



Town of Micro
Board of Commissioners Meeting AGENDA
Tuesday - February 11, 2025
7:00 p.m.
Micro Town Hall

1. CALL TO ORDER

- Call to Order
- Pledge of Allegiance
- Invocation

2. PUBLIC COMMENT

3. ADJUSTMENT/ADOPTION OF THE AGENDA

- a. Adjustments to the Agenda

- b. Adoption of the Agenda

POTENTIAL ACTION:

Adoption of Agenda

4. CONSENT AGENDA

(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further discussion.)

- a. Draft Minutes
 - *January 14, 2025 – Regular Session*
 - *January 28, 2025 – Special Meeting*

POTENTIAL ACTION:

Adoption of Consent Agenda as Presented

5. SPECIAL PRESENTATION/INTRODUCTIONS

6. FINANCIAL REPORT

- a. Financial Report

7. PLANNING BOARD REPORT

- a. Planning Board/BOA Report
Presenter: Planning Board Representative

8. OLD BUSINESS

- a. Resolution Adopting Personnel Policy
Presenter: Kimberly A. Moffett, Interim Town Clerk
 - *Personnel Policy*
 - *Resolution*

POTENTIAL ACTION:

Adoption of Resolution #2025-08

9. PUBLIC HEARINGS

10. NEW BUSINESS

- a. Resolution Adopting Conflict of Interest Policy as Related to AIA-W-ARP-0037 & AIA-D-ARP-0038
Presenter: Kimberly A. Moffett, Interim Town Clerk

- *Resolution*

POTENTIAL ACTION:

Adoption of Resolution #2025-09

- b. Resolution Adopting Non-Crimination Policy as Related to AIA-W-ARP0037 & AIA-D-ARP-38
Presenter: Kimberly A. Moffett, Interim Town Clerk

- *Resolution*

POTENTIAL ACTION:

Adoption of Resolution #2024-10

11. COMMISSIONER REPORTS

- a. Special Events Report
Presenter: Katy Garcia, Commissioner

12. CLOSED SESSION

13. ADJOURNMENT

- a. Adjourn the Meeting

POTENTIAL ACTION:

Motion to Adjourn

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Town of Micro
North Carolina
PERSONNEL POLICY

EFFECTIVE
INSERT DATE



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ARTICLE I. GENERAL PROVISIONS

Section 1. Purpose of the Policy

The purpose of this policy is to establish a just and consistent system for personnel administration, applicable to all employees of the Town under the supervision of the mayor. The authority for this policy derives from Chapter 160A, Article 7, of the North Carolina General Statutes.

None of the benefits or policies set forth in these policies are intended, because of their publication, to confer any rights or privileges upon employees or to entitle them to be or remain employed by the Town. The contents of this document are presented as a matter of information only.

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

Notwithstanding any of the provisions within these policies, employment may be terminated at any time, either by the employee or by the Town, with or without cause and without advance notice.

Section 2. At Will Employment

The employment relationship between the Town and the employee is terminable at the will of either at any time and with or without cause and with or without notice. No employee, officer, or representative of the Town has any authority to enter into any agreement or representation, verbally or in writing, which alters, amends, or contradicts this provision or the provisions in these policies. Any exception to this policy of at-will employment must be expressly authorized in writing, approved by the Governing Board and executed by the officers designated by the Governing Board.

Section 3. Merit Principle

The Town upholds a non-discriminatory policy, and no applicant for employment or current employee will face employment-related disadvantages or adverse treatment due to their race, color, religion, gender, national origin, political affiliation, sexual orientation, age, disability, genetic information, marital status, veteran status, or on the basis of actual or perceived gender identity. This commitment fosters an inclusive and diverse workforce, promoting equal opportunities for all individuals based solely on merit.

Section 4. Role of the Governing Body

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

Section 5. Role of the Mayor

The mayor holds the responsibility of overseeing the personnel program and providing technical direction to the Governing Body. The role includes appointing, suspending, and removing Town employees, except for those whose appointments are specified by law. All appointments, dismissals, and suspensions are carried out in adherence to the Town Charter and other relevant policies outlined in this Policy. The mayor is involved in the following areas:

- 1) Recommending rules and revisions to the personnel system to the Governing Body for consideration.
- 2) Ensuring an accurate and current position classification plan by making necessary adjustments as needed.
- 3) Preparing and proposing revisions to the pay plan.
- 4) Determining which employees are subject to the overtime provisions of the Fair Labor Standards Act (FLSA).
- 5) Overseeing the development and implementation of recruiting programs aimed at attracting competent applicants to fulfill the needs of the Town.
- 6) Undertaking additional duties assigned by the Governing Body that align with this Policy.
- 7) Appointing an employee to serve as the Human Resources Director, if applicable, to fulfill crucial roles in managing personnel matters with the Town.

Section 6. Role of the Human Resources Director (if applicable)

The Human Resources Director shall be responsible for ensuring the establishment, implementation, and management of a modern personnel system that embodies the Equal Employment Opportunity and Non-discrimination as envisioned by the Town. The Town Clerk shall act as and fulfill the duties of the Human Resources Director unless otherwise designated by the Mayor. Those responsibilities include, but shall not be limited to, the following:

- 1) Providing recommendations for rules and revisions to the personnel system to the mayor for consideration.
- 2) Recommending changes as necessary to maintain an up-to-date and accurate position classification plan.
- 3) Suggesting necessary revisions to the pay plan.
- 4) Recommending which employees should fall under the provisions of the Fair

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- Labor Standards Act (FLSA).
- 5) Maintaining a comprehensive roster of all individuals in the Town's service.
 - 6) Establishing and updating a list of authorized positions in the Town's service at the start of each budget year, including class titles, salary ranges, position numbers, and any relevant changes.
 - 7) Developing and administering recruiting programs to ensure a competent pool of applicants to meet the Town's needs.
 - 8) Coordinating training and educational programs for Town employees.
 - 9) Periodically investigating the operation and impact of the personnel provisions outlined in this Policy.
 - 10) Undertaking any other duties assigned by the mayor that align with this Policy.

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

The personnel policy and its associated rules and regulations shall be binding on all Town employees. However, certain individuals, including the [Mayor, Town Attorney, members of the Governing Body, and advisory boards and commissions], will be exempted from the policy unless specifically included in certain sections.

An employee found in violation of this policy will be subject to appropriate disciplinary action and may also face prosecution under applicable civil or criminal laws for any offenses committed.

Section 8. Departmental Rules and Regulations

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

Section 9. Definitions

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

Allocated Position. An authorized regular position approved by the Governing Body, which entails a specific job title, salary grade, salary range, duties, and minimum qualifications. Appointments to these positions are made through a competitive selection process, and their budget approval is subject to annual review by the Governing Body.

Continuous Service. Refers to the years of uninterrupted regular service with the Town without experiencing termination and rehire of employment, excluding the Family and Medical leaves of absence. For health insurance purposes related to retirees, continuous

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service only includes full-time, regular employees.

Exempt Employee. An employee who meets the qualifications for exemption from the overtime provisions of the Fair Labor Standards Act (FLSA).

Grievance. A claim or complaint stemming from an event or condition affecting the working circumstances of an employee, allegedly caused by misinterpretation, unfair application, or the absence of established policies related to employment expectations.

Immediate Family. As defined in these policies, immediate family includes an employee's spouse, guardian, children, brother, sister, parent(s), in-laws of the employee and anyone residing within the household of the employee.

Non-Exempt Employee. An employee who is subject to the overtime provisions of the Fair Labor Standards Act (FLSA).

Pay Status. The state when an employee is actively working or is on paid leave, such as vacation leave or sick leave.

Probationary Employee. Refers to an employee appointed to an allocated position who has not yet successfully completed the designated probationary period. During this period, a probationary employee may be rejected, dismissed, demoted or suspended without the right to appeal. An employee who successfully completes the probationary period will be considered a regular employee of the Town.

Probationary Period. The initial six (6) months and (12) months for Sworn Law Enforcement Officers and Department Directors of employment or promotion that allows observation of the employee's work performance to determine the suitability and ability to satisfactorily perform the duties and responsibilities of the position. The Probationary Period may be extended up to an additional six (6) months but shall not exceed twelve (12) months (18 months for Sworn Law Enforcement Officers and Department Directors).

Regular Full-Time Employee. An individual appointed to a full-time allocated position, with an average workweek or 40 or more hours. Regular full-time employees are eligible for all employee benefits.

Regular Part-Time Employee. An individual appointed to a part-time allocated position and normally working at least 20 hours but less than 40 hours per workweek. A regular part-time employee is eligible for pro-rated benefits based on the number of hours authorized to work.

Temporary Employee. A person hired by a department to perform additional help, often on a seasonal or short-term basis. Temporary employees are paid on an hourly basis only for the hours actually worked and cannot work more than 25 hours in a

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workweek. They are not eligible for benefits except those mandated by the State and Federal government. Either the temporary employee or the Town can terminate the employment relationship at any time for any reason.

Trainee. Refers to an employee status when an applicant is hired (or an employee is promoted) but does not meet all of the requirements for the position. During the trainee appointment, the employee remains in a probationary status.

ARTICLE II. POSITION CLASSIFICATION PLAN

Section 1. Purpose

The position classification plan serves as a comprehensive inventory of all authorized and allocated positions within the Town. It includes accurate descriptions and specifications for each class of employment. The primary purpose of the plan is to establish standardized job titles, each of which represents a specific range of duties and responsibilities associated with the respective positions. By utilizing this plan, the Town ensures clarity and consistency in job roles and helps facilitate effective human resources management.

Section 2. Composition of the Position Classification Plan

The classification plan shall consist of the following components:

- 1) Grouping of positions into classes, with each class encompassing positions of comparable difficulty and responsibility. These classes should require similar general qualifications and be compensated equitably with a designated pay range, considering similar working conditions.
- 2) Class titles that accurately describe the nature of work performed by each class of positions.
- 3) Written specifications outlining the key characteristics and requirements for each class of positions.
- 4) An allocation list that shows the class title of every position with the classified service, indicating the appropriate classification within the plan.

Section 3. Use of the Position Classification Plan

The classification plan is to be used:

- 1) As a guide during the recruitment and selection process of applicants for employment, helping to identify the appropriate class and qualifications required for each position.
- 2) In establishing clear pathways for employee promotions and developing effective training programs to enhance employee skills and capabilities.
- 3) In determining appropriate salary levels for different types of work, ensuring fair and equitable compensation within each class of positions.
- 4) In budgeting for personnel-related services and expenses across

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departments, based on the positions and classes within the classification plan.

- 5) In providing consistent and uniform terminology for job titles and descriptions, facilitating clear communication, and understanding of various roles within the organization.

Section 4. Administration of the Position Classification Plan

The responsibility of allocating each position within the classification plan to its appropriate class and overseeing the administration of the classification plan lies with the Human Resources Director, or other person assigned such duties. Additionally, the Human Resources Director, or other person assigned such duties, shall conduct periodic reviews of sections within the classification plan and propose necessary changes to the mayor for consideration.

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

The establishment of new positions requires a recommendation from the mayor and subsequent approval by the Governing Body. The proposed new positions must be presented to the Governing Body, along with a suggested class title, and proposed salary range. The mayor, or designee, will then allocate the new position to an existing class or propose the creation of a new class within the position classification plan to accommodate the new position.

Once finalized, the position classification plan, inclusive of any newly established positions or classes, will be subject to approval by the Governing Body and will be kept on file with the Human Resources Director, or other person performing such duties.

Section 6. Request for Reclassification

Any Department Director who considers a position within their department to be misclassified shall submit a request in writing for reclassification to the Human Resources Director, or person performing such duties. Upon receipt of such request, the Human Resources Director, or person performing such duties, shall study the request, determine the merit of the reclassification, inform the mayor of the request, and make any recommended revisions to the classification and pay plan to the mayor.

