



PERSONNEL POLICY

Town of Waxhaw

Be it resolved by the Town Board of the Town of Waxhaw that the following policies apply to appointment, classification, benefits, salary, promotion, demotion, dismissal, and conditions of employment of the employees of the Town of Waxhaw.

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ARTICLE I. THE PERSONNEL SYSTEM

SECTION 1. PURPOSE OF THE POLICY

It is the purpose of this policy and the rules and regulations to set forth and establish a fair and uniform system of recruitment, selection, development, and personnel administration for all employees of the Town under the supervision of the Town Manager. This policy is established under authority of G.S. 160A-164 of the General Statutes of North Carolina.

The Town of Waxhaw is an “at will” employer. Nothing in this policy creates an employment contract or term between the Town and its employees, confers any rights or privileges upon employees, or entitles employees to remain employed by the Town. No person has the authority to grant any employee any contractual rights of employment. Any conflict between this policy and Town policy, state or federal law shall be deemed in favor for the higher authority.

SECTION 2. MERIT PRINCIPLE

All appointments, promotions and other personnel actions by the Town shall be made solely on the basis of merit and fitness. 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. All applicants for any position shall be evaluated using the same criteria. The Town of Waxhaw embraces the following merit system principles in administering its personnel program:

- a) 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. Individuals shall likewise be treated with proper regard for their privacy and constitutional rights as citizens.
- b) Persons with disabilities will be given equal consideration in all personnel actions, providing that they are able to perform the essential functions of the position. Reasonable accommodations will be made for disabilities of qualified applicants and employees in accordance with current federal and state law.
- c) Employees shall be recruited, selected, trained, and advanced on the basis of their relative ability, knowledge, and skill.
- d) Employees shall be retained on the basis of the adequacy of their performance and conduct. They shall be guided in ways to correct inadequate performance and separated when inadequate performance or conduct cannot be corrected.

- e) Employees shall be protected from harassment based on religion, age, creed, sex, national origin, color, race, disability, or any other affiliation as defined by law.
- f) Employees shall be protected against coercion for partisan political purposes.
- g) Employees shall receive equitable and adequate pay and benefits, and eligible employees shall receive merit pay increases based on the quality and quantity of their performance, subject to the availability of funds.
- h) The policy of the Town is to foster, maintain, and promote equal employment opportunity. All management and supervisory personnel shall be equally responsible for compliance with this policy, along with its implementation.

SECTION 3. RESPONSIBILITIES OF THE TOWN MANAGER

The Town Manager shall be responsible for:

- a) The administration of all personnel policies and rules that shall apply to all employees except those specifically exempt.
- b) The Town Manager shall prepare and establish such personnel rules and procedures necessary or desirable to implement the provisions of the Personnel Policy and carry out the intention of the Town Board. Such rules and procedures shall be in compliance with all applicable laws and regulations.
- c) The Town Manager shall appoint, suspend, and remove employees except those elected by the people or whose appointment is otherwise provided for by law.
- d) The Town Manager shall make appointments, dismissals and suspensions in accordance with G.S. 160A-148 and policies and procedures spelled out in other Articles in this Policy. The Town Manager may delegate the authority for appointment, transfer, suspension and removal of employees other than Department Heads to the appropriate Department Head.
- e) The Town Manager shall appoint a Human Resources Director to oversee all phases of personnel administration and to perform all duties essential to effective personnel administration as directed by the Town Manager.

SECTION 4. RESPONSIBILITIES OF THE HUMAN RESOURCES DIRECTOR

The responsibilities of the Human Resources Director are to make recommendations to the Town Manager and work in conjunction with Department Heads on the following:

- a) apply, interpret, and carry out these employee personnel policies, and the policies adopted hereunder, as directed by the Town Manager.
- b) make recommendations, as appropriate, to the Town Manager regarding Town personnel functions.
- c) recommend major rules and revisions to the personnel administration system to the Town Manager.
- d) establish, maintain, and administer compensation and benefit programs.
- e) recommend changes as necessary to maintain a current and accurate position classification plan; recommend necessary revisions to the pay plan.
- f) develop and administer a performance review program.
- g) coordinate personnel action processes and facilitate and document appropriate grievance processes to ensure the Town provides adequate consideration in resolving personnel actions.
- h) recommend or designate positions that shall be subject to the overtime provisions of FLSA.
- i) establish and maintain records relating to all persons in Town employment or service.
- j) develop and administer recruiting policies and programs to attract qualified applicants to meet the needs of the town.
- k) review, evaluate and provide training, development, wellness and educational programs for Town employees.
- l) encourage and exercise leadership in development of effective personnel administration within various Town departments.
- m) periodically investigate the operation and effect of the personnel provisions of this policy.

