



Town of Clayton
Regular Town Council Meeting Agenda
Monday, June 17, 2024 at 6:00 PM
Council Chambers, Town Hall
111 E. Second Street

THE PUBLIC MAY VIEW THE LIVE COUNCIL MEETING ON THE TOWN'S YOUTUBE CHANNEL:
<https://www.youtube.com/TownofClaytonNC>

1. CALL TO ORDER

- a. Call to Order
- b. Pledge of Allegiance
- c. Invocation

2. ADJUSTMENT OF THE AGENDA

- a. **POTENTIAL ACTION:** Approve or Adjust the Agenda

3. CONSENT AGENDA

- a. Minutes
 - May 20, 2024 - Special Meeting
 - May 20, 2024 - Regular Session
 - May 20, 2024 - Closed Session
 - June 3, 2024 - Work Session
 - June 3, 2024 - Regular Session
 - June 3, 2024 - Closed Session

Presenter: Heidi Holland, Town Clerk

[May 20, 2024 - Special Meeting](#)

[May 20, 2024 - Regular Session](#)

[June 3, 2024 - Work Session](#)

[June 3, 2024 - Regular Session](#)
- b. Warranty Acceptance of Public Water and Sewer Utilities for Walton Farms, Phases 5 & 6
Presenter: Chris Rowland, Construction Project Admin.
[Warranty Acceptance of Public Water and Sewer Utilities for Walton Farms, Phases 5 & 6](#)
- c. HR Policies
Presenter: Kenya Walls, Human Resources Director
[Town of Clayton Policy Final Draft - RED LETTER](#)
[Town of Clayton Policy Final Draft - CLEAN](#)
[Resolution #2024-69 Personnel Policy](#)
[Policy Cover Sheet](#)
- d. Approval for Town Manager to Execute Encroachment Agreement with North Carolina Railroad Company for the East Clayton Industrial Area Transmission Project. Permit number - #o_h-098+4968

Presenter: Louis Duffie, Asst. Program Manager
[Approval for Town Manager to Execute Agreement](#)

- e. Removal of Advisory Board Members
Presenter: Heidi Holland, Town Clerk
[Removal of Advisory Board Members](#)
- f. Final Acceptance of Public Water and Sewer Utilities for Durham Street Townhomes: TOC Project 2019-36-SD
Presenter: Chris Rowland, Construction Project Admin.
[Final Acceptance of Public Water and Sewer Utilities for Durham Street Townhomes](#)
- g. Town of Clayton - Novo Nordisk Memorandum of Understanding
Presenter: Joshua Baird, PE, Water Resources Director
[Town of Clayton - Novo Nordisk Memorandum of Understanding](#)
- h. Contract For School Resource Officer Services
Presenter: Greg Tart, Police Chief
[Contract For School Resource Officer Services](#)
- i. Water Resources Department - Certification Incentive Pay Policy
Presenter: James Blalock, UMC, Assistant Water Resources Director
[Water Resources Department - Certification Incentive Pay Policy](#)
- j. NCDOT Road Closures for Special Events
Presenter: Amy Shearin, Community Events & Engagement Coordinator
[NCDOT Road Closures for Special Events](#)

POTENTIAL ACTION: Approval of Consent Agenda as Presented

4. ADMINISTRATIVE ITEMS

- a. Clayton4U
Presenter: Nathanael Shelton, Communication Director
- b. Fireworks Update
Presenters: Lauren Lambert, Special Events & Marketing Manager and Amy Shearin, Community Events & Engagement Coordinator

5. INTRODUCTIONS AND SPECIAL PRESENTATIONS

- a. National Parks and Recreation Month Proclamation
Presenter: Council Member Anderson to Read Proclamation and Present to Parks and Rec.
[National Parks and Recreation Month Proclamation](#)

6. PUBLIC HEARINGS

7. QUASI-JUDICIAL HEARING

8. OLD BUSINESS

- a. Budget Amendments - Yearend Closeout
Presenter: Robert McKie, Finance Director
[Budget Amendments - Yearend Closeout](#)

POTENTIAL ACTION: Adoption of Ordinances #2024-06-01, #2024-06-02, #2024-06-03, #2024-06-04, and #2024-06-05

9. NEW BUSINESS

- a. Agreement with NCDOT for Locally Administered Project Program funding for Clayton Connector & S. Robertson/Main Street Improvements Project HL-0129

Presenter: Shannon Poole, Engineering Technician

[Agreement with NCDOT for Locally Administered Project Program Funding](#)

POTENTIAL ACTION: Approval of Agreement and Adoption of Resolution #2024-72

10. STAFF REPORTS

- a. Town Manager
b. Town Attorney
c. Town Clerk
d. Other Staff

11. OTHER BUSINESS

- a. Informal Discussion & Public Comment
b. Council Comments

12. CLOSED SESSION

13. ADJOURNMENT

- a. Adjourn

POTENTIAL ACTION: Motion To Adjourn

INFORMATION FOR THE PUBLIC

3. CONSENT AGENDA

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

7. QUASI-JUDICIAL HEARING

A quasi-judicial hearing resembles a court trial where testimony is presented. Citizens may give testimony in a quasi-judicial hearing after they have taken an oath. Town Council acts like a court of law and receives only sworn testimony and other credible evidence. In addition, the Town Council must make findings of fact based upon the evidence presented.

The Town Council refrains from "ex parte communication" about these cases, as the Town Council must make a decision based solely on the evidence presented at the hearing itself. Staff is available to assist with inquiries from citizens.

11. OTHER BUSINESS – INFORMAL DISCUSSION & PUBLIC COMMENT

RULES FOR PERSONS ADDRESSING TOWN COUNCIL

- During public hearings and public comment periods, each speaker will identify him/herself by giving his or her name and place of residence.
- Each speaker will be limited to speaking one time on any topic. When you are finished speaking, please step away from the podium and be seated.
- Each speaker will be limited to three (3) minutes and each group's representative will be limited to a maximum of five (5) total minutes. Each group is encouraged to designate a single spokesperson for their group.



Town of Clayton
Special Meeting - Clayton Town Council Minutes
Monday, May 20, 2024 at 3:00 PM
Rotary Room, Town Hall
111 E Second Street

Council Present:

Mayor Jody McLeod
Mayor Pro Tem Michael Sims
Council Member Andria Archer
Council Member Porter Casey
Council Member Gretchen Williams
Council Member Ruth Anderson

Council Absent:

None

Staff Present:

Rich Cappola, Town Manager
Jim Cauley, Town Attorney
Dolores Gill, Deputy Town Manager
Robert McKie, Finance Director
Nathanael Shelton, Communication Officer
Patrick Pierce, Economic Development Director
Conrad Olmedo, Planning Director
Sam Johnson-Phillips, Deputy Town Clerk

1 CALL TO ORDER

- a) The Mayor called the meeting to order at 12:09 p.m.

2 ITEMS FOR DISCUSSION

- a) 12:00 - 4:00 p.m.
Strategic Plan Discussion
Presenter: Raftelis

Ms. Michelle Ferguson and Ms. Katherine Carter with Raftelis Consulting were present to provide an update on the vision statement, focus areas and the strategic priorities. Ms. Ferguson discussed the framework elements.

It was communicated to Council that the Town staff had an opportunity to provide input in addition to an input session with the Leadership team and approximately 30 others throughout the organization. The framework that was developed in February was then taken out to the community via an online survey and conversations with key Stakeholders. Ms. Ferguson stated staff added Public Safety as one of the key focus areas, that brought the key proposed focus areas to seven.

Ms. Carter provided an update on the community input. It was communicated the survey that went out to the community focused on the vision and the focus areas. The online piece was available for about a month, there were 632 responses. There were two in person community focus groups which were held in early April. One of the groups focused on Town Advisory Boards and the other was with key members from the community, as identified by the Town Council. There were 19 people in one session and 15 in the other. There was an age group respondent chart provided to

Council:

- Under 18 0%
- 18-24 1%
- 25-34 11%
- 35-44 18%
- 45-54 23%
- 55-64 20%
- 65 and Older 27%

It was stated respondents were presented with the Town's draft vision and key focus areas, in addition to the statements for each. For each element of the framework, the respondents were asked how much resonates with them:

- Vision 87%
- Vibrant Downtown 88%
- Desirable Amenities and Spaces 89%
- Sustainable Infrastructure Investment 83%
- Reliable Transportation and Transit 75%
- Diversified Economic Development 86%
- Inclusive Community Engagement 85%

It was stated the vision statement created in February, was the vision statement provided.

It was communicated to Council there was discussion on what themes were missing from the vision statement. The focus group discussed the following:

- The Town's history
- Environmental sustainability
- Affordability
- Downtown Clayton

It was reported that the survey respondents and focus group participants were asked if the key focus areas resonated with them as community members. Overall, the response was reported to be positive. There were participants who expressed additional concepts to be included. The top themes mentioned were:

- Safety
- Affordability
- Education
- Sustainability

Vibrant Downtown:

Per the online survey, 88% of the respondents agreed with the draft success statement. It was reported throughout the survey, respondents mentioned the desire to see downtown restaurants and retail remain open later in the evenings. The survey respondents indicated that Clayton's downtown area is an important piece of the

community and would like to continue to see it cared for. Many concerns were noted in regards to parking in the downtown area.

Desirable Amenities and Spaces:

Per the online survey, 89% of the respondents agreed with the draft success statement. It was stated this is the area that individuals felt the strongest about. Ms. Carter communicated to Council a concern of the respondents is not enough of the greenspaces are being preserved. There is a concern for the wildlife being displaced due to the destruction of their natural habitats.

Sustainable Infrastructure Investment:

Per the online survey, 83% of the respondents agreed with the draft success statement. It was communicated this was one the areas that there was some confusion. It was stated that the word "infrastructure" isn't a term that some individuals may have a clear understanding of. While working with staff a clearer understanding of the term was made available.

Reliable Transportation and Transit:

Per the online survey, 75% of the respondents agreed with the draft success statement. It was reported that for this amenity to improve mobility throughout Town, there was a general concern among members of the community that the road quality and traffic conditions would become worse when adding buses or other modes of transport.

There was discussion which stated those are things that are wanted but there's variables that come into play from the funding standpoint and other things that we do not have control of. There was further discussion stating there is partnership that would need to be in place to make in work.

Diversified Economic Development:

Per the online survey, 86% of the respondents agreed with the draft success statement. It was stated individuals would like more eatery options and would like to limit fast food options. Respondents suggested more "sit-down restaurants" and healthier options.

Inclusive Community Engagement:

Per the online survey, 85% of the respondents agreed with the draft success statement. It was communicated that there was heavy discussion on communication and outreach. It was mentioned to improve the Town's social media presence and to make the website more user friendly.

Shared were the next steps. Ms. Ferguson stated there would be another time to look at the entire thing in its totality based on today's discussions. It was communicated it will come back over the summer in which there will be time to edit it as needed. It was shared there would be another check-in with staff.

- b) 4:00 - 5:00 p.m.
Council Budget Questions

It was shared that the average customer's home uses 868 kilowatts for electric per month that is from the data shared from 1898 & Co. It is about a \$4.00 rate increase at a 3% rate adjustment. Water and Sewer the standard metric used is 4,000 gallons per month. There will be a water increase and sewer increase, the total bill impact for the average user would be \$18.80. Solid waste isn't expected to increase this year. It was communicated a mid-year adjustment might be needed if fuel or oil prices go up. It was reported there will be a 3% electric increase. Discussion continued about how different towns would be affected.

There was a discussion regarding Professional Development and funds associated. It was explained traveling out of state was held back due to the uncertainty of the economy. It was explained that when certifications are required there is an attempt to keep the employee local.

Discussion continued regarding each code found in the budget and what they meant.

3 **ADJOURNMENT**

a) Adjourn

With nothing further, the meeting was adjourned at 4:48 p.m.

Motion To Adjourn

RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Andria Archer, Michael Sims, and Porter Casey
NO:	None

Duly adopted by the Town Council this 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk



Town of Clayton
Regular Town Council Meeting Minutes
Monday, May 20, 2024 at 6:00 PM
Council Chambers, Town Hall
111 E. Second Street

Council Present:

Mayor Jody McLeod
Council Member Porter Casey
Council Member Andria Archer
Mayor Pro Tem Michael Sims
Council Member Gretchen Williams
Council Member Ruth Anderson

Staff Present:

Rich Cappola, Town Manager
Jim Cauley, Town Attorney
Dolores Gill, Deputy Town Manager
Robert McKie, Finance Director
Greg Tart, Police Chief
Nathanael Shelton, Communications Officer
David Ranes, Fire Chief
Joshua Baird, Water Resources Director
Conrad Olmedo, Planning Director
Sam Johnson-Phillips, Deputy Town Clerk
Patrick Pierce, Economic Development Director
Bruce Venable, Planner

Council Absent:

None

1. CALL TO ORDER

a. Call to Order

Mayor McLeod called the meeting to order at 6:02 p.m.

b. Pledge of Allegiance

Mayor McLeod led the Pledge of Allegiance

c. Invocation

Mayor McLeod provided the Invocation

2. ADJUSTMENT OF THE AGENDA

- a. An adjustment of the agenda was made to move item 6a. after Old Business and to add a potential action to Item 6a.; FY 2025 Manager Recommended Budget. The action would be potential adoption.

Approve or Adjust the Agenda

RESULT: CARRIED 5-0

MOVER: Andria Archer

SECONDER: Michael Sims

YES: Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and

	Ruth Anderson
NO:	None

3. CONSENT AGENDA

- a. Minutes
May 6, 2024 - Work Session
May 6, 2024 - Regular Session
May 6, 2024 - Closed Session
Presenter: Sam Johnson-Phillips, Deputy Town Clerk
- b. Electronic Records and Imaging Policy and Procedures
Presenter: Sam Johnson-Phillips, Deputy Town Clerk
- c. Southeast Area Study (SEAS) Update Resolution
Presenter: Conrad Olmedo, Planning Director
- d. Resolution #2024-46 Final Acceptance of Public Water & Sewer Utilities for Meadowview Subdivision, Phase 1
- e. Resolution #2024-48 To Accept Public Utilities into The Town of Clayton Public Utility System for Maintenance – Walk at East Village Phase 4A & 4B.

Approve Consent Agenda as Presented

RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

4. ADMINISTRATIVE ITEMS

- a. Clayton4U
Presenter: Nathanael Shelton, Communication Director

Mr. Shelton presented to Council a new educational video series. This series will be conducted over the next year and will address topics from different departments. A trailer to the video series was shown.

5. INTRODUCTIONS AND SPECIAL PRESENTATIONS

- a. National Public Works Week Proclamation
Presenter: Mayor McLeod to Present to Public Works Department

Mayor McLeod read the proclamation into the record and presented this to the Public Works Department.

6. QUASI-JUDICIAL HEARING

- a. 2023-189-SUP Full House Storage Unit
Presenter: Bruce Venable, Planner II

Attorney Cauley provided information on a quasi-judicial hearing. Town Clerk swore those in that would be offering testimony. Mr. Venable stated this request is to build a 4-story, 84,000 sq. ft. 549-unit climate-controlled self-storage building. The property size is 2.14 acres located on Tew Court and Gateway Drive with frontage along Hwy 70. This was submitted under the previous UDO code. Shared was the site plan which has been reviewed and approved by TRC. Shared were the elevations. The applicant is proposing a 25% masonry element along the front and limiting metal to 10%. The Future Land Use map shows this site as an employment center.

Shared were the four findings of fact. Regarding findings of fact 2, the only one area where the applicant is not meeting all the findings of fact is that the code under 155.400.I 1-2 which does require cross-access location to adjacent parcels, a stub or cross-access would be required.

Shared were the recommended conditions.

Merritt Parrott with Parker Poe Adams and Bernstein was present to represent the applicant. She stated there are two expert witnesses to speak tonight, Cameron Rice, senior project manager with Advanced Civil Design and Nicholas Kirkland, State certified real estate appraiser with Kirkland Appraisals. She distributed affidavits from Mr. Rice, Nicholas Kirkland, and the project developer to Council. The affidavit from Nicholas Kirkland is in substitution of the affidavit for Richard Kirkland that was submitted with the application.

She stated the application is compliant with the code; shared were the UDC requirements. The zoning of the parcel is highway business B3 under the UDC. Shared was the landscape plan. There is a thoroughfare buffer along Hwy 70, vegetation along the property line with the daycare, and vegetation would be retained to the possible extent.

Shared were the specific use standards for self-storage under the UDC which includes certain prohibited activities. The project would be in compliance with all these standards.

Cameron Rice, senior project manager with Advanced Civil Design was presented. He graduated from NC State Engineering with a civil engineering degree and has been practicing engineering for 25 years. He stated he supervised the submittal for this special use permit and the site plan. Ms. Parrott asked Mr. Rice if it is correct he is a licensed professional engineer, he stated that is correct.

Mr. Rice stated he oversaw the layout and design of the site plan and interacted with Town staff regarding the required specifications for the UDC standards. This included coordinating, reviewing and speaking with Town staff and Johnston County regarding the water line. He also reviewed the special use permit application for its compliance with the UDC.

Ms. Parrott went over the findings of fact. Mr. Rice described the project's location and

surrounding uses. He stated there is the North Carolina Department of Agriculture to the north, Hwy 70 to the south, Kids R Kids Daycare to the east, and the point on the western side touches the Pine Crest Memorial Park. He stated the property is primarily commercial to include things like medical offices. There are two industrial buildings under construction that are nearby and a veterinarian building. In the vicinity is the ABC store that is planned and Walmart that has its force main that comes up through Hwy 70 and crosses the site.

He described vehicular and pedestrian access. There are currently no sidewalks in the cul-de-sac; this would be provided as part of the development. The connection would be to the end of the Tew Court cul-de-sac and would be a standard 25' driveway entrance with curb and gutter. There would be handicap ramps on either side and adequate cross slope for pedestrians that are within the right-of-way of Tew Court. There would be adequate sidewalks from the public right-of-way to the building and ADA accessible route entrances into the building.

Proposed are 11 parking spaces with one being a van accessible space that is 12.5' wide. He stated they have contacted Duke Energy to have them assist with parking lot lighting so this would meet the design requirements for the Town. Currently there is an existing sewer service and water meter that is stubbed to the end of Tew Court. There is a drop inlet on the northern end of Tew Court. Those utilities were stubbed to the lot as part of the master plan. This project would connect to those existing stubs for water, sewer, and storm water.

Proposed is a stormwater control measure with a retention pond which would be designed in accordance with NCDEQ's current BMP design manual. There would be adequate depth, a shelf with wetland plants, and the outlet structure would connect to the existing drop inlet north of Tew Court. It would be screened from the right-of-way and from adjacent uses with a fence and landscaping. The project is providing required buffers in accordance with the UDC which include a 10' Class A and Class C buffer and a 40' thoroughfare landscape along Hwy 70. These buffers would be supplemented where needed and the site would provide a minimum of 20% landscaped area. All easements have been included.

He stated a TIA was not required, however, Mark Man, director of transportation services for Advanced Civil Design who has over 38 years of experience reviewed this use. This was entered as Exhibit B as part of his affidavit. The study showed this site would generate 13 peak hour trips. Mr. Rice's opinion on the traffic safety of this project is this project would show minimum traffic and this project would not materially endanger the public health or safety from a traffic perspective. Regarding findings of fact 1, he stated it is his professional opinion that the site plan in its location will not materially and endanger the public health or safety because the project is consistent with the surrounding uses and also because access, parking, stormwater, and buffering were all reviewed.

Regarding findings of fact 2, he stated the applications for this project meet all required specifications and standards in the UDC. Ms. Parrott stated staff stated in their staff report the site plan did not provide cross-access connections to all adjacent properties as required. She asked Mr. Rice if their cross-access connections are always required under the UDC, he stated no they are not. He stated this exception does apply to this

project because of natural features and similar circumstances that make accessible internal driveway connections adjacent to existing and future development difficult. To the north, adjacent to the North Carolina Department of Agriculture, there is 2.5' of fall in 25' where the stub would be in the property line. The slope is resulting in a 10% grade and according to appendix D in the North Carolina Fire Code grades in excess of 10% are not allowed for fire apparatus access roads in addition. There are conflicts that would be made with existing 4" sanitary sewer force main that runs along the northern property line. There is also a 2" Piedmont natural gas line that leaves the pressure reducing station next to Pine Crest Memorial with additional fiber optic cables in the area.

The property line abutting the Kids R Kids Day Care parcel has 2.5' of fall from the existing mini round-a-bout to the proposed elevation of the building. Ms. Parrott asked if there are any other circumstances why the applicant should not be required to provide cross-access, Mr. Rice stated by not providing the cross-access connections, they are ensuring that the project is only providing efficient and safe connections to the existing street system in accordance with the purpose and intent of the UDC. Because this project is adjacent to a preschool parcel and did not construct a stub, the applicant cannot complete a connection to any existing stub. If the applicant constructed stubs, it would not result in an actual cross access.

Council Member Casey asked about the cross-access on the agricultural area because at some point in time that would be sold and subdivided. He asked if there was anything that could be done to allow a future cross-access? Mr. Rice stated things could be constructed, whether they are constructed in accordance with the ordinance and standards. It could be done but it would not meet code and they would be challenged to pick up all impervious areas and treat it by the pond. The NC Department of Agriculture has over 220 linear feet of access to Tew Court that would be 100' away from where a cross-connection access would be if it could. There are also other access points along Hwy 70. Council Member Casey asked if it was to be done, it would not be done to code? Mr. Rice stated based on the current design of the site, it would need to be evaluated and be very difficult to provide a connection. Council Member Casey asked if that was a no, Mr. Rice stated that is correct.

Mr. Nicholas Kirkland stated he is a State certified appraiser in North Carolina. He has been accepted as an expert in property value impacts hundreds of times. He has been an appraiser for 9 years. He has reviewed the property impact analysis. Mr. Kirkland stated they have reviewed the project features for compatibility with the adjacent area. The area is largely commercial and industrial in nature. This project is in harmony in the area.

He stated to determine whether or not a property can impact another property value, the best way to do this is what's called a matched pair sales analysis. To determine value, take an existing self-storage facility in the area and find a property that sold next to it and compare that to other similar properties that sold that did not adjoin a self-storage facility. This adjoins mostly commercial and industrial uses; the difficulty in comparing that is they don't just adjoin this proposed facility. They compared single-family dwellings next to self-storage facilities. The reason being single-family residential dwellings are the most sensitive of uses that you could have. If an impact were measured on a single-family house next to a self-storage facility, it is likely you could see an impact in a less sensitive use. There is significant data in the impact

study showing that more sensitive uses such as residential dwellings next to self-storage facilities are not selling for any less than other nearby homes. This is strong support that the proposed development would not impact adjoining property values.

Commercial and industrial uses are not often valued the same way resident's area. Commercial uses are based on the income that you could command what you could rent it for. It is his professional opinion that the proposed use would not negatively impact the adjoining property values and it would not be detrimental to the use or development of adjacent properties.

Council Member Casey asked Mr. Kirkland for more information on the three-match pair, he asked how many stories they each had. Mr. Kirkland stated the first one is two-stories, the second is one-story on a hill and the third one is one-story with townhomes. Council Member Casey asked how that impacts the assessment. Mr. Kirkland stated they are trying to determine the sensitivity and potential to impact. Commercial uses are the least sensitive type of use. Self-storage facilities are primarily located in higher commercial zoned areas that don't typically have residences.

Ms. Parrott stated on findings of fact 4, the project is consistent with the encouraged uses in this designation including industrial warehouse, office, recycling assembly, and supporting commercial uses.
Mayor McLeod asked if anyone wished to speak in opposition. With no one wishing to speak, this was turned over to Council for their deliberation.

Council Member Casey asked Attorney Cauley if there is something to the contrary that staff could discover such as the opportunity to have cross-access points, is there anything that could be done? Attorney Cauley stated on the cross-access points, defer to staff. With no testimony in opposition the only other testimony would be from staff at that point. Council Member Casey asked staff if they had any feedback. Mr. Baird stated in terms of the cross-access, street standards are at 10% as well as the fire code. As a reference point, they would understand what the typical street standards would be. In terms of site and stormwater, the pond and walls do factor into the elevations of that. He stated he could not say specifically if they would work or not. He could not speak to the site design as to whether that would work but the 10% is a street reference.

Mr. Baird stated he is not saying it can't be done, he is just providing additional information.

Motion by Sims with the two recommendations recommended by staff.

Approval of SUP

RESULT:	CARRIED 4-1
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	Porter Casey

Quasi-Judicial Hearing

A quasi-judicial hearing resembles a court trial where testimony is presented. Citizens may give testimony in a quasi-judicial hearing after they have taken an oath. Town Council acts like a court of law and receives only sworn testimony and other credible evidence. In addition, the Town Council must make findings of fact based upon the evidence presented.

The Town Council refrains from "ex parte communication" about these cases, as the Town Council must make a decision based solely on the evidence presented at the hearing itself. Staff is available to assist with inquiries from citizens.

7. OLD BUSINESS

a. Budget Amendments

Presenter: Robert McKie, Finance Director

Mr. McKie presented four budget amendments to Council and requested approval. The first shared was a budget amendment to the Public Safety Complex. It was reported that the cost was updated and \$750,000 was transferred from the Engineering Department Capital Outlay Budget over to that Capital Project Fund, making it a wash to the General Fund. The second budget amendment shared was a new Capital Project Ordinance. This is associated with the Library Renovation Project. Communicated to Council was that the \$250,000 design cost and Engineering Capital Outlay Budget was transferred over making it a wash to the General Fund. The projected cost for the Library Renovation Project is about \$2.5 million. The third budget amendment shared was related to Copper District. The Copper District was initially a developer's manage project for the elevated water storage tank project. It has since evolved into a Town manage project for elevated storage tank. Mr. McKie communicated the cost has been updated accordingly. The final budget amendment shared was the Water Sewer Infrastructure Replacement Capital Project Ordinance. It was reported it is essentially like a Capital Reserve Fund. There is approximately \$9.6 million of projects in the Water Sewer funds Capital Outlay Budget. Those funds were taken and transferred to the Reserve Fund. As projects are done money would be transferred from the Reserve Fund into a new Capital Project Ordinance Fund.

Adoption of Ordinances #2024-05-03, #2024-05-04, #2024-05-05, and #2024-05-06

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

b. Series Resolution for the Issuance of Revenue Bonds

Presenter: Robert McKie, Finance Director

It was reported the Series Resolution would enable the Town to issue \$6 million of revenue bonds for the electric system, related to the infrastructure to install new development. Mr. McKie reported to Council, there were six responses to the RFP. The top two were Webster Bank and First National Bank. It was reported Webster Bank provided the best terms at 4.51% for 10 years. It was shared with Council that

the resolution awards the bid to Webster Bank. That would come with a debt service of approximately \$760,000 annual debt service for 10 years.

Adoption of Resolution #2024-50

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Porter Casey
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

- c. 2023-115-CZM Carolina Overlook North Conditional Rezoning
Presenter: Conrad Olmedo, Planning Director

Mr. Olmedo stated this is a request to rezone the property to a conditional zoning-residential district. This process involved a technical review committee approved reviewed master plan with conditions reviewed by staff. It then went to the Planning Board on March 25, 2024 and at the April 15, 2024 Council meeting it was continued to this evening. Should this item be approved, staff would then process major subdivisions and fulfill the plan as approved.

Current zone districts are R8 and R10 (RMD & RLD under new code). This request is for up to 750 single family detached homes and single family attached. The property is located on the north side of Covered Bridge Road with a size of 362.75 acres. There is a percentage of the overall development that would be age restricted to 55 years and older.

Shared were UDC, parking and development standards that have been incorporated into the conditions. Parking ratios were shared. Traffic generation information was discussed. There would be 3,285 daily trips, 180 AM peak trips, and 214 PM peak trips.

Discussed were the conditional zoning district criteria. Staff believes with the proposed density and road improvements; the property is suitable for this development. Staff finds the proposed development does meet the demand of the Town for housing. Staff believes there is adequate capacity of public services and facilities to serve this development. Shared were the master plan approval criteria. Staff recommends approval of option 2, although inconsistent with the Future Land Use Map. Upon approval, staff would revise the Future Land Use Map to be in accordance with the recommended densities of the master plan. Planning Board also recommended approval at their March 25, 2024 meeting.

Since the March 25, 2024 Planning Board presentation and the April 15, 2024 Council meeting presentation, changes have been made to the conditions. Shared were these changes which can be found in the agenda packet. Condition 5 states 20% of the total residential units may be constructed as Townhome units. Condition 10 is the reference of the 55 years of age or older within the development. Condition 11 refers to the minimum lot sizes, he stated he wanted to articulate the front loaded single-family detached units would provide a minimum garage setback of 21.5' and townhome units

would provide minimum garage setback of 25'. This distance would be measured from the edge of the property line which is the back of the sidewalk. Changes on conditions 20, 21, 25, 26, 27, 28, 29, and 30 were shared.

Council Member Casey asked for the areas where the crosswalk was removed, would there be any type of crosswalk connection? Mr. Olmedo stated that could be discussed with the applicant.

Brandy Vega was present to represent the applicant. She stated this is a 55+ age restricted highly amenitized community. HOA provides lot landscaping and maintenance and with the age restriction there would not be any impact on public schools. Phase 1 would be on the south side of Covered Bridge Drive with a buildout expected in 2026. There would be a connection through the neighborhood on the south side to the Neuse River Trail. There would be a connection through Brookhill Drive with an attempt to get a high visibility crosswalk from NCDOT so neighbors on the north side could make their way to the south side to get on the trail.

She discussed the meetings and interactions with neighbors. She stated there would be mostly 30' type C buffer around the perimeter with a 40' buffer along Ole Mill Village east of Brookhill Drive. Cul-de-sacs have been used to minimize stream crossings. One of the conditions offered was to upsize the detention at SCM #11. The pit numbers were identified and have been upgraded from the required 110 and 25 to a 50-year. Additional erosion control measures have been added and double lined silt fencing would be provided along the grading boundaries along the east side of the property. She stated they have met and exceeded the open space requirements. Of the buildable area, they have calculated 141 acres are planned to be built upon which is 39% of the total site.