ARTICLE III. THE PAY PLAN

Section 1. Definition

The pay plan includes the salary grade table, which shows the base salary schedule, along with the corresponding titles for each position. Each position is assigned to a specific salary grade along with a specific salary range. The assignment of positions to specific grades is determined by the duties and responsibilities associated with each role.

The pay plan includes a salary range for each grade, which comprises a minimum rate, a midpoint, and a maximum rate. These rates are set by the Governing Body and are typically reviewed and approved annually along with the fiscal year budget. This ensures that compensation levels remain competitive and equitable.

Section 2. Administration and Maintenance

The responsibility for administering and maintaining the pay plan lies with the mayor, assisted by the Human Resources Director, if applicable. All employees covered by the plan will receive compensation within the salary range established for the respective position classification, except for trainees or those whose current salaries exceed the newly established maximum rate due to transitioning to a new pay plan.

The primary goal of the pay plan is to ensure fair and equitable compensation for all positions, considering differences in job duties and responsibilities, comparable pay rates in the private and public sectors in the area, changes in the cost of living, the financial status of the Town, and other relevant factors. These factors may include the consumer price index and anticipated adjustments in pay plans of other regional local governments. Regular evaluations will be conducted, and when necessary, the mayor will recommend the study and adjustment of salary ranges to maintain competitiveness in the job market. Such adjustments may involve increasing or decreasing the assigned salary grade for a class or adjusting the pay rate for employees within that class. Any change to the salary grade table must be approved by the Governing Body.

Section 3. Starting Salaries

Typically, a new regular employee is hired at the minimum of the salary range for the classification involved. Appointments above the minimum may be considered with the approval of the Human Resources Director, if applicable, and the mayor, if it is deemed in the best interest of the Town. Such appointments will be based on various factors, including:

- 1) Exceptional qualifications of the applicant, such as possessing significantly higher levels of education and experience than what is required for the class.

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- 2) A shortage of qualified applicants, where it may be necessary to offer a higher salary to attract suitable candidates.
- 3) Equal pay justification, to ensure that employees with similar qualifications and responsibilities receive equitable compensation.
- 4) Operational need, when certain roles within the Town demand specialized skills or experience that justify higher compensation.

Decisions to appoint an employee above the minimum salary range will be made carefully, considering the unique circumstances and requirements of the position, and ensuring that it aligns with the overall objectives of the Town.

Section 4. Trainee Designation and Provisions

Applicants being considered for employment or Town employees who do not meet all of the requirements for a particular position may be hired, promoted, demoted, or transferred by the mayor to a "trainee" status. In such cases, a comprehensive training plan, including a time schedule, must be prepared and overseen by the appropriate director.

"Trainee" salaries will be set no more than two grades below the minimum salary rate established for the position for which the individual is being trained. When a new employee is designated as a "trainee," the person is considered to be in a probationary period. The duration of the trainee period may vary, lasting from six to eighteen months. Throughout this period, the trainee remains a probationary employee, and successful completion of the trainee program is required to transition to a regular employee status.

If the training is not completed to the satisfaction of the mayor, the trainee may be transferred, demoted, or dismissed. If the training is successfully completed, the employee will be compensated at least at the minimum rate established for the position in which the employee was trained.

Section 5. Salary Effect of Promotions, Demotions, Transfers, and Reclassifications

Promotion. A promotion involves moving to a position with a higher salary grade, acknowledging the employee's increased responsibilities. The purpose of the promotion pay increase is to recognize and compensate the employee for undertaking greater duties. When an employee is promoted, the salary will typically be raised either to the minimum of the new salary grade or to a salary providing a 5% increase over the previous salary, whichever is higher.

However, under certain circumstances, such as highly skilled and qualified employees, a shortage of qualified applicants, or other considerations based on the merit principle of employment, the mayor may set the salary within an appropriate range of the new position. This decision will reflect the employee's qualifications for the job and value to the Town, while considering the salary range for the position and the qualifications

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of other employees in the same classification. It is essential to note that the new salary should not surpass the maximum rate of the new salary range. During the process of determining the promotion salary, the mayor will also consider internal comparisons with other employees in the same or similar roles.

Demotion. A demotion is a move to a position in a lower salary grade. Demotions can be either voluntary, where the employee chooses to take a position in a lower salary grade, or involuntary/disciplinary, resulting from inefficiency in performance or as a disciplinary action. When an employee is voluntarily demoted to a position for which qualified, the salary will likely be cut to reflect a decrease in job responsibilities. The new salary shall be set in the lower pay range that provides a salary commensurate with the employee's qualifications and is consistent with the placement of other employees within the same classification. Employees who accept a voluntary demotion and retain their salary, and are then promoted within 24 months, will retain that same salary. If the demotion is the result of discipline, the salary shall be decreased at least 5%. If the salary of the demoted employee is above the maximum of the new range, the employee's salary shall be maintained at that level until such time as the employee's salary range is increased above the employee's current salary.

Lateral Transfer. A lateral transfer is a move from one position to another position at the same salary grade. The salary of an employee who takes a lateral transfer shall remain the same and not be changed by the reassignment.

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

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

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

Section 6. Salary Range Revisions

A salary range revision refers to an adjustment made to the salary range or grade assigned to a specific class of positions. This change can be motivated by factors such as increased salaries in the relevant labor market, recruitment and retention data, or a rise in the complexity of job responsibilities. While making such revisions, it is crucial to maintain salary equity within the work unit.

When a class of positions is assigned to a higher salary grade, the salaries of employees in that class may change following these guidelines:

- 1) If an employee's salary is below the new minimum of the revised salary range, the salary should be increased to at least the minimum of the new range.
- 2) Salaries falling between the new minimum and the midpoint of the revised range do not require immediate increases. However, if funds are available and deemed appropriate, individual salary adjustments may be considered, up to the difference between the minimum salaries of the old range and the new range.
- 3) If an employee's current salary aligns with or exceeds the midpoint of the new salary range, the salary will remain unchanged.

When a class of positions is assigned to a lower salary range, the salaries of employees within that class will remain unchanged. If the assignment to a lower range results in an employee being paid above the maximum of the new class, the salary will be maintained at that level until the salary range is increased about the employee's current salary.

Section 7. Transition to a New Salary Plan

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

- 1) No employee shall experience a salary reduction due to the implementation of the new salary plan.
- 2) Employees currently earning a salary lower than the minimum rate set for their respective classes shall have their salaries adjusted to meet or exceed the new minimum rate for their classes.
- 3) Employees currently earning a salary exceeding the maximum rate established for their respective classes shall maintain their current salary level until the salary range for their positions is increased above their existing salary.

Section 8. In-Range Salary Adjustment

It is the policy of the Town of Micro, subject to the availability of funds, to grant in-range salary adjustments to recognize job change of employees in regular full-time and part-time positions, to establish equitable salary relationships, and/or to respond

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to labor market conditions. Only regular full-time or part-time employees are eligible for increases under this policy. In-range adjustments may be considered in the following circumstances:

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

A completed request for an in-range salary adjustment must be made in writing by the Department Director and include the following information: employee name, classification title, current salary, summary of conditions that support the request, and justification for percent increase requested. It is the responsibility of the Human Resources Director, or person performing such duties, to assess salary administration priorities and in-range salary adjustment requests based on documentation and justifications and make recommendations to the mayor. As part of this process, the salary of each employee in the department should be examined for equity purposes.

Section 9. 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 approved by the mayor.

Section 10. Overtime/Compensatory Pay Provisions

Employees of the Town may be asked and, at times, required to work beyond their regular scheduled hours to meet the demands of the Town. Overtime work must receive prior approval from the mayor, except in cases of emergencies. Employees should not perform work outside their scheduled hours without proper authorization, unless in emergency situations.

The Town will adhere to the Fair Labor Standards Act (FLSA) to the extent required by local government jurisdictions. The Human Resources Director, or any designated person fulfilling such responsibilities, will determine which positions are considered "non-exempt" and, accordingly, are subject to the Act's regulations concerning aspects such as work hours, work periods, rates of overtime compensation, and other relevant provisions.

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Non-exempt employees will be compensated at their regular rate of pay for hours worked up to the FLSA established limit for their position, which is typically 40 hours in a 7-day period, 171 hours for police personnel within a 28-day cycle, and 212 hours for fire personnel within the same cycle.

The Town has a policy to grant compensatory time-off to employees who work beyond the FLSA established limit. For every hour of overtime worked beyond the limit, non-exempt employees will receive one-and-one-half (1 ½) hours of compensatory time-off and exempt employees will receive one hour of compensatory time for every hour of overtime worked beyond the limit.

It is important to note that an employee must physically work beyond the applicable limit of 40 hours, 171 hours, or 212 hours to earn compensatory time. Hours spent on vacation, sick leave, or holidays will not be considered for FLSA purposes.

Non-exempt employees are not allowed to accrue more than [40] hours of compensatory time-off. Once the 40-hour threshold is reached, the employee will be compensated monetarily at a rate of one-and-one-half (1 ½) times their regular rate of pay for each hour exceeding the limit.

In certain circumstances, departments may permit designated employees to accumulate a comp time balance exceeding [40] hours, but such approval must be obtained in advance and in writing from the mayor. This allowance is typically granted for special events or exceptional circumstances.

Section 11. Call-back and On-Call Pay

The Town of Micro must provide a variety of critical emergency services 24 hours a day, seven days a week. The need for these services may occur when employees with necessary skills are not on duty. As a result, the Town must be assured that skilled employees are always readily available by placing some employees on standby status. At other times it is necessary for certain employees to respond to any reasonable request for duty at any hour of the day or night. Employees in such positions will share in the responsibility for continuous service, in accordance with the nature of each position. If an employee fails to respond to reasonable calls for emergency service, either special or routine, the employee shall be subject to disciplinary action up to and including dismissal by the mayor.

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

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hours unless the work time exceeds two hours.

On-Call Pay. On-call pay compensates certain non-exempt employees who are required to be on-call and return to work by contact via telephone in the event of an emergency. On-call status is a designated period of seven consecutive days. Hours of on-call status are not considered hours of work and are not recordable on a time sheet. All non-exempt on - call employees shall receive an additional salary base of \$75.00 for each entire week served on-call. There is no additional compensation for being on-call when there is a holiday. Hours actually worked while on-call are calculated beginning when the employee reports to the work site and are added to the regular total of hours worked for the week.

Section 12. Holiday Pay

Holidays are equivalent to 8 hours straight-time pay for all regular full-time employees regardless of their typical workweek schedule and are excluded from hours worked in calculating overtime. Benefits-eligible employees required to work on a regularly scheduled, Town-recognized holiday will be paid at their hourly rate for the hours actually worked plus 8 hours of straight time for the holiday. If a holiday falls on a regularly scheduled off-duty day for shift personnel, the employee shall receive eight (8) hours of straight time for the paid holiday. This additional payment for holiday pay does not count as hours worked for purposes of calculating overtime.

Regular, full-time employees required to physically work on New Year's Day, Independence Day, Veterans Day, or Christmas, if it falls on a weekend, will receive holiday premium pay equivalent to 1.5 times hourly rate for hours worked in addition to the 8 hours for the holiday.

Section 13. Payroll Deduction

Deductions from each employee's paycheck will be made in compliance with applicable laws. Upon the request of the employee and after the mayor assesses the capability of the payroll system and appropriateness of the deduction, additional deductions may be made. These additional deductions will be implemented based on the employee's request and as deemed suitable by the mayor.

Section 14. Hourly Rate of Pay

Employees working in a part-time or temporary capacity with the same duties as full-time employees will work at a rate in the same salary range as the full-time employees. The hourly rate for employees working other than 40 hours per week, such as police officers working an average 42 hours per week, will be determined by dividing the average number of hours scheduled per year into the annual salary for the position.

