policy

1. All law enforcement and emergency services personnel are specifically excluded from this policy. Work hours will continue to be set at the discretion of the respective department head or supervisor.
2. Maintenance and other departmental personnel necessary for snow removal operations or critical functions will work such hours as needed.

Section 31. Workers' Compensation Leave

An employee absent from duty because of sickness or disability covered by the North Carolina Worker's Compensation Act may receive Workers' Compensation benefits and may elect to use accrued sick or vacation leave during the first waiting period.

The employee will continue to accrue leave at his/her normal rate. The Town will continue to pay individual health insurance coverage on the employee, and may be permitted to continue to be eligible for benefits under the Town's other group insurance plans.

Upon retirement, an employee's salary will be computed on the basis of the last salary earned plus any increment or other salary increase to which the employee would have been entitled during the disability covered by Workers' Compensation.

Section 32. Leave Offsetting Policy

If employees work additional hours outside of their normal schedule in a work week in which they also have scheduled or taken time off be it vacation, sick, or comp time, the additional time worked "offsets" the time that the employee intended to cover with available time.

The number of leave hours originally charged must be reduced by the number of additional hours worked. This offset is mandatory; the employee cannot be paid both for the leave time and the time outside of the normal schedule.

Section 33. Leave Effect on Holidays

When an employee's work schedule encompasses a holiday, the employee will be eligible for 8 hours of holiday pay. If an employee uses sick, vacation, or comp time in conjunction with scheduled holiday pay the employee must equalize holiday pay to fit employee's approved work hours.

ARTICLE VIII. SEPARATION AND REINSTATEMENT

Section 1. Types of Separation

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, elimination of position, disability, voluntary retirement, dismissal or death.

Section 2. Resignation

An employee who desires to terminate his employment with the Town must give written notice to his immediate supervisor or department head two (2) weeks prior to his last intended day of employment. An employee who does not provide the required notification shall have recorded on his service record that he resigned without giving proper notice, and shall forfeit payment for accumulated vacation leave unless the notice is waived upon recommendation of the department head, Human Resources Officer and approved by the Town Manager.

An employee who is absent from work two (2) consecutive days without reporting to the supervisor the reason for his/her absence, shall be considered to have terminated his employment without notice, and notation to this effect shall be recorded on the employee's service record.

Section 3. Elimination of Position

(a) Reduction in Force. For reasons related solely to fiscal concerns either during preparation of the budget or after adoption of the budget, the Town Council may reduce the work force by elimination of any position or class of positions, by the reduction in the number of work hours for any position or class of positions, or by any combination of the elimination of positions and reduction in work hours. Employees who are separated because of reduction in force shall be given at least two (2) weeks notice of anticipated action. No regular/permanent employee shall be separated while there are temporary or probationary employees serving in the same class unless the regular/permanent employee is not willing to transfer to the position held by the temporary or probationary employee. Under the provisions of reduction in force, the Council has the option to make changes in work time and/or work load to accomplish the reduction. Employees who are separated because of reduction in force may be allowed to continue the health insurance program under COBRA regulations.

(b) Efficiency concerns. For reasons related to improvements in technology, operational changes, restructuring and shifts to duties between or among departments or divisions of departments, positions or classes of positions may be eliminated or the work hours reduced by the Town Manager in order to promote efficiency. Employees who are separated because of efficiency concerns shall be given at least two (2) weeks notice of anticipated action. No regular/permanent employee shall be separated while there are temporary or probationary employees serving in the same class unless the regular/permanent employee is not willing to transfer to the position held by the

temporary or probationary employee. Under the provisions of efficiency concerns, the Council have the option to make changes in work time and/or work load to accomplish efficiency desired. Employees who are separated because of efficiency concerns may be allowed to continue the health insurance program under COBRA regulations.