- n) issue and publish, as necessary, administrative directives, supplements, interpretations, policy statements, forms, reports, and other personnel materials necessary for the proper functioning and maintenance of the Town Personnel Policy.
- o) perform such other duties as may be assigned by the Town Manager not inconsistent with this policy.

SECTION 5. EMPLOYEES SUBJECT TO PERSONNEL POLICY

The personnel policy and all rules and regulations adopted shall be applicable to all employees except as provided below or as stated elsewhere in this policy:

- a) Elected officials shall be exempt from the provisions of this policy.
- b) Employees of advisory or special boards and commissions who work an irregular schedule shall be exempt from all provisions of this policy.
- c) Town Attorney shall be exempt from the provisions of this policy.

SECTION 6. DEPARTMENTAL RULES AND REGULATIONS

Due to the particular personnel and operational requirements of the various departments of the Town, each department is authorized to establish supplemental administrative policies, procedures, written rules, regulations, and guidelines applicable only to the personnel of that department. All such rules, regulations, and guidelines shall be reviewed and approved by the Town Manager in consultation with the Human Resources Director and shall not in any way conflict with the provisions of this Policy, but shall be considered as a supplement to this Policy. In the event of any conflict, the provisions of this policy shall take precedence over any departmental rules, regulations, and guidelines.

SECTION 7. DEFINITIONS

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

Adverse Action: An involuntary demotion, an involuntary reduction in pay, an involuntary transfer, a suspension without pay, a layoff, or a dismissal.

Catastrophic Illness: Catastrophic illness shall be defined as a life threatening injury or illness requiring long term treatment.

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

Continuous Service: Years of regular service with the Town of Waxhaw, either full or part-time, without a termination and rehire of employment. This does not include Family and Medical Leaves of Absence. If an employee leaves the employment of the Town of Waxhaw and returns in a full or part-time capacity within one year they will be deemed to have not lost seniority.

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

Full-time or Regular Employee: An employee who is in a position which is authorized for an average workweek of at least thirty hours and budgeted for at least twelve months and who are participating in the Local Government Employees Retirement system shall be considered a **full time or regular** employee.

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

Part-time Employee: An employee who is in a position which is authorized for an average workweek of at least twenty hours but less than thirty hours and budgeted for at least twelve months.

Immediate Family: A spouse, mother, father, guardian, children, sister, brother, niece, nephew, grandparents, grandchildren of an employee plus the various combinations of half, step, in-law, common law marriages, same sex couples, and adopted relationships that can be derived from those named.

Intern: A temporary position either paid or unpaid with an emphasis on on-the-job training rather than merely employment. An internship should be no longer than one year unless approved by the Town Manager.

Pay Plan: A schedule of sequential pay ranges arranged by sequential rates as approved by the Town Board.

Permanent Position: A position authorized for the budget year for a full twelve months and budgeted for twenty or more hours per week. Permanent positions or employment should not be construed as a contract or right to perpetual funding or employment. The Town Manager may move employees to various positions within Town Government provided such transfer does not conflict

with Town policy and/or general statutes.

Position Classification Plan: A plan approved by the Town Manager that assigns classes (positions) to the appropriate level of the pay plan.

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

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 the classification from which the reassignment is made.

Reclassification: The reassignment of an existing position from one class to another based on changes of job content.

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

Temporary Employee: An employee appointed to a position for which either the average workweek required by the Town over the course of a year is less than twenty hours, or continuous employment required by the Town is less than twelve months.

Temporary Position: A position for which the duties and responsibilities are required to be met for a specific short period of time, normally not to exceed twelve months, and which may or may not require attendance by a person for a full work day and/or workweek. In some situations, temporary positions may last indefinitely due to a need for intermittent work to support a department's operations.