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ARTICLE IV. RECRUITMENT AND EMPLOYMENT

Section 1. Equal Employment Opportunity Statement

The Town of Micro fosters, promotes and maintains a consistent recruitment program to promote equal employment opportunity and to identify and attract the most qualified applicants for all vacancies. This intent is achieved through consistency in announcing all positions, evaluating all applicants on the same criteria, providing reasonable accommodations as needed, and by applying consistent testing methods when applicable. The Town hall select employees on the basis of the applicant's qualifications for the job and award them, with respect to compensation and opportunity for training and advancement, without regard to race, religion, color, gender, national origin, age, veteran status, marital status, political affiliation, sexual orientation, disability, genetic information, or on the basis of actual or perceived gender identity.

Section 2. Recruitment, Selection and Appointment

Recruitment Sources. When position vacancies occur, the Human Resources Department, or Administration, shall publicize these opportunities for employment, including applicable salary information and employment qualifications. Open positions should be posted for at least seven calendar days prior to an offer being made. Information on job openings and hiring practices may be provided to a variety of recruitment sources, including professional organizations and news media. 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. In rare situations because of emergency conditions, high turnover, etc., the Town may hire or promote without advertising the position, upon approval of the mayor.

Job Advertisements. Jobs may be advertised in local newspapers, professional publications, other relevant publications, and on the Town's website and or social media in order to establish a diverse and qualified applicant pool. Employment advertisements shall contain assurances of equal employment opportunity and shall comply with Federal and State statutes.

Employment Application. All persons expressing interest in employment with the Town shall be given the opportunity to file an application for employment for positions that are vacant. The applications are typically screened and referred to the hiring department by Human Resources, or Administration.

Selection. The hiring department conducts interviews, checks references, and selects the candidate best qualified for the job, with the assistance of the Human Resources Director, or person performing such duties, shall make such investigations and conduct such examinations as necessary to assess accurately the knowledge, skills, and experience qualifications required for the position, including education

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verification and criminal history. Both Human Resources, if applicable, and the Mayor approve hires before job offers are made.

Section 3. Probationary Period

An employee appointed, promoted, or transferred to a regular position shall serve a probationary period. The probationary period serves as an extension of the selection process. It provides time for the employee to adjust and allows the supervisor time to ensure the new employee can satisfactorily meet performance expectations before granting regular status. Employees shall serve a three-month probationary period, except that sworn police and Department Directors shall serve a twelve-month probationary period. Employees hired as “trainees” shall remain on probation until the provisions of their traineeship are satisfied. During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. Supervisors are encouraged to have an informal review with employees six months into a twelve-month probation.

Before the end of the probationary period, the supervisor shall conduct a performance conference with the employee to discuss accomplishments, strengths, and needed improvements. The supervisor shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted, or dismissed. Probationary periods may be extended for a maximum of (3) three additional months. Disciplinary action, including demotion and dismissal, may be taken at any time during the probationary period of a new hire without following the steps outlined in this policy.

A promoted employee who does not successfully complete the probationary period may be transferred or demoted to a position in which the employee shows promise of success. If no such position is available, the employee shall be dismissed. Promoted and demoted employees who are on probation retain all other rights and benefits such as the right to use the grievance procedures.

Section 4. Promotion

Promotion is the movement of an employee from one position to a vacant position in a class assigned to a higher salary grade. The Town strives to promote and provide career opportunities for its employees whenever possible. Therefore, when a current employee applying for a vacant position is the best suited of all applicants, that applicant shall be appointed to that position. Therefore, except in rare situations where previous Town experience is essential or exceptional qualifications of an internal candidate so indicate, the Town will consider external and internal candidates rather than automatically promoting from within. Candidates for promotion shall be chosen on the basis of their qualifications and their work records. Internal candidates shall apply for promotions using the same application process as external candidates.

Section 5. Demotion

Demotion is the movement of an employee from one position to a position in a class assigned to a lower salary range. Demotion may be voluntary or involuntary. An employee whose work or conduct in the current position is unsatisfactory may be demoted provided that the employee shows promise of becoming a satisfactory employee in the lower position. Such disciplinary demotion shall follow the disciplinary procedures outlined in this Policy.

An employee who wishes to accept a position with less complex duties and reduced responsibilities may request a voluntary demotion by using the same application process as external candidates. A voluntary demotion is not a disciplinary action and is made without using the above-referenced disciplinary procedures.

Section 6. Lateral Transfer

A Lateral Transfer is the movement of an employee from one position to another position in the same salary grade. 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 Director wishing to transfer an employee to a different department or classification shall make a recommendation to the mayor with the consent of the receiving Department Director. Any employee transferred without requesting the action may appeal the action in accordance with the grievance procedure outlined in this policy. An employee who has successfully completed a probationary period may be transferred into the same job classification without serving another probationary period.

ARTICLE V. CONDITIONS OF EMPLOYMENT

Section 1. Work Schedule

The working hours for most Town administrative offices are 8:00 a.m. to 5:00 p.m., Monday through Friday. Departments that provide services to citizens on other schedules or on a 24-hour per day basis have different work schedules in order to effectively provide those services. Department Directors shall establish work schedules, with the approval of the Mayor, which meet the operational needs of the department in the most cost- effective manner possible.

Section 2. Political Activity

Every employee is encouraged to support good government through appropriate means. Employees have the right to join or affiliate with civic organizations that have a partisan or political nature. They may attend political meetings and advocate for the principles or policies of civic or political organizations as long as they comply with the laws of the State of North Carolina and the United States.

However, certain restrictions apply to ensure fairness and impartiality in the workplace. Employees must not engage in any political or partisan activities while on duty. They should not use their official authority or influence to interfere with or impact the outcome of a nomination or election for office. Contributions for political or partisan purposes cannot be mandated as a condition of employment, promotion, or tenure of office. It is strictly prohibited to coerce or compel contributions from other Town employees for political or partisan purposes.

Furthermore, using Town supplies or equipment for political or partisan purposes is not permitted. Lastly, employees cannot be candidates for nomination or election to office under the Town Charter.

Any violation of these guidelines will result in disciplinary action, up to and including dismissal.

Section 3. Outside Employment

The work of the Town takes precedence over any other occupational interests of its employees. While the Town acknowledges that employees may have reasons to seek other employment opportunities, outside employment is prohibited if it creates a conflict of interest or hinders the employee's ability to perform their Town duties satisfactorily.

Before taking up another job, employees must obtain approval from their Department Director or the Mayor. The Department Director will review such requests to ensure there are no conflicts of interest and will keep a record of the employment review in the

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employee's personnel file. Failure to seek permission or accepting another job after permission has been denied may lead to disciplinary action, up to and including termination. Additionally, if the outside employment affects an employee's performance or attendance at the Town, disciplinary measures will be taken in accordance with normal policy.

Conflicts of interest in outside employment include, but are not limited to:

- 1) Employment with organizations or in capacities that are regulated by the employee or the employee's department; or
- 2) Employment with organizations or in capacities that negatively impact the perceived integrity, neutrality, or reputation of the employee concerning their Town duties.

During a leave of absence (such as Workers' Compensation Leave or Family Medical Leave) from the Town, employees are prohibited from engaging in other employment.

Section 4. Dual Employment

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

Section 5. Employment of Relatives

The Town is fully committed to upholding the highest standards of professional conduct and integrity. In recognition of potential conflicts of interest, perceived conflicts, and the potential for compromising objective judgment or creating a hostile work environment, the Town strictly prohibits the hiring and employment of relatives within the same department.

Furthermore, the Town also prohibits the employment of any person who is a relative of individuals holding certain high-level positions, including the Mayor, Mayor Pro Tempore, Governing Body Members, Town Attorney and Department Heads.

For the purpose of this policy, "relatives" are defined as the employee's spouse, child, parent, grandparents, grandchild, sibling, aunt or uncle, first cousin, niece or nephew, step-relatives, and in-laws within the same relationships.

It is important to note that this provision will not apply retroactively to individuals who were employed when this policy was adopted by the Town.

Section 6. Workplace Harassment Prohibited

The Town is committed to maintaining a workplace free from harassment in any form based on race, color, religion, gender, national origin, political affiliation, sexual orientation, age, veteran status, marital status, disability, genetic information, or actual or perceived gender. Harassment is defined as conduct that leads to adverse employment actions or creates a hostile work environment that is sufficiently severe or pervasive.

Complaints or allegations of harassment will be promptly investigated, and if inappropriate conduct is found to have occurred, immediate corrective action will be taken, including disciplinary measures up to and including dismissal.

Sexual harassment is specifically defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature that affects an individual's employment status, decisions, or work environment in an unreasonable or offensive manner.

Harassment, other than sexual, refers to verbal or physical conduct that shows hostility or aversion based on protected characteristics and adversely affects an individual's work environment or employment opportunities. This includes epithets, slurs, negative stereotyping, or intimidating acts. Displaying or circulating written or graphic material that denigrates or shows hostility toward an individual or group is strictly prohibited in the workplace.

Any employee who experiences harassment or becomes aware of it must report the incident in writing to the Human Resources Director or the Mayor for a thorough investigation. Supervisors and Department Directors receiving a harassment complaint must immediately notify the Human Resources Director or the Mayor.

Upon confirming unlawful harassment, the Town will take swift corrective action, which may involve discipline, up to and including termination of employment of the offending party. Employees who report sexual harassment are protected from retaliation.

The Town is dedicated to fostering a safe and respectful work environment for all employees.

Section 7. Solicitation and Acceptance of Gifts and Favors

Town officials and employees are required to adhere to the Town's ethics policy, which strictly prohibits the solicitation and acceptance of gifts, favors, gratuities, discounts, price breaks, entertainment, or anything of monetary value from any individual, organization, or group with whom they have official, enforcement, or regulatory relationships. Such relationships must not influence the employee in the performance of their duties or lead to the granting of improper favors, services, or

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valuable items while discharging their official responsibilities. This policy aims to ensure that all actions and decisions made by Town officials and employees are unbiased and free from any potential conflicts of interest.

Section 8. Performance Evaluation

Supervisors and/or Department Directors shall conduct Performance Evaluation conferences with each employee at least once a year. Procedures for the performance evaluation program shall be published by the mayor.

The Town requires regular employees to receive a total score of at least “meeting expectations” on the performance evaluation in order to receive a pay increase. In the event an employee is rated “below expectations” overall, he/she will not be eligible for a pay increase for the same calendar year. In this event, the supervisor shall develop a written Performance Improvement Plan outlining performance deficiencies and measures to be taken to correct these deficiencies. A deadline for correcting these deficiencies shall also be set on or before the next performance review date. If the employee’s performance does not improve to a satisfactory standard by the deadline date, salary increases will continue to be withheld and the supervisor will initiate such disciplinary action as deemed necessary.

Section 9. Safety

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

Section 10. Drug Free Workplace

The Town is concerned with the safety of both employees and the public. As such, the Town provides a drug free workplace for all employees and conducts pre-employment, random, post-accident, and reasonable suspicion drug testing in addition to any required by law. The Town has established a detailed policy and procedure relating to employee substance abuse and drug testing in order to ensure the safety and well-being of citizens and employees, and to comply with any state, federal, or other laws and regulations.

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Section 11. Internet and Email Policy

All electronic communication devices and sources used for Town business are the property of the Town and, as such, may be monitored, audited and reviewed for proper use.

Employees shall not make any intentional use of the Internet, email or other electronic communications devices or sources that is illegal, malicious, inappropriate or obscene. An employee's access to the internet is a function of the business need of their position and is not a general employee benefit. Improper use of the Internet, Email and other Town electronic business devices or sources will subject the employee to disciplinary action up to and including termination of employment. *PLEASE INCLUDE A COPY OF ANTI-PORNOGRAPHY POLICY TO PERSONNEL POLICY AND ENSURE THAT EACH EMPLOYEE RECEIVES AND SIGNS THEY ARE AWARE OF THE POLICY.

Section 12. Attendance

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

The working hours for most Town administrative offices are 8:00 a.m. to 5:00 p.m., Monday through Friday. Departments that provide services to citizens on other schedules or on a 24-hour per day basis have different work schedules in order to effectively provide those services. Department Directors shall establish work schedules, with the approval of the Mayor, which meet the operational needs of the department in the most cost- effective manner possible.