Section 4. Voluntary Retirement

Town employees participate in and are eligible to retire under the North Carolina Local Governmental Employees Retirement System. Any employee who is planning to retire must submit a written request to the Human Resources Officer at least (1) month prior to the planned effective retirement date. Those employees retiring from Town service shall be paid for all vacation leave not used at the time of retirement. Employees may apply all unused sick leave to retirement credit, in accordance with the N.C.G.S.

Section 5. Employee Appreciation Upon Retirement

When a full-time employee retires with an acceptable amount of service to the Town of Franklin, he or she will be awarded a plaque reflecting the Town Council's appreciation of service and a gift of the employee's choosing. If a 30 year or more employee so wishes, the Town will also host a reception for the retiring employee. Acceptable years of service and gift values are as follows; At least 30 years of service to the Town will warrant a \$300 gift, 20 - 29 years of service will be a \$200 gift, 15-19 years of service will be a \$150 gift, and 10-14 will be a \$100 gift.

Section 6. Death

All compensation due to an employee who dies while employed by the Town will be paid to the estate of the deceased employee. The date of death will be used as the date of termination of employment for the purpose of calculating compensation.

Section 7. Disciplinary Actions

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

Section 8. Reinstatement

An employee 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 and may be reinstated within six (6) months of the date of separation, with the approval of the department head and the Town Council, with full benefits. An employee who is reinstated shall be credited with previous service and previously accrued sick leave and will receive all benefits provided in accordance with this policy. The salary paid a reinstated employee shall be as close as reasonably possible, given the circumstances of each employee's case, to the salary step previously attained by the employee in the salary range for the previous class of work, plus any across-the-board pay increases.

An employee who resigns while in good standing may be rehired with the approval of the appointing authority, and shall be regarded as a new employee.

Section 9. Franklin Police – Service Weapons

A sworn full-time police officer may receive his or her service weapon upon retirement after 15 years of service to the Town of Franklin upon approval of the Police Chief and the Town Manager. The retiring officer will be required to pay an amount of \$1 for the weapon. The request for the service weapon must be in writing along with proper retirement notice.

ARTICLE IX. UNSATISFACTORY JOB PERFORMANCE AND DETRIMENTAL PERSONAL CONDUCT

Section 1. Policy

It is the policy of the Town to provide a fair and consistent process for correcting and improving performance problems and to take necessary disciplinary action when performance does not improve or when incidents occur involving unacceptable personal conduct or deficient performance.

Section 2. Disciplinary Action for Unsatisfactory Job Performance

A regular or permanent employee may be placed on disciplinary suspension (with or without pay), 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 Officer and Town Manager prior to giving final notice to the employee.

Section 3. 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 supervisor. 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, equipment and vehicles;
- 3) Physical or mental incapacity to perform duties as determined and documented by a physician with the concurrence of the Town Manager;
- 4) Discourteous treatment of the public or other employees;
- 4) Absence without approved leave;
- 5) Abuse of Town policies and regulations (more serious cases may be considered to be a failure in personal conduct);
- 6) Failure to obtain or maintain a current license or certificate required as a condition for performing the job;
- 7) Failure to report for duty at the assigned time and place;
- 8) Failure to meet standards such as completion of work within time frames established in work plan or work standards; or

- 9) Improper use of sick leave privileges;

Section 4. 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 is taken. The supervisor will discuss the warnings with the employee. All warnings shall be in writing and shall reflect the dates of discussions with the employee, the performance deficiencies discussed, the corrective actions recommended, and the time limits set for correction. Warnings shall be signed by the supervisor and the employee and placed in the employee's personnel file. If the employee's performance continues to be unsatisfactory, then the supervisor shall use the following disciplinary steps:

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

Section 5. Disciplinary Action for Detrimental Personal Conduct

For detrimental personal conduct a department head may immediately place an employee on disciplinary suspension without pay. With the approval of the department head, Human Resources Officer, and Town Manager, an employee may be demoted, or dismissed without prior warning for causes relating to personal conduct detrimental to Town service:

- 1) To avoid undue disruption of work;
- 2) To protect the safety of persons or property; or
- 3) For other serious reasons.