The Neuse River buffer is a required 200' buffer. She stated the closest grading bounding is 380' to the buffer. Double lined silt fencing would be provided along the Neuse and feeder streams. She stated Mr. Olmedo mentioned the driveway was measured from the back of the sidewalk which would provide another 1.5' to the sidewalk.

Rynal Stephenson with DRMP spoke on traffic. He stated there are a lot of road improvements associated with this development and there are other improvements with Phase 1 that are along O'Neil Street, and City Road. Shared was a diagram from the TIA that was prepared. This diagram showed widening on the Western entrance on Covered Bridge Road to provide a left and right turn lane as well as on Brookhill Drive. Showed was more widening on Covered Bridge Road. He stated the realignment of Covered Bridge to O'Neil is well underway and there would be turning lanes at each direction as well as a traffic signal. He stated there is an entire network for pedestrian infrastructure; most of the development would have sidewalks on both sides except those noted.

This is a low traffic generating site being an age restricted development. Shared were trip generation numbers which included numbers based on an age restricted development and non-age restricted development. Council Member Anderson asked regarding the signals and turn lanes, does he have the distance and length of the turn lanes? Mr. Stephenson stated they each have their own requirement; the shortest left

turn lane is 100' of stacking but there would be some additional length that would be worked out with NCDOT during the design so it could be more like 150'. It was stated 100' would hold 4 to 5 cars with 150' holding 6 to 8 cars. Council Member Anderson asked Mr. Stephenson to describe what high visibility crosswalks would look like. He stated that would be a conversation with NCDOT if they would be open to it but typically, they are painted but not a traditional straight line and there are more wider stripes that are turned with extra striping to make it more visible to cars. This would need to be approved by NCDOT first.

Council Member Casey asked Mr. Stephenson to classify senior housing. Mr. Stephenson stated the trip generation data is based on similar sites to this where the Institute of Transportation Engineers collect data and establish how many cars would be generated during peak hours per unit. There is separate data for assisted living. Council Member Casey asked if this accounts for incoming traffic? Mr. Stephenson stated yes.

Council Member Casey asked what type of growth rate he is added to this. Mr. Stephenson stated in the traffic study they did add in traffic from surrounding developments that have not been constructed and 3% per year was added. He stated it ends up being a significant increase in traffic when other developments are added. He stated that is one reason they would monitor the intersection at Brookhill Drive for a signal. Council Member Casey asked if 3% was standard, Mr. Stephenson stated it could vary depending on how much other development traffic is used. He stated he felt 3% was fair for this study.

Council Member Casey stated each intersection has a grade; he asked what those grades are. Mr. Stephenson stated when the original traffic study was done, Shotwell Road improvements were not opened at the time so that the intersection showed poor levels of service. By adding a signal, that intersection went to level service D. Covered Bridge Road and City Road both go into longer delays which make those go to level service E or F depending on the traffic time. Brookhill Drive has lower traffic today, so it has a good service level. Covered Bridge Road and O'Neil intersection is level service C or D depending on the time of day, with the improvements. With improvements being made, it does take a lot of intersections from level service E or F to C or D which is a big improvement for this corridor. Council Member Casey discussed the blind spot at the Smith Ridge Development, he asked Mr. Stephenson's professional opinion on how that could be mitigated. Mr. Stephenson stated when they go through road improvement drawings, it would be looked at with NCDOT. He stated they do look at site distance.

Mayor Pro Tem Sims asked Mr. Stephenson to explain more about monitoring and how it is done. He stated if he looked at the traffic counts at Brookhill Drive today, there would not be enough traffic there to warrant a signal. He stated the NCDOT looks at a set of traffic thresholds. He stated they are trying to see if traffic would continue to grow in that area to cause the combination of the side road and the major road to have enough traffic to meet those thresholds. This traffic would be monitored for a year to give the traffic time to grow. There must be a certain amount of traffic for a certain number of hours a day.

Mayor Pro Tem Sims asked Mr. Stephenson to explain to him what the peak hours for

the age restricted range is. Mr. Stephenson stated that the typical morning rush hour is usually 6:30 – 8:30 a.m. or 7-9:00 a.m. The afternoon is typically 4-6:00 p.m. or 4:30-6:30 p.m. With this community, the traffic is more spread out, not everyone is leaving at the same time in the mornings or returning in the evenings. Mayor McLeod asked if monitoring is a best practice, Mr. Stephenson stated it is very common. He asked if they numbers come to what they should be, are they banking on the fact that NCDOT is going to fund and install a traffic light or is this signal something the developer is going to fund and install? Mr. Stephenson stated typically the developer would fund and install unless NCDOT helped for some other reason. Mayor McLeod asked if he had a cost of the road improvements the developer is putting in. Mr. Stephenson stated he did not have that number right now, but it is significant.

Council Member Anderson stated the studies show that a light is needed and warranted, and the developer would fund this light; that would critically expedite the light being installed, is that correct? Mr. Stephenson stated there would be a little delay getting the poles ordered and installed. Attorney Cauley stated based on the presentation, does condition 20 need to be amended to say the developer will pay the cost of the signalization if deemed to be warranted by NCDOT?

Kelly Race with Pulte Del Webb stated part of the conditions is it lists every roadway improvement that was spelled out in the traffic study and approved by NCDOT and they are responsible for the implementation, cost, and design of all including signals if warranted and approved by NCDOT. Mayor McLeod asked if she had an estimate on investment that the developer is placing on road improvements; she stated she does not have that number but based on what they are already doing on the south side and what has been agreed upon for the north side, it is millions of dollars' worth of improvements.

Council Member Casey stated condition 19 is vague and doesn't have much guidance and condition 20 has more guidance. He would like to see these two conditions similar. Ms. Vega stated the first one is the TIA analysis impact, those are what the TIA showed are needed to do so they are worded differently. Condition 20 is outside of the TIA recommendation, that is something they are adding above and beyond the TIA; that is where the different wording comes in. Mr. Stephenson stated the easiest thing to do would be to take the language a little more specified.

Council Member Archer shared her concerns about the certificate of occupancy. She stated they are looking for more of a certificate of occupancy that is somewhere halfway through the project. Ms. Race stated if she would like them to amend the condition to tie it to certificate of occupancies rather than a timeframe, they could do that. Mayor McLeod stated if you are willing to look at it at 350 homes and get that building process started, you would be at 50% completion and then evaluate the traffic situation and before it is completely built out, those safety precautions would already be in place.

Mr. Cappola asked if the proposed is 770 units? Ms. Race stated the master plan shows 750 but they are limiting units in certain areas. Mr. Cappola stated if we use a number of 400, at least 50% of the units have been built, CO'd and likely moved into so the traffic is real numbers on the ground. He proposed if they did it at 400 CO, the study would be conducted, and numbers would be projected for final buildout numbers.

At that time if it's warranted the developer would construct.

Council Member Casey clarified this would be condition 19 and 20. Ms. Race stated definitely condition 20 which is over and above what was required by NCDOT. She does not think they can change what NCDOT has approved but they could agree to go over and above that. Council Member Casey asked for condition 19 they would monitor it for a year? Ms. Race stated now they would not be monitoring it for one year, they would monitor it somewhere around the 400 unit mark. Council Member Archer stated on condition 19, she understands the desire to have a timing component, if this condition could have something added that says completed prior to the final plat of the associated phase. Ms. Race stated each of the driveways would need to be installed before NCDOT would allow the permit. Mr. Olmedo asked if it was reasonable to tie these studies for condition 20 to the completion or CO of each phase? Ms. Race stated the phases are not yet defined.

Mayor McLeod stated this has been noted as a public hearing, he asked if anyone wished to speak.

Attorney Kim Schaffner shared a presentation and spoke about his concern of traffic. He referenced a TIA from 2017 and 2022 and stated the growth rate is 13.2%. He discussed the traffic concerns in the developments off Covered Bridge Road. He showed examples of smaller lots and shorter driveways in neighborhoods, which is a concern for him. He discussed the flood plain and how it goes halfway to Brookhill Drive. He asked that we not end up with houses upon houses.

Samantha Crop with Sound Rivers spoke about water quality issues in the Neuse River. She stated stressors from developments are a leading cause of water quality pollution and through her role she monitors land use changes. She believes this proposed development is an example of one such potentially harmful proposal for water resources. She further explained her reasoning. She stated this is the Town's only mapped natural area. She discussed endangered and threatened species on this site. She shared inconsistencies with the Town's 2045 Comp Plan.

Attorney Kelly Johnson, resident of Ole Millstream, spoke about the National Heritage area and the significance of that designation; it is the only National Heritage area in the Town. This proposed development would involve extensive clearcutting. She explained the issues of clear cutting and terracing which could cause future erosion and soil quality issues. She asked the Town to pause to think about the decision to review additional information needed.

Charles Tindle of 101 Michael Way stated he has questions about the TIA. The 2018 TIA shows 750 on the north side would generate 6,400 trips a day and the one presented tonight shows 3,285. The south side shows 450 units would generate 2,960 trips a day; he asked if that included the new section going by City Road? He stated the volume of traffic on Covered Bridge Road substantiates the need for traffic lights at City Road and N. O'Neil Street. He spoke on traffic safety in this area.

Angela Wade of 118 Michael Way stated if the developers are approved to move forward with this project, she believes this would adversely affect the quality of the life in Ole Millstream. Concerns stated were losing the beauty of the forest behind the neighborhood and the connection of the new road to Michael Way which would create

additional traffic. She believes a more diverse community would be a much better use of this land.

Richard Wade of 118 Michael Way discussed traffic within Ole Millstream which could adversely affect the quality of life. He discussed the construction disruption building this proposed development could cause in access; there is one way in and one way out. He discussed the effect the cutting down of trees would have on the neighborhood.

Janie Hoy of 100 Michael Way asked for Council to consider the negative impact this proposed development would have on the quality of life. She discussed the number of letters from the neighbors that have been sent to Council. She stated no one has come to them to discuss working with them to find a constructive solution to their concerns. The negative impact this would have on people and their lives have not been taken into consideration.

Mayor McLeod asked those in opposition to please stand.

Lisa Mills of 2205 Smith Drive stated last time she was here she spoke about the curve and the grading. She stated she spoke with NCDOT about slowing the traffic down. She stated the River Keepers presentation tonight is the presentation Council needs to take to heart.

Attorney Allen Tew distributed handouts to Council that show the property that would be impacted and stated the south side of the project looks good, but the north side is a different story. He discussed the application he presented in 2017 for the property at Ranch Road and Little Creek Church Road. He discussed his concerns on traffic. He suggested the density be reduced and the trees by the river need to be worked on. He stated there needs to be a TIA that has current statistics.

Sandra Doley of 2020 Smith Drive stated she shares a 700' boundary with the future proposed development. She stated she is not happy with this project. She hopes Council considers everything when making a decision.

David Hoyt of 100 Michael Way stated neighbors of Ole Millstream asked the developers to not insult them by thinking removing one sidewalk is any kind of big concession on their part. No requests from the neighbors have been taken into consideration. He asked Council table their decision until the developer shows some concessions.

Ryan Hunter of 179 Clear Drive spoke on emergency services, this should be taken into consideration.

Appraiser Tony Wayne of 525 W. Walkerwoods Lane stated he has been asked to look at a diminution in value for Ole Millstream. He discussed the road parallel to Michael Way, wetlands, and the lack of road access to the pool, mail, and community center. He stated there could be ramifications down the road.

Mayor McLeod stated the public hearing has been closed and turned over to Council

for their deliberation.

Council Member Casey asked if the double silt fence along the east side would encompass all the riparian buffers. Ms. Vega stated yes, on the east side of Brookhill Drive, that includes all the feeder streams. He asked if the overlay has been done with the steep slope ordinance and if not, would they be willing to make a condition that it would not deviate from the ordinance? Ms. Vega stated the steep slopes have been identified and they would not be disturbed. He stated there have been conversations regarding the National Heritage, he asked is that whole area Natural Heritage? Ward Mariotti of Spangler Environmental stated the location and extent of the Natural Heritage area has been reduced by at least half. He has walked the site with Natural Heritage ecologists, and they agreed the location was well beyond areas it was appropriate for. Council Member Casey asked if they know how much of the National Heritage would be disturbed? Mr. Mariotti stated it would not be disturbed.

Council Member Casey discussed the challenges with the buffer along Michael Way and asked what the feasibility is of working with the neighbors. Ms. Race stated they have met with neighbors' multiple times with proposed solutions, and all were turned down. He asked would they be willing to make a condition stating they would preserve the trees in the buffer and plant what they would like to a certain extent. Ms. Race stated yes.

Council Member Archer stated she has proposed language for condition 20. She proposed upon issuance of the 400th CO, the developer shall monitor and study the intersection of Brookhill Drive and Covered Bridge Road for a period of one-year. Analysis shall project full buildout based on the monitoring period and determine if a signal is warranted. If warranted and approved by NCDOT, developer shall construct prior to issuance of the 650th certificate of occupancy. Ms. Race stated to do the study they would need to go out and do a traffic count and prepare a report for NCDOT. They could say they would do that at the 400th CO and if it doesn't meet it, they could monitor it for another year. Council Member Archer stated the way she has tried to build it is at the 400th CO, the project would project full buildout. Mr. Stephenson stated they may want to put prior to the issuance of the 401st CO. He stated he is nervous about putting an exact unit count on it. Mr. Baird stated when we say prior to the 400th we don't want that to be at the second. The intent was to have enough build out, so it's recognized what the traffic patterns are. He stated they want to see a significant amount of buildout to understand what the patterns are. In terms of at what point the improvements are completed, it shows it's warranted at full buildout, we would want to see it done before the full buildout.

Mr. Stephenson asked with the 400th CO, submit a signal warrant study? Mr. Baird stated it was proposed to apply issuance then do the study. Mr. Stephenson proposed going back to 350 and then 650. Mr. Cappola clarified that the CO number 350 is issued, the developer does the count and then it would be monitored for a year at that point? Would they do a one time count then do projections and then determine if it is warranted? Mr. Stephenson stated it would more be like a ladder. He stated monitoring it for a year means they would come back again and do the same thing a year later. Ms. Race stated they are fine doing that.

Council Member Archer stated it would be the condition that she previously stated and

that additional monitoring for one year from that 350th CO. She wanted to clarify condition 19 regarding Phase 1. Ms. Race went into detail on this. There was discussion on what is Phase 1. Ms. Race stated there was a phasing plan prepared and submitted to NCDOT for approval. It was stated engineering signed off on the driveway permits. There was discussion on how the TIA is broken down into phases. It was stated all improvements need to be installed prior to 375th CO with whatever phase they serve. Mr. Baird stated he would like to add or if requested by NCDOT or warranted previously by.

Ms. Race clarified all improvements required for the TIA except for the one turn lane in the final buildout would be part of the first submittal of Phase 1.

Mr. Cappola stated final language for condition 19 would say for all improvements listed under the TIA phase 1 would be installed prior to the 375th CO with whichever phase they are associated with subject to NCDOT requirement. Ms. Race stated her concern would be if there are driveways that have not been built yet. Mr. Baird suggested saying installed and operational or installed and accepted by NCDOT. Mr. Cappola stated condition 20 would also reflect 375th. This updated condition was agreed upon by all.

Mayor Pro Tem Sims stated his concern of this project is the timing. He shared his concerns about the traffic. Mr. Cappola wanted to make sure in the language it states that in any condition if there are any discrepancies in the master plan and documents associated with the application that the conditions control. It was stated it is in there.

Council Member Archer stated one thing not mentioned tonight was the owner of the property. She wanted to make sure the property owner and their rights were mentioned in this discussion. She stated the applicant would be required to comply with a lot of federal and state environmental laws and protections. They would need to follow sediment and an erosion control plan.

Council Member Casey stated he would like to capture the other conditions such as the double silt fence, riparian buffers, steep slopes and working with the neighbors on the buffers. Mayor McLeod stated it is hard to take a neighborhood of 75 or 100 people and decide what trees to keep. He stated he felt the applicant would not have to agree with that. Ms. Race stated they have relayed that the offer stands that they are willing to meet on site and walk the buffer. She stated for the record she would reach out again. Council Member Archer agrees with the good faith effort but is not sure about conditionalizing it. She thinks the double silt fence is already a condition. She asked Ms. Race if she would agree to say in a condition all riparian buffers would have double silt fencing east of Brookhill Drive. Ms. Race stated they would add that.

Council Member Archer confirmed there are two traffic conditions for 19 and 20 and a condition for double silt fencing on all riparian buffering. She asked about adding a condition of language that is already in the UDO. Attorney Cauley stated that would not be necessary.

Adoption of Ordinance #2024-04-03 and Statement of Consistency and Reasonableness with Conditions as Noted

RESULT: CARRIED 4-1

MOVER:	Andria Archer
SECONDER:	Ruth Anderson
YES:	Porter Casey, Andria Archer, Gretchen Williams, and Ruth Anderson
NO:	Michael Sims

8. PUBLIC HEARINGS

a. FY 2025 Manager Recommended Budget

Presenter: Rich Cappola - Town Manager

Mr. Cappola communicated the recommended budget maintains and enhances the level of service. It was shared the recommended budget for the general funds is estimated to be just a bit over \$53.5 million, water and sewer fund is balanced at \$59.5 million and the electric fund is balanced at \$19.5 million. There was a slide presented that showed the different categories and how the funds were broken down, bringing the total operation to about \$133 million for the fiscal year 2025.

It was reported there has been a request from different departments for additional staffing. Those requests were processed and evaluated. It is recommended the addition of 25 total of FTE. Those 25 total FTE range from Administration, Communications Department, Utility and Building Specialist, I.T., 2 additional Police Officers and 6 firefighter positions. Shared were the mid-year positions that have been deferred due to reorganization as well as positions that are still open. It was communicated to Council at the mid-year review those needs will be reevaluated, based on some other positions being filled. If those needs are still necessary, they will be met to begin recruiting after January 1st. It was stated the water and sewer department have a need for several additional positions due to the growth of the system and Sam's Branch Water Reclamation facility coming online in mid to late 2025. On the slide that was presented were positions indicated in dark blue that have been deferred to mid-year at which they would be considered. Those positions are not currently funded in anyway in the recommended budget.

It was communicated to Council that the General Fund was broken down as followed:

- Ad Valorem Taxes 44%
- State Shared Revenues 21%
- Intergovernmental 7%
- Permits and Fees 4%
- Sales and Services 7%
- Grants and Donations 0%
- Other Financing Sources 5%
- Miscellaneous 6%
- Fund Balance 6%

How tax dollars are spent:

- Public Safety 25%
- Public Works 24%
- Debt Service 5%
- General Government PIO, Economic Development 10%
- Financial and Customer Services 10%

- Community Development Services 2%
- Data and Technology Services 9%
- Engineering 2%
- Inspections 3%
- Parks and Recreation 6%
- Cultural Arts and Library 4%

Budget highlights:

- The General Fund budget is balanced at \$53.5 million. Capital outlay is \$9.9 million. Leveraged debt financing and fund balance appropriation to balance the budget.
- Water and Sewer Fund budget is balanced at \$59.5 million. Capital outlay is \$18 million. A 12.2% combined rate increase is recommended for FY 2025 compared to the projected 16.3% combined rate increase in the prior year rate model.
- Electric Fund budget is balanced at \$19.5 million. Capital outlay is \$2.6 million. A 3% rate increase is recommended for FY 2025 compared to the projected 5% rate increase in the prior year rate model.
- 25 new positions included at a cost of \$1.5 million.

Economic Considerations:

- Consumer Price Index (CPI) inflation rate was 3.4% in April compared to 4.9% for April 2023.
- Personal Consumption Expenditures (PCE) Price Index was 2.7% in March compared to 3.3% for March 2023.
- Federal Reserve Policy - rein inflation to 2% target.
 - Rate increases have stabilized
 - Federal Funds rate has remained constant at 5.25% to 5.5% since July 2023, highest in 20+ years
 - Three rate reductions projected for calendar 2024 has shifted to one.
 - Investment income has been adjusted downward due to the anticipated rate cuts.
- GDP increased 3.2% in Q4 2023, 4.9% for Q3 2023, and 9.2% for 2022.
- Federal Reserve doesn't predict a recession in the next three years (2024-2026).
 - Fears about Stagflation are mounting.
 - Stagflation - high inflation, low growth, and rising unemployment (1970s - era).
 - Federal Reserve stated no signs of Stagflation in the economy on May 1, 2024.

Major Revenue Assumptions:

- Recommend \$0.05 tax rate increase to \$0.65 with a 99.7% collection rate. Reserved for funding \$87.5 million of projects in the Capital Improvement Program:
 - LAAP Projects
 - Main St. Improvements
 - Public Safety Complexes
 - Public Safety Training Facility
 - Southern Connector Projects
 - Operations Facility and Warehouse
 - Library Renovation

- AD Valorem property taxes will grow 15.6%. Value of \$0.01 = \$318,467
- Sales tax revenues will decrease \$19,400 compared to FY 2024 budget or 1.4% higher than the \$8.9 million estimate for FY 2024.
- Single Fire District Funding (Johnston County Fire Protection Service). Claytex Fire Service District abolished.
- Development revenue will decline slightly.

Employee Benefit Assumptions:

- 5% pool for salary adjustments. 2% COLA effective July 1st.
- State Health Plan employer contribution increase = 11.2%
 - State Health Plan deficit without reimbursement for COVID-19 expenses.
- NC Retirement Fund employer contribution increase = 0.75% General and 1% for LEO

What's New:

- \$0.9 million fund balance appropriation - Streets program
- \$2.7 million installment financing for rolling stock, equipment, and IT infrastructure.
- Property Maintenance reassigned to Public Services per recommendation from organization structure study.
- Salaries and benefits for Fire moved to Administration.
- Increased Days Cash on Hand to 120 in Electric Fund.

Final Thoughts:

- FY24 Budget reflected continued use of budgeted funds in an efficient and effective manner:
 - Focus on the Strategic/Master Plans and continuation of quarterly Goals and SOPs/SOGs.
 - Focus on completion of projects.
 - Adjustments made due to ongoing market changes and/or opportunities.
 - Uniformity and efficiency in processes and functions remains ongoing.
- Major fund balance appropriations are not sustainable in the General Fund Budget:
 - Growth will continue into the foreseeable future.
 - Revenues will not increase at the same rate as growth, which will impact services.
 - Recommend performing annual debt capacity and affordability analysis for CIP.
 - Implementation of Organization Structure Study recommendations to achieve operational efficiency.
- Water and Sewer Fund will continue to require rate increases to fund reinvestment in the system.
- Electric Fund will require nominal increases to sustain the financial health of the utility.
- The Town continues to experience strong growth, which impacts all components of operations.
- Economic uncertainty requires a conservative spending strategy.
- Strong financial health requires long-term planning to develop a roadmap for success:
 - Leverage debt issuance (bonds and installment finance agreements).

- Ad Valorem tax rate adjustments (revaluation in FY 2026).
- Maximize grant funding opportunities when feasible.
- Develop other funding sources.

Mayor McLeod asked if there were any questions, with there being no questions, Mayor McLeod opened the Public Hearing.

Mr. Grannis commended the Council regarding Carolina Overlook North Conditional Rezoning. Communicated he was surprised by the \$0.05 increase. It was communicated that he understands and the fiscal responsibility of it. Mr. Grannis suggested a flyer be placed in the utility to explain the water and sewer increase.

With no one else wishing to speak, Mayor McLeod closed the Public Hearing over to Council for discussion. Council Member Archer expressed thanks for the FY 2025 Budget Recommendation and proposed a motion to adopt it. It was stated the action would be to approve the budget as presented. Conversation continued on for the motion to be voted on tonight or the next meeting. Council Member Casey stated he was fine with waiting until the next meeting. Council Member Williams stated she was prepared to vote this evening. With the majority prepared to take action, Council Member Archer entered it as a motion.

Mr. Cappola expressed gratitude to the staff for their hard work. Mayor McLeod expressed appreciation to the management team, executive team and the staff.

Adoption of Ordinance #2024-05-07

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Ruth Anderson
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

9. NEW BUSINESS

10. STAFF REPORTS

- a. Town Manager
- b. Town Attorney
- c. Town Clerk
- d. Other Staff

11. OTHER BUSINESS

- a. Informal Discussion & Public Comment
 - Individuals have three (3) minutes to address the Town Council.
 - Groups will designate a spokesperson. The spokesperson will have five (5) minutes to address the Town Council.
- b. Council Comments

12. CLOSED SESSION

- a. To Discuss Purchasing of Real Property in Accordance with NC GS 143-318.11(a)(5)

Motion To Go Into Closed Session

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

Motion To Return To Open Session

RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

13. ADJOURNMENT

- a. Adjourn

With nothing further, the meeting was adjourned at 11:06 p.m.

Motion To Adjourn

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

Duly adopted by the Town Council this 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

May 20, 2024
Minutes



Town of Clayton
Town Council Work Session Minutes
Monday, June 3, 2024 at 3:00 PM
Rotary Room, Town Hall
111 E. Second Street

Council Present:

Mayor Jody McLeod
Mayor Pro Tem Michael Sims
Council Member Porter Casey
Council Member Gretchen Williams
Council Member Ruth Anderson

Staff Present:

Rich Cappola, Town Manager
Jim Cauley, Town Attorney
Heidi Holland, Town Clerk
Dolores Gill, Deputy Town Manager
Lee Barbee, Deputy Town Manager
Robert McKie, Finance Director
Joshua Baird, Water Resources Director
Conrad Olmedo, Planning Director
David Ranes, Fire Chief
Michelle Snyder, Executive Asst. to Town Manager
Barry Alston, Inspection Director
James Blalock, Asst. Water Resources Director

Council Absent:

Council Member Andria Archer

1 CALL TO ORDER

- a) Mayor McLeod called the meeting to order at 3:06 p.m.

2 ADJUSTMENT OF THE AGENDA

- a)

Approve or Adjust the Agenda

RESULT:	CARRIED 4-0
MOVER:	Ruth Anderson
SECONDER:	Michael Sims
YES:	Michael Sims, Porter Casey, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

3 INTRODUCTIONS AND SPECIAL PRESENTATIONS

- a) 3:00 - 3:15 p.m.

Employee Recognitions

- Ilona Williams – Passed her Grade 2 Biological WW Exam
- Stephen Smith – Passed his Grade 2 Biological WW Exam
- John (JZ) Zamarripa – Passed his Grade 1 Biological WW Exam
- Kyle Brady – Passed his Grade 1 Biological WW Exam

- Patrick Baker – Passed his Grade 1 Biological WW Exam

Presenter: David White, Superintendent

- Dylan Carroll - Crew Leader

Presenter: James Blalock, Asst. Director, Water Resources

- Brandon Lee - Building Codes Plan Reviewer

Presenter: Barry Alston, Inspections Director

- Barry Alston - Inspections Director

Presenter: Lee Barbee, Deputy Town Manager

- Joshua Baird - Water Resources Director

Presenter: Lee Barbee, Deputy Town Manager

James Blalock recognized Dylan Carroll who was promoted to Crew Leader. He started in November 2015 and has excelled so far. He stated all the staff members David White intended to introduce today could not be present, but he noted that they have all taken and passed their grade exams.

Chief Barbee introduced Barry Alston; he came to the Town over a year ago. When Robert Yarbrough retired, he stepped up as interim and filled the Inspections Director role about a month and a half ago. Mr. Alston introduced Brandon Lee who took the role of Building Code Plan Reviewer.

Chief Barbee stated the first of May, Joshua Baird transitioned to Interim Water Resources Director while working with engineering. He has officially accepted the position of Water Resources Director. Mr. Baird recognized James Blalock, who received his Biological 1 certification.

Conrad Olmedo introduced Susan Long as the new Planning Technician, she has been with the Town for two months.

4 ITEMS FOR DISCUSSION

a) 3:15 - 3:45 p.m.

Parks and Recreation Master Plan Update

Presenter: Scott Barnard, Parks and Rec. Director and SAGE Consulting

Ms. Gill introduced Sara Burroughs with SAGE Consulting. She stated her goal today is to provide an update and let Council know next steps. Right now, this plan is in the prioritization and recommendation process. One of the next steps would be to work with staff and stakeholders to determine immediate needs.

She discussed themes. She stated health and wellness was high on the priority. Community engagement has been responsive. She shared stats from the survey. Over 350 responses were collected from the statically valid surveys and over 300 responses were received from the community for a total of over 900 points of engagement. Highlighted was the response of 97% support for parks and 81% would

like to have connectivity from greenways to the parks.

She stated there is a high demand for indoor space and citizens like the indoor programs at the Community Center and the Town's special events. She stated it is hard to offer these without the help of additional staff. She stated Clayton has 18 full-time staff members. When looking at the Town and ETJ population for median, we are well below that; we are at almost half of what the national community are providing with staffing.

There were Intergeneration programs and experiences discussion. It was stated 81% of citizens currently drive to parks. She stated in 2019, there was a 74% bond pass rate, and we still have support of funding from the community.

She stated from 2001-2021, there is 62.9% increase in urban land cover; this is important when looking at growth and development. One thing involved in the study is the need to address open spaces. One takeaway from the report is if we want people to come it needs to be for unique recreational resource. She stated the population used for the study was 29,445.

Discussed were highlight recommendations. Shared were unique features in demand such as climbing and ropes, indoor space, access to water, nature play, access to open space, and mini golf.

Shared were the facility draft recommendations:

Facilities/Overall:

- Demand for additional indoor recreation space
- Increased access to water: swimming pools, splashpad and paddling/kayaking/fishing
- Provide adventure recreation and intergenerational features
- Nature based play
- Offer unique recreation tourism opportunities
- Apply universal design principles so that park features are accessible
- Incorporate arts that celebrate Clayton
- Continue to follow environmental best practices for park planning and development
- Incorporate operational needs in townwide and park planning design process
- Start positive messaging about current environmental practices

Connectivity:

- Enhance and celebrate blueway system
 - Provide access to and support services for this system
- Continue planning and design efforts to:
 - Link Municipal and Donald Sinclair to Downton
 - Link East Clayton to the river and downtown
 - Link Community Park/Community Center/School across 70 to downtown
- Provide access to park features through universal design
- Link parks and "gap" areas
- Create internal park loops and convey routes in time and distance

- Create park trail heads at parks with connectivity

She stated the message from the community is citizen like what the Town is doing.