Town Board: The Waxhaw Town Board.

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

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

Work Week: The hours or days of work in a seven calendar day period.

ARTICLE II. POSITION CLASSIFICATION PLAN

SECTION 1. PURPOSE

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

SECTION 2. COMPOSITION OF THE POSITION CLASSIFICATION PLAN

The position 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 position 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

- a) The Town Manager, or persons designated by the Town Manager, shall be responsible for the administration and maintenance of the position classification plan.
- b) Department Heads shall be responsible for bringing to the attention of the manager the need for positions and material changes in the nature of duties, responsibilities, working conditions, or other factors affecting the classification of any existing position. Upon receipt of such request, the Department Head and Human Resources Director shall study the request, determine the merit of the reclassification, and recommend in writing any necessary revisions to the classification and pay plan to the Town Manager within ten (10) calendar days of receipt of the request.
- c) The Town Manager, in conjunction with the Human Resources Director and Department Heads, shall periodically review portions of the classification plan and recommend appropriate changes to the Town Board. Periodically, the Town Manager may find it necessary to enlist the help of sources outside the Town Staff to ensure that the classification plan reflects the present situation in the various jobs required by the Town.
- d) The Town Manager may amend the classification plan based on internal and external analyses and surveys. Changes shall not increase the number of authorized positions approved by the Town Board; that number shall be increased only with the approval of the Town Board.

ARTICLE III. THE PAY PLAN

SECTION 1. APPROVAL OF THE PAY PLAN

As part of the annual budget process, the Town Manager shall recommend a pay plan to the Town Board. The adoption of the annual budget along with related pay appropriations shall constitute approval of the Pay Plan, and shall include all permanent classes of positions included in the classification plan.

SECTION 2. ADMINISTRATION AND MAINTENANCE

- a) The pay plan is intended to provide equitable compensation for all positions, reflecting differences in the duties and responsibilities, the comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial conditions of the Town, and other factors. To this end, from time to time the Town Manager shall authorize comparative studies of all factors affecting the level of salary ranges and will recommend to the Town Board such changes in salary ranges as appear to be pertinent.
- b) The pay plan shall be administered in a fair and systematic manner in accordance with work performed. The pay structure shall be externally competitive, shall maintain proper internal relationships among all positions based on relative duties and responsibilities, and shall recognize performance as the basis for pay increases within the established range.
- c) As needed, the Town Manager shall assign and reassign positions to the pay grades established by the pay plan.

SECTION 3. MERIT INCREASES

Pay increases based on employee performance may be granted to deserving employees and according to the following provisions;

- a) When the employee satisfactorily completes the required probationary period.
- b) When such increases can be offered under that current year's budgetary constraints.
- c) The budget for such increases shall be determined on an annual basis pursuant to the adoption of the budget by the Town Board.

- d) The Town Manager is responsible for establishing appropriate systems and guidelines for implementing this merit provision and to see that it is carried out in a responsible manner.

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

SECTION 4. MERIT BONUS

Employees who are at the top salary of the salary range for their position classification are eligible to be considered for a merit bonus at their regular performance evaluation time. 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. Merit bonuses do not become part of base pay and shall be awarded in a one-time lump sum payment in each year that the annual performance evaluation would result in the employee's qualifying for such a payment.

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 seek employees on the basis of the applicant's qualifications for the job and award them, with respect to compensation and opportunity for training and advancement, including upgrading and promotion, without regard to age, sex, race, color, religion, national origin, non-disqualifying disability, political affiliation, or marital status. 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 2. IMPLEMENTATION OF EQUAL EMPLOYMENT OPPORTUNITY POLICY

All personnel are responsible for understanding the Town's Equal Employment Opportunity Policy to help ensure that the policy complies with notices with regard to equal employment matters. EEO policy shall be posted in conspicuous places on Town premises in places where notices are customarily posted.

SECTION 3. RECRUITMENT, SELECTION AND APPOINTMENT

Application for Employment: All applications shall be submitted to the Human Resources Director directly. Unsolicited applications should be forwarded to the Human Resources Office immediately. Applications shall be kept in an inactive reserve file for a period of two years.