All regular full-time employees, both non-exempt and exempt, are expected to work a 40- hour workweek. Hours worked in excess of a 40-hour workweek by an exempt employee are considered accomplishment of assigned accountabilities for which there is no additional compensation.

Section 13. Adverse Weather

Adverse weather conditions occasionally disrupt work schedules and interfere with normal work-related activities. Regular employees are encouraged to report to work. However, the Town recognizes that factors such as transportation, school closings, and childcare arrangements are considerations. Non-required personnel are permitted to determine for themselves whether they can travel to and from work safely. Employees will be allowed to use accrued vacation leave, compensatory time or leave without pay for any lost time from work if they are unable to arrive to their designated work area or need to leave early.

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In serious adverse weather, the mayor may close or open late to the general public in the interest of safety. The mayor will determine all decisions to delay or close the Town offices related to adverse weather or other emergency conditions. When the Town's schedule is altered, operational status will be available through news media outlets, Town email, Town Website and Social Media, and normal supervisory channels. Employees whose presence is not required will not be docked leave or pay for regularly-scheduled work hours missed due to official closings or late openings. Employees who are not required by their departments to work during a Town closing but who do, in fact, work during the closed time frame will be paid only their regular rate for all hours worked.

Departments providing emergency and critical services 24 hours/day will remain open and employees will be required to work as usual. All law enforcement and emergency services personnel work hours will continue to be set at the discretion of the respective Department Director. There may be cases when department necessity may require that employees who had not been designated as emergency / critical must report to work (or remain at work) during an emergency situation (i.e. maintenance or snow removal) and will work such hours as needed. All employees required to work during adverse weather or emergency situation will be paid at their regular rate for all hours worked (or overtime when warranted). Failure to report to work when required may result in disciplinary action.

ARTICLE VI. EMPLOYEE BENEFITS

Section 1. Eligibility

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

All regular full-time Town employees are eligible for employee benefits, subject to any waiting period. Regular part-time employees are eligible for pro-rated benefits based on the number of hours worked weekly as well as the stipulations in benefit contracts. Temporary employees are eligible only for workers' compensation and FICA. *An employee must be in a "pay status" a minimum of 50% of the month in order to remain covered by insurance. Pay status means one is working or utilizing appropriate leave. Once an employee is in pay status for less than 50% of the month, he/she is responsible for paying the coverage.*

The following employee benefits sections provide a brief summary and are not intended to be an all-inclusive benefits description. Please contact Human Resources or Administration for more detailed information regarding current benefits, eligibility, coverage, and costs.

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Section 2. Group Health and Hospitalization Insurance

All regular full-time employees are eligible to purchase available group health insurance. The Town pays the full cost of the premium on individual coverage for all regular full-time employees unless otherwise noted. *The Town pays a portion of the individual health insurance premium for regular part-time employees based on a pro-rated amount for the number of regularly scheduled hours worked. (Example – 75% for 30 hrs./wk.).* Employees may purchase coverage for their dependents and are responsible for paying the full cost of the additional coverage. Coverage begins the first day of the month following the date of employment. Information concerning cost and benefits shall be available to all employees from the Human Resources Department or Administration.

Under the Federal Consolidated Omnibus Budget and Reconciliation Act, or COBRA, employees are eligible to continue health insurance at group rates for up to 18 months after employment. The employee must pay 100% of the Town's cost of both individual and dependent health insurance as well as any administrative fee charged by the plan administrator.

Section 3. Retirement

The Town provides a retirement income plan for regular full-time and part-time employees under the North Carolina Local Governmental Employees' Retirement System. All regular employees assigned to work 20 or more hours per week (or more than 1,000 hours in any 12-month period) are required to participate as of the first day of employment. Currently, employees contribute 6% of salary (deducted from employees' paychecks) while the Town pays an amount determined annually by the Local Governmental Employees' Retirement System and as approved by the North Carolina General Assembly. The retirement plan is known as a "defined benefit plan" meaning that one can count on a guaranteed percentage of your income at retirement. The percentage will depend on your average final compensation, years of service, and the age at the time of drawing benefits.

After one year as a contributing member, active employees are covered by a death benefit equal to the highest 12 months of salary in a row during the 24 months before you die, but no less than \$25,000 and no more than \$50,000. This benefit is provided to your beneficiary if you die during employment or within 180 days of the last day for which you were paid salary. With five years of service, you are eligible for disability retirement if you become disabled. Sworn Law Enforcement Officers are eligible for a Line-of-Duty Disability benefit beginning on their first day of employment.

Section 4. Social Security

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

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Section 5. Workers' Compensation

All employees of the Town (full-time, part-time, and temporary) are covered by the North Carolina Workers' Compensation Act. Benefits are paid under this coverage if you have an eligible on-the-job injury or illness. The Workers' Compensation insurance pays for all necessary medical treatment, including hospitalization, doctor fees, and prescriptions.

Responsibility for claiming compensation under the Workers' Compensation Act is on the injured employee. All employees are required to report any injuries arising out of and in the course of employment to their supervisors immediately at the time of the injury in order that appropriate action may be taken at once. Employees must complete an Employee Accident/Injury Report Form and turn into his/her supervisor or Department Director to submit to Human Resources or Administration. The Human Resources Director, or person performing such duties, will assist the employee in filing the claim. Under NC Workers' Compensation law, the Town has the right to direct medical care for employees who suffer work related injuries or illnesses. Employees may be directed to seek medical treatment for work related injuries from healthcare providers designated by the Town.

A disability of over seven calendar days is required before payment of Workers' Compensation salary benefits under the Workers' Compensation Act begin. An employee may use accrued sick or vacation leave during the first seven calendar day waiting period. If the work-related disability exceeds seven calendar days, the employee will be placed on Workers' Compensation Leave which runs concurrently with Family Medical Leave. While out on workers' compensation leave of absence, vacation and sick leave do not accrue. During recovery from an accident, an employee may be able to work on light-duty assignments for all or part of the workday. Failure to report to a modified or light-duty assignment may result in disciplinary action and/or the workers' compensation salary supplement may be stopped.

If you are employed as a firefighter or a sworn police officer and you have an adverse medical reaction to an employment vaccination against smallpox or become infected with smallpox or with vaccinia, you will be treated as any other employee with a compensable occupational disease under the North Carolina Workers' Compensation Act.

Section 6. Unemployment Compensation

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

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Section 7. Effective Date of Benefit Changes

Employees are given the opportunity annually during open enrollment to make changes in their medical plan. In addition, employees may add or remove dependents within 30 days following an IRS- defined “qualifying event”. Qualifying events must be reported to Human Resources or Administration within 30 days of the occurrence.

Section 8. Law Enforcement Officers’ Separation Allowance

Each eligible sworn law enforcement officer, as defined by G.S. 128-21 (11b) or G.S. 143-166.50 (a) (3), of the Town who shall be and remain retired under the provisions of G.S. 128-27 (a) shall be eligible for a special separation allowance as provided by

G.S. 143-166.42, equal to .85% of the annual equivalent of the base rate of compensation. The allowance shall be paid on the same frequency as the regular Town payroll cycle.

In order to qualify for the allowance, the officer shall:

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

The special separation allowance payments to a retired officer will cease at the first of (1) the death of the officer; (2) the officer attains 62 years of age; or (3) The first day of reemployment by a local government employer in any capacity. Notwithstanding the provisions of subdivision (3) of this subsection, a local government employer may employ retired officers in a public safety position in a capacity not requiring participation in the Local Governmental Employees' Retirement System, and doing so shall not cause payment to cease to those officers under the provisions of this section.

Any officer who is entitled to receive a special separation allowance from the Town shall, within ten (10) days of any change in his/her employment status, report the same to the mayor.

The governing body shall determine the eligibility of employees for the benefits provided herein.

ARTICLE VII. HOLIDAYS AND LEAVES OF ABSENCE

Section 1. Policy

The policy of the Town is to provide vacation leave, sick leave, and holiday leave to all regular full-time and part-time employees. Employees shall accrue leave proportionately with each payroll. An employee must be in "pay status" for a minimum of 50% of the pay period in order to accrue leave.

Section 2. Holidays

The Town of Micro observes the same holiday schedule as designated by the North Carolina Office of State Human Resources with thirteen paid holidays per year. The following are the designated holidays:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Veterans Day
Good Friday	Thanksgiving (Thursday & Friday)
Memorial Day	Christmas (3 days)
Juneteenth	
Independence Day	

When any recognized holiday falls on Saturday, the preceding Friday will be the designated holiday. When any recognized holiday falls on Sunday, the following Monday will be the designated holiday.

Holidays are equivalent to 8 hours straight-time pay for all regular full-time employees regardless of their typical workweek schedule and are excluded from hours worked in calculating overtime. 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. Fire and law enforcement employees whose work schedule differs from the standard Monday through Friday schedule, and who work greater than 8-hour shifts, will meet this requirement by working the "scheduled work shift" before and the "scheduled work shift" after the holiday or have been given approved leave.

Section 3. Holidays: Effect on Other Types of Leave

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

Section 4. Vacation/Personal Leave

Vacation/Personal leave is intended to be used for rest and relaxation, school appointments, and other personal needs. Vacation/Personal leave accrues from the first day of employment with the accrual rate determined by the length of service. Vacation leave may also be used by employees who wish to observe religious holidays other than those granted by the Town. Employees who wish to use leave for religious observances must request leave from their respective Department Directors. The Department Director 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. Vacation leave shall be taken only with the prior approval of the employee's Department Director.

Section 5. Vacation/Personal Leave: Use by Probationary Employees

Employees serving a probationary period following initial employment will accumulate vacation/personal leave but shall not be permitted to take vacation leave during the first six months of employment unless approved by the Department Director.

Section 6. Vacation/Personal Leave: Accrual Rate

Each full and part-time employee of the Town shall accrue vacation at the following schedule, prorated by the average number of hours in the workweek (Section 16):

Years of Service	Yearly Accrual (Hours or Days)
0 but less than 2	10
2 but less than 5	12
5 but less than 10	15
10 but less than 15	18
15 but less than 20	20
20 or more	25

Section 7. Vacation/Personal Leave: Maximum Accumulation

Vacation leave may be accumulated without any applicable maximum until December 31 of each year. Effective the last payroll in the calendar year, any employee with more than 240 hours of accumulated vacation leave shall have the excess accumulation converted to sick leave so that only 240 hours are carried forward to January 1 of the

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next calendar year. Employees are not eligible to receive pay for excess vacation time not taken at this conversion time.

Employees are cautioned not to retain excess accumulated vacation leave until late in the year. Because of the necessity to keep all functions in operation, large numbers of employees cannot be granted vacation leave at any one time. If an employee has excess leave accumulation during the latter part of the 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/Personal Leave: Manner of Taking

Employees shall be granted the use of earned vacation leave upon request in advance at those times designated by the Department Director which will least obstruct normal operations of the Town. Department Directors are responsible for ensuring that approved vacation leave does not hinder the effectiveness of service delivery. Vacation leave may be taken in half-hour or 1-hour increments. Failure to request or take vacation leave without prior approval may result in disciplinary action. Notwithstanding the procedures described in this Article, employees will use accrued comp time before using accrued vacation leave.

Section 9. Vacation/Personal Leave: Payment upon Separation

An employee who has successfully completed the probationary period will normally be paid for accumulated vacation leave upon separation not to exceed 30 days (240 hours), provided the employee provides a written two-week notice to their supervisor. Additionally, the employee must work each scheduled workday during the two-week notice period unless provided an exception by the mayor.

Any employee failing to give and work the two-week notice required by this section shall forfeit payment for accumulated leave. The notice and work requirement may be waived by the mayor when deemed to be in the best interest of the Town. Employees who are dismissed pursuant to Article IX, Section 5 of the Town Personnel Policy shall forfeit payment for accumulated vacation leave.