Programs/Overall:

- Expand special events programs that focus on family
- Evaluate ability to add:
 - More fitness and wellness programs
 - Water sports
 - Adult programs
 - Senior travel trips
 - Trails, cycling and mountain biking programs
 - Arts (performance, music and fine arts)
 - Life skills programs (teen specific)
 - Youth camps (full day)

Staff:

- Set staffing goals to meet program demand
- Determine program opportunities with current and future resources
- Look for program partners to provide specialty recreation opportunities
- Departmental and interdepartmental resource communication
- Shared resources

She stated the next steps would be to take all information and possible approval in the fall.

Council Member Casey discussed the want for a state park, and asked was this included in the plan. Ms. Burroughs stated that was not as in high demand as access to nature. He asked about the River Mews property, should they look at that and put it into the study? He also asked about the use of the high school's football fields. Ms. Burroughs stated they looked at the access to schools but from a best practice standpoint, this has only been included as 25% access because can't be used when school is in session, this limits public access. She stated this would be a future discussion.

Council Member Casey discussed programming for senior citizens. Ms. Burroughs stated there is high demand for indoor space; senior programming could be within that structure. She stated she is also seeing a demand for all-day youth camps. There was further discussion on senior programming. Mayor McLeod asked to see the monetary value of investment; he would like to know how much it would cost to put the wants in (mini golf, etc.) He asked what are examples of unique recreation tourism opportunities? Ms. Burroughs stated experiences like camping, the river, access to nature, rope courses, etc. She stated citizens are leaving Clayton to go to other towns to do these things.

5 BREAK

- a) 3:45 - 3:50 p.m.
Break

6 ITEMS FOR DISCUSSION

- a) 3:50 - 4:20 p.m.
Fire Strategic Plan
Presenter: Chief Ranes, Fire Chief

Chief Ranes discussed the five-year strategic plan which is employee driven. He discussed the long term, desire to have a stakeholder strategic plan but he first wanted to get the department in order. As the department works to become an accredited agency, this plan is one of the steps to do this.

Shared was the history of the Town and Fire Department. Stats were shared from Johnston County emergency services and census bureau. Shared was the organizational chart of the Department. There was discussion on interviewing for the Deputy Chief Operations position. This was an internal/external recruitment. There was further discussion on this. Groups findings were shared as well as staff which were involved. He stated 100% of the firefighters were involved in this SWOT analysis.

The SWOT analysis was shared. Strengths and weaknesses were shared as well as opportunities and threats.

The six goals were shared:

Goal 1: develop an ongoing capital. expenditure. plan that maintains current capabilities and provides for expansion for the future.

Goal 2: develop, promote and enhance the wellness of all CFD members to improve operational effectiveness and quality of life by providing exceptional training and education.

Goal 3: continue to increase number of outreach and engagement opportunities to external stakeholders and continue to align our efforts with the community's expectations.

Goal 4: provide the highest quality of service in the most eff. manner of current departmental programs and enhance capabilities for the future needs of our community.

Goal 5: develop a culture of internal engagement within the department that promotes empowerment, trust, and open communication.

Goal 6: develop, promote, and enhancement the wellness of all CFD members in order to improve operational effectiveness and quality of life.

There was discussion on how many homes in Clayton do not have smoke detectors. The number one goal in the department is to prevent fires.

Once this is rolled out, this would be the guiding plan for the next five years. What comes out of this is working with North Carolina Fire Chief Consulting and their findings. They identified that in the next 30 years there would be the need for 10 Fire Stations. Shared were the proposed locations.

Mayor McLeod would like to hear more on thoughts on critical task listed but not addressed under each goal. Each goal and objective have a critical task. Some of these goals have already been put into place.

Mr. Cappola stated this is an internal facing strategic plan and when complete, would be brought to Council for adoption. Mayor Pro Tem Sims stated he would like a cliff note version. Mr. McKie made note that stations 3 and 4 have already been included in the CIP.

b) 4:20 - 5:00 p.m.

Downtown Master Plan - Part 1

Presenter: Conrad Olmedo, Planning Director and Dan Lambert, McAdams

Mr. Olmedo stated this project is scheduled to come back to Council at their August 5, 2024 for adoption. This would go before the planning board this month.

Mr. Lambert from McAdams was present. He shared put together a vision statement: Downtown Clayton is our place. It's where we make memories, share our cultures, and dare to be creative. It's where we celebrate our history and where we find an opportunity to grow together.

He discussed the community values that rose to the top: enrich quality of life + create memorable experiences, celebrate culture + creativity, preserve + celebrate historic resources, and enhance the local economy.

The previous downtown core was shared. He stated the more this was looked at the more it made sense to increase it. He stated they are looking at 2 new districts: the downtown development district and the historic downtown core district.

Shared was the future land use map. Council Member Casey asked if he could get a copy of the map with the street names on it. Shared were other changes that were made from the last draft. Discussed were the zoning map recommendations, which included expanding the downtown core boundary and adding the two new zoning districts.

Discussed was traffic transportation and parking. He stated there were a lot of recommendations. There was discussion on the speed limit on Main Street and it was recommended to reduce the speed on this street. Transit was discussed and recommended to make sure there is appropriate infrastructure and accessibility.

He stated regarding bike and pedestrian improvements, there is already a plan dedicated to this. It was stated railroad crossings at O'Neil and Church Streets should be improved. There was discussion on sidewalk access being provided that are within walking distance to public parking. Shared were recommendations for the UDO.

He discussed implementation. He stated the content of this draft would be changing significantly between this document and the next one.

Council Member Casey asked if anything changed in the appendix since the last one? Mr. Lambert stated it has changed since the last one but the layout is the same.

7 ADJOURNMENT

a) With nothing further, the meeting was adjourned at 5:18 p.m.

Motion To Adjourn

RESULT:	CARRIED 4-0
MOVER:	Michael Sims
SECONDER:	Ruth Anderson
YES:	Michael Sims, Porter Casey, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

Duly adopted by the Town Council this 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk



Town of Clayton
Regular Town Council Meeting Minutes
Monday, June 3, 2024 at 6:00 PM
Council Chambers, Town Hall
111 E. Second Street

Council Present:

Mayor Jody McLeod
Council Member Porter Casey
Mayor Pro Tem Michael Sims
Council Member Gretchen Williams
Council Member Ruth Anderson

Staff Present:

Rich Cappola, Town Manager
Jim Cauley, Town Attorney
Heidi Holland, Town Clerk
Dolores Gill, Deputy Town Manager
Lee Barbee, Deputy Town Manager
Robert McKie, Finance Director
Greg Tart, Police Chief
Nathanael Shelton, Communications Officer
David Ranes, Fire Chief
Joshua Baird, Water Resources Director
Conrad Olmedo, Planning Director
Sam Johnson-Phillips, Deputy Town Clerk
Tim Robbins, Public Works Director
Emily Stoll, Communications Specialist

Council Absent:

Council Member Andria Archer

1. CALL TO ORDER

a. Call to Order

Mayor McLeod called the meeting to order at 6:03 p.m.

b. Pledge of Allegiance

Mayor McLeod led the Pledge of Allegiance.

c. Invocation

Mayor McLeod provided the Invocation.

2. ADJUSTMENT OF THE AGENDA

- a. Mr. Cappola adjusted the agenda as follows: add 3f. to Consent Agenda: Independence Day Square To Square Special Events Request Road Closure; remove 3d. from Consent Agenda: Approval for Town Manager to Execute Encroachment Agreement with North Carolina Railroad Company for the East Clayton Industrial Area Transmission Project; add to 7a. Quasi-Judicial Hearing

2023-124-SUP Creekside Townes Major Modification, and add 10e. to Staff Reports: 2024 Comprehensive Community Development 90 Day Plan. The 2023-124-SUP Creekside Townes Major Modification was continued from April 15, 2024, it would be continued again tonight.

Approve or Adjust the Agenda

RESULT:	CARRIED 4-0
MOVER:	Porter Casey
SECONDER:	Michael Sims
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

3. CONSENT AGENDA

- a. Resolution Authorizing Wake County Tax Administrator to Levy and Collect Property Taxes for the Town of Clayton
Presenter: Robert McKie, Finance Director
 - b. Resolution Authorizing Johnston County Tax Administrator to Levy and Collect Property Taxes for the Town of Clayton
Presenter: Robert McKie, Finance Director
 - c. FY25 Capital Improvement Plan
Presenter: Christopher Gallant, Engineering Project Manager
 - d. Approval for Town Manager to Execute Encroachment Agreement with North Carolina Railroad Company for the East Clayton Industrial Area Transmission Project
Presenter: Louis Duffie, Project Manager
- This item was removed from the agenda.
- e. Acceptance of Amended ARPA Grant SRP-W-ARP-0280
Presenter: Louis Duffie, Project Manager

Approve Consent Agenda as Presented

RESULT:	CARRIED 4-0
MOVER:	Michael Sims
SECONDER:	Ruth Anderson
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

4. ADMINISTRATIVE ITEMS

- a. Clayton4U

Presenter: Nathanael Shelton, Communication Director

Emily Stoll, Communications Specialist stated the Communication and Outreach department is pleased to share their first episode of Clayton4U which is an educational series that provides information in 90 seconds or less. These videos will be posted to social media on Wednesday afternoons. Council will be provided topics during Council meetings moving forward.

5. INTRODUCTIONS AND SPECIAL PRESENTATIONS

6. PUBLIC HEARINGS

7. QUASI-JUDICIAL HEARING

- a. 2023-124-SUP Creekside Townes Major Modification

Presenter: Conrad Olmedo, Planning Director

Mr. Olmedo stated this item has been requested by the applicant to be continued until the August 19, 2024 meeting. This would allow staff enough time to talk to the applicant and NCDOT with regards to some of the improvements along the street.

8. OLD BUSINESS

9. NEW BUSINESS

- a. Road Rehabilitation Project

Presenter: Tim Robbins, Public Works Director

Mr. Robbins stated this was recently advertised for a bid for the current resurfacing project. The bids were opened on May 23, 2024. There were seven highly competitive bids entered and the lowest was Daniels Inc. of Garner for \$3,966,718.15. Staff has recommended awarding this contract to that company.

Adoption of Resolution #2024-54

RESULT:	CARRIED 4-0
MOVER:	Michael Sims
SECONDER:	Porter Casey
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

- b. Hydrant Meter Program Policy

Presenter: Brandon Carroll, Water Resources Department

Mr. Carroll stated he is here to present the Hydrant Meter Program Policy. This policy would allow for individuals or businesses to rent a metered water and a backflow preventer and connected to a fire hydrant to get potable or non-potable water in proximity to a construction site or filling swimming pools. There has been a growing need for this for the past 4-5 years

With all the construction, there is a need to keep all the sediment out of the storm drains. Our largest bulk water user is River Wild. They use the bulk water filling station at the Operations Center approximately 15-20 times a month.

He stated they want to use the meters because of its preservation of public water supply. Fire hydrant meters help regulate and control and prevent overuse and misuse. Regulatory compliance is also big. He stated his responsibilities with the Town are back flow and cross connection so water and fire hoses, anything that connects to a water source has the potential for backflow issues. With the devices, the trucks will have air gaps and backflow preventers in place. In the event of an emergency there are safety precautions in place.

Another reason why is accurate billing. Currently there are not any means to track any water uses from a hydrant. By allowing customers to use these, the Town feels they could bill and making money. These hydrants are going on Town approved lines.

The benefits to this is it allows customers to use their water at the location they choose, the compliance portion is the Town is in control of the location and the safety aspect from the backflow preventer testing.

Shared were general terms. The Town would have ownership of all devices, the customer would be charged a fee and once they are finished with the rental process the product comes back to the Town. The Town would be responsible for testing the meters and the backflow preventers. Installation is a big part of this, the Town would be installing these devices for the customer. The customer would have a gate valve that would be outside the protective box that allows them to turn on and off the water as needed. Town staff will bill these on a manual read basis for the first year. In the future they may incorporate the AMI automatic reading meters. The Town may terminate the usage at any point subject to the Town's discretion in the event these requirements are not met, and the Town may hold the applicant's deposit.

Shared was the proposed rental process:

- Applicant submits completed application to utilities and billing with proposed hydrant location
- Utilities and billing creates a Cityworks service request to operations staff to verify hydrant location

- Operations staff has three business days to review and approve location of assembly
- Completed service request goes back to utilities and billing with location approval
- Utilities and billing reviews completed applicant and creates account
- Customer pay utilities and billing hydrant meter deposit and installation fee
- Utilities and billing then create service request for operations staff to install
- Operations staff will create work order from service request for billing
- Operations staff has five business days to install assembly
- Operations staff has onsite meeting with applicant, installs hydrant meter and records initial reading
- Operations staff creates a recurring inspection in Cityworks to record reading monthly
- Utilities and billing will pull data from workorder and bill current monthly fee and reading

At the end of the rental term:

- Applicant sends written request to utilities and billing to discontinue service
- Utilities and billing sends open work order to operations staff with request to remove hydrant meter assembly
- Operations staff will record final reading and remove assembly from service
- Once removed, operations staff will inspect condition of assembly, complete work order and send back to utilities and billing for billing
- Utilities and billing will send final bill
- Within 30 days, utilities and billing will release deposit back to applicant if eligible

Initial equipment and startup include fire hose, Zenner FHZ30 hydrant meter with gate valve, 2" Wilkins 975XL or XL2, protective box, miscellaneous fittings with a total approximate cost of \$4500 per unit. Currently only 5 units are being proposed.

Rates and fees include:

- Deposit of \$1500.00
- Rental fee of \$350 per month
- Hydrant meter set-up fee of \$75
- Hydrant meter reading fee: \$35
- Town adaptation/modification visit fee: \$15
- Hydrant meter damage fee \$55, in addition to replacement parts
- Hydrant meter bill late payment charge – same as utilities and billing
- Consumption rate: \$15 + \$8.00 per 1,000 gallons

- Adapter fee: \$25/month

The implementation schedule includes building assemblies in June 2024 and planning to go live July 1, 2024.

He stated the Town wants to have control of these devices and the fact the Town would build and test these themselves and place them in the field. Once they are in the field it's not just the customer's responsibility to make sure things are going the way they should. Town engineering, water resources staff, meter readers, police, and fire fighters all know what to look for.

Council Member Casey stated it's a good opportunity and asked why only 5 are being installed. Mr. Carroll stated they wanted to start small. The initial investment would be between \$20,000-\$25,000; if the program is unsuccessful, he feels this wouldn't be a good use of taxpayer's money. For 12 months of rental for the five, the Town would nearly cover the cost.

Adoption of Resolution #2024-55

RESULT:	CARRIED 4-0
MOVER:	Michael Sims
SECONDER:	Porter Casey
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

c. Lead and Copper Rule Update

Presenter: Brandon Carroll, Utility Compliance Supervisor, Water Resources

Mr. Carroll provided an update on this program, which is nearly 9 months into it. This is still in the materials inventory stage. Once that is complete there would be a lot of public outreach. He stated the public would need to be notified that their line is either unknown, has lead, and if it's galvanized or galvanized requiring replacement. He stated they have not found any lead in the pipes yet.

The public notification and replacement plan must be developed and in place by October 2024. Shared were maps showing all areas that needed to be identified. He stated they started out with 1,800 identifications required but through better research, that number has increased to about 2,500 locations to identify. Each identified location must have two holes dug; one for the customer side and one for the Town side. A spreadsheet provided by the State must be filled out and submitted by October of this year. There are approximately 700 in the downtown corridor that are being focused on.

Project to date:

- Initial service lines needed for identification: +/-2500
- Completed excavations: 1851
- Remaining excavations: +/- 700
- Galvanized Town side: 67
- Galvanized customer side: 120
- Lines in concrete: 48
- Lines in asphalt: 1

He stated there has not been great guidance from the State or the EPA on how to handle the galvanized customer side. Through this project, these service lines must be identified so a plan can be created to notify and potentially replace the galvanized customer side. They are waiting on further guidance from the State. One of the biggest and upcoming issues is concrete. In the downtown corridor most of the meters are inside the sidewalk. There are 48 services that are in the sidewalks or curb that need to be dug up or replaced. There has been only one found in asphalt.

Process moving forward:

- Complete remaining identification
- Identify services in concrete or asphalt
- Repair and replace concrete sidewalks affected
- Replace Town side galvanized services lines
- Notify customers whose service line could not be identified by October 2024
- Wait for further instruction from EPA and NCDEQ
- Start working on LCRI as directed from EPA and NCDEQ

Council Member Casey asked if this is an EPA guideline, correct? He stated they have a documentation process, correct? Mr. Carroll stated correct. He asked if there was literature online or is that being handed out. Mr. Carroll stated for all excavations door hangers and a magnet have been attached to every door telling the process and briefly summaries what they are doing. All of this information is also located on the website.

d. FY 2024 Audit Contract

Presenter: Robert McKie, Finance Director

Mr. McKie stated this request is to approve the audit contract for FY24. There has been a \$250 maximum fee increase compared to the prior fiscal year for a total of \$29,750. The auditors have to go through a peer review every 3 years. The last peer review for Anderson Smith and Wike was in March of 2022; they are not due for another review until March 2025.

Approval of Contract

RESULT:	CARRIED 4-0
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MOVER:	Michael Sims
SECONDER:	Porter Casey
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

10. STAFF REPORTS

- a. Town Manager
- b. Town Attorney
- c. Town Clerk
- d. Other Staff

2024 Comprehensive Community Development 90 Day Plan
Presenter: Lee Barbee, Deputy Town Manager

Chief Barbee started in March 2024, he moved over to the Community Development suite and began working with those offices. In April, they met with the Chamber of Commerce. During that time, letters were sent out to stakeholders which included developers, engineers, consultants, and property owners that have been going through the development process. Individual meetings were set up with stakeholders.

He discussed the common denominators in these meetings. Those were communications, accountability, consistency, and timelines. He realized after meeting with the Chamber, there are 12 vacant positions throughout Community Development. A concentration has been to fill these positions.

He stated in 2018, there was a large group of staff that would meet to discuss the process improvement program for Community Development. He stated once changes had begun COVID hit and after COVID the process had to be changed. Through staffing changes and the volume of growth, there are a lot of variables in there. The process of improvement needs to be reviewed. That is being done with the software Clariti implementation. Once that is in place, reviewing standard operating procedures need to be reviewed. He stated there is not a lot of training in Community Development, there are a lot of procedures that staff need training on. He stated staff need to improve their consistencies.

The 2024 Comprehensive Community Development 90-Day Plan focuses on addressing the immediate and long-term needs identified through stakeholder engagement by prioritizing staffing, improving processes, regulatory compliances requirements, digital updates, and data management. He stated they aim to enhance operational efficiency and stakeholder satisfaction. Continuous feedback and adjustment would ensure the plan remains dynamic

and responsive to community needs.

Council Member Anderson thanked Chief Barbee for his time and dedication.

11. OTHER BUSINESS

a. Informal Discussion & Public Comment

RULES FOR PERSONS ADDRESSING TOWN COUNCIL

- During public hearings and public comment periods, each speaker will identify him/herself by giving his or her **name and place of residence**.
- Each speaker will be limited to speaking one time on any topic. When you are finished speaking, please step away from the podium and be seated.
- Each speaker will be limited to **three (3) minutes** and each group's representative will be limited to a **maximum of five (5) total minutes**. Each group is encouraged to designate a single spokesperson for their group.

John Scarpa of Neuse Ridge Drive in Clayton spoke. He wanted to bring to Council's attention Vinson Road. He stated around that area a project was approved that is outside of Town limits. He stated Council needs to be aware of projects that are being approved by the County that could affect the Town.

There was discussion of further looking into this project that is outside of city limits and push for collaboration with the County on further similar projects. Mayor McLeod suggested Mr. Scarpa should share with County Commissioners what he shared with Council tonight.

b. Council Comments

Mayor Pro Tem Sims reached out to Mr. Cappola to come up with something as far as traffic. He would like for staff to look at incoming subdivisions, specifically intersections, and how they impact traffic. He stated he would like the cost to be on the developer. Mr. Cappola stated he could talk to CAMPO about some of their modeling. He would get with engineering to come up with a plan.

12. CLOSED SESSION

a. Discuss Purchasing of Real Property in Accordance with NC GS 143-318.11(a)(5)

Motion To Go Into Closed Session

RESULT:	CARRIED 4-0
MOVER:	Michael Sims

SECONDER:	Porter Casey
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

Motion To Return To Open Session

RESULT:	CARRIED 4-0
MOVER:	Ruth Anderson
SECONDER:	Michael Sims
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

13. ADJOURNMENT

a. Adjourn

With nothing further, the meeting was adjourned at 7:06 p.m.

Motion To Adjourn

RESULT:	CARRIED 4-0
MOVER:	Porter Casey
SECONDER:	Michael Sims
YES:	Porter Casey, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None
ABSENT:	Andria Archer

Duly adopted by the Town Council this 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

June 3, 2024
Minutes



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Warranty Acceptance of Public Water and Sewer Utilities for Walton Farms, Phases 5 & 6

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Social Media

☐ Special Mailing

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Survey

☐ None Required

Summary

Public Utilities (water and sewer), their easements, and applicable apparatuses are required to be designed and built according to the Town of Clayton Manual of Standards, Specifications, and Design. The subject public utilities have been verified through testing and inspections to be installed per the Town’s Manual of Standards, Specifications, and Design and have been certified and approved by the appropriate regulatory agencies. Engineering staff recommends acceptance of the subject public utility infrastructure subject to a one-year warranty.

Funding Source

N/A

Corresponding Documentation

[Phases 5 & 6 UtilityAcceptanceResolution](#)

Submitted By: Chris Rowland, Engineering

Reviewed By:	
Joshua Baird, Water Resources Director	Approved - Jun 06 2024
Sam Johnson-Phillips, Deputy Town Clerk	Approved - Jun 07 2024
Heidi Holland, Town Clerk	Approved - Jun 07 2024

**RESOLUTION TO ACCEPT PUBLIC UTILITIES INTO THE TOWN OF CLAYTON PUBLIC UTILITY SYSTEM
FOR MAINTENANCE – WALTON FARM, PHASES 5 & 6**

WHEREAS, public utilities (water and sewer), their easements, and applicable apparatuses are required to be designed and built according to the Town of Clayton Manual of Standards, Specifications and Design; and

WHEREAS, Town of Clayton Engineering staff has inspected the public utility segments listed and recommends acceptance by Town Council for maintenance by the Town; and

WHEREAS, the public utility segments listed below have been certified and approved by the appropriate regulatory agencies; and

WHEREAS, the public utility segments listed below will be placed under a warranty period for one-year to monitor for construction deficiencies, and

WHEREAS, prior to expiration of the one-year warranty period, Town of Clayton Engineering staff will perform a final inspection and notify the developer to correct all deficient items (if any); and

WHEREAS, upon correction of all deficient items (if any), the Town of Clayton Engineering staff will issue a final acceptance notice to the developer; and

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Clayton, North Carolina accept this list of public utilities, their apparatuses, and easements into the Town of Clayton Public Utility System subject to a one-year warranty.

SUBDIVISION	LOCATION DESCRIPTION	UTILITY TYPE AND SIZE	LENGTH(LF)
Walton Farms, Ph. 5 & 6	Thorpe Street	8" Waterline	670
Walton Farms, Ph. 5 & 6	Thorpe Street	6" Waterline	10
Walton Farms, Ph. 5 & 6	Favre Street	8" Waterline	1040
Walton Farms, Ph. 5 & 6	Favre Street	6" Waterline	30
TOTAL			1750LF

SUBDIVISION	LOCATION DESCRIPTION	UTILITY TYPE AND SIZE	LENGTH(LF)
Walton Farms, Ph. 5 & 6	Thorpe Street	8" Sanitary Sewer	638
Walton Farms, Ph. 5 & 6	Favre Street	8" Sanitary Sewer	1009
TOTAL			1647LF

Duly adopted this 17th day of June 2024.

Jody McLeod
Mayor
ATTEST:

Heidi L. Holland, NCCMC
Town Clerk

Town of Clayton
North Carolina



PERSONNEL POLICY
January 1, 2024

BE IT RESOLVED by the Town Council of the Town of Clayton that the following policies apply to the appointment, classification, benefits, salary, promotion, demotion, dismissal, and conditions of employment of the employees of the Town of Clayton.

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ARTICLE I. GENERAL PROVISIONS

Section 1. Purpose of the Policy

It is the purpose of this policy and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of the Town under the supervision of the Town Manager. This policy is established under authority of Chapter 160A, Article 7, of the General Statutes of North Carolina.

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 Council and executed by the officers designated by the Council.

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 3. Merit Principle

All appointments and promotions shall be made solely on the basis of merit. All positions requiring the performance of the same duties and fulfillment of the same responsibilities shall be assigned to the same class and the same salary range. No applicant for employment or employee shall be deprived of employment opportunities or otherwise adversely affected as an employee because of such individual's race, color, religion, 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.



Section 4. Responsibilities of the Town Council

The Town Council 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. Responsibilities of the Town Manager

The Town Manager shall be responsible to the Town Council for the administration and technical direction of the personnel program. The Town Manager shall appoint, suspend, and remove all Town employees except those whose appointment is otherwise provided for by law. The Town Manager shall make appointments, dismissals and suspensions in accordance with the Town charter and other policies and procedures spelled out in other Articles in this Policy. The Town Manager shall supervise or participate in:

1. Recommending rules and revisions to the personnel system to the Town Council for consideration;
2. Making changes as necessary to maintain an up-to-date and accurate position classification plan;
3. Preparing and recommending necessary revisions to the pay plan;
4. Determining which employees shall be subject to the overtime provisions of FLSA;
5. Developing and administering such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
6. Performing such other duties as may be assigned by the Town Council not inconsistent with this Policy; and
7. Appointing an employee to the role of Human Resources Director.

Section 6. Responsibilities of the Human Resources Director

The responsibilities of the Human Resources Director shall be to ensure the establishment, implementation and management of a modern personnel system reflecting the Equal Employment Opportunity and Non-discriminatory vision and values of the Town of Clayton. Those responsibilities include, but shall not be limited to, the following:

1. Recommending rules and revisions to the personnel system to the Town Manager for consideration;
2. Recommending changes as necessary to maintain an up-to-date and accurate position classification plan;



3. Recommending necessary revisions to the pay plan;
4. Recommending which employees shall be subject to the overtime provisions of FLSA;
5. Maintaining a roster of all persons in the municipal service;
6. Establishing and maintaining a list of authorized positions in the municipal service at the beginning of each budget year which identifies each authorized position, class title of position, salary range, any changes in class title and status, position number and other such data as may be desirable or useful;
7. Developing and administering such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
8. Developing and coordinating training and educational programs for Town employees;
9. Periodically investigating the operation and effect of the personnel provisions of this Policy; and
10. Performing such other duties as may be assigned by the Town Manager not inconsistent with this Policy.

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

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

Section 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 Town Manager, 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 allocated position is authorized as a regular position by the Town Council. Regular allocated positions are assigned a specific job title, salary grade, salary range, duties, and minimum qualifications. Appointments to allocated positions are made through a competitive selection process. All town positions are subject to budget review and approval each year by the Town Council.

Continuous Service. Years of regular service with the Town of Clayton without a termination and rehire of employment. This does not include Family and Medical leaves of absence. Continuous service in regards to the Health Insurance for Retirees only includes full-time, regular employees.

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

Immediate Family. Immediate family, for purposes of these policies, means employee's spouse, guardian, children, brother, sister, parent(s), in-laws of the employee and anyone living as a part of the household of the employee.

Pay Status. When an employee is working or is on paid leave (vacation leave or sick leave).

Probationary Employee. A person appointed to an allocated position who has not yet successfully completed the designated probationary 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 (12 months for Sworn Law Enforcement Officers and Department Directors) of employment or promotion representing the period of observable work performance to determine the suitability and ability of the employee 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. A person appointed to a full-time allocated position, for which an average workweek equals 40 or more hours. Regular full-time employees are eligible for all employee benefits.

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



Temporary Employee. A person hired by a department to perform additional extra help. Many work on a seasonal or short-term basis. Temporary employees are paid on an hourly basis only for hours actually worked and cannot work more than 25 hours in a workweek. They are not eligible for benefits except those mandated by State and Federal government. The temporary employee or the Town can at any time or for any reason terminate the employment relationship.

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



ARTICLE II. LEAVE POLICIES

Section 1. Annual Leave

Purpose: The intent of this leave is to provide for paid periodic absences from work to enhance the health and well-being of Town employees as well as to maintain a competitive stance in the market for recruitment and retention of employees.

Scope: This policy applies to all benefit eligible employees.

Definitions:

- **Annual Leave** – Earned leave that may be taken for vacation purposes or for other personal reasons that are not covered by other leave policies.
- **Benefit Eligible** – Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town’s benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Annual Leave Earnings

- a. Employees earn Annual Leave monthly as designated in the following table:

Annual Leave Earning Rates		
Years of Service	Full Time 40 Days/Hours	Regular PT
0-4 Years	12 Days /96 Hours	6 Days/48 Hours
5- 9 Years	15 Days/120 Hours	6.25 Days/60 Hours
10-14 Years	18 Days/144 Hours	9 Days/72 Hours
15-19 Years	24 Days /192 Hours	12 Days/96 Hours
20+ Years	30 Days/240 Hours	15 Days/120 Hours

Annual Leave Earning Rates				
Years of Service	Full Time	LGRSPT	Fire	Police
0-4	8 Hours	4 Hours	10.6 Hours	8.4 Hours
5-9	10 Hours	5 Hours	13.25 Hours	10.5 Hours
10-14	12 Hours	6 Hours	15.9 Hours	12.6 Hours
15-19	16 Hours	8 Hours	21.2 Hours	16.8 hours
20+	20 Hours	10 Hours	26.5 Hours	20.8 Hours

- b. Credit for the first month of employment will be given if the employee has one-half or more service during that month, i.e., an employment date of the 1st through 15th of the month will begin earning leave as described above. An employment date of the 15th through the end of the month will earn one-half the amount above.