Recruitment and Selection: The Human Resources Director shall be responsible for working with the Department Head or other designated employee to publicize position vacancies or opportunities for employment. Recruiting announcements shall include information pertinent to the position/work involved and should contain the statement "Equal Opportunity Employer." Information on job openings and hiring practices will be published in a variety of areas in an effort to obtain a quality and diverse pool of applicants. In addition, notice of vacancies may be posted internally for a period of five working days. In rare circumstances the Town may hire or promote without advertising jobs upon approval of the Town Manager. In such situations, explanatory documentation regarding the condition(s) that precipitated the hiring or promotion shall be generated by the Town Manager and maintained by the Human Resources Director.

Department Heads, with the guidance and assistance of the Human Resources Director, shall schedule and conduct such examinations as necessary to assess accurately the knowledge, skills, experience and other qualifications required for the position. Employees shall be appointed according to procedures established by the Town Manager.

SECTION 4. PROBATIONARY PERIOD

An employee appointed or promoted to a permanent position shall serve a probationary period. Non-police employees shall serve a six-month probationary period. Sworn police employees shall serve a period of eighteen months. During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. Before the end of the probationary period, the supervisor shall conduct a performance evaluation conference with the employee and discuss accomplishments, strengths, and needed improvements. A summary of this discussion shall be documented in the employee's personnel file. The supervisor shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted, or dismissed. The supervisor may elect to recommend an increase in salary from one percent up to, but not to exceed, five percent. Probationary periods may be extended for a maximum of six additional months.

Employees serving a probationary period following initial employment in a permanent position shall receive all benefits provided in accordance with this POLICY with the following exceptions or as otherwise provided:

- a) The employee serving an initial probationary period may be dismissed at any time during the probationary period.
- b) An employee who is dismissed during the initial probationary period is not entitled to appeal that decision through the Town's grievance procedure.
- c) An employee serving an initial probationary period is not entitled to any vested property rights in his/her employment position.

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

Probationary Period following Promotion: Employees serving a probationary period following a promotion shall continue to receive all benefits provided in accordance with this policy and under supplementary rules and regulations.

Reinstatement: An employee who has been separated because of reduction in force or who has resigned while in good standing shall be credited with previously accrued sick leave if the employee is reinstated within one year.

ARTICLE V. CONDITIONS OF EMPLOYMENT

SECTION 1. FAIR LABOR STANDARDS ACT

The Town shall comply with all applicable provisions of the Fair Labor Standards Act. Every effort is made to ensure that pay is calculated correctly and that deductions are properly applied. For those employees covered by the overtime provisions of the FLSA, compensatory time shall be the preferred method of compensation for overtime hours.

- a) Full-time non-exempt employees shall normally work forty hours per work period, which is composed of exactly seven (7) consecutive calendar days.
- b) Employees designated as exempt employees in administrative, professional or managerial positions shall work the number of hours necessary to assure the satisfactory performance of their duties and are not eligible for overtime payments.
- c) Police officers who qualify for the 7(k) exemption shall work a 28-day work period of 171 hours before being eligible for overtime.

Exempt: Employees in positions determined to be "exempt" from the FLSA (as Executive, Administrative, Professional staff, etc.) will not receive pay for hours worked in excess of their normal work periods, a normal work period being 40 hours within a 7 day period, unless otherwise established as employment conditions by the Town Manager. Department Heads will monitor exempt employee time worked over 40 hours in a week and may show flexibility to grant time off where the convenience of the department allows and in accordance with procedures established by the Town Manager. Such time is not guaranteed to be taken and ends without compensation upon separation from the organization. All policies may be adjusted by the Town Manager as necessary.

Non-Exempt: Non-exempt employees will be paid at a straight time rate for hours up to the FLSA established limit for their position (usually 40 hours in a 7 day period; 171 hours for police personnel in a 28 day cycle). Hours worked beyond the FLSA established limit will be compensated in pay at the appropriate overtime or compensation time rate. In determining eligibility for overtime or comp time in a work period, only hours actually worked shall be considered.