Disciplinary suspension should not normally exceed one workweek (usually 40 hours).

Section 6. 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 the 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) Commission of a felony or the entry of a plea of nolo contendere thereto;
- 3) Falsification of documents or records in connection with employment or application for employment;
- 4) Willful misuse or gross negligence in the handling of Town funds;
- 5) Willful or wanton damage or destruction to property;
- 6) Willful or wanton acts that endanger the lives and property of others;
- 7) Possession of unauthorized firearms or other lethal weapons on the job;
- 8) Brutality in the performance of duties;
- 9) Reporting to work under the influence of alcohol or drugs or partaking of such while on duty. Prescribed medication may be taken within the limits set by a physician as long as medically necessary;
- 10) Engaging in outside employment that has not been approved by the appropriate supervisor or that may create a conflict of interest with town employment;
- 11) Request or acceptance of gifts in exchange for favors or influence;
- 12) Engaging in political activity prohibited by this policy; or
- 13) Stated refusal to perform assigned duties or flagrant violation of work rules and regulations.

Section 7. Dismissal Conference

Before dismissal action is taken, whether for failure in personal conduct or failure in performance of duties, the Human Resources Officer and a department head will conduct a dismissal conference. At this conference, the employee may present any response to the proposed dismissal to the Human Resources Officer and department head. The Human Resources Officer and department head will consider the employee's response, if any, to the proposed dismissal, and notify the employee in writing of the final decision. If the employee is dismissed, the notice shall contain a statement of the

reasons for the action and the employee's right of appeal to the Town Manager. Final approval of any action must be made by the Town Manager. The Town Manager's decision is final. Any appeal of this decision must be made through appropriate judicial channels.

Section 8. 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 or when suspension would, in the opinion of the supervisor, be in the best interest of the Town, the department head, with the approval of the Human Resources Officer, may suspend the employee as a non-disciplinary action. In such cases, upon recommendation of the department head, the Human Resources Officer 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 to a different position or new duties and responsibilities in the same position with a salary commensurate with the new position or duties

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.

Section 9. Disciplinary Actions Temporary and Probationary Employees

Temporary and probationary employees may be demoted or dismissed at any time for unsatisfactory performance without any prior notice and without any rights of appeal. Such demotion or dismissal must be recommended by the temporary or probationary employee's Department Head and approved by the Human Resources Officer.

ARTICLE X. GRIEVANCE PROCEDURE

Section 1. Purpose

The grievance procedure provides an adequate and fair means for hearing matters of concern to Town employees.

Section 2. Coverage

This grievance procedure applies to all departments and all employees of the Town. A grievance is defined as any matter of concern or dissatisfaction arising from the working conditions of an employee, subject to the control of the Town.

Section 3. Policy

Every employee shall have the right to present a grievance in accordance with these procedures, with or without a representative, free from interference, coercion, restraint, discrimination, penalty, or reprisal. Employees will be allowed such time off from their duties as may be necessary and reasonable as determined by the department head or the Town Manager to prepare and present a grievance.

Section 4. Procedure

- A. Step One.** An employee must file a grievance, in writing, with the immediate supervisor within thirty (30) days of the date of the incident giving rise to the grievance. If the employee alleges sexual harassment by the immediate supervisor, the employee may file the complaint with the Human Resource Officer. If the grievance concerns an appeal of a dismissal, it shall be filed directly with the appointing authority at Step Three. The immediate supervisor shall meet with the employee within five (5) days of receipt of the grievance and attempt to resolve the grievance informally. If informal resolution efforts fail, the supervisor shall issue a written decision on the grievance not later than five (5) days following the meeting.
- B. Step Two.** If the employee is dissatisfied with the response at Step One, the employee may file the grievance in writing with the department head within five (5) days of receipt of the immediate supervisor's written decision. The grievance shall state concisely the basis for the complaint and, if based on alleged discrimination, indicate whether the alleged discrimination was based on race, color, religion, sex, national origin, political affiliation, nondisqualifying handicap, or age. The department head shall meet with the employee within five (5) days of receipt of the Step Two grievance, shall review the decision at Step One, and shall make an independent determination on the merits of the grievance. Within ten (10) days of the meeting the employee, the department head shall issue a written decision.