- e. ~~Employees transferring from other state or local government organizations may accrue annual leave at the same rate~~ equivalent to the years of uninterrupted service in the NC Retirement System. ~~that they were accruing at the organization in which they came from with documentation from the previous employer on letterhead.~~

2. Annual Leave Use

- a. Annual leave taken for any employee will be subject to approval of the timing and the amount of leave taken is subject to approval of their supervisor, manager, or department director. Approval will be based on the operating requirements of the department.

a.b. Leave Increments: Annual leave is used in 15 minute (quarter hour) increments.

3. Annual Leave Accounting

- a. Any accumulated annual leave balance over 240 hours as of December 31st will be converted to sick leave.
- b. Upon termination, an employee will be paid a lump sum for annual leave earned up to 240 hours, not taken, less any deduction for annual or sick leave used, but not accrued, or deduction for any town issued uniforms, equipment, etc. that were not returned or to satisfy other outstanding balances related to Town policies. Annual leave earned for the last month of employment is based on the date of termination (completion of less than one-half the month, leave is not earned for that month; completion of the full month, full leave earned for the month).

Procedures:

1. Employees

- a. Annual Leave requests should be submitted through the Town's timekeeping system.
- b. When the supervisor receives the leave request, they should review operational schedules and already approved absences prior to approval of leave request to ensure proper staffing is maintained.
- c. After determining whether the annual leave can be granted, the supervisor will approve or disapprove the request through the Town's timekeeping system. If the leave request is denied because of operational issues, the manager should speak with the employee.

2. Annual Leave Upon Separation



- a. An employee who has successfully completed the six-month introductory period and provided at least two weeks' notice prior to the effective date of the resignation (minimum 30-days for Department directors), will be paid for accumulated vacation time upon separation not to exceed 240 hours. An employee failing to provide and physically work the two-week advance notice may forfeit payment for accumulated vacation leave. The notice requirement may be waived by the Town Manager, if it is deemed that it is necessary for the employee to leave sooner. Employees who are terminated shall receive payment for accumulated vacation leave not to exceed the 240 hours maximum allowed less any deductions previously noted.
- b. Upon the death of an employee while employed by the Town, his/her estate will be entitled to payment of all accumulated vacation leave not to exceed the maximum 240 hours allowed for vacation.
- c. If an employee returns within 12 months of separation, their accrual rate may be reinstated to the rate at time of separation.

e.d. Employees submitting their resignation may not use leave in-lieu of completing their notice period. The separation date will be the last day physically worked by the employee.

3. Pay in Lieu of Leave

- a. Any employee in good standing may request pay in lieu of annual leave for up to ½ of their earned annual leave per year at the employee's current rate of pay. Pay in lieu of annual leave is only available in full day increments up to 100 hours or \$10,000. The annual leave that is paid shall be removed from the accrued balance of the employee. The employee shall request this benefit in writing between October 1st and October 15th. To be eligible for this benefit, employees remaining balance after the payout must be at least 40 hours of annual leave time. Employees may only request a cash-out every three (3) years. The lifetime maximum cash-out amount is 300 hours.

Section 2. Holidays

Purpose: The Town of Clayton grants paid time off for certain holidays for benefit eligible employees.

The intent of this leave is to provide for paid absences from work so that whenever possible employees may observe recognized holidays with their families as well as to maintain a competitive stance in the market for recruitment and retention of employees.

Scope: This policy applies to benefit eligible employees.

Definitions:

- **Benefit Eligible** – Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally



mandated coverage.

Organizational Rules:

1. The Town observes the following paid holidays (subject to Town Council approval annually):

<i>New Year's Day</i>	<i>Independence Day Labor Day</i>
<i>Martin Luther King Jr's Birthday</i>	<i>Labor Day</i>
<i>Easter (Good Friday)</i>	<i>Veteran's Day</i>
<i>Memorial Day</i>	<i>Thanksgiving Day (2 Days)</i>
<i>Juneteenth</i>	<i>Christmas/Winter Break (3 Days)</i>

2. Full-time employees will be given eight hours off to observe each designated holiday. Some full-time employees work alternative schedules requiring them to work more than eight hours per scheduled workday. If the holiday falls on a workday where an employee would normally work more than eight hours, the employee will offset the difference with the paid time off. For example, assume that an employee normally works four, ten-hour workdays. If a holiday falls on the employee's normally scheduled day off, the employee will receive eight holiday hours of holiday pay and will use two hours of paid time off to make up the difference or adjust their schedules during holiday weeks to account for 40 hours.
 - a. Regular-Part-time employees will be given hours off to observe each designated holiday at a prorated rate.
3. Each year, on a calendar-year basis, the Town Council will issue a schedule of the days that will be observed for each holiday.
4. Employees should refer to the Premium Pay Policy for information concerning working on designated holidays.

Procedures: None

Section 3. Sick Leave

Purpose: The Town of Clayton provides Sick Leave benefits to all benefit employees. Sick Leave benefits are a privilege granted by the Town, not a benefit earned by employees. The Town recognizes that occasionally an employee is unable to work due to a personal illness or injury or the serious illness or death of a family member. In these circumstances, the Town allows employees to use Sick Leave as outlined in this policy, so they may be paid while away from work.



Scope: This policy applies to employees in all benefit eligible positions.

Definitions:

- ***Sick Leave*** – A pay continuation privilege granted to benefit eligible employees during periods of personal illness or injury.
- ***Benefit Eligible*** – Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Sick Leave Accrual

- a. The Town will grant eight hours per month of Sick Leave to full-time (FT) employees, beginning immediately upon employment. The Town will grant 4 hours per month of Sick Leave to regular part-time (PT) employees.
- b. Leave accrual for the first month of employment will be given if the employee has one-half or more service during that month (i.e., an employment date of the 1st through 15th of the month).
- c. Annual Leave for full-time (FT) employees over 240 hours as of December 31st may be converted to Sick Leave. Annual Leave for regular part-time (PT) employees over 120 hours as of December 31st may be converted to Sick Leave.
- d. Sick Leave will accrue without limit. At retirement from active service as an employee in good standing, unused Sick Leave may be applied, according to the provisions of North Carolina Local Government Employees Retirement System, for additional service credit towards retirement, as well as service time with the Town.

2. Transferred Sick Leave

- a. A new employee who is employed by the Town of Clayton in a benefit eligible position and who comes to the Town directly from a local or state governmental organization covered by the North Carolina Local Government Employees Retirement System (or compatible North Carolina state administered systems), may have his or her Sick Leave balance transferred to the Town.
- b. Verification from the previous employer must be received by the Town within 30 calendar days of the employee's start date.

3. Sick Leave Usage

- a. Sick Leave is a privilege granted to an employee on account of his or her own



sickness or injury or that of a dependent. Unlike annual leave that is earned by the employee, Sick Leave is granted to the employee by the Town and its use is restricted to the circumstances covered by this and related policies.

- b. If an employee uses his or her Sick Leave for an event that is covered within the Family and Medical Leave Act (FMLA), the time that is charged to Sick Leave and the FMLA entitlement will run concurrently.

4. Sick Leave Accounting

- a. Sick Leave used will be subtracted from an employee's accrued balance at the of the actual number of hours away from work on sick leave.
- b. Upon termination, no payment will be made for unused Sick Leave. An employee may request documentation of their Sick Leave balance at the time of separation. Upon retirement from active service as an employee, unused Sick Leave will be used to determine additional retirement credits in accordance with rules of the North Carolina Local Government Employees Retirement System.

Procedures:

1. The Town does not expect an employee to come to work when he or she is ill, but the employee is expected to always call their supervisor no later than the regular reporting time that they will be absent or late for work. Due to operational necessity, certain departments may have a more restrictive reporting requirement. The employee should discuss departmental requirements with the supervisor.
2. Employees should record the sick time-off into the Town's time-keeping system. If an employee is absent for an extended period, the supervisor must notify time and attendance so that they can continue to enter the sick time-off on behalf of the employee each payroll period. This will allow the supervisor to monitor the Sick Leave balance and determine when other benefits may become applicable. During an extended absence, the supervisor should be in regular contact with the employee to monitor the anticipated return to work.
3. If the employee has complied with all the rules of this policy, the supervisor will approve the Sick Leave. If the supervisor is unsure of policy compliance, he or she should discuss this with time and attendance or the Human Resources Department.

Section 4. Town Manager's Discretionary Leave

Purpose: The Town of Clayton provides Discretionary Leave, separate from other leave benefits, to help protect the financial security of employees in certain situations when they have extenuating circumstances requiring a lengthy absence from work.

The Town recognizes that circumstances may occur where an employee, through no fault of their own, has an inadequate amount of accrued leave to cover extended absences due to extenuating circumstances. This leave is intended to help employees during an extended recovery if the



employee can reasonably be expected to recover and return to work. Town Manager's Leave is a limited benefit available only in certain restricted situations. It is not an entitlement and is awarded only if clearly warranted as outlined in this policy and may be required to be offset or reimbursed by future accruals.

Scope: This policy applies to all benefit eligible employees, typically who have served the Town for at least five consecutive years in a benefit eligible position.

Definitions:

- ***Town Manager's Leave*** – Town Manager's Leave is leave granted by the Town Manager to an employee, who through no fault of his or her own, has an inadequate amount of other leave benefits to cover an extended absence from work.
- ***Benefit Eligible*** – Full time and regular part-time employees who are eligible for coverage/participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Town Manager's Leave is only available for mitigation of the employee's individual or dependent's circumstances.
2. An employee who has served the Town for at least five consecutive years in a benefit eligible position meets the minimum eligibility requirements for Town Manager's Leave. Employees that have been with the Town less than five years may be eligible with additional limitations.
3. The total amount of Town Manager's Leave for a full-time employee will not exceed 1,056 hours during the course of his or her career with the Town. If a full-time employee moves to a part-time position, the career maximum limit will be reduced to 528 hours.
4. All of the following minimum requirements must be met for approval of Town Manager's Leave.
 - a. The eligible employee must have used all available sick leave.
 - b. The eligible employee must have used all available annual leave.
 - c. The eligible employee must have used all other forms of leave.
 - d. The eligible employee must not be under an active Worker's Compensation claim.
 - e. The circumstances are not related to an accident or illness sustained while engaged in secondary employment.
 - i. Town Manager's Leave may be granted in partial amounts, in increments or in total



depending on the specific circumstances of the employee's situation at the discretion of the Town Manager. Contingency restrictions may be included with an approval of Town Manager's Leave. Once an employee returns to work, annual and sick leave balances will accrue as they did prior to being granted Town Manager's Leave. However, the leave accruals may be used to offset any negative balances allowed as a condition of the Town Manager's Leave approval.

ii. Town Manager's Leave qualifies for the 12-week FMLA entitlement; the Town Manager's Leave granted and the FMLA entitlement will run concurrently.

iii. Employee benefits will remain in effect during the approved Town Manager's Leave.

Procedures:

1. If physically able to do so, an employee is expected to notify his or her supervisor when he or she will be out of work for an extended period of time, due to extenuating circumstances.
2. When the supervisor becomes aware of the serious, extended absence, the supervisor should contact Human Resources.
3. Human Resources will determine if the employee is eligible for Town Manager's Leave and if so, when.
4. If the employee has met the basic qualifying requirements as outlined in this policy, the supervisor should forward a written recommendation to request Town Manager's Leave to his or her department director. This should be done at least two weeks prior to the exhaustion of all eligible paid leave.
5. The department director will review the supervisor's recommendation, the employee's leave record, information concerning expected return to work and if appropriate, will recommend in writing, to Human Resources that Town Manager's Leave be approved for the employee. The department director's recommendation must include a certification that in the director's review, he or she has determined the employee has not abused the sick leave privilege.
6. The Human Resources Director will review and present the information to the Town Manager for a decision to be made. If the department's request is approved, Human Resources will notify the department director of the approval and any contingencies or restrictions that apply.
7. If an employee is absent for an extended period, the supervisor should ensure that the employee's leave is entered into the Town's time-keeping system on behalf of the employee each payroll period. This will allow the supervisor and the Human Resources department to monitor the leave balance and determine the status of the leave benefit. During an extended absence, the supervisor should be in regular contact with the employee in order to monitor the anticipated return to work.



Section 5. Donated Leave

Purpose: The Town of Clayton permits employees to assist fellow employees by allowing them to donate a portion of their earned annual leave balance in cases of serious illness or injury.

The Town of Clayton recognizes that circumstances may occur where an employee, through no fault of his own, has an inadequate amount of sick leave to cover absences due to his own illness or injury or that of an immediate family member. This situation would typically occur with newer employees who have not worked for the Town long enough to accrue a sufficient leave balance or with a longer-term employee who has an extended illness but is expected to recover and return to work. The Town understands that employees may want to support fellow employees in these situations and this policy arranges for them to do so through the provision of donated leave.

Scope: This policy covers all Town benefit eligible employees.

Definitions:

- ***Donated Leave*** - Donated leave is earned annual leave or sick leave of an employee that he chooses to donate to another employee to provide paid leave for personal or family illness or injury.
- ***Benefit Eligible*** - Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Immediate Family*** – For the purpose of this policy, immediate family is defined as spouse, child, or parent as outlined under the Family Medical Leave Act.
- ***Prolonged Medical Condition*** – For the purpose of this policy, prolonged medical conditions are those that require an employee's absence from work for a period of at least 10 consecutive days.

Organizational Rules: The Donated Leave program is not a right, but a privilege offered by the Town of Clayton. Therefore, unjustified excessive use or abuse of such leave may result in requests for shared leave to be denied. It is expected that employees are good stewards of their leave and always make a reasonable effort to effectively and responsibly manager their accrued leave balance, so as to maintain sufficient leave availability in the event of a prolonged absence from work. Participation in this program shall be based on the employee's past compliance with leave rules.

1. Annual leave and sick leave as detailed in this policy may be donated.
2. An employee may not use donated leave for an injury by accident or illness sustained while engaged in outside employment.
3. Any use of donated leave must have the prior approval of the Human Resources Director to ensure equity and consistency of application.



4. Donated leave will not be granted to an employee who documented attendance issues unrelated to this event.
5. Only employees who have successfully completed their initial probationary period may donate leave.
6. Donated leave will not be granted if there is no reasonable expectation that the employee receiving the leave will recover and return to work.
7. An employee may not use shared leave for worker's comp, short-term disability or an injury or illness resulting from secondary employment.
8. Donations must be made on a voluntary basis. An employee may not attempt to coerce, pressure, intimidate, or threaten any other employee for the purpose of requesting donations.
9. The Health Insurance Portability and Privacy Act makes medical information confidential. When disclosing information on an approved recipient, only a statement that the recipient has a prolonged medical condition (or the family member) needs to be made.
10. Donated leave received qualifies for the 12-week FMLA entitlement. The time granted and the FMLA entitlement will run concurrently. See the Family and Medical Leave Act (FMLA) policy.
11. The establishment of a leave "bank" for future use is prohibited. The recipient will be granted leave for the exact hours needed for the requested medical leave event.

Employees Donating Leave:

1. Benefit eligible employees may voluntarily donate earned annual leave or sick leave to employees who have been approved to receive donated leave.
2. The donating employee may donate a minimum of 1 hour and no more than 40 hours to one nonfamily member per year.
3. The donating employee may not reduce their own leave balances below 40 hours for a full-time employee. Regular part-time employees may donate earned annual leave of at least four (4) hours provided the balance of the donating PT employee not less than twenty (20) hours. Donations are made on an hour-for-hour basis, not dollar-for dollar basis.
4. All leave donated will be immediately removed from the donor's leave account and become immediately available to the recipient to utilize.
5. The written record authorizing the donation of leave time will be made a permanent part of the donating employee's personnel file.
6. Each employee donating leave shall carefully read and execute a disclosure form confirming that he understands the following: the cash value of the donation; the



potential for financial risk should the donor employee experience a future health problem or other possible threat to his income; the possible future situation when the employee making the donation would later need a donation but donations would not occur; retirement credit consequences of donating sick leave, and confirmation that he/she was not coerced, either directly or indirectly.

Employee's Receiving Donated Leave:

1. Any benefit eligible employee who has served the Town for six months or more is eligible to receive donated leave. This is intended for use in situations where an employee, or an employee's immediate family member, experiences a serious illness or injury requiring an extended treatment and/or recovery period.
2. The maximum number of hours of leave an employee can receive is equal to the projected recovery or treatment period, less the employee's combined vacation and sick leave balance as of the beginning of the leave event.
3. An employee can only be the recipient of donated leave for the duration of the prolonged medical condition every 24 months.
4. The employee receiving the donated leave must meet the following basic requirements for approval of this leave to occur.
 - a. The employee must have exhausted all available leave.
 - b. They must have a reasonable attendance record.
 - c. Have a need for leave resulting from a prolonged medical condition (or a member of the employee's immediate family has a medical condition that requires the employee's absence for a prolonged period of time) as covered under FMLA.
 - d. Produce medical evidence to support the need for leave beyond the available accumulated leave.

Employee's Personal Illness:

1. An employee is expected to notify human resources when they will be out of work for an extended period of time due to a serious illness or injury if physically able to do so.
2. When human resources become aware of the serious, extended absence, they will review the employee's attendance record and determine if the employee is eligible for donated leave and if so, when.
3. If the employee has met the basic qualifying requirements as outlined in this policy, the supervisor, manager, or department director should forward a recommendation to request donated leave to Human Resources. This should be done at least two weeks prior to the exhaustion of all eligible accrued paid leave.
4. The department director will review the recommendation of the supervisor, the employee's leave record, information concerning expected return to work, and if



appropriate will recommend, in writing, to the human resources director that donated leave be requested for the employee.

5. Human Resources will send out a notification of an employee asking for donated leave. The employees' name or condition will not be shared.
6. Donations received will be sent to time and attendance for compilation and entry into the payroll-personnel system.
7. Time and Attendance will monitor the donated leave balance.
8. If at any time during the employee's illness, it becomes known that the employee will not be able to return to work, the department must immediately contact the human resources department.

Serious Illness or Injury of Immediate Family Member: If the employee needs to be absent from work due to the serious, extended illness or injury of an immediate family member, the employee and/or the supervisor should contact the human resources department for information. Several different policies must be considered, and more complex approvals are necessary, including approvals to use certain accrued benefits.

Section 6. Family and Medical Leave Act (FMLA)

Purpose: In accordance with the Family and Medical Leave Act (FMLA) of 1993, the Town of Clayton provides employees who meet the requirements of the Act a total of 12 weeks of unpaid FMLA job-protection during a year for their own illness, the illness of a family member, or because of a qualified exigency as specified in the Act. Town employees are also provided with unpaid FMLA job-protection for up to 26 weeks to care for a service member who is recovering from an injury or illness sustained while on active duty in support of a contingency operation.

The Town recognizes that employees may occasionally need to take a leave of absence for their own illness, the illness of a family member, or to assist a service member who is family or next of kin. The FMLA, and its amendments, provide for unpaid FMLA job-protection for covered employees under specific circumstances. The Town complies with this law and considers its requirements to be the minimum. This policy explains the rules and procedures the Town uses to comply with FMLA.

Scope: This policy covers all employees of the Town.

Definitions:

- ***FMLA Eligible Employee*** - An employee who has worked for the Town of Clayton for at least 12 months and for at least 1,250 hours during the year preceding the start of the leave. The 12 months do not have to be consecutive.
- ***Family Under FMLA*** - For the purpose of this procedure, the word "family" is defined as the employee's legal spouse or the employee's biological, adoptive, foster, or stepchild or parent, guardian, or person standing loco parentis ("in place of parent"). The child



must be under 18 years of age or over 18 years of age and incapable of caring for themselves due to a mental or physical disability. For the purpose of the 26-week qualifying event [under USERRA], the next of kin or nearest blood relative is considered family.

- ***FMLA 12-Month Period*** - The Town has defined the 12-month FMLA period as a rolling 12-month period meaning any consecutive 12-month period measured backwards from the date an employee uses any leave under FMLA job protection. Each time an employee uses FMLA job protection, the remaining leave entitlement will be any balance of the 12 weeks which had not been used during the preceding 12 months.
- ***FMLA Qualifying Event*** - FMLA qualifying events are birth of a child and in order to care for the child, placement of a child for adoption or foster care, to care for a family member who has a serious health condition, or a serious health condition of the employee that makes him unable to work. This definition includes workers' compensation absences. The entitlement to leave for the birth or placement of a child for adoption or foster care will expire twelve (12) months from the date of the birth or placement. Military family leave for up to 12 weeks because of a qualifying exigency or 26 weeks to care for an injured service member are also qualifying events.

Organizational Rules:

1. FMLA job protection may be used by an eligible employee to care for his child after birth, adoption, placement for adoption or foster care; to care for a member of the family who has a serious health condition; or for a serious health condition that makes the employee unable to perform his job. Military family leave for up to 12 weeks because of a qualifying exigency or 26 weeks to care for a service member is also included.
2. If the FMLA job protection is used for the purpose of the birth, adoption, placement for adoption or foster care of a child, and both spouses work for the Town, a combined total of 12 work weeks of FMLA job protection may be used during a 12-month period. Any FMLA qualifying event where the employee is absent will be designated as FMLA leave. Employees cannot decline FMLA leave designation for qualifying events.
3. Whenever possible, an employee must give 30 days' advance notice of the need to use FMLA job protection. This notice should also include the employee's intent regarding his return to work. When circumstances do not allow advance notice, the employee must notify his supervisor and Human Resources as soon as physically possible.
4. Employees must invoke FMLA job protection by sending the Town of Clayton's Request for Family and Medical Leave form to Human Resources. The designated Human Resources representative will schedule time to meet with the employee or send the appropriate packet to the affected employee.
5. Any absence that would qualify for coverage under the FMLA is protected by law whether it is designated as FMLA eligible or not and it may not be used as justification



for a corrective action or adverse employment decision. Any FMLA qualifying event where the employee is absent will be designated as FMLA leave. Employees cannot decline FMLA leave designation for qualifying events.

6. An employee granted FMLA job protection is required to first exhaust all paid, accrued leave (annual, sick, etc.) for which the employee is eligible and qualified.
7. Paid leave used for FMLA will be counted in the 12-week total for the year. Any accumulated FLSA and “other” compensatory time belonging to the employee must be used before unpaid leave under FMLA, when applicable
8. FMLA job protection resulting from an employee’s own or his family member’s serious health condition will require the employee to furnish medical certification substantiating the health condition at the time the leave is requested. Recertification will be required every 6 months. Recertification may also be required when the employee requests an extension; the circumstances have changed; or the Town receives reliable information that causes it to doubt the continuing validity of the existing certification.
9. If leave without pay is granted by the Town under the Family and Medical Leave Act, the employee is responsible for paying his portion of insurance premiums when they return to a paid status. Town will continue to pay the employee portion through the period of leave. If the employee does not return, they will be responsible for reimbursing the town for the amount paid towards the employee portion.
10. An employee in a leave without pay status for more than one pay period does not accrue benefits such as sick and annual leave, and the time in a leave without pay status will not be counted toward the employee’s service time. An employee on intermittent FMLA and also in a leave with pay status will continue to receive benefits and accrue leave at a prorated amount based on the hours working. Employees returning from full FMLA benefits to intermittent FMLA benefits will continue to receive benefits and accrue leave at a prorated amount based on the hours working.
11. An employee who uses FMLA job protection is entitled to be returned to the same position that the employee held when the leave started, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. The Town cannot guarantee that an employee will be returned to his or her original job. If at the end of the 12-week FMLA entitlement the employee is unable to return to work, the department may terminate the employee. The employee may be eligible for a disability retirement. A determination as to whether a position is an “equivalent position” will be made by the Town of Clayton.

Procedures:

1. When an employee is absent from work for more than 3 workdays, the supervisor, manager, or department director must notify Human Resources to determine if the event is an FMLA qualifying event. When an employee plans to be absent from work for an



FMLA qualifying event they should notify Human Resources of his intent to use FMLA qualified leave.

2. When the employee notifies Human Resources of a potential FMLA event, or after the employee has been absent for more than three workdays, the employee should contact Human Resources and schedule time with designated Human Resources representative to discuss the required supporting documentation. Human Resources will provide the employee with the required documentation based on the type of request. The initial request should be documented on the Leave Request Form which is signed by the requesting employee and their supervisor. The request should clearly indicate the leave dates needed, intended return date, if applicable.
3. Human Resources will make the determination if the employee is eligible for FMLA leave, based on years of service and if the leave reason qualifies for FMLA once all required supporting documentation is received. An approved leave letter will be sent directly to the employee, their supervisor, HR Director, and Finance confirming the approved leave dates. The appropriate documentation will also be distributed when an employee is ineligible for FMLA leave.

Section 7. Worker's Compensation Absence Tracking

Purpose: Benefit eligible employees injured in an accident determined to be work-related under the North Carolina Workers' Compensation Act are tracked in the time-keeping system for Workers' Compensation Leave Status.

The Town is committed to maintaining a safe working environment for its employees but recognizes that on occasion employees may be injured in the course of their employment.

When this occurs, benefit eligible employees are placed in a leave status to document and track the absence from work.

Scope: This policy applies to all Town of Clayton employees.

Definitions:

- ***Worker's Compensation Absence*** – Town leave status that documents and tracks work-related absences.
- ***Benefit Eligible*** – Full-time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Temporary Total Disability*** – The temporary inability of an employee to perform his regular duties due to an injury sustained during the course of employment, but a full recovery is expected.

Organizational Rules:



1. Benefit eligible employees who sustain a temporary total disability as the result of a work-related accident may be eligible for workers' compensation if the injury is determined to be eligible under the North Carolina Workers' Compensation Act. To document the absence, time and attendance will place employees in an appropriate leave status.
2. Family Medical Leave (FMLA) will run concurrently with the workers' compensation absence and modified duty until the employee returns to his regular job duties prior to the injury or is no longer in a modified duty status due to his injury.
3. A benefit eligible employee approved for workers' compensation will remain in a workers' compensation absence status until he returns to work, is placed in a leave without pay status, or is no longer an employee. An employee approved for workers' compensation may not use paid leave outside of the mandated 7 day waiting period.

Procedures:

1. When possible, employees should report all Workers Compensation absences to Human Resources immediately. If an employee is unable to report their absences, the employee's supervisor, manager, or department director should notify time and attendance.
2. Workers' compensation absence recordkeeping is done through the Town's time-keeping system using the WC Workers Comp-Tracking only time code to track all hours associated with their workers compensation event-

Section 8. Civil Leave

Purpose: The Town of Clayton grants leave with pay to benefit eligible employees who are called to serve on jury duty or subpoenaed to appear as a witness in federal or state court for a case in which they are not a plaintiff or defendant in a legal matter.

The Town supports employee participation as citizens in the exercise of their responsibilities to serve on a jury when summoned or appear as a witness. All employees are allowed time off to serve on jury duty.

Although not required to, the Town further demonstrates its support by granting paid time to benefit eligible employees to serve on a jury and allows all employees to keep any monies awarded to jurors by the court.

Scope: This policy applies to all benefit eligible employees except for employees in Public Safety positions where they are acting in their normal duties.

Definitions:

- ***Benefit Eligible*** - Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:



1. Employees summoned to serve on jury duty will be allowed time off to serve.
2. A benefit eligible employee summoned to serve on a jury will be granted leave with pay for the duration of the period for which called, not to exceed 40 hours per occurrence, unless released earlier, without charge against annual leave.
3. A benefit eligible employee will be granted leave with pay for jury duty only when he is required to serve on a regularly scheduled workday. An employee will not be compensated for jury duty when he is required to serve on any nonscheduled workday.
 - a. Full-time employees will receive their normal pay for each day of jury duty served on a regularly scheduled workday.
 - b. Part-time employees will receive their hourly rate of pay for up to the same number of hours they were scheduled to work for each day of jury duty on a regularly scheduled workday.
4. Employees granted leave for jury duty must return to work when released from jury duty. If the jury duty requires only a partial day, the employee is expected to report for work for the remainder of the day if normally scheduled to work. If the benefit eligible employee wants the remainder of the day off, with permission of the supervisor, the employee may take paid time-off for the remainder of the day.
5. The employee called to civil duty may keep whatever compensation is awarded by the court for such service except that employees must turn over to the Town any witness fees or travel allowance awarded for court appearances in connection with official duties.
6. An employee serving as a voluntary witness in any court case is not eligible to use civil leave. The employee may use annual leave, holiday leave, compensatory time or leave without pay to cover their normal work hours.

Procedures:

1. Upon notification by the court of jury duty, the employee should inform his supervisor/manager/department director and make arrangements for the time off. The employee will provide a copy of the jury summons or subpoena to the supervisor.
2. After the jury duty has been served, on the first day back at work, the employee will notify his supervisor/manager/department director of the actual work hours absent and provide the jury duty certification.
3. The employee is responsible for ensuring the appropriate hours and pay codes are entered into the Town's time-keeping system.

Section 9. Military Leave – Annual Reservist Training

Purpose: The Town of Clayton provides time off for annual reservist training for all employees. Benefit eligible employees receive paid leave as specified in this policy. Other (not benefit eligible) employees receive unpaid time off.



The Town supports employees wishing to serve their country through participation in the military services as a reservist and has long provided benefit support to do so. The Town complies with the guidelines of the Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA) and considers them minimum requirements. This policy explains how the Town fulfills its obligations under USERRA for employees who are serving on active duty in the military for their annual reservist training and the additional benefits the Town provides in some cases.

Scope: This policy applies to employees in all benefit eligible positions. Other (not benefit eligible employees are not covered by the leave in this policy but will be allowed time off.

Definitions:

- **Active Duty for Annual Reservist Training** - off not to exceed the total number of scheduled work hours necessary for an employee to fulfill his annual reservist training obligation with the military during the 12-month period October 1 through September 30 (military fiscal year). Paid Leave for Annual Reservist Training - Town paid leave granted for annual reservist training for one-half the time of training up to two calendar weeks. For the remainder of the training period, the employee may use his own accrued paid or unpaid leave. Town-paid leave is available on a calendar year basis from October 1 through September 30 (military fiscal year).
- **Benefit Eligible** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- **Other (Not Benefit Eligible) Employee** - An employee assigned to a position designated roster (RP), seasonal temporary (ST), or special project (SP) who is eligible for salary and mandated benefits only.