SECTION 2. SAFETY

The Town has established a Safety Committee with representatives from each department for the purpose of implementing a safety program. The program includes policies and procedures in regards to safety practices and precautions and training in safety methods. A current safety manual shall be provided within each department as well as regular training opportunities for employees. Employees shall follow the safety policies and procedures and attend safety training programs as a condition of employment. Employees who violate such policies and procedures shall be subject to disciplinary action up to and including dismissal. Department Heads and supervisors, with input from the Safety Committee, are responsible for insuring the safe work procedures of all employees and providing necessary safety training programs.

SECTION 3. USE OF TOWN EQUIPMENT

Employees operate Town equipment to serve the public. Town equipment is purchased with public funds and should only be used for work-related purposes. The Town Manager may authorize the use of minor equipment such as speakers for public events. The sponsoring organization shall be responsible for the equipment and shall return the equipment in the condition in which it was loaned. Use of Town equipment for personal purposes shall be deemed unsatisfactory job performance, unless otherwise approved by the Town Manager.

SECTION 4. USE OF TOWN-OWNED VEHICLES

Town of Waxhaw may assign employees the use of vehicles for commuting purposes, between work and home, when it is necessary for the performance of duties related to the delivery of essential services. The Department Head shall make recommendations on who may have a take home vehicle. Town employees who live outside the Town will not be allowed to commute in Town vehicles unless it is in the best interests of the Town as determined by the Town Manager.

Approved commuters are permitted the use of Town vehicles assigned to them for: 1) travel between work and home, or 2) to obtain meals and other work related necessities while on duty. Officers that are working off-duty police-related functions may use their take-home vehicle.

Employees using the Town vehicles shall ensure that the vehicle is kept in good and serviceable condition. The vehicle is expected to be cleaned both inside and outside and maintained in compliance with the schedule developed by the Town Mechanic. Fuel use should be logged as directed by the Town.

Persons employed by the Town shall not, under any circumstances operate Town-owned, leased, or rented vehicles, or personal vehicles while on Town business in a reckless manner including dangerous or unsafe driving maneuvers and/or while under the influence of alcohol or drugs, including prescription drugs.

SECTION 5. OUTSIDE OR SUPPLEMENTAL EMPLOYMENT

The work of the governmental unit shall have precedence over the other occupational interests of employees. All outside unemployment must be reported to and approved by an employee's Department Head. Unreported or conflicting outside employment shall be grounds for dismissal or other disciplinary action. Outside and supplemental activities shall not entail the occupation of time or effort while the employee is on duty for the Town and no property of the Town or property leased or rented by the Town shall be used in this pursuit. No person holding a Town job that requires a specialization or knowledge can partake in a private business where this knowledge and influence associated with their Town position could play a factor in the success of this endeavor. Conflicting or unreported outside employment is grounds for disciplinary action up to and including dismissal.

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

- a) employment with organizations or in capacities that are regulated by the employee or employee's department; or
- a) 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.
- b) Employment in which sales are made to the Town government.

SECTION 6. EMPLOYMENT OF RELATIVES

The Town prohibits the hiring and employment of immediate family of current employees or elected officials if such employment will result in one member supervising the other or in one member occupying a position that has influence over the other's employment, promotion, salary administration, or related management or personnel considerations. Immediate family is defined in Article I: Section 7. Upon such event, the Town reserves the right to transfer one or both of the employees to another available position for which they are qualified to perform to avoid an actual or potential conflict of interest, or one or both parties may be subject to dismissal.

Public Safety Exemption: The Town Manager may waive this policy for any public safety department of the Town employing at least 25 full-time employees. However, employees in the

same department under this exception cannot be in a supervisory relationship. The Town may reassign either employee within the department to comply with this directive. By accepting employment with the Town, related employees under this exemption acknowledge that their promotional opportunities with the department may be limited due to this relationship.

SECTION 7. ACCEPTANCE OF GIFTS AND FAVORS

All employees must comply with governing North Carolina statutes and laws related to acceptance of gifts and favors. These statutes include but are not limited to N.C.G.S. 14-234 and 133-32. In addition, employees must comply with the Town of Waxhaw Code of Ethics as adopted by the Town Board, adopted March 8, 2016 as amended.