Section 10. Vacation/Personal Leave: Payment upon Death

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

Section 11. Sick Leave

Sick leave benefits are a privilege and not a right that an employee may demand. Sick leave may be granted to a probationary or regular employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examinations or treatment, or exposure to a contagious disease, when continuing work might jeopardize the health of others. Sick leave is not intended to provide time off for recreation, personal reasons, or to extend vacations.

Sick leave may be used when an employee must care for a member of his or her immediate family who is ill. "Immediate family", for purpose of this policy, shall be defined as spouse, children (including stepchildren), parent (including stepparents), and/or sibling of the employee.

Sick leave runs concurrently with other types of leave including Family Medical Leave. Sick leave may be used during the initial 7-day waiting period before Workers' Compensation benefits begin.

Notification of the desire to take sick leave should be submitted to the employee's supervisor prior to the leave. If an employee is unable to report to work, the employee must notify his/her supervisor as soon as practical after the beginning of the regular scheduled workday. If the employee cannot call, the employee must have someone else call. If it is necessary for an employee to leave the work site because of illness, the employee must notify their supervisor before leaving. The employee is responsible for keeping his/her supervisor and/or Department Director informed on a regular basis of the status of the illness and when they expect to return to work. Department Directors may require that employees obtain a physician's statement describing the nature of illness and/or attesting to one's capacity to resume work duties. Failure to properly notify the supervisor and/or Department Director or provide necessary medical documentation may result in disciplinary action up to and including termination.

The Town has the discretion to send an employee home on sick leave if he/she exhibits signs of a serious contagious illness or to send the employee to a physician to obtain a fitness for duty note before returning to work.

Section 12. 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 full-time and part-time employees working other than the basic work schedule shall be pro-rated as described in this Article. 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.

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

Section 13. Transfer of Sick Leave from Previous Employer

The Town will accept initial sick leave balances up to (240 hours) from a previous employer when the previous employer is covered by the State or Local Government Retirement System and the employee did not withdraw accumulated contributions from that employer when leaving employment. The sick leave will be treated as though it were earned with the Town of Micro. The sick leave amount must be certified by the previous employer, and it is the employee's responsibility to provide documentation from their previous employer within three (3) months of employment. Transferred sick leave will be credited to the employee upon completion of the probationary period. Additional sick leave amounts over 240 hours may be credited to the employee's sick leave balance after 1 year of service with Mayor approval.

Section 14. Sick Leave: Medical Certification

The employee's supervisor or Department Director may require a physician's certificate stating the nature of the employee's or employee family member's illness and the employee's capacity to resume duties, for each occasion on which an employee uses sick leave or whenever the supervisor observes a "pattern of absenteeism." The employee may be required to submit to such medical examination or inquiry as the Department Director deems desirable. The Department Director 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 15. Leave Prorated

Holiday, vacation, and sick leave earned by full-time and part-time employees with fewer or greater hours than the basic work week shall be prorated and 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).

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- 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, or divided by 26, shall be the number of hours of leave earned bi-weekly.

Section 16. Family and Medical Leave

The Town of Micro provides up to 12 weeks of job-protected leave in accordance with the Family and Medical Leave Act of 1993 (FMLA). Under the Family and Medical Leave Act of 1993, eligible employees may be granted up to a total of 12 weeks of unpaid leave per 12-month period, as determined below, for any of the following reasons:

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

Service member Family Leave

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

Eligible employees

To qualify for FMLA coverage, the employee must have worked for the Town of Micro 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

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immediately before the date when the FMLA time begins. Under the Uniformed Services Employment and Reemployment Act (USERRA) an employee ordered to active military duty is eligible for FMLA if the employee would have otherwise been qualified had it not been for the active military duty.

Leave

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. The request for the use of leave must be made in writing by the employee and approved by the mayor. The FMLA permits, and the Town of Micro requires, that while utilizing FMLA leave employees exhaust all accrued paid sick leave first, then vacation leave, and lastly earned compensatory time before being granted unpaid 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. Any use of sick leave beyond two weeks is required to be submitted as Family and Medical Leave. Family Medical Leave runs concurrently with other types of leave including sick leave/disability, voluntary shared leave, and worker's compensation. An employee ceases to earn leave credits on the date leave without pay begins. An employee is prohibited from moonlighting or performing other outside work during any kind of leave including FMLA leave.

12-Month Period

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

Medical Certification

The Town may require medical certification to assess FMLA eligibility, as well as updates at reasonable intervals for continued certification. Employees are responsible for paying for the certification or re-certification. The Town, at its own cost, may also require the employee to get a second or third opinion from a physician designated by the Town. Failure to provide adequate information within 15 calendar days, may result in denial of leave. The employee is expected to return to work at the end of the timeframe stated in the medical certification, unless he/she has requested additional time in writing under the Town's Leave of Absence policy. The Town requires a physician's statement certifying an employee's ability to return to work prior to returning from medical leave. An employee who does not return to work within three working days after their FMLA expires will be considered to have voluntarily resigned their position.

Benefits Continuation

The Town will continue to provide health care benefits during the 12-week FMLA leave entitlement, however, the employee will be responsible for paying his/her portion of the premium for dependent coverage if applicable. Other payroll deductions are the responsibility of the employee and the employee must make those payments. Failure to pay premiums will result in loss of coverage. Under federal regulations, the Town has the right to recover the insurance premiums if the employee fails to return to work for reasons other than the inability of the employee to work.

Reinstatement

Under most circumstances, employees who return to work immediately after the expiration of this leave and who do not exceed the amount of leave permitted under the FMLA, will be reinstated to either the same or equivalent job. If the twelve or twenty-six weeks of this leave are exhausted and the employee has not returned to work, the Town will determine if the employee will be reinstated.

Section 17. Leave of Absence

A regular full or part-time employee who has completed the probationary period may be granted a leave of absence typically for no more than six months by the Mayor for various reasons including medical leave, sickness/disability of immediate family member, continuing of education, special work that will permit the Town to benefit by the experience gained or the work performed, or for other reasons deemed justified by the Mayor.

Eligible employees will be required to exhaust their vacation leave, sick leave, and any accrued compensatory time prior to requesting leave without pay. The Town requires that all leave of absences qualifying for Family and Medical Leave run concurrently with the 12-week FMLA entitlement. No benefits are accrued during an unpaid leave of absence.

The employee shall apply in writing to their supervisor for leave no later than 30 days prior to the effective date of the leave. The 30-day notice may be waived when in the doctor's opinion the employee must leave their job earlier for medical reasons. The request should include the reason for leave, date expected for beginning leave, duration of leave, and the expected date to return to work. The mayor approves any leave of absence request. The employee is obligated to return to duty within or at the end of the time determined appropriate by the mayor. If the employee decides not to return to work, the supervisor shall be notified immediately. Failure to report at the expiration of a leave of absence, unless an extension has been requested in writing and approved, shall be considered a voluntary resignation. The length of the leave will be determined by the circumstances surrounding the situation and each case will be considered on its own merit. However, leave of absences typically shall not exceed six months without Mayor approval.

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The Town cannot guarantee reinstatement to the employee's former position upon return from a leave of absence. However, every effort will be made to place an employee in their former position. Before being considered for a return to work after a medical leave of absence, employees must provide Human Resources or Administration with a physician's note stating that he/she is physically able to perform the job.

Section 18. Leave Without Pay

Leave without pay is an administrative decision and may be granted by the mayor upon the recommendation of the Department Director and Human Resources Director, if applicable. An employee must exhaust all applicable other leave before being placed on leave without pay status. An employee will not be permitted to rotate in and out of leave without pay status and paid leave status. While on leave without pay, an employee shall not accrue leave benefits. Under leave without pay status, employees are responsible for paying both the Town and employee contributions for premiums or benefit packages if they wish to maintain coverage, subject to any regulation by the Governing Body and the regulations of the insurance carrier/benefit provider.

(Exception: For leave without pay occurring under the 12-week FMLA entitlement, the Town's contributions to health insurance is maintained.)

Section 19. Workers' Compensation Leave

Under the North Carolina Workers' Compensation Act, employees may be compensated for absence from work due to injury or illness covered by the Act, subject to the following leave provisions:

- 1) There is a mandatory 7 calendar day waiting period before Workers' Compensation salary benefits begin. For this initial 7-day waiting period, employees may use sick leave, vacation leave, compensatory time, or leave without pay.
- 2) Beginning on the 8th calendar day following the injury or illness, employees who have not returned to work shall be placed in a Workers' Compensation Leave Without Pay status. Accrued leave cannot be used while in Leave Without Pay status.
- 3) Employees receiving Workers' Compensation benefits will not accrue vacation leave, sick leave or paid holidays and their local government retirement and 401k benefits are not paid during this period. Employees will retain all accumulated sick and vacation leave.
- 4) An employee on Workers' Compensation leave may be permitted to continue to be eligible for benefits under the Town's group health insurance plan during the 12- week FMLA period. Employees may elect to continue health benefits

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by electing COBRA.

- 5) Upon reinstatement, an employee's salary will be computed on the basis of the last salary plus any salary increase to which the employee would have been entitled during the absence covered by Workers' Compensation benefits.
- 6) After returning to work, employees shall be required to use sick or vacation leave for any additional absences for doctor visits, physical therapy, and other required medical care except where any full or partial workday absence may be eligible for Workers' Compensation payment.
- 7) Any period of leave for a Workers' Compensation injury that qualifies as a "serious health condition" under the Family and Medical Leave Act (FMLA), will run concurrently with FMLA leave.
- 8) The Town of **Micro**'s personnel policies shall continue to apply to an employee on Workers' Compensation leave in the same manner as they would apply to an employee who continues to work, or is absent while on some other form of leave.
- 9) An employee is prohibited from moonlighting or performing other outside work during any kind of leave including workers' compensation leave.
- 10) The ability to return to work will be assessed individually and on a case-by-case basis. The Town will engage in an interactive process with the employee to carefully analyze whether accommodations requested are reasonable while not creating an undue hardship to the Town. If business necessity requires the Town to fill the position prior to the employee's return to work, the employee will receive priority consideration for qualified job openings for 6 months after their medical release to work.
- 11) Before an employee may return to work from a Workers' Compensation injury at full or light duty, the employee must provide a physician's note or Fitness for Duty certification to his/her supervisor indicating that he/she is released and capable of resuming duties, and what, if any restrictions are in place.

Section 20. Return to Work

The Town of Micro has an established light duty return-to-work policy. A light duty assignment is defined as a temporary work assignment within the employee's physical abilities, knowledge and skills which allows an employee to return to work performing different duties until the employee is able to return to his/her original position following an on-the-job injury. The light duty assignment temporarily addresses the restrictions placed on the employee by the treating physician. For work to be considered suitable light duty employment, the following conditions must be met:

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- 1) The employee must meet the required qualifications for the light duty assignment,
- 2) The work must be a meaningful and productive part of the department's operations,
- 3) The work must conform to the medical restrictions set by the medical care provider, and,
- 4) The light duty assignment and/or modified work schedule should not exceed ninety calendar days.

If the employee's regular department is unable to meet the employee's need for light duty, the employee's department is responsible for payment of the employee's salary and benefits while performing a light duty assignment in a different department that has been able to meet the employee's needs. The employee placed in a light duty assignment will be paid a salary that is equivalent to the salary of other employees holding the same position. The Town cannot guarantee placement and is under no obligation to offer or create any specific position for purposes of offering placement. Employees in a light duty assignment are expected to comply with Town policies and performance expectations as if they were working in their regular, full-time position.

An employee may choose to accept or refuse the Return to Work (modified duty) job offer. However, an employee who refuses a Light Duty offer is subject to termination. Rejection of the job offer might also result in cancellation of income benefits under Workers' Compensation Insurance.