Organizational Rules:

1. All employees will be allowed time to serve active duty for annual reservist training and will be returned to work in the same or like position they occupied prior to the reservist training.
 - a. Benefit eligible full-time employees will be provided with paid leave as defined in this policy. Normally the maximum Town paid leave will be 40 hours for full-time employees. Sworn police officers and firefighters, depending on their scheduled hours of work, may have a slightly different maximum paid leave.
 - b. Benefit eligible part-time employees will be provided with paid leave as this policy. Normally, the maximum Town paid leave will be 20 hours for Regular Part-time employees.
 - c. Other employees will be allowed unpaid time off from work.
2. For any active-duty annual reservist training in excess of the customary two weeks, the



employee may use paid time off. Sworn police officers and firefighters may also use accumulated holidays.

3. If an employee is injured while serving annual reservist training, he must be cleared medically by Town medical services before returning to work.

Procedures:

1. All requests for time off due to active duty for annual reservist training leave must be submitted to Human Resources in advance and accompanied by the official set of orders or a letter from the commanding officer.
2. For the two weeks of annual reservist training that are compensated at one-half pay, the benefit eligible employee must notify his supervisor/manager with the following information:
 - a. The total number of hours absent for annual reservist training leave to be entered into the Town's time-keeping system using the appropriate military training half-pay code.
 - b. The remainder of the annual reservist training leave will be charged to paid time-off. Unpaid service time will not impact the employee's service time with the Town.
3. The Town's time-keeping system must account for all military leave hours in excess of the two weeks of training. Unpaid service time will not impact the employee's service time with the Town.
4. The employee must provide the official set of orders or a letter from the commanding officer to Human Resources.
5. The supervisor is responsible for ensuring the appropriate hours and pay codes are entered into the Town's timekeeping system.

Section 10. Military Leave – Active Duty

Purpose: The Town of Clayton grants time off for employees to serve on active duty in the armed forces. The Town supports employees wishing to serve their country through participation in the armed forces.

The Town complies with the guidelines of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and considers them to be minimum requirements. This policy explains how the Town fulfills its obligations under USERRA for employees who are serving on active duty in the military and the additional benefits the Town provides in some cases.

Scope: This policy applies to employees in all benefit eligible positions. Other (not benefit eligible) employees are not covered by the leave in this policy but will be allowed unpaid time



off.

Definitions:

- **Active Duty** - Active military duty for which the tour of duty is expected to last six (6) months or longer.
- **Benefit Eligible** - Full time (FT) and part time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- **Other (Not Benefit Eligible) Employee** - An employee assigned to a position designated roster (RP), seasonal temporary (ST), or special project (SP) who is eligible for salary and mandated benefits only.
- **Lost Time** - Any absence from work without pay. An absence from work without pay for a period of a pay period or greater that impacts actual benefit accrual but not benefit accrual rates.

Organizational Rules:

1. A benefit eligible employee who enlists for active duty with the armed services will be granted leave without pay status for that period. Other employees will be allowed time off. To qualify for the provisions of this policy, the employee must have been employed prior to the active-duty enlistment.
2. Employees who return to work in less than five years will be returned to the same or like position they occupied prior to the active-duty enlistment with full seniority, status and pay as if there had been no break in employment. A military discharge form DD-214 with an honorable discharge must be submitted with the notification of intent to return to work. USERRA's cumulative 5-year limit does not include certain kinds of military training or service.
3. Time limits for employees to reapply for return to work after release from military service are:
 - a. Less than 31 days absence - employee must report to employer by the next business day.
 - b. 31 days to 180 days absence - notification to Human Resources must be submitted within 14 days.
 - c. More than 180 days absence - notification to Human Resources must be submitted within 90 days.
4. An employee returning to Town employment following an active-duty enlistment must be able to perform the duties of his former position or a position of like classification.



5. Provisions for Deployed Benefit Eligible Employees:

- a. Benefit eligible employees will not accrue annual and sick leave while on leave without pay while serving on active duty.
- b. Salary increases and changes in job level will be tracked during the employee's absence so that re-entry to employment is at the appropriate level.
- c. The employee on active duty may choose to drop or continue insurance. The Town will contribute the same amount to the active-duty employee's insurance as when the employee was in an active pay status with the Town.
- d. The benefit eligible employee will receive full-service credit with the Retirement System after returning from military service provided, they return to work within the guidelines stated above. In order to receive the retirement service credit, the returning employee must furnish his military discharge form DD-214 to Human upon return to work.

Procedures:

1. When an employee enlists in the military for active duty, they must immediately notify Human resources and provide a copy of the official set of activation orders. A benefit eligible employee must also submit a PTO request in the Town's timekeeping system if he wants to use any paid leave during the deployment. At the end of any paid leave used, the employee must be placed on leave without pay.
2. The benefit eligible employee will decide whether or not to maintain the Town's insurances during the period of active duty. If yes, the employee will be required to pay his portion of the premiums by check or cash on a monthly basis. If no, the employee will notify Human Resources to change his/her insurance status.
3. The benefit eligible employee will need to review their beneficiary status for retirement and deferred compensation (457 and 401(k) and make any desired changes.
4. If while the employee is serving the voluntary active duty, they receive notification of a deployment in support of a war effort of the United States, they must immediately contact Human Resources.
5. Upon release from military service, the employee will notify Human Resources of the date for return to Town employment.
6. Upon the benefit eligible employee's return to work, they will submit a copy of their military discharge form DD-214 to Human Resources for his personnel file. They should also make any necessary adjustments to their Town insurances.



7. In order to receive service credit with the North Carolina Local Governmental Employees' Retirement System, the benefit eligible employee will provide a copy of his military discharge form DD-214 to Human Resources.

Section 11. Leave Without Pay

Purpose: The Town of Clayton grants Leave Without Pay to benefit eligible employees under certain conditions as outlined within this policy.

Certain Federal laws such as the Family and Medical Leave Act (FMLA) and the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) require employees be given time off if they meet the requirements of the laws. The Town considers these guidelines to be minimum requirements. The Town recognizes that there may be circumstances where employees need to take time off from work even when there is no paid leave and provides for these circumstances through this and related policies.

Scope: This policy applies to employees in all benefit eligible positions. Other (not benefit eligible) employees are not covered by the leave in this policy but will be allowed time off if they qualify for a circumstance covered by Federal law.

Definitions:

- ***Leave Without Pay*** – An absence from work in a non-paid status.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Leave Without Pay will only be granted if an employee has exhausted all of his accrued leave or any eligible donated leave.
 - a. Leave Without Pay Granted by Human Resources in collaboration with the Town Manager. In all cases, decisions are based on the employee's request, consideration of the impact on the work unit, and equity of treatment.
 - b. Leave Without Pay may be granted under the following circumstances:
 - i. Military Leave
 - ii. Leave for Birth/Adoption/Placement of a Child
 - iii. Family and Medical Leave (FMLA) - time granted and the FMLA entitlement will run concurrently.
 - iv. Cases of extended sick leave.



- v. Leave Without Pay may be granted under other circumstances not covered under at the discretion of the Town Manager.
2. When an employee is on Leave Without Pay, he will continue to pay his portion of any health/ dental insurance premiums and the Town will continue to pay its share.
3. If an employee's Leave Without Pay exceeds a pay period or greater, no leave accrual will occur for each full pay period in a LWOP status. In addition, Leave Without Pay of a pay period or greater may impact the employee's leave accruals and service time with the Town and the North Carolina Local Governmental Employees' Retirement System.
4. If an employee is in a LWOP status of one pay period or greater, he will not be compensated for holidays that fall during the LWOP time span. If an employee is in a LWOP status the day before a holiday, or the day after a holiday, the department may decide to compensate the employee for the holiday or not.

Procedures:

1. If Leave Without Pay must be granted, the procedures for the specific policy should be followed.
2. Requests for Leave Without Pay must be submitted in writing by the employee through Human Resources.
3. The Human Resources Director will review the request and will consult with the Town Manager's Office if necessary to approve or deny the request.
4. Human Resources will notify the Department Director and time and attendance of the decision.

Section 12. Leave for Parental Involvement in Schools

Purpose: The Town of Clayton grants a total of four (4) hours of leave per school year regardless of number of children to benefit eligible employees to provide parental involvement as an essential component of a child's success in school and positive student outcomes.

North Carolina General Statute G.S.95-28.3 specifies that employers shall grant four (4) hours per year of leave to any employee who is a parent, legal guardian, or person standing loco parentis ("in place of a parent") for a school-aged child so that the employee may attend or otherwise be involved in that child's school.

Scope: This policy applies to employees in all benefit eligible positions.

Definitions:



- ***School Year*** - A school year is defined as the time period July 1 through June 30, annually.
- ***Benefit Eligible*** - Full time and regular part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***School*** - For purposes of this policy, "school" means any (1) public school; (2) private church school, church of religious charter, or nonpublic school that provides a course of grade school instruction through 12th grade; (3) preschool; and (4) child day care facility with a structured program.

Organizational Rules:

1. Leave under this policy shall be subject to the following conditions:
 - a. The leave shall be at a mutually agreed upon time between the employee's supervisor and the employee;
 - b. Approval of parental leave shall be subject to workload and scheduling considerations;
 - c. Approved parental leave under this policy will not have an adverse effect on the attendance record of the employee and may not be used for disciplinary action.
2. Leave under this policy will be treated as Leave Without Pay unless the employee elects to use accrued paid leave.

Procedures:

~~1. Leave taken for parental involvement will be considered leave with pay and will not be charged to any of the employee's leave balances;~~

~~2.1.~~ Employees should request parental involvement leave through the Town's time-keeping system.

~~3.2.~~ The employee's supervisor may require the employee to furnish written verification from the child's school confirming the employee's attendance or participation at the school during the time of the leave.

Section 13. Paid Parental Leave

Purpose: The Town of Clayton may provide Paid Parental Leave of up to four (4) weeks of paid leave to employees classified as Full-time who have worked for the Town for at least twelve (12) months prior to the birth or adoption of their child.



The purpose of Paid Parental Leave is to allow up to four (4) weeks of paid leave to employees who have worked for the Town for at least twelve (12) months. The Family Medical Leave Act provides job protection in a paid or unpaid status however it does not address the lack of income experienced by many employees during periods of necessary leave. For this reason, the Town offers the family-friendly option to its employees of Paid Parental Leave for the birth, bonding, and care of a child. Paid parental leave will be in addition to an employee's accrued annual leave and sick leave.

Scope: This policy applies to employees in all benefit-eligible positions classified as Full-Time. Full-time means a normal work schedule of at least 40 hours per week, or at least 80 hours on a bi-weekly basis. Regular Part-time and other non-benefit-eligible employees are not covered by the leave in this policy but are eligible for unpaid Family and Medical Leave if they meet the qualifying requirements.

Definitions:

- ***Paid Parental Leave*** - The period of time of up to four (4) weeks of paid leave for Parental care of a newborn; a child placed for adoption, foster care, or guardianship.
- ***Child*** - A biological, adopted or foster child, stepchild, legal ward or a child of a person standing in loco parentis, who is under age eighteen (18).
- ***Parent*** - means any of the following: (1) the biological parents of a child; (2) a person who has legal custody of a child; or (3) a person who assumes day-to-day responsibilities to care for or financially support a child regardless of whether he or she has been appointed legal guardian.
- ***Benefit Eligible*** - Full time (FT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules: To qualify for Paid Parental Leave, an employee must meet all of the following criteria:

1. The employee must be a full-time benefitted employee and have worked for the Town for at least twelve (12) months.
2. Eligibility for Paid Parental Leave expires twelve (12) months after the date of the qualifying event. A qualifying event is any one of the following:
 - a. Birth of a child of the employee;
 - b. The legal placement of a child with the employee for adoption, foster care or guardianship; or
 - c. The placement of a child with the employee for whom the employee permanently assumes and discharges parental responsibilities (in loco parentis).



3. If both parents are employed by the Town, six (6) weeks is the maximum combined total available for Paid Parental Leave for both employees.
4. An employee may receive Paid Parental Leave for only one qualifying event within a rolling twelve (12) month period. Paid Parental Leave may be used on an intermittent basis in full work week increments with prior approval from the Department Director and Human Resources or may be run consecutively. If an employee utilizes only a portion of the four (4) weeks for one (1) qualifying event, they would not be eligible to use the remaining time for a different qualifying event, even if that event occurred within the same twelve (12) month period.
5. An employee is eligible for Paid Parental Leave only if the qualifying event occurs on or after the effective date of this policy.
6. After Paid Parental Leave has been exhausted employees may use all available Vacation, Sick, and/or Holiday Leave to continue care for a newborn child, a child placed for adoption, guardianship or foster care.
7. In the event that an employee's request for Paid Parental Leave is denied, they may be eligible to use available Vacation, Sick, and/or Holiday Leave, provided that the conditions of those leave benefits are satisfied.

Procedures:

1. To receive Paid Parental Leave, an employee must complete and submit a Family and Medical Leave Act (FMLA) Application Form within 12 months of a qualifying event and specify the number of Paid Parental Leave hours requested.
2. Paid Parental Leave and FMLA will run concurrently.
3. In addition to the FMLA Application Form, an employee must also submit supporting documentation that establishes the qualifying event for eligibility. Supporting documents include, but are not limited to:
 - a. Birth of child – A certificate of live birth or similar government issued document, listing the requesting employee as a legal parent.
 - b. Legal placement of a child – A certified copy of a court order granting legal custody of the child to the requesting employee.
 - c. In Loco Parentis – A notarized statement from the employee asserting that he or she is assuming the obligations of a parent to a child. The statement must include the age of the child, the degree to which the child is dependent on the employee, the amount of support, if any provided by the employee and the extent to which the employee exercises duties commonly associated with parenthood.



- d. Non-legal placement of a child – Two (2) official records establishing the employee as a named caregiver to the child (e.g. school enrollment, insurance records, or medical records); and documentation establishing the date when the placement occurred (e.g. insurance records and certificates of death).
4. The employee must submit their application to Human Resources along with the supporting documentation as outlined in this policy.
5. The employee will be notified within five (5) business days if Paid Parental Leave is approved. In addition, the employee's supervisor and/or department director shall also be notified.
6. The employee must code Approved Paid Parental Leave in the Town's timekeeping system.

Health Benefits: The Town will continue to make contributions on behalf of the employee previously enrolled in a health plan with the Town. During the period of Paid Parental Leave, all premiums will continue to be deducted from the employee's paycheck.

Retirement: Retirement contributions and retirement service credit will continue to accrue during the Paid Parental Leave period.

Accrual of Annual Leave and Sick Leave: Annual Leave and Sick Leave will continue to accrue during the period of Paid Parental Leave.

Section 14. Birthday Leave

Purpose: This policy establishes the procedure for time off without loss of pay to celebrate the employee's birthday. The purpose of Paid Birthday Leave is to allow employees a day off with pay to recognize their birthday.

Scope: This policy applies to employees in all full-time and permanent part-time employees who have completed their six (6) month probationary period.

Definitions:

- **Full-Time** - an employee employed on average at least 30 hours of service per week.
- **Permanent Part-Time** - an employee who works part-time hours but has regular employment with a permanent schedule.

Organizational Rules:

1. Birthday leave may be taken on any day within an employee's birth month as long as the absence is approved by the employee's supervisor, or in accordance with departmental leave procedures, prior to taking the leave.



2. Full-time employees are allowed 8 hours of leave while part-time employees are granted leave on a proportional basis (i.e. 50% effort = 4 hours of leave). Birthday leave cannot be used in increments of less than one day. Employees working an alternate schedule of more than 8 hours per day must use vacation for the remaining hours of the day.
3. If an employee does not take his/her birthday leave within his/her birth month, the leave is forfeited for that calendar year.
4. Birthday leave must be earned prior to actual time off and cannot be taken in advance of the eligibility period.
5. Employees who do not recognize birthdays for religious reasons, may opt to use the leave as a floating holiday.
6. Birthday leave is a Town of Clayton employee benefit and the Town reserves the right to continue, change, or discontinue Birthday Leave at any time.

Section 15. Bereavement Leave

Purpose: The Town of Clayton provides up to five (5) days of funeral leave with pay to all full-time and regular part-time employees. The purpose of bereavement leave is to provide a way for the Town to support employees during a difficult life event.

Scope: This policy applies to employees in Full-Time and Permanent **LGERS** Part-Time positions. Other non-benefit-eligible employees are not covered by the leave in this policy.

Definitions:

- ***Immediate Family*** - For the purpose of this policy “immediate family members” shall include parents, stepparents, parent-in-laws, grandparents, children, grandchildren, siblings and spouses, or dependents.

Organizational Rules:

1. Employees are entitled up to five (5) business days of bereavement leave, per occurrence, for the death of an immediate family member. Employees are entitled up to three (3) business days of bereavement leave, per occurrence, when there is a death in the employee’s family other than those listed as immediate family. Examples include; brother-in-law, sister-in-law, aunt, uncle, niece or nephew.
2. Employees are provided with paid time off for making arrangements, settling family affairs, bereavement, and/or attending the funeral or memorial service of a member of their immediate family.
3. The Town reserves the right to require documentation of the death (e.g., obituary, documentation from funeral home).



4. The allotted days off with pay do not have to be consecutive however should be used within one year of the death the family member.
5. For death of family members or friends not covered by this policy, employees should use their accrued leave.



ARTICLE III. COMPENSATION POLICIES

Section 1. Total Compensation Philosophy

Purpose: The Town's total compensation program is a critical part of the Town's human resources (HR) strategy because it provides management with a powerful, cost-effective tool to attract, retain, and motivate a talented and committed workforce to support the Town's mission, vision, goals and culture. Competitive pay is an element in attracting, retaining, motivating, and rewarding the type of employees needed to fulfill the mission of the Town of Clayton.

Competitive compensation is critical in ensuring the organization employs the staff needed to fulfill the mission of the Town of Clayton. The Town compensation program is designed to retain a valuable workforce; facilitating career development of its employees; recruit in diverse labor markets; and maintain fiscal stewardship. recruiting effectively in diverse labor markets; and maintaining fiscal stewardship.

Scope: This policy applies to all benefit eligible positions of the Town of Clayton.

Definitions:

- **Assessment** - A comprehensive review, of all employees to ensure consistency in the application of compensation and benefits policies and programs.
- **At-Will Employment** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- **Benefit Eligible** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- **Competitive Labor Market** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices.
- **Peer Group** - Employees in the same department, classification and/or pay grade. These are established for the purpose of internal salary alignment analysis performed by Human Resources. Peer group analysis is required to be completed for all salary recommendations in order to ensure fair and consistent salary decision-making in accordance with Federal EEO laws and regulations.
- **Total Compensation** - Total compensation is the concept of considering all compensation provided by the Town to employees and includes both salaries (cash) and benefits (non-cash).



Organizational Rules:

1. The Town's pay philosophy is based upon of the development of salary structures, salary administration programs, and other rewards programs that contribute to successful employee recruitment and retention.
2. The Town's salary administration program is performance based.
3. The salary advancement of an individual employee is dependent upon their job performance, professional development, and personal behaviors resulting in the accomplishment of work plan objectives and positive contribution to the fulfillment of the Town's mission.
4. The Human Resources Department develops strategies to maintain the Town's competitive position in the market.
5. The Town's goal regarding compensation philosophy is:
 - a. Be competitive in pay at the 60th percentile or above as measured against peer counties and municipalities within bordering counties to Johnston County, subject to funding availability and approval.
 - b. Provide a competitive benefits program that supports employee retention and encourages Town employees and their families to be healthy and productive leading to a reasonable degree of retirement security following their active service.
6. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. The Town's total compensation program is reviewed periodically. This review includes a competitive assessment of the Town's salary structures, salaries/wages, employee benefits, and other financial and non-financial rewards that contribute to successful recruitment and retention of a highly qualified, competent and committed workforce.
2. The Human Resources Department acquires salary and benefits data through a combination of participation in compensation surveys, purchase of published salary market data, ongoing participation with other organizations in gathering and analyzing salary and benefits data, and other relevant information.
3. The Human Resources Department analyzes salary and benefits market data to determine the Town's relationship to the competitive labor market.



4. The Human Resources Department recommends to the Town Manager reasonable compensation and benefit program offerings and/or adjustments that support the effective delivery of the Town's Compensation Philosophy.

Section 2. Hiring Pay Rates

Purpose: The Town of Clayton establishes salary ranges for each job based on the competitive labor market rate for employees in similar roles. Hiring ranges are established to help ensure the Town is able to attract applicants necessary to fill positions and to ensure equitable salary administration for new and current employees.

Scope: This policy applies to all new, benefit eligible employees upon initial appointment to Town service.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Hiring Range*** - The normal hiring range upon initial appointment to Town service; defined on an annual basis as part of the pay administration process.
- ***Pay Zones*** - A distribution divided into fifths (e.g., the pay range).
- ***Salary Range*** - span of possible pay rates defined by a minimum rate of pay and a maximum rate of pay. Establish boundary within the salary range.
- ***Internal Equity*** - A review of salaries of current employees in similar positions will be completed to ensure internal equity.
- ***Recruitment Difficulties*** - skills in high demand or hard-to-find areas require additional salary consideration. Factors such as the scarcity of qualified applicants, the number of rejected job offers, and the turnover rate for the position may be considered.

Organizational Rules:

1. Employees hired into benefit eligible positions are normally paid an initial salary within the established hiring range for the job.
2. The town has the option to hire all new hires at the minimum of the pay grade. However, hiring new employees above the minimum is appropriate in certain situations.
3. When determining pay, the employee's knowledge and skills should be considered



as they relate to the job/duties/responsibilities. Only education and prior experience that is directly related to the position should be considered. Salary offers above the hiring range may be approved when the applicant's competence and experience are clearly over and above those qualifications required as the minimum for the job and/or when a critical knowledge or skill shortage exists.

4. The salary of an employee must be on one of the predefined steps.
5. If an employee meets only the minimum qualifications of the position, they likely should be compensated at the minimum of the salary range.
6. An employee not meeting the minimum requirements for a job will be designated as a trainee and will have a starting salary set at 5% below the minimum of the salary range for the position that they're hire into.
7. Hiring managers must provide a justification to Human Resources for all trainee recommendations.
8. No salary, with the exception of trainees, will be paid below the minimum of the salary range, and salaries should not exceed the maximum of the salary range.
9. Administrative guidelines for sworn Police and Fire personnel may differ based on their respective salary structures.

Procedures:

1. Starting Salaries in the Green Zone: The Green Zone of the pay range starts at minimum in the grade and extends one fifth of the way to the maximum in the pay grade. Starting salaries in the Green Zone are appropriate when a job candidate meets minimum qualifications; has little or no direct related or prior experience beyond position minimums or may be new to the field of the job. The candidate will require additional training and time in job to build knowledge and skills. It is also appropriate to align with the Town's internal equity. Internal equity should be considered to ensure are establishing new hire salaries consistently and equitably within the grade.
2. Starting Salaries in the Blue Zone: The Blue Zone of the range is intended for candidates who have gained experience and skill and who will become more proficient in the position for which they are being hires hired. Employee ay need additional training to perform duties independently.
3. Starting Salaries in the Orange Zone: The orange zone employee is able to complete most job requirements; enters the job with directly relevant prior experience and requires only procedural and departmental specific training. Employee experience and qualifications will exceed the minimum requirements for the job.
4. Starting salaries in the Yellow Zone: The Yellow Zone is typically reserved for experienced employees who perform all tasks independently. The employee is fully



competent or knowledgeable in all aspects of the job requirements and can demonstrate ability to immediately contribute to the achievement of objectives with little direction or supervision beyond general operational orientation needs. Employee experience and qualifications will significantly exceed the minimum requirements for the job.

5. Starting Salaries in the Red Zone: The Red Zone of the range is normally reserved for individuals who are considered a subject matter expert in their position. The employee has depth and breadth of experience demonstrated through the ability to execute all job requirements while being held accountable for outcomes; routinely handles complex situations. Employee experience and qualifications will significantly exceed the minimum requirements for the job and the individual may bring in highly specialized expertise.
6. When submitting a salary request for HR review above the associated zone or posted hiring range, the hiring manager must submit an exception request signed by the Department Head that includes the recommended salary and the basis for the calculation.
7. Human Resources will review the following to make a final determination:
 - a. The advertised hiring ranges.
 - b. The candidate's application.
 - c. The candidate's current position title and salary.
 - d. The basis for the calculation.
 - e. Internal equity, with identified peer positions

Section 3. Promotional Pay Increases

Purpose: The Town of Clayton provides the opportunity for a promotional salary increase to employees promoted through a competitive process. To reward employees for successful appointment to a higher value job requiring the demonstration and application of a higher level of knowledge and skill to provide a means of maintaining equitable salary relationships with other employees based on differences in responsibilities and work assignments.

Scope: This policy applies to all benefit-eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.



- ***Benefit-Eligible*** - Full time and part-time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Promotion*** - The movement of an employee from a position in a job classification assigned to a position with a higher salary grade through a competitive process. Reclassifications of an employee's existing position will be addressed according to the reclassification policy.
- ***Salary Range*** - Each pay grade within each salary structure has a salary range minimum and salary range maximum, determined through market surveys.

Organizational Rules:

1. Promotions come with greater job expectations and addition of significant duties and or key responsibility. Generally, a significant change is identified when a position's duties increase in level of expertise, job knowledge, and/or responsibility.
2. For promotion to another position, the employee must possess at least the minimum recruitment standards, or their equivalent, as set forth in the class specification.
3. Promotional increases will normally be made to a salary within the established hiring range for the new job classification.
4. Promotional increases may be made above the hiring range with recommendation from the Human Resources Department and approval by the Town Manager or designee.
5. When an employee is promoted, the employee's salary shall normally increased by 5%. Any promotional increase in salary above 5% will require justification and review by Human Resources Director and final approve by the Town manager or designee.
6. A competitive offer (i.e., counteroffer) may not occur within the Town between departments.
7. The effective date for promotions will be effective at the start of the next pay cycle and will become the employees' new class date for the purpose of calculations of any future salary increase.
8. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation polices, programs or practices are introduced, amended, or eliminated.
9. Administrative guidelines for sworn Police and Fire personnel are listed on their



respective salary structures.

10. In order to be eligible for a promotion, an employee should have completed their probationary period and have no active disciplinary actions during the previous 12 months.
11. Employees promoted to a new position shall complete a six (6) month probationary period.

Procedures:

1. The hiring manager will fill the vacant promotional opportunity competitively following required recruitment and selection process.
2. When the hiring manager has selected a candidate, they should forward the selection decision log to the Human Resources Department along with all supporting documentation obtained through the hiring process.
3. The Human Resources Director will review the information and provide the salary recommendation to the hiring manager.
4. Once the Hiring Manager has extended a verbal offer and it has been accepted, the hiring manager will notify Human Resources.
5. Human Resources will generate the promotional offer letter and initiate the process to update the employee's pay and any other change the employment record once the acceptance letter is received.

Section 4. Position Reclassification

Purpose: Position reclassification is designed to recognize changes in scope, nature and complexity of a job that may occur as a result of evolving or newly emerging business, customer, or organizational requirements.

To provide a means of appropriately recognizing a change in the nature of the job or the application of knowledge and skills that are different from the job previously performed.

Scope: This policy applies to all benefitted positions.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit-Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated



coverage.

- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title and control point.
- **Job Evaluation Factors** - The factors provide a systematic way of determining the value/worth of a job in relation to other jobs in the Town. Factors used in the job evaluation process include:
 - Minimum education and experience required
 - Increased Professional or Industry Certification
 - Information processing and latitude
 - Type and nature of contacts
 - Budget/financial impact and influence
 - Job skill and technical difficulty
 - Exposure to mental fatigue/stress and physical risk
 - Organizational level, supervisory scope, and number of supervisees
- **Position** – A unique budget allocation to which an established set of duties and responsibilities (job) is assigned.
- **Reclassification** - Change of a position from one classification to another classification based on characteristics of currently assigned duties.

Organizational Rules:

1. All reclassifications require review by the Human Resources Department and approval by the Town Manager.
2. Positions are reclassified on the basis of a significant change in the nature of the work assigned to the position, changes in the job evaluation factors assigned to the position by Human Resources, and similarities of job and qualification requirements with other job classifications within the organization.
3. A reclass of a position represents significant Change in a position's current duties. An increase in the volume of work should not constitute a significant change.
4. Reclassification may result in placement of a position into a lower pay grade, same



salary grade (“lateral reclassification”), or a higher salary grade (“promotional reclassification”).

5. A position with an employee cannot be reclassified prior to the employee’s successful completion of the probationary period in the position and will not be reviewed for reclassification more than once in a 12-month period.
6. Additional duties of a similar nature added to a position do not typically result in a position reclassification. Department Directors may request to compensate employees for taking on and successfully performing additional duties. Temporary or permanent adjustments, not including those situations covered under “Acting Assignment Pay,” will require justification and review by the Human Resources Director and final approval by the Town Manager.
7. To warrant a salary increase for additional duties that do not modify the classification of a position, the additional duties must:
 - a. Be a permanent addition to the position
 - b. Be similar in complexity and nature of work
 - c. Be a formal specific, substantially noticeable addition to current work performed
8. When a position is reclassified to a job classification assigned to a higher salary grade, employees currently in the position may receive a reclassification salary increase.
9. When an employee’s position is reclassified to a class which is allocated to a higher salary grade, the employee will be assigned to Step 1 of the new salary grade provided, however, that if the employee is already being paid at a rate equal to or higher than Step 1, they shall be placed in the step of the higher salary grade that will grant the employee a salary increase commensurate with their experience and education, taking into account equity within the position.
10. If the new salary has the potential to create an inequity with others in the same classification , the Human Resources Director, with Town Manager approval, may make adjustments that would resolve any internal equity discrepancy, considering the education and experience of the potentially affected employees.
11. If a job is reclassified to a job classification assigned a lower salary grade, the employee will not normally have his salary decreased.
12. No change in salary will accompany a change only in FLSA (Fair Labor Standards Act status (Exempt/Non-Exempt).
13. A reclassification will be effective at the start of the first full payroll period following approval by the Human Resources Department. Reclassifications are not processed retroactively.



14. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. The employee or supervisor completes a request for classification review and attaches an updated position job description and a justification letter explaining any additional information helpful for the review.
2. A current and proposed organization chart must be submitted to HR/Compensation along with each position reclassification request.
3. Human Resources reviews all classification requests and determine appropriate job evaluation factor levels.
4. Human Resources communicates results of the reclassification review to the requesting Department Head. The Department Head or designee communicates the results of the review to any affected employees.
5. Position reclassification should not be used to provide salary increases for existing employees when a vacancy occurs nor should position reclassifications be used to avoid posting a vacant position.

Section 5. Employee Transfers

Purpose: To enhance organizational effectiveness, the Town of Clayton may allow employees to transfer from one position to another. Employee transfers, when permitted and practical, support the organization's abilities to foster employee career development, meet employee interests, resolve employee relations concerns, and increase the efficiency of Town business operations.

Scope: This policy applies to benefit eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Salary Range*** - Each pay grade within each salary structure has a salary range minimum and salary range maximum, determined through market surveys.



- ***Transfer*** - The movement of an employee from a position in one job classification to a position in another job classification within the same salary grade.

Organizational Rules:

1. Required Approvals- Supervisors must contact the Human Resources Department for approval in advance of taking any actions permitted by this policy.
2. Eligibility for Salary Increases – The salary of an employee transferred to a position in the same salary grade shall not be changed by the transfer unless it is determined that the salary is not equitable to others in the same job classification.
3. Requested Transfers to a Lesser Position - A transfer made at the employee's request to a position assigned to a lower salary grade requires a decrease in the employee's salary of at least 5% unless the decrease in salary would create an internal equity discrepancy.
4. Transfer at the Town's Request - A transfer made at the Town's request, not for cause (not a demotion), will not normally be accompanied by a change in the employee's rate of pay as a result of the transfer and will not require a competitive process. In cases where the employee's salary is less than the salary range minimum of the position into which he is being transferred, a salary increase may be awarded to the salary range minimum.
5. The movement of employees from one position to another like position in the same job class and assigned to the salary grade for operational or employee development purposes is not considered a transfer for the purposes of this policy. In such situations, no change in the employee's salary is permitted.
6. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.
7. Administrative guidelines for sworn Police and Fire personnel are listed on their respective salary structures.

Procedures:

1. Competitive Transfers - Employees interested in transferring to an existing vacant position should apply and compete for the position through the Town's normal recruitment and selection process.
2. Voluntary Transfers - Employees interested in a transfer, not attained through a competitive process, should follow the process below.



The employee must make a request in writing to his supervisor, stating his desire to transfer and the reason for the request. The supervisor should discuss the request with his Department head.

The division manager must respond in writing to the employee. The division manager is not obligated to grant the request, but may do so when:

- a. The employee has provided the request in writing.
 - b. The request is not due to discreditable circumstances.
 - c. The supervisor's assessment of the employee's performance indicates the likelihood of successful performance in a different role.
 - d. A position is available to accommodate the employee's request.
3. The employee must sign a statement agreeing to the terms and conditions of the transfer.
 4. If approved, the Department Head forwards the original request, response and signed statement with the necessary paperwork to the Human Resources Department to execute the transfer.
 5. The employee's request, the division manager's response and the signed statement will be included in the employee's official record.

Section 6. Employee Demotion

Purpose: Certain corrective actions may result in the demotion of an employee to a position assigned to a lower salary grade. This is to provide an opportunity for an employee who is not able to adequately perform in one role to acceptably perform in a lesser role. Demotions may be used in lieu of termination.

Scope: This policy applies to all benefit eligible employees.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Demotion*** - The movement of an employee from a position in one job classification to a position in another job classification assigned to a lower salary grade as the result of discreditable circumstances.



Organizational Rules:

1. Demotions are involuntary resulting from a disciplinary action or inefficiency in performance.
2. Involuntary/Disciplinary demotions shall require a decrease in the employee's salary. Specifically, the salary of a demoted employee will be reduced to the step equivalent to the demoted employee's current step in the new salary grade. The salary reduction should not exceed 15%.
3. In some corrective actions, an employee may be separated if there is no vacant position available.
4. Supervisors must contact the Human Resources Department for approval in advance of taking this corrective action.

Procedures:

1. Demotion is a corrective action. Supervisors must follow the procedures as covered in the Disciplinary Action Policy.

Section 7. Employee Rehire

Purpose: Former employees seeking re-employment with the Town of Clayton may receive limited credit for prior Town service; salary offers will be reviewed on a case-by-case basis.

The Town recognizes that an employee may leave Town service for other employment or personal reasons but later decide they would like to return to Town employment. The Town cannot guarantee the former employee re-employment. However, should the former employee compete through the normal employment process and ultimately be selected, the provisions of this policy help minimize the rehired employee's loss by separation when the separation has been of relatively short duration and the former employee has met the conditions of this policy.

Scope: This policy applies to all former benefit eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Probationary Period*** - The probationary period is a "trial period" during which the



supervisor determines whether the new employee is suitable for and is able to acceptably meet the Town's job performance and behavioral expectations for the position. It is the benefit eligible employee's initial period of employment. An employee may be terminated from Town employment for any lawful reason with no right of appeal during the period. The duration of a probationary period is typically the initial six months of service but may be longer for specific jobs requiring more extensive training processes and closer supervision.

- **Rehire** - An employee's return to Town employment following a break in service, with special provisions regarding specific conditions of employment.

Organizational Rules:

1. The period of separation must not have exceeded one calendar year.
2. The former employee's separation must not have been due to discreditable circumstances.
3. A former employee rehired in a position in the same job classification may receive a salary equivalent to their pay rate at the time of separation.
4. Rehired employees are not entitled to service credit in determining eligibility for any of the Town's benefit program offerings. Benefit earnings rates will be the same as for new employees except that all periods of full time and part time employment will count towards eligibility for Town retiree benefits.
5. Credit for service prior to the separation may be given in determining eligibility for retirement benefits with the North Carolina Local Governmental Employees' Retirement System (NCLGERS) if the retirement account had not been withdrawn voluntarily.
6. Credit for a voluntarily withdrawn NCLGERS account may be restored in accordance with NCLGERS rules.
7. A rehired employee must successfully complete the introductory period under the same conditions as any new benefit eligible Town employee as if the rehired employee had no prior Town service. Rehired employees are not eligible to receive probationary salary increases.
8. A rehired employee may be eligible for a merit salary increase upon successful completion of the probationary period in accordance with salary administration guidelines.
9. Former employees seeking re-employment must make application through the normal job application process for consideration on an equal basis with all other applicants for employment.



10. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. If selected for the position, the department will determine whether or not the former employee meets the conditions of re-employment at the previous salary, obtaining advance approval from Human Resources, when necessary, as described in this policy.
2. The former employee will be notified of the salary decision in a written offer of employment.
3. Once the conditional offer of employment has been accepted the applicant of the need to pass a pre-employment physical which includes a drug screening test.

Section 8. Acting/Interim Assignment and Pay

Purpose: The nature, timing, or other special circumstances surrounding certain work activities may warrant compensation for assuming the work of a position of greater value in addition to the employee's own work assignments.

The Town recognizes that occasionally when an employee vacates a position or is out of work for an extended period of time that another employee will need to assume the absent employee's duties to ensure service is not interrupted. To provide for effective management of Town services and supervision of staff during an employee's absence, a Department Director may request additional compensation for an employee who meets the minimum requirements and assumes the work of a position of greater value in addition to his own work assignments during the absence.

In order to recognize the additional effort required, the Town may authorize Acting Pay. This policy outlines those situations and conditions for which Acting Pay may be authorized.

Scope: This policy applies to all benefit eligible employees below the Department Head level.

Definitions:

- ***Acting/Interim Pay*** - A temporary supplement to an employee's pay when the employee is acting in a higher capacity.



- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Higher Capacity*** - A level of work substantially greater in responsibility and complexity than that of an employee's current job assignment and which is recognized at a control point of greater value.

Organizational Rules:

1. In order to be eligible to receive additional compensation for acting in a higher capacity, the employee must meet the minimum requirements of the higher position. The position in which the employee is acting must be either 1) vacant due to an employee separation for at least 30 calendar days, or 2) the employee must be absent from work for at least 30 calendar days. For the acting employee the following conditions must be met:
 - a. Vacant Position (Acting)– The employee acting in a higher capacity position is eligible, at the department's initiation and with Human Resources' prior approval, to receive Acting Pay. The Acting Pay supplement does not change the employee's base salary.
 - b. Absent Employee (Interim) – The employee acting in the stead of an employee absent due to illness, injury or long-term offsite training, is eligible for this Acting Pay, at the department's initiation and with Human Resources' advance approval.
2. The employee will normally not receive Acting Pay for more than six months. Requests for extensions require the approval of the Human Resources Director.

Procedures:

1. The Department Director who determines Acting Pay is warranted based on circumstances that meet the conditions of this policy will send a recommendation in writing to the Human Resources Department. When possible, the request should be submitted to Human Resources fifteen (15) calendar days in advance of the beginning of any Acting Assignment. Notification should only be made to the employee after written approval is provided by Human Resources.
2. The Human Resources Director will first review request from an equal employment perspective. The Town is committed to equal opportunity in all matters relating to



hiring, assignment, promotion and other personnel actions to help ensure a competent and diverse workforce. Decisions on employment are based on qualifications, experience, and suitability for the job. HR will collaborate with the requesting department to ensure that the selection decision is fair and equitable in accordance with Federal and State laws, regulations, and Town policies. The employees considered for the Acting Assignment should meet the minimum qualifications of the Acting position in order to be considered for the assignment.

3. Once the selection decision has been approved by the HR Director for the Acting Assignment, the Human Resources Director will provide notification to the Department Director with the decision. The notification will also indicate when the Acting Pay will begin so the department can notify the employee.
4. The acting pay must begin at the start of a full payroll period.
5. In situations where the approved Acting/Interim Assignment begins after the start of a pay period, the Acting Pay will begin on the first day of the nearest full pay period following when the employee begins serving in an approved Acting Assignment.
6. The Acting Pay will end on the last day of the nearest full payroll period closest to when the employee ceases serving in an approved Acting Assignment.
7. The Acting Pay supplement will be calculated as 5% of the acting employee's annualized base pay not to exceed 10% of their current base pay.
8. Any Acting Pay supplement above 10% of the acting employees annualized base salary will require prior approval of the Town Manager. In all cases interim pay will be capped at 20% of interim employee's current base salary.
9. Acting pay should not be greater than the pay rate of the previous employee except under exceptional circumstances. This requires prior approval from Human Resources.
10. Requests for extensions of Acting Assignments and Acting Pay beyond six months must be submitted in writing and require the approval of the Human Resources Director.
11. At the end of the Acting Assignment, the Acting Pay supplement will end, and the acting employee's salary will return to the employees annualized base salary prior to the assignment.
12. Employees entering into temporary Acting Assignment, will not be placed in a probationary period.



Section 9. Probationary Salary Increases

Purpose: To recognize and reward a new employee's successful completion of the initial employment period. Supervisors may reward the successful completion of a new employee's probationary period with a salary increase, if eligible.

Scope: All benefit eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part-time plus employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Probationary Increase*** - A salary increase awarded to new employees after successful completion of the probationary period.
- ***Probationary Period*** - The probationary period is a "trial period" during which the supervisor determines whether the new employee is suitable for and is able to acceptably meet the Town's job performance and behavioral expectations for the position. It is the benefit eligible employee's initial period of employment. An employee may be terminated from Town employment for any lawful reason with no right of appeal during the period. The duration of a probationary period is typically the initial six months of service but may be longer for specific jobs requiring more extensive training processes and closer supervision.
- ***Probationary Status*** - The state of a new benefit eligible employee's employment during the probationary period. Probationary status indicates that an employee is in an initial period of employment during which the employee may be terminated from Town employment for any lawful reason with no right of appeal.

Organizational Rules:

1. The probationary period for most benefit eligible employees is 6 months.
2. The probationary period is an eligible employee's initial period of employment during which the employee may be terminated from Town employment for any lawful reason with no right of appeal.
3. The probationary period is a "trial period" during which the supervisor determines whether the new employee is suitable for and is able to acceptably meet the Town's job performance and behavioral expectations of the position into which the employee



has been hired.

4. Supervisors may, or may not, choose to award probationary increases based on satisfactory performance.
5. An employee who receives a salary increase as a result of a reclassification or market adjustment will not be eligible for a probationary salary increase.
6. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. Employees successfully completing the probation period will receive a 2.5% increase. However, the Probationary Increase may be reestablished annually by the Town Manager as part of the Town's salary administration program and will be included in the current year Probationary Increase Guidelines.
2. Managers in collaboration with Human Resources may designate whether a new employee's probationary period should be extended. A probationary period may be extended when the supervisor has not had an adequate opportunity to fully assess the employee's performance, or the employee has not demonstrated successful performance in certain functions of their job.
3. A probationary period extension shall not exceed sixty days.
4. A written justification memo should be provided to Human Resources when requesting a probationary period extension.
5. A detailed work plan should be provided to the employee should the probationary period be extended. If the probationary period is extended, the effective date of the probationary increase will be the date that the employee satisfactorily completes the probation period.
6. Completion of a written probationary performance review is required prior to the award of an increase.

Section 10. Job Evaluation

Purpose: To establish job classifications which reasonably reflect similarities and differences in organizational relationships between jobs and which recognize differences in the market values of jobs. All positions are classified and assigned to pay grades based on competitive market rates for benchmark jobs and internal organizational value relationships.



Scope: This policy applies to all benefit eligible positions.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benchmark Jobs*** - Used to measure our competitive position in the external labor markets in which we compete for talent. Benchmark jobs include:
 - Town jobs with multiple employees.
 - Jobs that are prevalent in the external market and can be readily priced.
 - Identification of particular jobs which are critical to the Town's Mission.
 - Not all jobs can be benchmarked if they are too specialized or unique.
Benchmark jobs serve as a representative sample of Town jobs that can be compared against the external market for pay. The representative sample should address:
 - Distribution of jobs across most grade levels.
 - Distribution of jobs between departments and job families.
 - Cover as broad a set of employees as possible.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Competitive Labor Market*** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices. The Town competes in the national labor market for senior leadership and key management positions.

The Town competes in a multi-state regional local labor market for exempt professionals and sworn nonexempt positions. This competitive peer market includes the following areas states: Georgia, Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. Raleigh, Cary, Apex, Morrisville, Holly Springs, and Wake Forest. In local markets the Town may compete with state government and business organizations in the North Carolina Triangle and Piedmont regions.
- ***Job Evaluation Factors*** - The factors provide a systematic way of determining the value/worth of a job in relation to other jobs in the Town. Factors used in the job evaluation process include:
 - Minimum education and experience required.



- Information processing and latitude
- Type and nature of contacts
- Budget/financial impact and influence
- Job skill and technical difficulty
- Exposure to mental fatigue/stress and physical risk
- Organizational level, supervisory scope, and number of supervisees

Organizational Rules:

1. All classifications are determined by the Human Resources Department and approved by the Town Manager.
2. Positions are classified on the basis of the nature of the work assigned to the position, the job evaluation factor levels assigned to the position, similarities of job and qualification requirements with other job classifications within the organization, and competitive labor market data (for benchmark jobs).
3. A classification will be effective at the start of the first full payroll period following approval by Human Resources. Classification actions should not be processed retroactively.
4. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. Human Resources requires a Position Request Form be completed and submitted for new positions (i.e., Mid-year position requests or Service Enhancements for a new budget year).
2. A current and proposed organization chart must be submitted along with each position reclassification request.
3. Salary data is analyzed on a periodic basis to determine the competitive labor market median value for select benchmark jobs.
4. The Human Resources Director reviews all classification requests and determines appropriate job evaluation factor levels.
5. The Human Resources Director communicates results of the classification review to



the requesting Department Head.

6. The Department Director or designee communicates the results of the review to any affected employees.

Section 11. Temporary and Roster Employee Pay

Purpose: Many departments in the Town of Clayton have needs for temporary or roster) personnel. Departments that require such services generally recruit employees into temporary positions for a limited time or roster positions on an as needed basis.

Hiring ranges are established to help ensure that the Town can attract the applicants necessary to quickly fill temporary positions. The hourly rates for temporary and Roster personnel shall be determined in a fair and systematic manner consistent with the type of work required to be performed and the nature of the temporary assignment.

Scope: This policy applies to all non-benefitted positions.

Definitions:

- **Hiring Pay** - The pay for temporary/roster positions will be posted at a flat rate.
- **Temporary Position** - An appointment for a limited term or limited number of hours. Positions that are considered temporary assignments for the purposes of this policy are typically assigned to a special project or initiative. Temporary Positions do not include workers contracted through outside agencies. Employees appointed to a temporary position receive base pay plus mandated benefits such as Workers Compensation, only and shall not exceed thresholds to become benefit eligible.
- **Roster Position** - An appointment for a limited term or limited number of hours based on need and availability. Positions considered roster assignments for this policy are typically assigned to roles that have varying hours and need based on seasons, functions, etc. Employees appointed to a temporary position receive base pay plus mandated benefits such as Workers Compensation, only and shall not exceed thresholds to become benefit eligible.

Organizational Rules:

1. It is the responsibility of the departments to ensure that temporary positions are properly classified based on the required duties and responsibilities. When new or unusual temporary positions are created, the classification assignments should be confirmed with Human Resources.
2. In some cases, temporary/roster employees may work abbreviated schedules but return on an annual or seasonal basis.



3. It is the responsibility of the departments to notify Human Resources when the assignment has ended, and the position needs to be made inactive.

Procedures:

1. When requesting a new temporary (roster) position or reclassification of an existing temporary position, departments must send the request to Human Resources.
2. When requesting new or reclassified temporary position: the department must first get approval from the Finance Department to confirm that the department has the appropriate funds budgeted.
3. Once you receive email confirmation from HR that the position has been established or reclassified, the department can prepare the job posting request.

Section 12. In-Range Salary Increases

Purpose: An "In-Range Progression" is an increase within a salary range for a single classification or within a sub-range of a classification with skill levels. It most often occurs in one of three situations: 1) When an employee assumes a demonstrable increase in the scope, depth, and complexity of their job functions and outcomes which do not warrant an upward reclassification of the employee's grade/ range. 2) When an employee transfers to a different position within the same salary range/grade and assumes a demonstrable increase in the scope, depth, and complexity of job functions and outcomes as a result of the new position; or 3) In order to provide for an equity adjustment as a result of substantial internal and/or external market conditions.

The purpose of an in-range adjustment is to increase an employee's salary within the employee's current salary range to accomplish one or more of the following:

- Respond to documented labor market conditions (i.e., external competitiveness)
- Address salary compression/equity issues (i.e. internal salary alignment); and
- Recognize increased job scope/complexity not so significant as to result in a reclassification/ pay grade increase.

Scope: This policy applies to all full-time and regular part-time employees. in the General, Public Safety, and Public Utilities structures.

Definitions:

- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title.



- ***Competitive Labor Market*** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices.
- ***In-Range Salary Adjustment*** - An increase to an employee's salary within the employee's current salary range in order to accomplish one or more of the following:
 - recognize job changes not recognized through a reclassification/pay grade increase
 - address salary compression/equity issues (i.e. internal salary alignment)
 - respond to documented labor market conditions (i.e., external competitiveness)
- ***Internal Salary Alignment*** - The consistent placement of salaries among employees who demonstrate similar required competencies in the same classification within a work unit or organization. Consideration is given to: minimum qualifications for the position; knowledge, skills, abilities, and related education and experience requirements; duties and responsibilities, training, certifications, and licenses required in the position; and, employee performance. In-range adjustments may be granted to establish equitable salary relationships among employees where there is a salary inequity.
- ***Salary Inequity*** - Salary inequities exist when there is a salary variance among employees holding similar or same classifications and whose relevant education, experience and performance are substantially comparable.
- ***Salary Compression*** - Salary compression occurs when the salary between a supervisor and a direct report is considered too small to be equitable. Compression usually occurs over time and may result from length of time in grade, lack of pay structure movement, meeting changing hiring and retention needs, and/or merit or other funding constraints.
- ***Salary Range*** - Each pay grade within each salary structure has a salary range minimum and salary range maximum, determined through market surveys.

Organizational Rules:

1. This policy recognizes that inequities may result from prior hiring decisions, differing evaluations of creditable education and experience, variances in pay policy which have occurred over time, and the availability of funds at a given time in the employee's work history.
2. Other situations may result in employees earning disparate rates of pay who should be paid on an equivalent basis assuming that legitimate pay factors such as education, experience, specialized training and/or certification(s), etc. are also



equivalent.

3. Department Directors are expected to establish fair, consistently applied priorities to provide salary growth opportunities to employees for taking on permanent increased responsibility within their assigned classification.
4. Increases in responsibility shall represent a permanent increase in scope and/or complexity within the job, and not a reflection of increases in volume of similar work already performed.
5. Employees shall not be granted an in-range adjustment based on increased scope/ complexity of duties and responsibilities which have already been recognized through a previous salary adjustment or classification action.
6. An employee shall not receive an in-range adjustment for the addition of duties which are recognized and for which compensation is provided in another position.
7. Employees shall not receive introductory increases for in-range salary adjustments.
8. In-range increases based on acquisition of additional duties will typically be one or two steps. Increases above two steps are usually due to significant organizational changes or market competition documented in a legitimate salary offer from a competitor (See Retention Counteroffer Policy) and resulting change in position description.
9. An in-range salary adjustment may be limited to a maximum of four steps of the employee's current salary.
10. An in-range adjustment shall not result in an employee's salary being above the maximum of the assigned pay grade.
11. Generally, an employee will be limited to only one in-range salary adjustment per fiscal year unless significant changes in job responsibilities warrant reconsideration.

Procedures: Department Directors who want to address any of the three situations described above should observe the following procedures:

1. The request must be initiated in writing and presented to the appropriate Deputy Town Manager or Directly to the Town Manager before being routed to Human Resources.
2. The formal request must include a) a rationale or justification for the increase and b) the specific amount of increase desired (as a step or grade).
3. The request must address how department budget funds are impacted or identify funds available.



4. The justification may include documented external competitive employment offer, internal equity information and/or a description of added duties and responsibilities. The manager shall provide a detailed rationale related to the need for such an increase. The manager shall summarize the organizational necessity and the exceptional skills and abilities of the employee. The request must be accompanied by an updated position description. Human Resources will review the request and provide an assessment of internal comparisons, external comparisons and/or market data.
5. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.
6. In-Range adjustment actions will normally be effective at the beginning of the next full pay period following approval by Human Resources.

Section 13. Competitive Retention Salary Offers

Purpose: The purpose of a counteroffer is to provide competitive salary adjustments to when the employee receives a job offer from another employer from outside of Clayton Town government. The Town of Clayton provides Department Directors with the opportunity to make one competitive salary offer (i.e., counteroffer) to a higher salary offered by a competitor in the external labor market to an employee.

Scope: This policy applies to all full-time and part-time plus benefited employees.

Definitions:

- ***Accountability*** - Department Directors are obligated to accept responsibility for making, justifying and documenting fair, consistent, non-discriminatory, and fiscally responsible recommendations with regard to compensation.
- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Effective Date*** - The effective date of any salary adjustment is the beginning of the next pay period in which Human Resources approved the adjustment after receipt and review of all required supporting documentation and electronic workflows.
- ***Salary Range*** - The salary range minimum and salary range maximum, determined through market surveys, for any given pay grade in the salary structure.

Organizational Rules:

1. No more than one retention counteroffer may be made to an employee within a



rolling 12-month period.

2. A retention counteroffer shall not result in an employee's salary being above the Salary Range Maximum of the current salary grade.
3. The amount of the retention counteroffer should be equivalent to the step closest to the external offer.
4. A retention counteroffer may not be made to an employee in their probationary period.
5. A retention counteroffer shall not create significant salary inequities with other employees, taking into account performance, merit, and other labor market factors.
6. A retention counteroffer may not occur within the Town between departments.

Procedures:

1. Department Directors must document why an employee is eligible for consideration of a retention counteroffer within the guidelines of this policy.
2. All of the following conditions must be documented in a memorandum, vetted by the appropriate Executive Team member, and submitted to the Human Resources Director in advance of making a retention counteroffer to an employee:
 - a. Include a copy of the signed and dated offer letter and job description/posting from the external competitor that is seeking to hire the Town employee. The requesting Department Director is responsible for ensuring that the external salary offer is legitimate.
 - b. Department Heads must acquire advance approval of the above documentation from the Human Resources Director for any counteroffer BEFORE communicating with the employee.
 - c. Salary increases resulting from employee-accepted counteroffers will be effective on the first day of the next pay period nearest the date the documentation is completed by the requesting Department Head and approved by the Human Resources Director (i.e., not retroactive).

Section 14. Classification Plan

Purpose: Positions are categorized into job classifications according to duties and responsibilities to ensure similar treatment in personnel and salary administration. Each budgeted position is assigned to a standard job classification within the Town of Clayton's official Classification Plan (also referred to as the Job Classifications).



Scope: This policy applies to all budgeted positions in the Town.

Definitions:

- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title and control point.
- **Class Specification** - A broad, general written statement of the typical duties, responsibilities, and qualification requirements of all positions included in the same class.
- **Job Classifications** - All established job classes and salary grades to which they are assigned.
- **Position** - A unique set of duties and responsibilities assigned to an individual that has a budget allocation approved.

Organizational Rules:

1. The Human Resources Department is responsible for implementing and maintaining the Classification Plan for the Town at the discretion of the Town Manager.
2. The Pay Classification Plan is reviewed and revised systematically to ensure an accurate reflection of changes in functions, organizational relationships, work methods and duties/responsibilities of individual positions.
3. Official Classification titles are used in all personnel, payroll, accounting, budget, appropriation and financial records, and transactions.
4. Job codes are designated for each classification in the Classification Plan.

Procedures:

1. The Human Resources Department reviews the classifications and recommends changes to the Town Manager for approval annually, or on an as-needed basis.
2. Classifications and the Classification Plan modifications may be warranted when there are changes in the nature or design of position job duties, or if the values or structure of the organization.

Section 15. Salary Structures

Purpose: The Town maintains multiple salary structures to accommodate different organizational relationships between jobs and to recognize differences in the market values of jobs. Salary structures are maintained to provide competitive pay in relation to the designated market for the position and to provide equitable pay within the Town of Clayton organization.



Scope: This policy covers all positions with the Town.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Classification*** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation the same job title and salary grade.
- ***Competitive Labor Market*** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices.
 - The Town competes in the national labor market for senior leadership and key management positions.
 - It competes in a multi-state regional labor market for exempt professionals and sworn non-exempt positions. This competitive peer market generally includes the following states: North Carolina, South Carolina, Tennessee, Virginia, and Georgia.
 - In local markets, the Town generally competes with government and business organizations in North Carolina's Piedmont and Coastal regions.
- ***Cost of Living Adjustment (COLA)*** - an increase made to salaries and wages to counteract the effects of rising prices in the economy.
- ***Pay Zone*** - span of possible pay rates defined by a minimum rate of pay and a maximum rate of pay to establish boundaries within the pay range. Zones are Green, Blue, Orange, Yellow, and Red.
- ***Job Classifications*** - All established job classes and control points to which they are assigned.
- ***Pay Grade(s)*** - a "vertical" range where each level (or pay grade) corresponds to the scope, responsibility, and requirements needed for a position.
- ***Pay Step(s)*** - a "horizontal" range (1 through 25) within each Pay Grade based on an employee's quality of performance, length of service. Steps allow for monetary incentives rewarding the changes in a position classification not significant enough to warrant reclassification to a higher pay grade. Each pay grade has an established salary range minimum, control point, and maximum.
- ***Total Compensation*** - Total compensation is the concept of considering all compensation provided by the Town to employees and includes both pay (cash)



and benefits (non-cash).

Organizational Rules:

1. There are currently four salary structures being utilized for all benefit eligible positions: General, Public Safety, Public Utilities, and Part-time. Each pay grade within each salary structure has a salary range minimum and salary range maximum. No salary will be paid below the minimum of the salary range unless the employee is designated as a trainee, and salaries should not exceed the maximum of the salary range.
2. Each salary grade has an identified "Pay Zone." Generally, an employee's salary is set at a step within a pay zone based on the career level of the employee. Zones are identified by colors.
3. The Human Resources Department conducts and participates in salary and benefit surveys on an periodically.
4. As an At-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation polices, programs or practices are introduced, amended, or eliminated.

Procedures:

1. The Town's total compensation program is reviewed periodically but at a minimum, annually. This review includes a competitive assessment of the Town's salary structures, salaries/wages, employee benefits, and other financial and non-financial rewards that contribute to successful recruitment and retention of a highly qualified, competent and committed workforce.
2. The Human Resources Department acquires salary and benefits data through a combination of participation in compensation surveys, purchase of published salary market data, ongoing participation with other organizations in gathering and analyzing salary and benefits data and other relevant information.
3. The Human Resources Department analyzes salary and benefits market data to determine the Town's relationship to the competitive labor market.
4. The Human Resources Department recommends to the Town Manager reasonable compensation and benefit program offerings and/or structural adjustments that support the effective delivery of the Town's Compensation Philosophy.
5. (COLA), when approved by the Town Council for implementation, shall be implemented effective July 1 of the fiscal year unless approved otherwise. Each step



is increased by a specific percentage and each employee on a step automatically receives the new rate for that step. An employee's salary that falls below the new range minimum, due to a salary structure adjustment, shall be raised to the new range minimum effective upon implementation of the new structures.

Section 16. Merit Pay Adjustments

Purpose: To reward employees who contribute to the fulfillment of the mission of the Town in providing service to its citizens through work performance.

Scope: This policy applies to all benefit-eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Merit Pay*** - May be an increase in an employee's base salary or a one-time bonus awarded on the basis of individual performance as determined by annual budget.