SECTION 8. POLITICAL ACTIVITY

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

- a) Engage in any political or partisan activity while on duty;
- b) Use official authority or influence for the purpose of interfering with or affecting the result of a nomination or an election for office;
- c) Conduct town business with or disclose personnel information to any board member who may be related;
- d) Be required as a duty of employment or as condition for employment, promotion or tenure of office to contribute funds for political or partisan purposes;
- e) Coerce or compel contributions from another employee of the Town for political or partisan purposes;
- f) Use any supplies, equipment or facilities of the Town for political or partisan purposes; or
- g) Be a candidate for nomination or election to office under the Town Charter;

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

SECTION 9. EMPLOYEE PERFORMANCE AND CONDUCT; HARRASSMENT

Employees are required to conduct themselves in a professional and productive manner and in compliance with Town and departmental policies and rules. An employee may be reprimanded, suspended, demoted, or dismissed for just cause, related to unsatisfactory work performance or to conduct that is unacceptable to the Town. The Town Manager shall develop and implement appropriate rules and procedures concerning disciplinary action that are in compliance with relevant laws and regulations and in accordance with acceptable personnel practices. Employees who have completed the initial probationary period may appeal disciplinary actions through the Town's grievance process.

The Town opposes and shall not permit harassment or a hostile work environment in any form. Unlawful workplace harassment is unwelcome or unsolicited speech or conduct based upon race, sex, creed, religion, national origin, age, color, or handicapping condition towards an individual or that of his/her relatives, friends, or associates that creates a hostile work environment or circumstances involving quid pro quo for the employee.

SECTION 10. GRIEVANCES

A grievance may arise concerning conditions of employment or disciplinary actions taken. The Town Manager is responsible for developing and maintaining appropriate procedures for grievances.

ARTICLE VI. HOLIDAYS AND OTHER LEAVE

SECTION 1. HOLIDAYS

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

| | |
|--|--------------------------------|
| New Year's Day | July 4 th |
| Martin Luther King's Birthday | Labor Day |
| Good Friday or Easter Monday | Veteran's Day |
| Memorial Day | Thanksgiving Day and Day After |
| Employee's Birthday | December 24, 25, 26 |
| Personal/Floating Holiday (Name Change Only) | |

When any recognized holiday falls on Saturday or Sunday, the preceding Friday or the following Monday will be the designated holiday, or as determined by the Town Manager.

All full-time employees required to work on an observed holiday shall be paid at their regular rate of pay for actual hours worked on the holiday if it is not feasible for the Department Head to grant compensatory time off. This shall be in addition to the regular rate of pay to compensate the employee for the designated holiday.

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

Holiday Leave: Manner of Taking

All full-time employees are entitled to holiday leave in the amount of eight hours with the exception of sworn police officers who shall receive twelve hours for the following holidays: Personal/Floating Holiday, Employee's Birthday.

SECTION 2. VACATION LEAVE

Each full-time non-law enforcement employee shall earn paid vacation according to their length of continuous service as follows:

Vacation Leave: Accrual Rate for Non-Law Enforcement Employees

| <u>Years of Aggregate Service</u> | <u>Hours Earned in One Month</u> | <u>Hours Earned in One Year</u> |
|-----------------------------------|----------------------------------|---------------------------------|
| Less than 5 years | 8 hours | 96 |

| | | |
|---------------------|----------|-----|
| 5 but less than 10 | 10 hours | 120 |
| 10 but less than 15 | 12 hours | 144 |
| 15 but less than 20 | 14 hours | 168 |
| 20 years or more | 16 hours | 192 |

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 workweek is more than forty (40) hours shall earn annual leave in direct proportion to their workweek.

Each full-time (sworn) law-enforcement employee shall earn paid vacation according to their length of continuous service as follows:

Vacation Leave: Accrual Rate for Sworn Officers

| Annual Standard Officer Hours | % of Standard | Years of Aggregate Service | Hours Earned in One Month | Hours Earned per Pay cycle | Annual |
|--------------------------------------|----------------------|-----------------------------------|----------------------------------|-----------------------------------|---------------|
| 2184 | 105% | Less than 5 years | 8.4 | 3.88 | 100.8 |
| 2184 | 105% | 5 but less than 10 | 10.5 | 4.85 | 126 |
| 2184 | 105% | 10 but less than 15 | 12.6 | 5.82 | 151.2 |
| 2184 | 105% | 15 but less than 20 | 14.7 | 6.78 | 176.4 |
| 2184 | 105% | 20 years or more | 16.8 | 7.75 | 201.6 |

Vacation Leave: Maximum Accumulation Rate

Vacation leave may be accumulated up to 240 hours which equates to six business weeks. Effective the last payroll in the fiscal year, any employee with more than 240 hours of accumulated leave shall have the excess accumulation converted to sick leave.