If an employee is unable to return to work at full duty after 90 calendar days, he/she may request a continuation of light duty. Approval beyond 90 calendar days will be based upon the individual assessment of the employee's ability to return to full duty within the immediate future as well as business necessity. An employee requesting an extension beyond 90 calendar days must submit updated information from the treating physician. The Town reserves the right to consider a separation of employment for any employee who is out on Workers' Compensation leave for an extended period of time thus causing hardship for the department. The Town of Micro will engage in the interactive process to determine whether a reasonable accommodation is possible for a qualified individual with a disability to enable them to perform the essential functions of the job, unless doing so causes an undue hardship to the Town of a direct threat to employees or workplace safety.

Section 21. Military Leave

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

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

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

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

During the period of military leave, regular employees may continue health and dental insurance coverage up to eighteen months under COBRA coverage, provided they continue to pay their share of the premiums. As with any other unpaid leave, employees do not accrue vacation leave or sick leave during the period of leave without pay. However, the balance of such accruals on the date of commencement of the military leave will remain intact for the employee's return to work.

Section 22. Reinstatement Following Military Service

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

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

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

Section 23. Civil Leave

A Town employee called for jury duty or subpoenaed for the federal or state governments, or a subdivision thereof, shall receive leave with pay for such duty during the required absence without charge to accumulated leave. The employee may keep fees and travel allowances received for jury or witness duty in addition to regular compensation; except, that employees must turn over to the Town and 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. Employees required to be in court for their own case, defendant or plaintiff, must use vacation leave or compensatory time.

Section 24. Administrative Leave

The Mayor can approve certain types of Administrative Leave at his/her discretion. Administrative Leave is typically for volunteer opportunities such as donating blood, assisting with natural disasters, and other approved activities.

Section 25. No Moonlighting During Leave

Employees are prohibited from working outside positions during any kind of leave from the Town (Workers' Compensation Leave, Family Medical Leave, etc.). Outside employment during a period of leave can result in disciplinary action up to and including termination.

ARTICLE VIII. SEPARATION AND REINSTATEMENT

Section 1. Types of Separations

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

Section 2. Resignation

An employee may resign by submitting the reasons for resignation and the effective date in writing to the immediate supervisor as far in advance as possible. In all instances, the minimum notice requirement is two weeks. Failure to provide minimum notice shall result in forfeit of payment for accumulated vacation leave unless the notice is waived upon recommendation of the Department Director and approval by the mayor.

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

Section 3. Reduction in Force

Reduction in force is the involuntary separation of an employee due to lack of work or funds, outsourcing of services, decreased workload or elimination of the employee's position due to reorganization. In the event that a reduction in force becomes necessary, consideration shall be given to the quality of each employee's performance, organizational needs, and seniority in determining those employees to be retained. Employees who are separated because of a reduction in force shall be given at least two weeks' notice of the anticipated action. No regular employee shall be separated because of a reduction in force while there are temporary or probationary employees serving in the same class in the department, unless the regular employee is not willing to transfer to the position held by the temporary or probationary employee.

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If a reduction in force occurs, the mayor has the discretion to offer severance pay up to the rate of one week of pay for each full year of continuous service to the Town, with a maximum payment of twenty (20) weeks. Severance pay does not apply to temporary employees and any employee who is separated from Town employment based on job misconduct or performance failure. The mayor is authorized to interpret and clarify any issues related to Reduction in Force and/or severance.

Section 4. Voluntary Retirement

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

Section 5. Death

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

Section 6. Dismissal

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

Section 7. Reinstatement

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

Section 8. Rehiring

An employee who resigns while in good standing may be rehired with the approval of the mayor will be regarded as a new employee (vacation leave and service start over), subject to all of the provisions of rules and regulations of this Policy. If an employee is hired back into the same position within one year from the date of separation, the employee may be hired back at the previous salary rate, including any salary increases for which he/she would have been eligible as well as a reinstatement of accumulated sick leave. An employee in good standing who is separated due to a reduction in force shall be given the first opportunity to be rehired in the same or a similar position.

ARTICLE IX. DISCIPLINARY ACTIONS

Section 1. Policy

A non-probationary employee may be reprimanded, suspended, demoted, or dismissed as provided below; however, nothing contained herein shall replace, change, or modify the employment-at-will status as first stated in Article 1, Section 2 of these policies.

The Town generally administers a progressive disciplinary procedure in which discipline is administered in proportion to the degree of severity and frequency of unacceptable employee behavior. Progressive discipline is intended to allow the employee the opportunity to correct deficiencies in work behavior by clarifying and prescribing to the employee the appropriate behavior. All disciplinary actions are subject to the approval of the mayor.

Employees may be disciplined for improper personal conduct or unsatisfactory performance of job duties, as described in this Article. The Town may also discipline employees for performance problems and/or conduct not specifically identified in this Article.

Probationary employees who have not attained regular status and temporary employees may be dismissed immediately for unsatisfactory job performance or improper personal conduct violations. There is no right of appeal. Appropriate documentation of the dismissal will be included in the employee's personnel file.

Section 2. Procedure

Whenever, in the supervisor's judgment, employee performance, attitude, work habits, or personal conduct falls below the acceptable level, the supervisor shall inform the employee promptly and specifically of such performance problem(s) and give counsel and assistance. A reasonable period of time for improvement may be allowed before initiating disciplinary action and is within the discretion of the supervisor.

The Town generally follows the principles of progressive discipline. However, the supervisor, in consultation with the Human Resources Director or Administration, may determine the appropriate level of discipline, separate and apart from the progressive discipline, taking into consideration the particular incident. Disciplinary actions will be recorded in the employee's personnel file.

Disciplinary action may consist of any of the following, not necessarily in this order:

- Written Warning
- Written Warning with Condition(s) of Continued Employment

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- Suspension
- Demotion
- Dismissal

Written Warning(s)

A documented discussion of specific work-related concerns indicating unacceptable personal conduct or performance deficiencies will be made with corrective measures to be followed. The receipt of a written warning should be acknowledged in writing by the employee. If the employee refuses to properly acknowledge the receipt of any written warning, the supervisor issuing the written warning shall note the employee's refusal on the employee disciplinary report and have an additional supervisor sign the disciplinary report as a witness to the fact that the employee refused to sign the disciplinary report.

Written Warning with Condition(s) of Continued Employment

If an employee continues to perform his or her duties in an unsatisfactory manner, after the receipt of a written warning about deficiencies in the employees' work performance, or if the employee engages in improper personal conduct that involves a mitigating factor or a combination of mitigating factors deemed by management to warrant disciplinary action short of dismissal, the employee may be issued a written warning that contains conditions with which the employee must comply in order to maintain his or her employment with the Town. These conditions of employment may include, but are not limited to, performance requirements as well as a defined goal for the employee to attain in order to demonstrate that the employee is conducting him/herself in a manner that meets the expectations of the Town of Micro.

The issuance of a written warning by the Town to an employee is for the convenience of the Town and is not a precondition of an adverse employment action. An employee may have an adverse employment action (including but not limited to suspension, demotion or dismissal) taken against them without prior written warning by the Town.

Suspension

If the behavioral infraction is extremely serious to the Town, other employees, or the public, the employee may be suspended without warning.

Demotion

An employee may also be demoted for unsatisfactory performance or for improper personal conduct without prior warnings. Before an employee is demoted for either reason, the Department Director shall submit a written summary of facts and circumstances leading to the decision to the Human Resources Director or Mayor for approval to proceed. The report should include previous disciplinary action taken,

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previous written warnings and other documents that support the decision.

Dismissal

The Department Director recommending dismissal shall discuss the recommendation with the Human Resources Director or the Mayor. The supervisor shall schedule and conduct a meeting with the employee and the Human Resources Director, or person performing such duties. In the meeting, the supervisor shall provide the employee notice of the recommended dismissal, including specific reasons for the recommendation and summarize the information supporting that decision. The employee shall have an opportunity to respond to the recommended dismissal, to refute information supporting the dismissal action and to offer information or arguments to support his/her position. During this meeting with the Department Director, no outside parties may participate. The Human Resources Director or the Mayor shall transmit to the employee written notice of the dismissal.

Section 3. Non-Disciplinary Suspension

During the investigation, hearing or trial of an employee on any criminal charge, or during an investigation related to alleged detrimental personal conduct, or during the course of any civil action involving an employee when suspension would, in the opinion of the Department Director, the Human Resources Director or the Mayor, be in the best interest of the Town, the employee may be suspended for part or all of the proceeding as a non-disciplinary action. In such cases, the mayor may temporarily relieve the employee of all duties and responsibilities and place the employee on unpaid or paid leave for the duration of the suspension. If the employee is reinstated following the suspension such employee shall not lose any compensation or 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 unpaid suspension.

Section 4. Rights of Appeal

In the case of a demotion or dismissal, a regular employee can appeal to the mayor in writing within seven (7) workdays following the effective date of the personnel action that is under appeal. The mayor, or designee, will review the written reports utilized by the Department Director to take the personnel action under appeal, and may request additional information and documentation to consider the appeal. The mayor may request meetings with the employee as well as others involved.

In deciding the issue on appeal, the mayor, or designee, may confirm or modify the recommendation of the Department Director and enter such order as the mayor may deem appropriate. The mayor's written decision shall be entered and forwarded to the

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Department Director and the employee within ten (10) workdays from the date the written appeal was received. The decision entered by the mayor shall be final.

Section 5. Administrative Guidelines

As mentioned above, the Town will determine the appropriate level of discipline for both unsatisfactory job performance and conduct issues. Examples of both unsatisfactory job performance and improper personal conduct which could result in discipline are listed below.

(A) Unsatisfactory Job Performance

Unsatisfactory job performance occurs when an employee fails to meet job requirements or performance standards as established by the Department Director or Mayor. This policy does not require that progressive warnings address the same type of unsatisfactory performance.

The following list is illustrative, and is not an exhaustive or exclusive list, of the types of unsatisfactory job performance that may lead to the termination of an individual's employment with the Town:

- (1) Inefficiency or incompetence or negligence in performing duties;
- (2) Poor manner of work performance;
- (3) Failure to produce work of acceptable quality, quantity or accuracy;
- (4) Physical or mental incapability for performing duties
after reasonable accommodation;
- (5) Careless, negligent or improper use of Town property;
- (6) Failure to maintain satisfactory and harmonious working relationships
with fellow employees and the public;
- (7) Habitual pattern of failure to report for duty at the assigned time and place;
- (8) Absence without approved leave;
- (9) Improper use of sick or other leave privileges;
- (10) Failure to complete work within timeframes established;
- (11) Repeated or serious incident of unsafe behavior at work;
- (12) Failure to obtain or maintain current license or certificate required as a
condition of the job;
- (13) Failure to wear or use appropriate safety equipment or otherwise to abide by

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safety rules;

- (14) A rating below expectations overall or on a principal function for at least two consecutive performance reviews (may be mid-year reviews) spanning at least six months with no improvement.

(B) Improper Personal Conduct

An employee who engages in a single act of improper personal conduct is subject to dismissal from employment with the Town of Micro, regardless of whether the employee has previously received a warning of any kind during his/her career with the Town.

The following list is illustrative, and is not an exhaustive or exclusive list, of the types of improper personal conduct that will lead to the termination of an individual's employment with the Town:

- (1) Conduct unbecoming a Town employee;
- (2) Fraud, theft or other illegal activities;
- (3) Conviction of a felony or the entry of a plea of nolo contendere thereto;
- (4) Willful misuse or gross negligence in the handling of Town funds or missing Town funds;
- (5) Personal use of Town equipment or supplies;
- (6) Falsifying records for personal profit, to grant special privileges or to obtain employment;
- (7) Engaging in any action that would in any way seriously disrupt or disturb the normal operations of the Town;
- (8) Willful acts that would endanger the lives or property of others;
- (9) Willfully damaging Town property;
- (10) Possessing unauthorized weapons, alcoholic beverages, or illegal substances while on the job;
- (11) Violence or other aggressive, threatening, intimidating, bullying or disruptive behaviors whether by means of communication devices or by means of physical visits to the grounds or home of the targeted individual, for the purpose of harassing an individual;
- (12) Insubordination;

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- (13) Accepting gifts for “favors” or “influence;
- (14) Without proper authorization, disseminating or otherwise releasing in any manner information that is lawfully maintained by the Town’s confidential information;
- (15) Professional misconduct;
- (16) Leaving the work area repeatedly for excessively long periods without proper authorization;
- (17) Willful violations of Federal/State law or regulations or Town policies;
- (18) Violation of the Town’s policies prohibiting sexual harassment, unlawful discrimination, retaliation, workplace violence, and/or substance abuse;
- (19) Providing or maintaining false or improper records/documents;
- (20) Sleeping during work time;
- (21) Gambling during work time; and
- (22) Providing an untruthful statement or statements during an administrative investigation conducted by the Town and/or otherwise attempting to impede the ability of the Town to conduct an accurate and complete administrative investigation.