Organizational Rules:

1. The Town's compensation plan is administered on a uniform basis.
2. Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria.
3. 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 Town Manager.
4. Merit pay administration purview of Department Directors within the guidelines, rules, and procedures set forth by the Town's personnel policies and performance evaluation guidelines.
5. 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 Town Council.
6. Merit, when paid as an increase to an employee's base salary, will be effective on a common date town-wide.
7. Newly hired employees are eligible for a merit increase after successfully completing their six-month probationary period.
8. Employees on a leave of absence will be eligible for a performance review and



possible merit increase upon their return to work.

9. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. Annually, employees will be assigned performance evaluation plans consisting of objectives and/or work standards by which the employee's performance may be consistently evaluated.
2. The amount per percentage of merit pay an employee receives will be based on the parameters set in the evaluation guidelines.

Section 17. Worker's Compensation

Purpose: In accordance with the North Carolina Workers' Compensation and rules administered by the North Carolina Industrial Commission (NCIC), the Town provides for the medical treatment, payment of medical expenses and wage loss to employees who experience a compensable work-related injury or occupational disease.

The Town is committed to making the workplace a safe and healthy environment and to preventing work-related accidents. The Town is also committed to the treatment, care, and return to work of employees injured on the job.

Scope: This policy applies to all Town of Clayton employees.

Definitions:

- ***North Carolina League of Municipalities (NCLM)*** - The Town's insurance carrier for Workers' Compensation. The NCLM communicates directly with the employee about workers' compensation claims and benefits.
- ***North Carolina Worker's Compensation Act*** - a state statute that governs workers' compensation in North Carolina. The Town provides Workers' Compensation insurance to Town employees. The insurance carrier makes all decisions related to compensable injuries or illnesses and makes payments for benefits and to employees for those injuries and illnesses deemed compensable. The North Carolina Industrial Commission establishes benefits, which include weekly disability compensation, the maximum weekly benefit and reimbursable expenses.
- ***Waiting Period*** - the seven (7) day period between the employees' first day of absence due to a workplace injury/illness and the first day the employee is eligible to receive workers' compensation benefits. Employees may use other paid leave to cover this period.



- **Maximum Medical Improvement (MMI)** - is a treatment plateau in each person's healing process. It can mean that the patient has fully recovered from the injury/illness or that the patient's medical condition has stabilized to the point that no major medical or emotional change can be expected in the injured workers' condition. This occurs despite continuing medical treatment or participation in ongoing rehabilitative programs.

Organizational Rules:

1. Coverage: All employees of the Town (regular full-time, regular part time, and temporary) are covered under the provisions of the North Carolina's Workers' Compensation Act.
2. Responsibility of Employees: All employees are required to report all injuries arising out of and in the course of employment to their immediate supervisor at the time of the injury in order that appropriate action may be taken at once. Failure to report a work-related injury or illness within 30 days of occurrence could result in denial of the employee's workers' compensation claim. Employees are responsible for cooperating with the Town's Safety Officer and Human Resources in coordination of treatment, recovery and return to work phases of the workers' compensation process. It is the employee's responsibility to immediately provide written documentation, including any work restrictions or subsequent changes related to their work status, to his or her supervisor immediately. Employees must follow the physical restrictions imposed by the designated health care provider and understand their benefits and responsibilities under the North Carolina Workers' Compensation Act and other rules as defined by the North Carolina Industrial Commission.
3. Decisions and Payments: The Town's insurance carrier, North Carolina League of Municipalities, Workers' Compensation Department makes all decisions related to compensable injuries or illnesses and makes payments for benefits and to employees for those injuries and illnesses deemed compensable.
4. Benefit Amounts: The North Carolina Industrial Commission (NCIC) establishes benefits, which include weekly disability compensation, the maximum weekly benefit and reimbursable expenses.

When an injury/illness occurs on the job:

1. Reporting: Employees injured on the job must immediately report all on the job accidents/injuries/illnesses to their supervisor, who must then immediately notify the Safety Officer.
2. Medical Treatment: Employees must seek treatment from the Town's designated medical providers which are listed on the Town's website. A violation of this procedure may result in denial of workers' compensation benefits.



3. Written Statement from Medical Provider: The employee must obtain a written statement from the Town's medical provider of the injury/illness and when they may return to work, with or without restrictions. The written statement must be presented to the supervisor within 24 hours after visiting the Town's medical provider. The Medical Provider will provide a summary report of the injury to the Claim Manager for North Carolina League of Municipalities and Human Resources.
4. Human Resources or the Safety Officer to Complete NCIC-FORM 19: Human Resources or the Safety Officer will complete NC Industrial Commission FORM 19 Employer's Report of Employee's Injury or Occupational Disease and forward it to the Town's Risk Manager.
5. Supervisor to Complete TOC Accident Report: Immediately following the notification of an employee accident/incident/illnesses the supervisor will complete the TOC Accident Report and provide a copy to Human Resources.
6. Human Resources will forward the Form 19 and initiates an injury report with the North Carolina League of Municipalities (NCLM).

Pay Provisions:

1. Day of Injury: No leave is charged on the day of injury if the Town's medical provider instructs the employee not to return to work.
2. Waiting Period: If the employee cannot return to work due to disability, the employee must go on Workers' Compensation leave without pay for the first seven (7) calendar days of disability, which is the waiting period required by law.
3. Use of Leave during Wait Period: During the seven (7) calendar day waiting period, employees may use sick, vacation or holiday leave in order to receive compensation.
4. Source of Benefits: On day eight (8) of the authorized absence, the employee should begin receiving weekly disability benefits directly from North Carolina League of Municipalities (NCLM) if the injury/illness meets their eligibility guidelines.
5. Taking Leave while on Workers' Compensation: The employee has the option to supplement weekly disability payments with the use of leave to cover other expenses normally paid through payroll deductions.
6. After All Leave is exhausted: Once all leave is exhausted, the employee will only receive the weekly disability benefit under Workers' Compensation from North Carolina League of Municipalities.
7. Retroactive Pay after Twenty-One (21) Missed Days of Work: Employees will receive retroactive disability pay for scheduled workdays missed during the seven



(7) calendar day wait period once they have been out of work twenty-one (21) calendar days or more.

8. This payment is received directly from the North Carolina League of Municipalities. Employees out of work fewer than twenty-one (21) calendar days are not eligible to receive retroactive disability pay from the North Carolina League of Municipalities for the seven (7) calendar day wait period.

9. One Seven (7) Day Waiting Period per Claim: There is only one seven (7) calendar day waiting period for each separate Workers' Compensation injury/illness claim even if multiple leaves of absence are required for the treatment for the same injury.

9. Employee being paid under Workers Compensation will continue to earn Annual Leave and Sick Leave.

Managed to Return to Work:

1. The Town requires managed return to work or modified duty for all employees who experience work related injuries or illness. To facilitate the managed return to work process all departments and employees will follow the procedures outlined below.
2. Report Next Scheduled Day after Release: Once the Town is in receipt of the medical provider's release to return to regular work or modified duty assignment, employees must report for their next scheduled workday.
3. Returning on Modified Duty: If the designated healthcare provider determines that the injured employee cannot return to his or her job without restrictions, a modified work assignment of the regular job or reassignment to a different job may occur. Every attempt should be made to modify the employee's current job assignment to meet the stated restrictions.
4. Modifications to Comply with Healthcare Provider Recommendations: Any modified duty or job reassignment must comply with the recommended job restrictions indicated by the designated healthcare provider.
5. Identifying Modified Duty Opportunities: In all cases, managers and supervisors are expected to work with the employee to identify modified duty opportunities. The primary focus is returning the employee to his or her regular job. In some cases, departments will make reasonable accommodations to return the employee to his or her regular job. Modified duties may include a temporarily modified work schedule, or temporary reduction of work hours.
6. Modified Duty in other Departments: If a suitable modified duty position cannot be found within the employee's department, Human Resources will work to find a suitable modified duty position within another department.



7. Supervision if Assigned to Different Department: Employees participating in a modified duty assignment may be assigned a new supervisor if moved to a different department. The employee will be subject to the same work rules and regulations as any other employee in that department and will be required to perform work within the limitations established by the designated healthcare provider.
8. Employees Responsible to Provide Updated Information: Employees are responsible for providing their supervisors with written notice of the designated healthcare provider's change in restrictions.

End of Modified Duty:

1. The modified duty assignment will end when any of the following occur:
 - a. The employee is released to pre-injury job status by the designated Healthcare provider.
 - b. The worker's compensation claim is closed.
 - c. The employee has accepted an alternate position.
 - d. The employee reaches maximum medical improvement.
2. If the employee reaches maximum medical improvement (MMI) but cannot return to the original job, Human Resources will work directly with the employee regarding other available options.
 - a. Additional Fit for Duty Exam: The Town may require, at its sole discretion, an additional fit for duty examination by another medical provider prior to the employee returning to their current position.
 - b. Light Duty: The Department will make reasonable efforts to accommodate a return to light duty if the employee has been released to light duty. Human Resources will assist departments in identifying light duty opportunities.



ARTICLE IV. EMPLOYEE STANDARDS/COMMON PROCEDURES

Section 1. Equal Employment Opportunity

Purpose: The Town of Clayton is committed to zero tolerance of ageism, racism, sexism, discrimination and unfair treatment of people regardless of the reason. To this end, the Town makes a concerted effort to foster a work environment that is welcoming, inclusive and equitable for all people. No person shall be refused employment, denied promotion or assignment, discharged, discriminated against, or given preference in any aspect of the employment relationship on the basis of age, color, ethnicity, familial status, gender or sex, gender expression, gender identity, genetic information, hair texture and hairstyle commonly associated with race or national origin, marital status, mental or physical disability, military status, national origin, political affiliation, race, religion, sexual orientation or any other non-job related factor, except when certain physical and mental requirements are bona-fide occupational qualifications.

The Town operates on the premise that a skilled, diverse work force provides more effective services for the residents. The purpose of this policy is to affirm the Town's commitment to equal opportunity in all matters relating to hiring, assignment, promotion and other personnel actions to help ensure a competent and diverse workforce. Decisions on employment are based on qualifications, experience and suitability for the job; compensation decisions are based on performance; and other personnel-related decisions are based on the Town's core values.

Scope: This policy applies to all Town employees.

Definitions:

- ***Bona-fide Occupational Qualification (BFOQ)*** - An employment qualification or standard that is reasonably necessary to the normal performance of duties in the desired position.
- ***Equal Employment Opportunity*** - A system of employee selection, assignment, and promotion in which personnel actions are made without regard for non-job-related factors.

Organizational Rules:

1. The Town's commitment to Equal Employment Opportunity shall include but not be limited to the following:
 - a. Continuous monitoring of the Town's recruitment process.
 - b. Continuous monitoring of hiring and promotional processes to identify and eliminate any non-job-related barriers to Equal Employment Opportunities, and



- c. Training the organization's hiring managers in selection procedures that are free from the influence of non-job related factors.
2. Department Directors are responsible for selecting individuals for employment, assignment, or promotion based on reasonable job related factors.

Procedures: None

Section 2. Dress Code/Grooming

Purpose: Much of the public image of the Town of Clayton and its employees is based upon the impression citizens make because of their contact with Town employees. Appearance, as well as conduct, is a part of that initial impression. All employees are expected to always dress in an acceptable and professional manner which is consistent with good business practices and the provision of the safety policy. Employees who are issued Town uniforms by their respective departments are expected to wear uniforms at all times while on duty.

Appropriate dress is important because it sends a message about your professionalism and that of the Town of Clayton. Employees are required to dress in appropriate attire and maintain good grooming standards.

Scope: The Policy applies to all Town of Clayton employees.

Definitions:

- **Identification Badge** - A badge issued to each employee that identifies the employee by name, department, photograph, and other criteria as established by the Town Manager.
- **Business Casual** - Relating to or denoting a style of clothing that is less formal than traditional business wear but is still intended to give a professional and businesslike impression.
- **Standard of Professionalism** - Exemplifying personal integrity, honest and fair in dealing with customers, observance of all applicable laws and regulations. Conducting oneself in a manner that shows respect to all.

Organizational Rules: This policy establishes guidelines for the appearance of Town employees in the performance of their duties and in conducting business for the Town. Regulations pertaining to acceptable attire and grooming are flexible due to the changing nature of fashion, however there are certain expected norms of professional appearance, personal neatness, cleanliness, and good grooming which are applicable to all Town employees.

1. The Town observes a business casual dress environment. There may be situations requiring more formal attire.



2. All employees are required to wear issued badges while in an official working capacity, including working off-site. A lost or stolen badge should be immediately reported to Human Resources so that a new badge can be issued to the employee.
3. Any exceptions to the provisions of this policy must be approved by the Town Manager.
4. Employees required to wear uniforms or other articles of clothing identifying them as a Town employee while on duty shall be furnished such uniforms or clothing by the Town. The employee must maintain uniforms and other issued clothing in a clean and presentable manner. Town employees shall not permit any unauthorized person to wear Town uniforms. All articles of clothing provided by the Town must be returned upon termination of employment.
5. Normal office attire for employees is business casual Monday through Thursday and Friday is recognized as "Casual Friday's" however, at all times clothing should be neat, clean, pressed and in good condition in keeping with the nature of the duties being performed.
6. Any clothing with words, terms or pictures that may be offensive to other employees or customers is unacceptable. Clothing that promotes alcoholic beverages, tobacco, controlled substances, violence or is of a sexual or political nature is inappropriate.
7. Dresses and skirts should be at a length where the wearer can sit comfortably in public without being revealing. Length should be no more than 3-inches above the knee.

The following are examples of *appropriate* dress:

- Dress slacks, trousers or crop/capri pants
- Casual dresses, skirts or jumpers
- Blouses or dressy tops
- Casual golf-style or dress shirts with collars
- Button down shirts
- Sweaters or turtlenecks
- Suit or sport jackets
- Athletic or walking shoes, loafers or deck-type boat shoes
- Clogs, boots, flats or sandals (open or closed toe)
- Dress shoes or heels (open or closed toe). Heels should generally not exceed 3-inches in height.

This is not an all-inclusive list; thus, management reserves the right to determine appropriateness;

The following are examples of *inappropriate* dress:

- Blue jeans, with holes and exposed skin
- Sweatshirts, sweatpants, athletic outfits, jogging suits, wind suits, exercise pants,



spandex pants or form fitting pants, tights worn as pants without a long blouse or shirt no shorter than 3-inches above the knee.

- Shorts or skorts, unless approved for a specific event or job task, no shorter than 3-inches above the knee, short-shorts, or cutoffs.
- Dresses, shirts or tops that do not cover the back waist or midriff or allow the underwear to be seen.
- T-shirts, tank, spaghetti, halter or tube tops, unless worn under another blouse, shirt, jacket or dress.

Procedures:

1. Employees whose positions involve leisure activities may dress in athletic dress appropriate for the specific job being performed. When not participating in a leisure activity or when representing the Town in other than a leisure activity, these employees are expected to wear business casual attire.
2. Reasonable accommodations will be considered for employees who, because of a sincerely held religious belief of a recognized religious organization, cultural heritage, or medical reason, request a waiver of a particular part of this policy for dress or appearance. The waiver request must be made in writing and signed by the employee and approved by the Town Manager on the recommendation of the Department Head.
3. Clothing shall be sufficient as to conceal undergarments at all times.
4. Personal hygiene is very important. Daily baths, shaving, use of deodorant, and daily mouth hygiene is essential to providing a professional image. Grooming accessories including perfumes, colognes or sprays should be applied so as not to affect other employees who may have allergies or sensitivities to scent.
5. In addition, supervisors will advise if poor hygiene or excessive perfume/cologne becomes an issue. If the problem persists, supervisors should follow the normal corrective action process.
6. Hair (including facial hair) must be neat and clean.
7. Tattoos bearing offensive language or logos that could be seen by others as profane, racist, sexist, or discriminatory in nature are to be covered.

Section 3. Drug and Alcohol-Free Workplace

Purpose: A Drug and Alcohol-Free workplace supports our Town values of Safety, Equity, and Professionalism. This policy helps to create an environment where employees can perform their jobs in a safe, productive, and healthy manner. The policy provides guidance to managers, supervisors, and employees on procedures they must follow to maintain a drug and alcohol-free workplace.

Scope: This policy applies to all Town of Clayton employees.



Definitions:

- ***Accident*** - Any occurrence involving a motor vehicle or Town equipment that results in a fatality; serious bodily injury to a person who, as a result of the injury; is transported and/or receives medical treatment from a medical professional away from the scene; or with one or more motor vehicles incurring disabling damage as a result of the accident, requiring the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.
- ***Alcohol*** - The intoxicating agent in fermented beverages or medicines. Also includes low molecular weight alcohols, including methyl and isopropyl alcohol.
- ***Alcohol and Substance Abuse*** - Any use of illegal drugs or controlled prescription drugs obtained unlawfully; or excessive use of lawfully obtained prescription drugs, over the counter drugs or alcohol when such use substantially impairs job performance, alters work behavior, and/or creates a risk to the health and/or safety of the employee or others.
- ***Alcohol Test*** - Testing for the presence of alcohol in the body as determined through the use of a breath alcohol test, or blood screening.
- ***Drug*** - A controlled substance as defined in North Carolina General Statute 90-87 (5) or a metabolite thereof.

Section 4. Prohibited Behavior

Report for Duty: No employee may report for duty or remain on duty at any time there is a quantifiable presence of drugs or alcohol in the body.

Perform Job-Related Functions: No employee shall perform any job-related function while under the influence of alcohol or drugs.

Safety Sensitive Functions: No employee shall perform any safety sensitive functions within twenty-four (24) hours of a determination of having an alcohol concentration of .02 BAC or higher.

On Duty: No employee may consume alcohol or drugs while on duty.

On-Call: Some employees in the Town, as part of their ongoing job duties, are designated by their departments to be 'on call' during certain periods. Typically, these employees receive 'on call' pay. Any employee who is officially 'on call' is in violation of this policy if he reports to work with a quantifiable presence of drugs or alcohol in his body. An 'on-call' employee must report drug or alcohol use if called to duty in order to avoid severe disciplinary action under the terms of this policy.

Off Duty: An employee is discouraged from ingesting alcohol or drugs to the extent that it results in appreciable impairment that might discredit the employee or the Town.



In Uniform: Employees shall not ingest any alcohol or drugs while in uniform or wearing any item of apparel construed as duty-related or which bears a Town or Department logo, regardless of whether the employee is on duty or off duty.

On-premises: Employees shall not bring or store any drugs or alcohol in any Town facility, vehicle, or work area. Employees who are in possession of such substances as part of their ongoing job responsibilities or for training purposes will not be in violation of this policy. They should follow their department's operating practices regarding the proper handling of these substances. For example, a police officer who confiscates drugs or drug paraphernalia from an individual and transports it to enter it into evidence would not be in violation of this policy. Similarly, a solid waste collector who collects open containers of alcohol and transport to be disposed of is also not in violation of this policy.

Post- Accident: In certain circumstances as outlined in this policy, employees will be tested for drugs and/or alcohol after being involved in an accident that has occurred while on Town business or while operating a Town vehicle or equipment. Therefore, employees must not consume any alcohol or drugs prior to a post- accident drug and/or alcohol test.

Prohibited Drugs/Drug Offenses:

1. ***Prescription Medications:*** The use of any controlled substance by an on-duty employee is prohibited except when prescribed by a health professional who has advised the employee that the substance does not adversely affect the employee's ability to perform job functions.
2. ***Over-the-counter medications:*** The use of any over the counter medication that may adversely affect an employees' ability to safely perform job duties is prohibited while on duty unless the employee has advised the Town that the substance does not adversely affect the employee's ability to perform job functions.
3. ***Physician Authorization:*** Employees who are taking either prescribed or over the counter medication that might affect job performance shall provide a doctor's note indicating that the employee is;
 - a. Fit for duty while taking the medication and
 - b. How long the employee will be taking the medication (The note will be kept in a secure file).
4. ***Drug Related Offenses:*** Employees who are charged and/or convicted of a controlled substance related violation under state or federal law must inform their department within five days of such charge or conviction or prior to the next scheduled workday, whichever occurs first.
5. ***Town's right to relieve employee of duties:*** Other policy provisions notwithstanding, the Town reserves the right to relieve any employee of his duties if, in the opinion of



the Town, the employee presents a risk to himself or others while under the influence of any amount of alcohol or drugs.

Prohibited Alcohol Consumption/Alcohol Offenses:

1. ***Use and Possession of Alcohol:*** All employees are prohibited from using alcohol to the degree that it affects job performance. Alcohol includes any alcoholic beverage or substance such as medication, mouthwash, food, or candy in which alcohol is present. Possessing an open alcohol container while on duty, on Town property, or in a Town vehicle is a violation of this policy.
 - a. The possession of medicine containing alcohol is not prohibited when the packaging seals are unbroken.
 - b. Employees who are in possession of open containers of alcohol as part of their ongoing job responsibilities or for training purposes will not be in violation of this policy. They should follow their department's operating practices regarding the proper handling of alcohol.
2. ***Alcohol Related Offenses:*** Employees who are charged or convicted of alcohol related violations under state or federal law must inform their supervisor or designated employer representative within five days of such charge or conviction or the next scheduled workday, whichever is less.

Section 5. Employee Assistance

1. Counseling: Employees who need assistance in dealing with substance abuse or dependency are encouraged to voluntarily seek counseling or treatment through the Town Employee Assistance Program (EAP) or other counseling/treatment provider.
2. Voluntary Admission Prior to Testing: Voluntary admission of a substance abuse problem by an employee prior to random, reasonable suspicion, or positive test result is considered, but does not exempt an employee from, disciplinary action.
3. Participation in Employee Assistance or other Counseling Program: Participation in an EAP or other counseling or treatment program will be considered but will not exempt an employee from disciplinary actions.

Required Consent for Drug and Alcohol Testing:

Required Testing - As a condition of employment, employees and applicants are required to consent to testing for the use of drugs and to testing for the use of alcohol as specified in this policy.

Confidentiality – Results will be handled in a confidential manner.



Types of Drug Testing Conducted by the Town:

1. ***Pre-Employment Drug and Alcohol Testing:*** As a condition of employment, all employees and candidates who receive a conditional offer of employment are required to consent to drug and alcohol testing as specified in this policy.
 - a. Existing employees who are being considered for any safety sensitive position within the Town must be screened for drugs and alcohol as part of the employment process for the position.
 - b. No employee may perform Safety-Sensitive functions before the Department has received a verified negative drug test result.
 - c. A Safety-Sensitive employee who has been on a leave of absence for thirty (30) or more consecutive days must submit to a drug test that results in a verified negative result before returning to Safety-Sensitive duties.
2. ***Random Testing for Safety Sensitive Employees:*** All safety-sensitive employees are subject to random testing for alcohol and drugs.
3. ***Reasonable Suspicion Testing for Any Employee:*** Any Town employee may be required to submit to a reasonable suspicion alcohol and/or drug test when the Town, acting through its supervisors and/or department heads, has reason to believe or suspect that an individual's ability to perform his/her job safely and efficiently is impaired.
 - a. ***Garrity Warnings Required Prior to Testing:*** any employee who is tested under the provisions of this policy for reasonable suspicion must be administered a 'Garrity Warning' prior to being tested for alcohol or drugs. A Garrity warning advises the employee that any information obtained by the Town during the course of testing will not be used to bring criminal charges against the employee. Human Resources will contact the Towns Police Department to administer.
 - b. ***Conditions for Reasonable Suspicion testing:*** Before an employee is required to submit to drug and/or alcohol testing, there must reasonable suspicion, based on specific observations of the behavior, speech, appearance, body odor, or other physical indicators of the employee's impairment. Only those trained in Reasonable Suspicion can be called upon to make a determination.
 - c. ***Employee Placed on Leave Pending Test Results:*** Under departmental authority, any employee who is required to submit to a reasonable suspicion alcohol or drug test will be placed on leave pending the receipt of test results.
4. ***Post-Accident Testing:*** Employees may be tested for the presence of drugs and alcohol after an accident occurs during work hours, while on Town property, or while using or operating Town-owned equipment and vehicles. The provisions under which



an employee can be tested differ depending on the employee's designation as a safety sensitive or non-safety sensitive employee.

- a. ***Non-Safety Sensitive Employee Testing after an Accident:*** After an accident, non-Safety Sensitive employees may only be tested based on reasonable suspicion.
- b. ***Safety Sensitive Employee Testing after an Accident:*** Safety-Sensitive Employees are required to be tested for alcohol and controlled substances following a vehicle accident where:
 - A fatality occurs;
 - The driver receives a citation under state or local law for a moving traffic violation arising from the accident AND an individual suffers a bodily injury which requires immediate medical treatment away from the scene;
 - The driver receives a citation under state or local law for a moving traffic violation arising from the accident AND any vehicle involved incurs disabling damage that requires the vehicle to be towed from the scene;
 - There is reasonable suspicion to believe the employee was under the influence of alcohol or drugs at the time of the accident
- c. ***Employee to Notify Management of Accident:*** Any employee who is involved in an accident with a Town vehicle or any other vehicle while on Town business must immediately notify their management of the incident.
- d. ***Management to notify Safety Officer:*** Upon learning that an employee has been in an accident, Management should immediately notify the Town's Safety Officer and briefly provide the details of the accident, including location and any resulting injuries. Responding to individual injury or assisting others who are injured should take priority over the reporting notifications.
- e. ***Criminal Investigation Takes Precedence:*** If alcohol or a controlled substance is believed to be a contributing factor to the accident and an employee is or may be criminally charged, the criminal investigation takes priority over any administrative investigation or procedure.
- f. ***Employee must Remain Available for Testing:*** An employee who is subject to post accident testing must be available for testing. An employee who fails to remain readily available for testing will be considered a refusal to test.
- g. ***Timeframe for Post-Accident Testing:*** Employees must be tested for drugs within thirty-two (32) hours following an accident. Absent extenuating



circumstances, alcohol tests must be conducted within two (2) hours following an accident. There are no circumstances under which an alcohol test will be conducted after eight (8) hours following an accident.

Section 6. Testing Guidelines for All Drug and Alcohol Tests

Consent: Before a drug or alcohol test is administered, employees and candidates will be asked to sign a Chain of Custody consent form authorizing the test and permitting the release of the results to the designated employer representative(s). All test results will be kept confidential.

Refusal to Test: Any employee or candidate who refuses to consent to a drug and/or alcohol test required by this policy, fails to appear for testing, fails to remain at the testing site prior to the commencement of the test, is found to have tampered with the sample or aborts or refuses to agree to the collection of the specimen before the test commences will be in violation of this policy and is subject to disciplinary action or the withdrawal of the contingent job offer. The employee or prospective employee will not be eligible for employment or promotion for a period of one year. Any of the following are considered refusal to test:

1. Failure to complete and sign all necessary paperwork to facilitate testing or failure to cooperate with any part of the testing process. b) Failure to provide photo identification at the testing location.
2. Failure to report to designated testing facility within 2 hours of being notified.
3. Intentional failure to provide enough urine, or failure to provide blood or breath to facilitate testing within 2 hours of being notified, without a valid medical explanation. e) Leaving the testing facility without providing a usable sample of urine, blood, or breath unless the facility has to close and the employee or candidate is released.
4. Failure to remain at the test site and provide a specimen once the test is underway unless a sample is taken elsewhere (on Site, etc.) or the facility closes before a sample can be collected.
5. Providing a tainted specimen or substituting a specimen for the employee or candidate's own.
6. Failure to permit the observation or monitoring of the collection of a urine specimen when required (The majority of specimens are provided in private; however, testing conducted under direct observation or monitoring may be required in limited situations.
7. Failure or declination to take a second test when directed by the collector or supervisor.
8. Leaving the scene of an accident, without just cause, prior to submitting to a drug or alcohol test when required to do so under this policy.



Section 7. Personnel Actions for Violation of Alcohol/Drug Policy

1. ***Town Actions after Violation:*** Any employee found to have violated the alcohol and/or drug prohibitions specified in this policy will immediately be removed from the performance of duties, placed on suspension without pay, referred for evaluation through EAP, and subject to disciplinary action, up to and including termination.
2. ***EAP Referral:*** When such a referral is made by the Town to EAP, participation is mandatory; failure to participate and comply may result in termination.
3. ***Disciplinary Process:*** All disciplinary actions will be administered in accordance with the Town's disciplinary process, which includes notice to the employee of the test results and a right to be heard.
4. ***Self-Reporting prior to Testing:*** Employees who come forward and report their substance abuse problem before being tested for any reason may be permitted to continue in employment, depending on the circumstances of their situation. If continued employment is allowed, the employee is required to successfully complete a drug-abuse assistance program and a return-to-duty drug and alcohol testing and agree to participate in follow-up testing for a period of at least (1) year as a condition of employment. The employee must be tested at least six times during that one-year period.

Section 8. Limitations on the Employment of Relatives

Purpose: Town believes it can best achieve effective and efficient service delivery only in an atmosphere of fairness and equity and where there is no perception of favoritism. This policy is intended to avoid circumstances that could create problems within the work unit or could undermine the public's perception of fair play in providing equal opportunity for employment to all qualified individuals. This policy is not intended to prohibit relatives from working for the Town.

Two members of an immediate family shall not be employed in any Town of Clayton positions if such employment will result in one being in the chain of supervision of the other, nor where one member occupies a position which has influence over the other's employment, promotion, salary administration, or other related management or personnel considerations.

Scope: This policy applies to all Town of Clayton employees in permanent positions. This does not apply to roster, seasonal, intern or temporary part-time positions.

Definitions:

- ***Immediate Family*** - For the purposes of this policy, immediate family will include wife, husband, mother, father, brother, sister, daughter, son, uncle, aunt, nephew, niece, mother in-law, father-in-law, daughter-in-law, son-in-law, grandmother, grandfather, grandson, granddaughter, stepmother, stepfather, sister-in-law, and brother-in-law.



- ***Other Family*** - For the purposes of this policy, other family will include any relationship where the degree of closeness may suggest that problems might be created within the work unit, or that the public's perception of fair play in providing equal opportunity for employment to all qualified individuals would be violated. This may include engaged couples, roommates, or similar relationships.