Vacation Leave: Manner of Taking

Employees shall be granted the use of earned vacation leave upon request through the Town’s time management system. Any amount of vacation leave requested for over three weeks shall be approved by the Town Manager. If more than one employee requests the same vacation dates and those requests cannot all be granted due to staffing reasons, particularly in conjunction with designated holidays, the Department Head shall make a determination as to the granting of vacation so as to give all employees equal opportunities for consideration.

Department Heads are responsible for ensuring that approved vacation leave does not hinder the effectiveness of service delivery.

SECTION 3. SICK AND BEREAVEMENT LEAVE

Sick leave may be granted to an employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examinations or treatment, or exposure to a contagious disease, and when continuing work might jeopardize the health of others. Sick leave is not to be used for absence during adverse weather conditions or in place of a holiday.

Sick leave may be used when an employee must care for a member of his or her immediate family (as defined in Article I, Section 7) who is ill or must attend to the medical needs of a family member.

Bereavement Leave: Full-time Employees

Sick leave may also be used for death in the employee's immediate family but may not exceed four eight hour days (32 hours total) for any one occurrence. Additional leave time required for such an occurrence may be charged to vacation or other approved leave such as compensatory time when approved by the Department Head and/or Town Manager.

Bereavement Leave: Full-time Sworn Officers

Full-time sworn officers will receive twelve hours sick leave per day for a maximum of four days (48 hours total), with any additional leave time required charged to vacation or other approved leave such as compensatory time when approved by the Department Head and/or Town Manager.

Sick leave may also be used to supplement Workers' Compensation Disability Leave both during the waiting period before Worker's Compensation benefits begin, and afterward to supplement the remaining one third of salary, except that employee may not exceed the regular gross salary amount using this provision no more than 90 days. Notification of the desire to take sick leave shall be submitted to the employee's supervisor prior to the leave or according to departmental procedures. In order to facilitate the recruitment of qualified persons with appropriate public sector experience, the Town Manager may authorize the carry-over of all or a portion of the unused sick leave that has been certified as accumulated during their last employment with a past state or local government employer. A letter stating the final amount of unused sick leave must be gained from the past employer before carry-over can be completed.

Sick Leave: Accrual Rate and Accumulation

Sick leave shall accrue at a rate of one eight (8) hours per month of service, following the first thirty (30) days of active service. Sick leave will be cumulative for an indefinite period of time and may be converted upon retirement for service credit consistent with the provisions of the

North Carolina Local Government Employees' Retirement System. All sick leave accumulated by an employee shall terminate without compensation when the employee resigns or is terminated for cause from the Town, except as stated for employees retiring.

SECTION 4. MILITARY LEAVE

Full-time employees who are members of an Armed Forces Reserve organization, National Guard or U.S. Coast Guard shall be granted two calendar weeks per year for military leave with pay. On rare occasions due to annual training or deployment being scheduled on a local government fiscal year basis, an employee may be required to attend two periods of training in one calendar year. If such duty is required beyond these ten workdays, the employee shall be eligible to take accumulated vacation leave or be placed in a leave without pay status, and the provision of that leave shall apply. While taking military leave, the employee's leave credits and other benefits shall continue to accrue as if the employee physical remained with the Town during this period. Employees who are eligible for military leave have all job rights specified by the USERA. While on deployment, the employee may elect to be temporarily removed from the Town's healthcare program.

SECTION 5. CIVIL LEAVE

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

SECTION 6. LEAVE WITHOUT PAY

Upon the request of the Department Head and with the approval of the Town Manager, an employee may be granted a leave of absence without pay for reasons of personal disability, personal illness, or family illness. Leave without pay may also be granted for completion of education, or special work which will permit the Town to profit by the experience gained or the work performed, or for other reasons deemed justified by the Town Manager.