ARTICLE X. GRIEVANCE PROCEDURE

Section 1. Policy

The Town is committed to providing employees an effective and responsive grievance process. The purpose of this article is to outline the procedure and to assure all employees that a response to their complaints and grievances will be prompt and fair. Employees utilizing the grievance procedure shall not be subjected to retaliation or any form of harassment from supervisors or employees for exercising their rights under this policy. Supervisors or other employees who violate this policy shall be subject to disciplinary action up to and including dismissal from Town service.

Section 2. Grievance Defined

A grievance is a claim or complaint by a current or a former employee based upon an event or condition within control of the Town, which adversely affects the circumstances under which an employee works, allegedly caused by misinterpretation, unfair application, or lack of established policy pertaining to employment conditions. An employee filing a grievance should be actually or potentially adversely affected by the condition or event being grieved. Performance appraisals, disciplinary demotions, or terminations of employment fall under the grievance procedure.

Section 3. Purposes of the Grievance Procedure

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

- 1) Providing employees with a procedure by which their complaints can be considered promptly, fairly, and without reprisal;
- 2) Encouraging employees to express themselves about the conditions of work that affect them as employees;
- 3) Promoting better understanding of policies, practices, and procedures that affect employees;
- 4) Increasing employees' confidence that personnel actions taken are in accordance with established, fair, and uniform policies and procedures; and
- 5) Increasing the sense of responsibility exercised by supervisors in dealing with their employees.
- 6) Encouraging conflicts to be resolved between employees and supervisors who must maintain an effective future working relationship, and therefore, encouraging conflicts to be resolved at the lowest level possible of the chain of command; and

- 7) Creating a work environment free of continuing conflicts, disagreements, and negative feelings about the Town of its leaders, thus freeing up employee motivation, productivity, and creativity.

Section 4. Procedure

When an employee has a grievance, the following successive steps are to be taken unless otherwise provided. The number of calendar days indicated for each step should be considered the maximum, unless otherwise provided, and every effort should be made to expedite the process. However, the time limits set forth may be extended by mutual consent. The last step initiated by an employee shall be considered to be the step at which the grievance is resolved.

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

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

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

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

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In cases involving discrimination or harassment, which may involve the immediate supervisor or Department Director, the employee may file the grievance with the Human Resources Director, or person performing such duties, directly.

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

Step 3. If the grievance is not resolved to the satisfaction of the employee at the end of Step 2, the employee may appeal, in writing, to the mayor within seven (7) calendar days after receipt of the response from Step 2. The grievance should state why the employee disagrees with the Human Resources Director's decision in Step 2 as well as offer a suggested resolution to the problem. The mayor shall respond to the appeal in writing, stating the determination of decision within ten (10) calendar days after receipt of the appeal. The mayor's decision shall be the final decision. The Town Manager will notify the Governing Body of any impending legal action.

Filing a lawsuit or seeking any other administrative remedy against the Town while you have a grievance on the same issue will end your appeals under the Town's grievance procedure.

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

Section 5. Role of the Human Resources Director

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

- 1) To advise parties (including employee, supervisors, and Mayor of their rights and responsibilities under this policy, including interpreting the grievance and other policies for consistency of application;
- 2) To be a clearinghouse for information and decisions in the matter including maintaining files of all grievance documents.
- 3) To give notices to parties concerning timetables of the process, etc.;
- 4) To assist employees and supervisors in drafting statements; and
- 5) To facilitate the resolution of conflicts in the procedures or of the grievance

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at any step in the process; and

- 6) To help locate mediation or other resources as needed.

The Human Resources Director shall also determine whether or not additional time shall be allowed to either side in unusual circumstances if the parties cannot agree upon extensions when needed or indicated.

Section 6. Grievance Procedure for Discrimination

When an employee, former employee, or applicant, believes that any employment action discriminates illegally (i.e., is based on race, color, religion, sex, national origin, political affiliation, non-disqualifying disability, age marital status or veteran status) he or she has the right to appeal such action using the grievance procedure outlined in this Article (Section 4 above). While such persons are encouraged to use the grievance procedure, they shall also have the right to appeal directly to the Human Resources Director or Mayor. An employee or applicant should appeal an alleged act of discrimination within thirty calendar days of the alleged discriminatory action but may appeal for up to six months following the action. Nothing in this policy is intended to discourage or prevent an employee, former employee, or applicant from filing a formal charge of discrimination or other illegal action with the appropriate state or federal agency having jurisdiction.

OPTIONAL SECTIONS:

Section X. Merit Pay (OPTIONAL)

Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria. Procedures for determining performance levels and performance pay increases or other performance-related movement within the range shall be established in procedures approved by the Mayor. Merit increases may be granted annually based on performance. The amount of merit increase may vary from year to year, depending on the budget adopted by the Governing Body. Only employees starting regular employment with the Town prior to July 1 of the previous calendar year are eligible for merit pay based on the performance evaluation. Employees on a leave of absence will be eligible for a performance review and possible merit increase upon their return to work.

Section X. Longevity Pay (OPTIONAL)

Full-time and part-time regular employees are compensated for years of service to the Town payment of a longevity supplement. Longevity pay is based on total number of years of continuous service. Employees shall receive longevity pay on the payday for the pay period in which his/her eligibility date occurs and annually in succeeding years. Employees shall receive longevity pay based on the following table:

<u>Years of Service</u> <u>Amount</u>	<u>Longevity</u>
5 - 9	\$
10 - 14	\$
15 - 19	\$
20 plus	\$

If an employee goes on leave without pay, longevity shall not be paid until the employee returns to work and completes six months of service.

Section X. Pay for Acting in a Higher-Level Classification (OPTIONAL)

An employee who is formally designated to perform the duties of a position that is assigned to a higher salary grade than that of the employee's regular classification for a period of 30 days or more shall receive an increase for the duration of the "Acting" assignment. The employee shall receive a salary adjustment to the minimum level of the job in which the employee is acting or an increase of 5%, whichever is greater, upon the start of the assignment. The salary increase shall be temporary and upon

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completion of the assignment, the employee shall go back to the salary he or she would have had if not assigned to the “Acting” role, considering any increases the employee would have received if he/she had not been placed in the “Acting” role.

Section X. Educational Incentive Pay Plan (OPTIONAL)

The Town offers an educational incentive pay plan to assist employees in their continuing education efforts. The pay plan will provide monetary incentives for completing certain job-specific certifications and courses approved by the mayor. In order for courses/certifications to qualify for Educational Pay, they need to be approved by the Human Resources Director, or the person performing such duties, prior to beginning the course. Procedures for the educational incentive pay plan shall be established and approved by the mayor.

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**TOWN OF MICRO
PERSONNEL POLICY**

WHEREAS, the Town of Micro seeks to maintain a Personnel Policy to provide guidance regarding how policies related to personnel with the Town of Micro are conducted; and

WHEREAS, the Board of Commissioners, from time to time, may choose to modify this policy in keeping with the needs of the Town; and

WHEREAS, the Board of Commissioners has determined the last personnel policy was adopted in 1994; and

WHEREAS, the Board of Commissioners wishes to update and replace the previous Town of Micro Personnel Policy.

NOW, THEREFORE, BE IT RESOLVED BY MICRO BOARD OF COMMISSIONERS that a new Personnel Policy be adopted, effective immediately.

Duly adopted this the 11th day of February, 2025 while in regular session.

Marty Parnell
Mayor

ATTEST:

Yiecenia Joyner
Utility Clerk/Deputy Town Clerk

**CONFLICT OF INTEREST POLICY
APPLICABLE TO CONTRACTS AND SUBAWARDS OF THE TOWN OF MICRO
SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE**

I. Scope of Policy

- a. Purpose of Policy. This Conflict of Interest Policy (“*Policy*”) establishes conflict of interest standards that (1) apply when the Town of Micro enters into a Contract (as defined in Section II hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).
- b. Application of Policy. This Policy shall apply when the Unit (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

II. Definitions

Capitalized terms used in this Policy shall have the meanings ascribed thereto in this Section II: Any capitalized term used in this Policy but not defined in this Section II shall have the meaning set forth in 2 C.F.R. § 200.1.

- a. “*COI Point of Contact*” means the individual identified in Section III(a) of this Policy.
- b. “*Contract*” means, for the purpose of Federal Financial Assistance, a legal instrument by which the Unit purchases property or services needed to carry out a program or project under a Federal award.
- c. “*Contractor*” means an entity or individual that receives a Contract.
- d. “*Covered Individual*” means a Public Officer, employee, or agent of the Unit.
- e. “*Covered Nonprofit Organization*” means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Unit).
- f. “*Direct Benefit*” means, with respect to a Public Officer or employee of the Unit, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.
- g. “*Federal Financial Assistance*” means Federal financial assistance that the Unit receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food

commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).

- h. *"Governing Board"* means the Board of Commissioners of the Unit.
 - i. *"Immediate Family Member"* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.¹
 - j. *"Involved in Making or Administering"* means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking action on the Contract or Subaward, whether or not the Public Official actually participates in that action.
 - k. *"Pass-Through Entity"* means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.
 - l. *"Public Officer"* means an individual who is elected or appointed to serve or represent the Unit (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Unit.
 - m. *"Recipient"* means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
 - n. *"Related Party"* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.
 - o. *"Subaward"* means an award provided by a Pass-Through Entity to carry out part of a Federal award received by the Pass-Through Entity. It does not include payments to a contractor or payments to a contractor or payments to an individual that is a beneficiary of a Federal program.
 - p. *"Subcontract"* means mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
 - q. *"Subcontractor"* means an entity that receives a Subcontract.
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- r. *“Subrecipient”* means an entity, usually but not limited to a non-Federal entity, that receives a subaward from a Pass-Through Entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
- s. *“Unit”* has the meaning specified in Section I hereof.

III. COI Point of Contact.

- a. Appointment of COI Point of Contact. The Town Clerk, an [employee] of the Unit, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that the Town Clerk is unable to serve in such capacity, the Mayor shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the *“COI Point of Contact”*.
- b. Distribution of Policy. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.

IV. Conflict of Interest Standards in Contracts and Subawards

- a. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Unit involved in contracting on behalf of the Unit. The Unit shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the prohibitions imposed by the North Carolina General Statutes and restated in this Section III.
 - i. G.S. § 14-234(a)(1). A Public Officer or employee of the Unit Involved in Making or Administering a Contract or Subaward on behalf of the Unit shall not derive a Direct Benefit from such a Contract or Subaward.
 - ii. G.S. § 14-234(a)(3). No Public Officer or employee of the Unit may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Unit.
 - iii. G.S. § 14-234.3. If a member of the Governing Board of the Unit serves as a director, officer, or governing board member of a Covered Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.
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iv. G.S. § 14-234.1. A Public Officer or employee of the Unit shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public official or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.

b. Federal Standards.

i. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(a), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.

1. Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.

2. Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(b)(i)(1), but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.

ii. Identification and Management of Conflicts of Interest.

1. Duty to Disclose and Disclosure Forms

a. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.

b. Prior to the Unit's award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.

c. If the value of a proposed Contract or Subaward exceeds \$[250,000], the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for

Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in records of the Unit.