C. Step Three. If the employee is dissatisfied with the response at Step Two, the employee may forward the written grievance to the Town Manager within five (5) days of receipt of the Step Two decision. The Town Manager or the other appointing authority will render a written decision within fifteen (15) days of the receipt of the grievance. This grievance is final and any appeal must be addressed through the judicial system.

ARTICLE XI. PERSONNEL RECORDS

Section 1. Records

The Human Resources Officer will retain records necessary for the proper administration of the personnel system. (See Below)

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 to be necessary and essential to the pursuit of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution of the employee, or for the purpose of assisting in an investigation of the employee's tax liability.

However, the official having custody of the personnel records may release the name, address, and telephone number from a personnel file for the purpose of assisting in a criminal investigation.

- 6) An employee may sign a written release to be placed in his/her personnel file that permits the record custodian to provide, either in person, by telephone, or by mail, information specified in the release to prospective employers, educational institutions, or other persons specified in the release.
- 7) The Town Manager, with the concurrence of the Town Council, may inform any person of the employment, non-employment, promotion, demotion, suspension or other disciplinary action, reinstatement, transfer, or termination of a Town employee, and the reasons for that action. Before releasing that information, the Town Manager shall determine 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.

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

Section 4. Personnel Actions and Records

The Human Resources Officer, with the approval of the Town Manager, will prescribe necessary forms and reports for all personnel actions and will retain records necessary for the proper administration of the personnel system. The official personnel files are those which are maintained by the Human Resources Department. These files shall contain documents such as employment applications and related materials, records of personnel actions, documentation of employee warnings, disciplinary actions, performance evaluations, retirement and insurance records, letters of recommendation, and other personnel-related documents. Any documents not contained in these files or maintained as designated by the Human Resources Officer are not an official part of the personnel file.

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 (b), 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.

ARTICLE XII. TRAVEL AND TRANSPORTATION EXPENSES

Section 1. Policy

It is the policy of the Town to reimburse its employees, elected officials, and appointed officials for travel and transportation expenses directly related to official business of the Town. All travel costs will be paid directly to the individual incurring the expense and may not be billed to the Town without prior approval of the department head or the finance officer.

A separate travel policy has been developed for use in the Town of Franklin.

Section 2. Use of Town Owned Vehicles

All employees shall be given a copy of the Town of Franklin Vehicle Policy. All employees shall be asked to sign a statement acknowledging receipt of the policy and evidencing their willingness to comply with it.

Section 3. Travel Reimbursement

Employees and officials traveling on a reimbursable basis for the Town will keep an accurate record of their expenses. No reimbursement will be paid without a written travel claim signed by the employee and approved by the department head. Receipts for the cost of hotels and related travel expenses must be attached to the written claim.

Employees may use their personal vehicles for out of Town travel if they so choose, with prior approval of the department head. Reimbursement for mileage will be at the current N.C. State rate, which may be adjusted at any time by action of the Town Council.

ARTICLE XIII. IMPLEMENTATION OF POLICY

Section 1. Conflicting Policies Repealed

All policies, ordinances or resolutions that conflict with the provisions of this policy are hereby repealed. However, certain policies pertaining to competitive service personnel will be in effect if there is a conflict with these policies.

Section 2. Separability

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

Section 3. Effective Date

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

Section 4. Amendments

Amendments to these personnel policies shall be recommended by the Town Manager and Human Resources Officer and approved by the Town Council.