An employee shall retain all unused holiday, vacation and sick leave while on Leave Without Pay. During leave without pay, the employee shall not accrue employment benefits such as vacation pay, sick pay, pension, 457 benefits, etc. The employee may continue to be eligible for benefits under the Town's group insurance plans at his or her own expense, subject to any regulation adopted by the Town Board and the regulations of the insurance carrier.

SECTION 7. FAMILY MEDICAL LEAVE ACT

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

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

ARTICLE VII. EMPLOYEE BENEFITS

SECTION 1. ELIGIBILITY

All full-time employees of the Town of Waxhaw are eligible for employee benefits as provided for in this policy. These benefits are subject to change at the Town's discretion. Temporary employees are eligible only for workers' compensation and FICA.

SECTION 2. INSURANCE PROGRAMS

The Town may make group life, accident, sickness, and group hospitalization insurance programs available to full-time employees. Employees shall be enrolled in the programs upon their request or in accordance with the provision of the insurance contracts, and the Town shall participate in the cost of programs, as approved by the Town Board. Temporary employees are eligible only for worker's compensation and FICA.

SECTION 3. RETIREMENT BENEFITS

All full-time employees shall be enrolled in the Local Government Employees' Retirement System. Employees will contribute 6% of their salary (or the amount set by the Retirement System), and the Town will contribute an actuarially determined percentage.

SECTION 4. SUPPLEMENTAL RETIREMENT BENEFITS

The Town may provide supplemental retirement benefits for its employees. Each law enforcement officer shall receive supplemental benefits as prescribed by North Carolina State Law beginning on the first day of employment. A special separation allowance shall also be provided to law enforcement officers who meet the qualifications as prescribed by North Carolina State Law. Each general employee may receive supplemental benefits as approved by the Town Board. Qualified employees shall receive from the 401K plan, Section 457 benefits, or similar contributions as provided by the Town upon their first day of employment unless otherwise directed by the Town manager.

SECTION 5. WORKERS' COMPENSATION

All employees of the Town (full-time, part-time, and temporary) are covered by the North Carolina Workers' Compensation Act. This act provides coverage to all employees to cover medical expenses and lost time from work due to work-related injuries. The Town shall comply with all applicable workers' compensation laws and regulations.

SECTION 6. UNEMPLOYMENT INSURANCE

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

SECTION 7. EDUCATIONAL REIMBURSEMENT

The Town of Waxhaw encourages continuing education and will reimburse full-time employees for certain educational expenses upon successful completion of coursework, provided that such expenses have not been paid by an outside agency. The Town Manager shall develop appropriate procedures for the reimbursement of educational expenses.

SECTION 8. LONGEVITY PAY

Full-time employees of the Town, who have been with the Town of Waxhaw for five (5) consecutive years as of July 1, 2022, are eligible for longevity pay. Longevity pay is given as a lump sum payment, payable to employees on their anniversary date. Longevity pay is calculated based on years of service in the following manner:

| <u>Years of Service</u> | <u>Longevity Amount</u> |
|-------------------------|-----------------------------|
| 5-9 | .5% of annual salary |
| 10-14 | 1.0% of annual salary |
| 15-19 | 1.5% of annual salary |
| 20-24 | 2.0% of annual salary |
| 25-29 | 2.5% of annual salary |
| 30+ | 3.0% of annual salary (cap) |

REVISIONS

12.11.2018: ARTICLE V: SECTION 6. EMPLOYMENT OF RELATIVES

08.09.2022: LONGEVITY REINSTATED AS OF JULY 1, 2022

11.14.2023: ADD VETERAN’S DAY FOR ALL EMPLOYEES; CHANGE PERSONAL DAY TO PERSONAL/FLOATING DAY FOR ALL EMPLOYEES. INCREASE SWORN LAW ENFORCEMENT OFFICER VACATION ACCRUAL FOR PERSONAL/FLOATING HOLIDAY & EMPLOYEE’S BIRTHDAY TO TWELVE HOURS FROM EIGHT. UPDATE BEREAVEMENT LEAVE TO TWELVE HOURS PER DAY FOR SWORN LAW ENFORCEMENT OFFICERS.