2. Identification Prior to Award of Contract or Subaward.

- a. Prior to the Unit's award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and Exhibit D (for Subawards) attached hereto and file such Compliance Checklist in the records of the Unit.

3. Management Prior to Award of Contract or Subaward

- a. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to the Mayor and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:
 - i. accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Unit is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Unit is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Unit; or
 - ii. reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.
- b. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Unit may enter into the Contract or Subaward in accordance with the Unit's purchasing or subaward policy.

4. Identification After Award of Contract or Subaward.

- a. If the COI Point of Contact discovers that a real or apparent conflict of interest has arisen after the Unit has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such finding to the Mayor and to each member of the Governing Board. Upon discovery of such a real or apparent conflict of interest, the Unit shall cease all payments under the relevant Contract or Subaward until the conflict of interest has been resolved.

5. Management After Award of Contract or Subaward.

- a. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(b)(ii)(4) , the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:
 - i. if Unit is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or
 - ii. if Unit is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to Unit in accordance with 2 C.F.R. § 200.112 and applicable regulations of the Federal awarding agency and the Pass-Through Entity.

V. Oversight of Subrecipient's Conflict of Interest Standards

- a. Subrecipients of Unit Must Adopt Conflict of Interest Policy. Prior to the Unit's execution of any Subaward for which the Unit serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.
- b. Obligation to Disclose Subrecipient Conflicts of Interest. The COI Point of Contact shall ensure that the legal agreement under which the Unit makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

VI. Gift Standards

- a. Federal Standard. Subject to the exceptions set forth in Section VI(b), a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.
- b. Exception. Notwithstanding Section VI(a), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of \$20 or less per source per occasion, provided that the aggregate market value of all gifts received by the Covered Individual pursuant to this Section VI(b) does not exceed \$50 in a calendar year:

- i. honorariums for participating in meetings;
 - ii. advertising items or souvenirs of nominal value; or
 - iii. meals furnished at banquets.
- c. Internal Reporting. A Covered Individual shall report any gift accepted under Section VI(b) to the COI Point of Contact. If required by regulation of a Federal awarding agency, the COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Unit is a Subrecipient.

VII. **Violations of Policy**

- a. Disciplinary Actions for Covered Individuals. Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee's termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Official by the Governing Board, or termination of an agent's contract with the Unit.
- b. Disciplinary Actions for Contractors and Subcontractors. The Unit shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.
- c. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Unit shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; of (vii) a management official or other employee of the Unit, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

Duly adopted this the 11th day of February, 2025 while in regular session.

Marty Parnell, Mayor

ATTEST:

Yiecenia Joyner
Deputy Town Clerk /Utility Billing

EXHIBIT A

Examples

<i>Potential Examples of a “Financial or Other Interest” in a Firm or Organization Considered for a Contract or Subaward</i>	<i>Potential Examples of a “Tangible Personal Benefit” From a Firm or Organization Considered for a Contract or Subaward</i>
Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include: <ul style="list-style-type: none">- Stock in a corporation.- Membership interest in a limited liability company.- Partnership interest in a general or limited partnership.- Any right to control the firm or organization’s affairs. For example, a controlling equity interest in an entity that controls or has the right to control a firm considered for a contract.- Option to purchase any equity interest in a firm or organization.	Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract. A position as a director or officer of the firm or organization, even if uncompensated.
Holder of any debt owed by a firm considered for a Contract or Subaward, which may include: <ul style="list-style-type: none">- Secured debt (e.g., debt backed by an asset of the firm (like a firm’s building or equipment))- Unsecured debt (e.g., a promissory note evidencing a promise to repay a loan).<ul style="list-style-type: none">o Holder of a judgment against the firm.	A referral of business from a firm considered for a Contract or Subaward.
Supplier or contractor to a firm or organization considered for a Contract or Subaward.	Political or social influence (e.g., a promise of appointment to an local office or position on a public board or private board).

EXHIBIT B

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

The [_____] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [_____] as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in Section II) and file the Checklist in the records of the Unit.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Contract exceeds \$[250,000], the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [_____] and to each member of the Governing Board.

Definitions.

1. *Covered Individual.* Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step			
1	Identify the proposed Contract, counterparty, and the subject of the Contract.	<u>Name of Contract:</u> <hr/> <u>Name of Counterparty</u> <hr/> <u>Subject of Contract:</u> <hr/>	
2	Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds \$[250,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 3 is a potential “real” conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds \$[250,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.		
Any identified interest in Step 4 is a potential	<u>Public Officials – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>

“real” conflict of interest.			
5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract? If yes, explain.		
Any identified interest in Step 5 is a potential “apparent” conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>

COI Point of Contact: _____

Signature of COI Point of Contact: _____

Date of Completion: _____

EXHIBIT C

CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The [_____] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [_____] as the “COI Point of Contact.”

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following contract: _____ (the “Contract”). To safeguard the Unit’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Contract. Using the Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

2. Will you receive any tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

3. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

4. Do you have any other partner with a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

6. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Contract or will such current or potential employer receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

a. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

b. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- c. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- d. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

8. Does any existing situation or relationship create the appearance that you have a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

9. Does any existing situation or relationship create the appearance that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

11. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

12. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

Sign Name: _____

Print Name: _____

Name of Employer _____

Job Title: _____

Date of Completion: _____

EXHIBIT D

COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT

The [_____] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [_____] as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Subawards (as defined in Section II) and file the Checklist in the records of the Unit.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Subaward exceeds \$[250,000], the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [_____] and to each member of the Governing Board.

Definitions.

1. *Covered Individual.* Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step			
1	Identify the proposed Subaward, Subrecipient, and the subject of the Subaward.	<u>Name of Contract:</u> <hr/> <u>Name of Counterparty</u> <hr/> <u>Subject of Subaward:</u> <hr/>	
2	Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds \$[250,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 3 is a potential “real” conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds \$[250,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 4	<u>Public Officials – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>

<p>is a potential “real” conflict of interest.</p>			
<p>5</p>	<p>Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Subaward? If yes, explain.</p>		
<p>Any identified interest in Step 5 is a potential “apparent” conflict of interest.</p>	<p><u>Public Officials</u></p>	<p><u>Employees</u></p>	<p><u>Agents</u></p>

COI Point of Contact: _____

Signature of COI Point of Contact: _____

Date of Completion: _____

EXHIBIT E

SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The [_____] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [_____] as the COI Point of Contact.

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following subaward: _____ (the “Subaward”). To safeguard the Unit’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Subaward. Using the Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

2. Will you receive any tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

3. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

4. Do you have any other partner with a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

6. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Subaward or will such current or potential employer receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

- a. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- b. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- c. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- d. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

8. Does any existing situation or relationship create the appearance that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

9. Does any existing situation or relationship create the appearance that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

11. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

12. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

Sign Name: _____

Print Name: _____

Name of Employer _____

Job Title: _____

Date of Completion: _____

**TOWN OF MICRO
NON-DISCRIMINATION (CIVIL RIGHTS) POLICY
RELATED TO CSLFRF FUNDING**

WHEREAS, the Town of Micro has received an allocation of funds from the “Coronavirus State Fiscal Recovery Fund” or “Coronavirus Local Fiscal Recovery Fund” (together “CSLFRF funds”), established pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (the “ARP/CSLFRF award”).

WHEREAS, CSLFRF funds are subject to the U.S. Department of Treasury (“Treasury”) regulations, including the Final Rule, the Award Terms and Conditions, and the Title VII implementing regulations at 31 C.F.R. Part 22.

WHEREAS, pursuant to the ARP/CSLFRF Award Terms and Conditions, and as a condition of receiving CSLFRF funds, the Town of Micro agrees to follow all federal statutes and regulations prohibiting discrimination in its administration of CSLFRF under the terms and conditions of the ARP/CSLFRF award, including, without limitation, the following:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin within programs or activities receiving federal financial assistance;
- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving Federal financial assistance;
- iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury’s implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
- v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and the Town of Micro or instrumentalities or agencies thereto.

RESOLVED, That the governing board of the Town of Micro hereby adopts and enacts the following nondiscrimination policy, which shall apply to the operations of any program, activity, or facility that is supported in whole, or in part, by expenditures CSLFRF pursuant to the ARP/CSLFRF award.

Nondiscrimination Policy Statement

It is the policy of the Town of Micro to ensure that no person shall, on the ground of race, color, national origin (including limited English Proficiency), familial status, sex, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity administered by Town of Micro, including programs or activities that are funded in whole or part, with Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF"), which the Town of Micro received from the U.S. Department of Treasury ("Treasury") pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (herein the "ARP/CSLFRF award").

I. Governing Statutory & Regulatory Authorities

As required by the CSLFRF [Award Terms and Conditions](#), the Town of Micro shall ensure that each "activity," "facility," or "program that is funded in whole, or in part, with CSLFRF and administered under the ARP/CSLFRF award, will be facilitated, operated, or conducted in compliance with the following federal statutes and federal regulations prohibiting discrimination. These include, but are not limited to, the following:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
- iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age within programs or activities receiving federal financial assistance; and
- v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and the Town of Micros or instrumentalities or agencies thereto.

II. Discriminatory Practices Prohibited in the Administration of the ARP/CSLFRF Award

To ensure compliance with Title VII of the Civil Rights Act of 1964, and Title 31 Code of Federal Regulations, Part 22, the Civil Rights Restoration Act of 1987, and other pertinent nondiscrimination authorities, the Town of Micro shall prohibit, at a minimum, the following practices in its administration of CSLFRF pursuant to the ARP/CSLFRF award:

1. Denying to a person any service, financial aid, or other program benefit without good cause;
2. Providing to a person any service, financial aid, or another benefit which is different in quantity or quality, or is provided in a different manner, from that provided to others under the program.
3. Subjecting a person to segregation or separate treatment in any matter related to the receipt of any service, financial aid, or other benefit under the program;
4. Restricting a person in the enjoyment of any advantages, privileges, or other benefits enjoyed by others receiving any service, financial aid, or other benefit under the program;
5. Treating a person differently from others in determining whether that person satisfies any admission, enrollment, quota, eligibility, membership, or other requirement or condition which persons must meet to be provided any service, financial aid, or other benefit provided under the program;
6. Implementing different standards, criteria, or other requirements for admission, enrollment, or participation in planning, advisory, contractual, or other integral activities to the program;
7. Adopting methods of administration which, directly or through contractual relationships, would defeat or substantially impair the accomplishment of effective nondiscrimination;
8. Selecting a site or location of facilities with the purpose or effect of excluding persons from, denying them the benefits of, subjecting them to discrimination, or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of Title VI or related acts and regulations;
9. Discriminating against any person, either directly or through a contractual agreement, in any employment resulting from the program, a primary objective of which is to provide employment;
10. Committing acts of intimidation or retaliation, including threatening, coercing, or discriminating against any individual for the purpose of interfering with any right or privilege secured by any pertinent nondiscrimination law, or because an individual made a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing.

III. Reporting & Enforcement

1. The Town of Micro shall cooperate in any enforcement or compliance review activities by the Department of the Treasury. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Town of Micro shall comply with information requests, on-site compliance reviews, and reporting requirements.
2. The Town of Micro shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin (including limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, whether pending or completed, including the outcome. The Town of Micro shall inform the Treasury if it has received no complaints under Title VI.
3. Any person who believes they have been aggrieved by a discriminatory practice under Title VI has a right to file a formal complaint with the Treasury. Any such complaint must be in writing and filed with the Treasury's Title VI Coordinator within one hundred eighty (180) days following the date of the alleged discriminatory occurrence.
4. Any person who believes that because of that person's race, color, national origin, limited English proficiency, familial status, sex, age, religion, or disability that he/she/they have been discriminated against or unfairly treated by the Town of Micro in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence:

Duly adopted this the 11th day of February, 2025 while in regular session.

Marty Parnell
Mayor

ATTEST:

Yiecenia Joyner
Deputy Town Clerk/Utility Billing