Organizational Rules:

1. An employee who fails to report any existing relationship on the submitted employment application may be subject to disciplinary action up to and including dismissal.
2. An employee who has a relationship as defined above must report changes to those relationships to the department and must identify those relationships when applying for a promotional position with the Town of Clayton.
3. An employee must notify the supervisor in those cases where the degree of closeness of relationship would suggest that problems might be created. The department will determine, in collaboration with the Human Resources Director, whether the closeness would result in a restriction on the position or job assignment.
4. Failure of an employee or supervisor to report any relationship that might be restricted by this policy to the Human Resources Director may result in disciplinary action, up to, and including, dismissal.

Procedures:

1. An employee who has a relationship with another employee as defined by this policy will report that relationship to Human Resources whenever this relationship would result in any supervisory relationship of one relative to another or when one relative would be in a position of influence over the working conditions of the other.
2. If the reported relationship is immediate family, Human Resources will ensure that no supervisory authority exists between the two related employees and that in no way does one employee exercise influence over the working conditions of the other.
3. The Human Resources Director will determine whether the relationship would require a restriction on the position or job reassignment.
4. If the reported relationship requires a restriction or job reassignment, the Human Resources Director will collaborate with the department to affect changes whenever possible.
5. If changes are not possible to comply with this policy, one of the relatives may be required to resign from Town employment.



Section 9. Background Checks

Purpose: The Town believes that employing and retaining a well-qualified, diverse workforce is essential to the overall success of this organization. Criminal background checks are an important tool in determining the suitability of an individual for either initial or continued employment with the Town.

Information about an individual's past criminal conduct is collected to: preserve public trust; promote a safe work environment for employees and members of the public; determine their suitability for employment; and promote the protection of the Town's property. The Town seeks to promote a fair, consistent, confidential and non-discriminatory method of obtaining and using criminal information for employment decisions.

Scope: This policy applies to all applicants and employees of the Town of Clayton.

Definitions:

- **Background Check** - Process of acquiring records related to an individual's past criminal conduct.
- **Background Check Release Form** - A form completed by an applicant for any benefit eligible position that authorizes a background check prior to employment.
- **Fair Credit Reporting Act (FCRA)** - Federal law that regulates the collection, dissemination and use of consumer credit information, including criminal background reports.
- **Disciplinary Action** - An action initiated by a supervisor to address and correct an employee's unacceptable behavior and/or performance.
- **Legal Actions/Proceedings** - Any legal actions including, but not limited to, arrests, convictions, guilty pleas, no contest pleas, restraining orders, warrants, and criminal charges.
- **Safety Sensitive Position** - A position where an essential function of the job includes safety sensitive responsibilities. Safety sensitive responsibilities are those that pose a risk to the safety of the employee or others under which a momentary lapse of attention or judgment could have disastrous consequences without the opportunity to rectify the mistake.

Organizational Rules:

1. All applicants for employment are subject to a criminal background check.
2. An arrest, in and of itself, does not establish that criminal conduct has occurred. Accordingly, the fact that an individual was arrested should never be the sole basis of an adverse employment action. The Town may take adverse employment action based



on information showing that the individual actually committed the conduct underlying the arrest. A conviction, guilty plea or no contest plea shall serve as sufficient evidence that the individual engaged in the alleged criminal conduct.

3. The Town shall not treat background check information differently for individuals based on their age, color, ethnicity, familial status, gender or sex, gender expression, gender identity, genetic information, hair texture and hairstyle commonly associated with race or national origin, marital status, mental or physical disability, military status, national origin, political affiliation, race, religion or sexual orientation or any other non-job-related factor.
4. The Town recognizes that the use of background check information may disproportionately impact some individuals based on their membership in a protected class. Accordingly, the Town will take steps to ensure that any use of background check information will be job related and consistent with business necessity. The Town finds that reporting convictions for nonviolent, drug-related offenses such as possession, manufacture or distribution of controlled substance to only be job related and consistent with business necessity for those positions that are deemed safety-sensitive.

Procedures:

1. Any applicant refusing to authorize the background check will have their applications rejected.
2. Human Resources will arrange for the background check once a tentative offer of employment to the applicant offer has been extended to the applicant.
3. If the background check does not reveal any prior criminal activity, the applicant may be hired pending the results of the drug screening and/or pre-employment physical. However, if the background check reveals a conviction, guilty or no contest plea, HR shall determine the degree to which the criminal conduct is related to the position.
4. When determining whether to reject an applicant because of prior criminal activity, HR shall consider the:
 - nature and gravity of the criminal activity;
 - time that has passed since the criminal activity;
 - duties that the applicant will perform;
 - applicant's opinion on the accuracy of the background check;
 - facts surrounding the criminal activity;
 - number of criminal offenses;
 - age of the applicant at the time of the criminal activity;
 - applicant's employment history before and after the criminal activity;
 - applicant's rehabilitation efforts;
 - applicant's employment or character references; and
 - applicant's participation in a bonding program.



- a. If the decision is to reject the applicant because of their prior criminal activity, the Town shall comply with the requirements of the Fair Credit Reporting Act.
- b. First, HR will notify the background check third party administrator to send the applicant a “pre-adverse action” letter. The TPA will include a copy of the background check relied on by the Town. Also, the letter will provide the applicant with a summary of their rights under the Fair Credit Reporting Act.
- c. The applicant will have five (5) business days to review and dispute any inaccurate information in the background check.
- d. After the five (5) business days have passed, HR will provide the applicant with an “adverse action” letter.

Section 10. Procedures for Active Employees

1. All active employees who are subject to a legal action/proceeding shall provide the following information to their immediate supervisor within two (2) business days of the initial incident:
 - a. name of the jurisdiction involved (i.e., Johnston County);
 - b. location of the alleged activity;
 - c. specific legal action (i.e., arrest, charges, convictions, traffic violations) during work hours or after work hours;
 - d. nature of the alleged activity (i.e., driving while impaired, possession of marijuana);
 - e. date and time of the legal action;
 - f. any traffic violation(s) that impacts your driver’s license or ability to drive legally;
 - g. dates of any upcoming court appearances for criminal related violations.
2. If the immediate supervisor is unavailable, the employee must report the legal action to the next higher-level supervisor. The reporting supervisor should notify their department director of the employee’s legal action within two (2) business days.
3. The Department Director should consult with Human Resources to determine the relevance, if any, of the employee’s legal action(s). In reaching this decision, consideration of the impact of the legal actions on the current position should be given.
4. Employees’ legal action(s) may subject the employee to disciplinary action up to and including dismissal from Town employment. Likewise, employees failing to notify the immediate supervisor of legal actions, as required by this policy, may be subject to



disciplinary action up to, and including dismissal from employment.

5. Employees are not to operate and/or drive Town vehicles if the employee's license has been revoked, expired or suspended.

Section 11. Secondary Employment

Purpose: The Town of Clayton regards employment with the Town as the primary occupation that will take precedence over other occupational pursuits in which the employee might be involved.

Because employees' salaries are paid from tax generated revenues and fees, the Town regards the employees' obligations to the taxpayer as being paramount. For this reason, the employee is expected to consider employment with the Town of Clayton as the employee's primary job. In addition, the Town requires that other occupational or business pursuits not be in conflict with Town employment or detract from the efficiency of work performance.

Scope: This policy applies to all employees.

Definitions:

- ***Secondary Employment*** - Self-employment, business ownership as a sole proprietor or partnership, or any employment for salaries, wages, tips, or commissions other than the position held with the Town of Clayton.

Organizational Rules:

1. Employees may not engage in secondary employment without prior approval of the Town. Secondary employment will not be approved if it creates a conflict of interest or an appearance of a conflict of interest as determined in the sole discretion by the Town. Further, employees may not engage in outside employment if the secondary employment hinders their ability to perform the responsibilities of their Town position.
2. Failure to seek approval for outside employment or to maintain such employment when not approved may be cause for disciplinary action up to and including dismissal from employment.
3. Inappropriate use of sick leave or donated leave benefits as a result of secondary employment may also subject an employee to disciplinary action up to and including dismissal from employment.
4. A signed Secondary Employment form must be in the employee's personnel file regardless of whether the employee is actually engaging in outside employment. In the event that an employee is not engaging in outside employment, then the employee and supervisor must complete and sign the form confirming that fact.
5. All newly hired employees must have an secondary employment form on file at the



beginning of their employment with the Town.

6. Active employees must complete an updated secondary employment form at least annually and whenever a change occurs in their secondary employment activities.

Procedures: Prior to the commencement of the job or occupation, any employee considering outside employment should complete a Secondary Employment Form. The supervisor will review the outside employment and assure that:

1. The nature of the work will not create a conflict of interest or an appearance of a conflict of interest with the Town position;
2. The schedule or total hours worked will not conflict with the performance of the employee's duties with the Town;
3. If the employee is serving as a division manager, deputy department director, department director, assistant Town manager or Town manager, then the employee may not be employed by or be the sole proprietor or a partner of a firm that is a current contractor or vendor of the Town;
4. The employee is not performing work on Town property, or for or on behalf of the Town as a part of the employee's secondary employment;
5. The secondary employment does not require the use of Town equipment, materials or supplies; and
6. Secondary employment does not require the employee to use confidential information acquired through the employee's employment with the Town.

The final decision whether or not to approve secondary employment must be made by the Department Director.

Section 12. Conflict of Interest

Purpose: In order to preserve the public trust of the residents whom the Town serves, it is the policy of the Town of Clayton to avoid financial transactions that create an actual or apparent conflict of interest.

It is essential for the Town of Clayton's Officer, employees and agents to remain free from all conflicts of interest, whether real or apparent. Additionally, North Carolina State law prohibits Town officers, employees and agents from voting upon or otherwise participating in the selection, award or administration of contracts in which they have a direct or indirect financial interest.

As a condition of receiving federal and state grant funds, the Town is required to have a Conflict-of-Interest policy that specifies certain conditions that necessitate a finding that a conflict of interest exists. This policy addresses these concerns and complies with all



applicable federal and state conflict of interest laws.

Scope: This policy applies to all Town officers, employees or agents as well as sub-grantees or sub-recipients of any federal or state funds received from the Town.

Definitions:

- **Officer** - An individual who is elected to or appointed to serve or represent the Town of Clayton, other than an employee or independent contractor of the Town.
- **Employee** - Those individuals who are employed at will by the Town of Clayton for remuneration, whether full-time or part time, benefited or non-benefited, and are charged with implementing Town policies and Town Council's goals and objectives.
- **Agent** - Those individuals or companies who are authorized to act on behalf of the Town and who provide services or products, whether contractual or not.
- **Immediate Family** - For the purpose of this policy, immediate family is defined as wife, husband, mother, father, brother, sister, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepchild, sister-in-law, and brother-in-law.
- **Firm** - A business or other organization whose primary goal is to make money and/or profits for the benefit of its owners, as opposed to a non-profit organization whose purpose is to achieve humanitarian, educational, charitable or civic objectives.

Organizational Rules:

1. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family owns 10% or more of the company proposing to do business with the Town.
2. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family receives income or commission from the proposed transaction with the Town.
3. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family acquires property from the proposed transaction with the Town.
4. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family will be performing work for or on behalf of the Town as a result of the proposed transaction with the Town.
5. No officer or employee of the Town shall bid for or to purchase or to contract to purchase from the Town any real estate, equipment, materials, or supplies of any nature or kind whatsoever, either directly or indirectly, at either public or private sale,



either singly or through, or jointly with any other person. Once certain Town equipment has exceeded its useful life the Town Manager has the discretion to approve the sale of the equipment to the employee who possessed and cared for the equipment during their service for the Town. For instance, the Town Manager has the authority to sell retiring K-9 dogs to their handlers.

6. No officer, employee or agent of the Town, and no sub-grantee or sub-recipient of any federal or state funds from the Town shall participate in the selection or in the award or administration of a contract supported by federal, state or Town funds if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when any of the following persons or entities has a financial or other interest in the firm selected for the award:
 - a. The employee, officer, agent
 - b. Any member of the employee's immediate family,
 - c. The employee's partner, or
 - d. An organization which employs, or is about to employ, anyone listed in (1) through (3) above.
7. No Town employee, officer, agent or grantee's or sub-grantee's officers, employees or agents will solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, except as may be allowed in the Town's Gift Policy. See the Gifts policy on page 83 for more information.
8. The Town encourages its employees to use their knowledge, skills, abilities and talents to benefit the community we serve. Volunteerism benefits the volunteer, the Town organization and the residents of Clayton. In some instances, an employee's volunteer activities may present a conflict of interest with the duties of their Town position. In those instances, employees are required to disclose the existence of the conflict to their immediate supervisor, and to refrain from participating in the selection, award or administration of any contract where the conflict of interest exists.
9. Unless otherwise required by state or federal law, the above referenced organizational rules may be waived by the Town Manager if the Town Manager determines that the conflict of interest, real or apparent, would impair the Town's ability to acquire property or to enter into financial transactions or other contracts or purchases or such waiver would be in the best interest of the Town under the specific circumstances in which the conflict of interest arises. If the Town Manager is the employee with a real or apparent conflict of interest, then the Town Council may waive the above referenced organizational rules if the Council determines that the waiver would be in the best interest of the Town under the specific circumstances in which the conflict of interest arises.

Procedures:



1. Report to their immediate supervisor or other management official in their reporting relationship all the facts and circumstances concerning the conflict in as much detail as possible. This report should identify (i) the party or parties involved, (ii) the contract involved (iii) the nature of the conflict, and (iv) any other relevant facts and circumstances concerning the conflict; and
2. Refrain from participating in the selection, award or administration of any financial transaction involving that firm; and
3. Refrain from attempting to influence any person involved in the making or administration of the financial transaction.

Any management official who receives information related to a potential conflict of interest as described above shall promptly, thoroughly and impartially investigate the complaint. The management official shall consult with the Town Attorney's Office and the Human Resources Department to determine whether a conflict of interest exists in the particular situation, how to respond to the situation, and whether any disciplinary action is indicated.

Any violation of this policy will subject the officer, employee, or agent to disciplinary action up to and including dismissal from employment and may also subject the offender to criminal prosecution and/or civil penalties under North Carolina State law and Federal law.

It is the responsibility of each employee or officer to be aware of and adhere to the tenants of this conflict-of-Interest policy. Town officers, employees, and agents are also responsible for ensuring their subordinates remain abreast of this policy in all dealings they might be involved with as it pertains to the selection, award, or administration of a contract supported by federal, state, or Town funds.

Section 13. Gifts

Purpose: Town of Clayton policy prohibits employees from accepting gifts, gratuities or other considerations from anyone except as noted in this policy.

The citizens of Clayton entrust the employees of the Town to provide services to further the public, not private or personal, interest. To maintain the public trust, it is essential that the Town functions honestly and fairly, free from all forms of impropriety, threats, favoritism, and undue influence or from the appearance of impropriety. Town employees must maintain and exercise the highest standards of duty to the public in carrying out the responsibilities and functions of their positions. Supervisors and managers are expected to set the "tone" for adherence to the policy and serve as an example to follow.

In some circumstances, North Carolina State law also prohibits the acceptance of gifts or gratuities or the granting of any favor by governmental employees and makes a violation of this prohibition a Class I misdemeanor.

The Town acknowledges that networking opportunities in social settings and certain gift



giving practices may be customary and are an integral part of on-going business relationships. However, employees will not accept gifts and gratuities for the benefit of the employees or participate in granting favors or influence of any kind regarding Town business except as noted in this policy.

Scope: This policy applies to all Town employees. This policy also applies to parties whom the employee knows, or has reason to know, any of the following:

Is doing or seeking to do business of any kind with the Town,

Is engaged in activities that are regulated or controlled by the Town, or who have a financial interest that may be substantially and materially affected, in a manner distinguishable from the public, generally, by the performance or nonperformance of the employee's official duties.

Definitions:

- **Benefit** - For the purposes of this policy a benefit is anything reasonably regarded as a financial gain or financial advantage, including a benefit to any other person in whose welfare an employee has a direct and substantial interest.
- **Business** - Any of the following, whether or not for profit; association, corporation, enterprise, joint venture, organization, partnership, proprietorship, vested trust, and every other business interest, including ownership or use of land for income.
- **Town Employee** - Any person hired or appointed to a position with the Town of Clayton for wages.
- **Contract** - A promise or set of promises constituting an agreement between the parties that gives each a legal duty to the other and also the right to seek a remedy for the breach of those duties.
- **Contractor** - One who, for a fixed price, undertakes to perform work or services, or the furnishing of goods for the Town.
- **Vendor** - A seller of goods or services to the Town.
- **Gift** - Anything given to the Town of Clayton or its employee, officer or agent, in the course of official duties, whether personal or real property, voluntarily transferred without compensation or consideration, or for substantially less than market value. Examples of gifts, and this list is not intended to be all-inclusive are food, promotional items, real property or the use of real property, meals, and entertainment.
- **Gratuities** - Something given voluntarily to the Town of Clayton or its employee, officer or agent, in the course of official duties, usually in return for or in anticipation of some service. Examples of gratuities, and this list is not intended to be all-inclusive are intangible items that represent a certain value such as money, preferential terms, endorsements, services, and/or access to people or information.



- **Nominal Gift** - A gift or benefit with a fair market value of less than \$25.

Organizational Rules:

1. **Allowed Meals and Beverages** – Meals and beverages may be paid by another party if:
 - a. At conferences, meetings of professional organizations or other gatherings of individuals for educational, training and/or professional development purposes, provided that all participants are invited to attend or there are a substantial number of different jurisdictions represented at the function to avoid the perception of “singling out” the Town of Clayton employee for special treatment, or
 - b. Provided at an “Open House”, meals and beverages are allowable if attendance at the event is widespread and includes staff members of other municipalities or the general public, or
 - c. The item is perishable (consumable) and it is offered for the enjoyment of all employees in a work unit.
2. **Prohibited Meals and Beverages** – Meals and beverages may not be paid by another party if:
 - a. The item is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction.

Section 14. Non-Monetary Gifts and Gratuities

1. **Allowed Non-Monetary Gifts and Gratuities** - Non-monetary Gifts and Gratuities may be accepted if the item:
 - a. Represents a souvenir or a promotional item and the fair value is estimated at \$25 or less, or
 - b. Is a sample or representative product produced or sold by the other party and the value is estimated at \$25 or less, or
 - c. Is perishable (such as holiday plant, flowers) and is displayed for the enjoyment of all employees in a work unit, or
 - d. Is won in a raffle at a professional conference or other function, or
 - e. Is accepted on behalf of the Town (of any monetary value), with acknowledgement.
2. **Prohibited Non-Monetary Gifts and Gratuities** - Non-monetary gifts and gratuities



may not be accepted if the item:

- a. Is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction or
- b. Is other than the allowable circumstances described above or is in excess of the nominal gift threshold.

Section 15. Monetary Gifts and Gratuities (Including Gift Cards and Certificates)

1. ***Allowed Monetary Gifts and Gratuities*** - Monetary gifts and gratuities may be accepted if the item:
 - a. Is accepted on behalf of the Town (of any monetary value) with acknowledgement or
 - b. Is won in a raffle at a professional conference or other function.
2. ***Prohibited Monetary Gifts and Gratuities*** - Monetary gifts and gratuities may not be accepted if the item:
 - a. Is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction, or
 - b. Is a gift certificate or cash award in any denomination, accepted for the sole benefit of an employee or the employee's family member, other than described above or below, or
 - c. Is payment offered for serving on an appointed board or commission, where the appointment is made due to the position or duties as a Town employee.

Section 16. Travel and Lodging

1. ***Allowed Travel and Lodging*** - Travel and lodging expenses may be paid or offered by another party only if it is associated with the public business of industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee(s) is responsible for conducting the business on behalf of the Town.
2. ***Prohibited Travel and Lodging*** - Travel and lodging expenses may not be paid or offered by another party if:
 - a. For any reason, the employee attends or speaks at a conference, user group or is part of a panel discussion, unless the other party is completely independent of a current or potential vendor associated with the Town, or
 - b. For any reason, the employee is evaluating a product or service for potential



business use by the Town or is “troubleshooting” an existing product in service, or

- c. For any reason, the employee’s attendance is required at meetings/events surrounding a business or financial transaction, or
- d. The travel and lodging represent use of a private entity’s personal or real property

“PROHIBITED” travel and lodging expenses are to be paid for by Town employees under the standard Travel Policy, if associated with a valid business purpose.

Section 17. Entertainment

1. ***Allowed Entertainment*** - Entertainment may be accepted if:

- a. The entertainment is associated with the public business of industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee(s) is responsible for conducting the business on behalf of the Town, or
- b. The entertainment is associated with conferences, meetings of professional organizations or other gatherings of individuals for educational, training and/or professional development purposes, provided that all participants are invited to attend or there is a substantial number of different jurisdictions represented at the function to avoid the perception of “singling out” the Town of Clayton employee for special treatment, or
- c. The entertainment is provided at an “Open House” and attendance at the event is widespread and includes members of the general public, or
- d. The Town is an official sponsor or joint sponsor of the event.

2. ***Prohibited Entertainment*** - Entertainment may not be accepted if:

- a. The entertainment is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction, or
- b. The entertainment relates to participation in or viewing golf or other sporting event, or
- c. The entertainment is provided by a third party and is not available to the general public. (For example, a Town employee may not accept the use of special entertainment suites, box seating or a company sponsored hospitality area that is not available to the general public).

Section 18. Awards and Honoraria



1. ***Allowed Awards and Honoraria*** - Awards and honoraria may be accepted if:
 - a. The receipt of the honorarium or gift is for participating in meetings, in recognition of achievement or services provided to a profession or organization, or
 - b. The items are advertising items or souvenirs of nominal value, or
 - c. Meals furnished at banquets.

Section 19. Favors and Influence

1. A Town employee shall not knowingly use the employee's public position in any manner that will result in financial benefit, direct or indirect, to the employee, a member of the employee's family or a person with whom, or business with which, the employee is associated.
2. An employee will not mention or permit another person to mention the employee's public position in commercial advertising, unless it refers to comments associated with a professional organization's training program.
3. No preferential treatment may be given on any rates, loans, services or in any Town process.

Procedures:

1. If questions arise concerning the application of the provisions of this policy, employees should report the situation to their immediate supervisor who will consult with the Department Director to determine if the item or activity is allowable. Departmental management should contact the Human Resources Department for assistance, if needed.
2. IF A PROHIBITED GIFT IS RECEIVED, the employee will either:
 - a. Return to sender, if practical, or
 - b. Donate it to the Town of Clayton, or
 - c. Purchase the items/supplies, paying fair market value, for the benefit of the Town.
3. In all cases where a prohibited gift is received, the gift must be acknowledged in a letter to the donor explaining the item was accepted on behalf of the Town of Clayton.
4. Violations of this policy will subject the employee to disciplinary action, up to and including termination.
5. With his sole discretion and judgment, the Town Manager may interpret and apply the procedures and policies contained herein in accordance with the specific



circumstances.

Section 20. Inclement Weather

Purpose: Town of Clayton services must continue to operate at all times including periods of severe inclement weather. Some operations may work an abbreviated schedule; others may temporarily cease specific operations. However, many services become more critical during poor weather conditions.

There are times when employees will be called in to work at times that differ from the employee's normally scheduled work hours to staff Town operations. During such conditions, employees may be required to work extended hours or times outside of the employee's regularly scheduled working hours to staff Town operations.

The Town Manager or a designee may declare that the Inclement Weather Plan is in effect by announcing that Town Offices are closed; will open at some time other than 8 am; or will close at some time other than 5 pm.

In addition, a Department Director, with the Town Manager's approval, may choose to close a facility or program if impacted by inclement weather.

Scope: This policy covers benefit eligible Town employees.

Definitions:

- ***Inclement Weather*** - Weather conditions that make travel to and from work especially difficult. Typically, this is an accumulation of ice/snow but could occur as a result of unusually severe storms of other types.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Other (Not Benefit Eligible) Employee*** - An employee assigned to a position designated roster (RP), seasonal, or special project (SP) who is eligible for salary and mandated benefits only.
- ***Exempt Status*** - Employees who are exempt from the minimum wage, overtime, and record-keeping requirements of the FLSA.
- ***Non-Exempt Status*** - Employees who are subject to the minimum wage, overtime, and record-keeping provisions of the Fair Labor Standards Act (FLSA).
- ***Service Critical*** - An employee whose job responsibilities require that the employee be at work regardless of weather conditions to directly provide immediate essential service to the public or provide direct leadership or support to those who do.

Organizational Rules:



General Provisions

1. The Town Manager or designee will declare that the Inclement Weather Plan is in effect by announcing that Town Offices will open at some time other than 8 AM and/or close at some time other than 5 PM.
2. All Service Critical employees are expected to be at work at scheduled times, not at the time of a delayed opening. The scheduled time may be different than the employee's normal work schedule.
3. Employees not designated as Service Critical may, during a declared weather emergency, report to work by the opening time designated by the Town Manager or leave at the early closing time designated by the Town Manager and will not be charged any leave time for the day.
4. Employees who can work remotely may do so with the approval of the Department Head. If working remotely, employees are expected to work as normal during adverse weather conditions unless the weather conditions affect their ability to work. Such reasons may include an electricity or Internet outage.
5. Those who do not report to work at all will be charged leave time for all hours missed during a normal workday. Employees on previously scheduled leave or who call in sick prior to designation of the closing will be charged the normal scheduled hours in leave for the day.
6. Employees reporting after the starting time designated by the Town Manager may be charged leave for the hours missed after the designated starting time. Employees who choose to leave prior to an early closing designation of the Town Offices by the Town Manager, or facility or program closings made by the Department Director, will be charged leave time from the time of the departure up to the early closing designated time.
7. Other (not benefit eligible, rosters) employees will be paid only for the actual hours worked.

Departmental Provisions

1. Each department, especially one offering direct public services, may develop more detail requirements this may include, but is not limited to, the department's approach to the use of Town vehicles for employee transportation, alternate work site reporting, permitted telecommuting/home assignments, and late reporting for Service Critical employees.
2. Each department is responsible for determining which employees are Service Critical and for communicating the designation to each employee. This should be included on the employee's job description.



3. Employees are expected to update their departments regularly in advance if personal circumstances, such as the care for children, prevent them from fulfilling their duties should their services be needed during an irregular inclement weather schedule.
4. If a Department Director, with the Town Manager's approval, chooses to close a facility or program early or directs employees to not report to work, the employees will not be charged leave for the hours not worked on the designated City inclement weather schedule.
5. Departments may, if feasible, allow employees to make up time missed due to the weather provided that, for non-exempt employees, the time is made up in the same work week.

Procedures:

1. Once a decision has been made to change the normal administrative operating hours, the information about late openings and early closings will be communicated to staff.
2. Departments will communicate any departmental inclement weather policies to employees prior to implementation of the inclement weather policy.
3. Departments will inform employees whether the employee is considered Service Critical prior to the traditional inclement weather season. Changes to this status should be communicated when the change is made.
4. Employees will inform the immediate supervisor if a personal or family situation is occurring that would impact the employee's ability to meet the Town's expectations for attendance in inclement weather.

Section 21. Progressive Corrective Action

Purpose: This policy is to provide information to employees and supervisors about the behaviors and performance that are expected by the Town of Clayton. This policy highlights behaviors that are considered unacceptable and provides guidance to supervisors about the rules and procedures that are to be followed in dealing with unacceptable behaviors and performance.

The Town of Clayton continually strives to maintain a safe, productive, and professional work environment for its employees. This environment is reinforced by uniform, fair, and consistent administration of corrective action. Employees may be dismissed at the will of the Town Manager or his/her designee at any time. ***EMPLOYMENT WITH THE TOWN OF CLAYTON IS AT-WILL, AND NOTHING IN THIS POLICY SHALL BE CONSTRUED TO ALTER THE AT-WILL NATURE OF THE EMPLOYMENT RELATIONSHIP.***

Objectives:



- To maintain standards for performance and behavior that are reasonable, fair, and equitably applied;
- To communicate standards for employee performance and behavior that support the Town's mission, vision, and values;
- To prescribe corrective actions and outline disciplinary measures to be taken when employee performance or behavior is not in keeping with expectations and requirements; and
- To provide affirmative feedback when employee performance or behavior changes to meet expectations.

Scope: Non-benefit eligible employees and employees in their original probationary status are not covered. All other employees are covered by all sections of this policy.

Organizational Rules: The Town supports the use of progressive corrective action whenever possible and expects supervisors to use the process on a fair and consistent basis. However, in some cases, because of the circumstances surrounding the behavior and/or performance, the immediate suspension, demotion or dismissal of an employee may be appropriate. Supervisors should consult Human Resources prior to implementing Correction Actions.

- The Town Manager is the only position that is allowed to approve the suspension, demotion, or dismissal of an employee.
- Supervisors should consult with the Human Resources Director for procedural guidance before initiating any corrective action.
- The procedures outlined in this policy are not mandatory for benefit eligible employees in an original probationary status, and other (not benefit eligible) employees, though they are strongly recommended.
- Both the Clayton Police Department and Fire Department may establish other alternative corrective action procedures that meet their unique needs provided that the departmental rules do not conflict with rules in the Personnel Policy Manual. Any variations from this policy should be reviewed and approved by the Human Resources Director in writing prior to their implementation. Allegations of harassment and discrimination will be investigated and addressed only through the applicable Town-wide personnel policy.

Section 22. Just Cause for Disciplinary Action

The bases for the discipline or termination of an employee are the following:

- Unsatisfactory job performance or grossly inefficiency in job performance;
- Violation of, or failure to adhere to, established Town policies or procedures; and



- Unacceptable personal conduct.

Certain actions by an employee may fall under one or more of the bases listed above. When just cause exists, any employee of the Town, regardless of position/role, may be subject to disciplinary action by the Town Manager. These disciplinary actions may include the following:

- Oral or written warnings
- Suspension with pay
- Suspension without pay
- Demotion or departmental transfer (only for unsatisfactory or gross inefficiency in job performance); and
- Termination

Depending on the nature of the misconduct or the severity of the unsatisfactory job performance, an employee may be subject to a final disciplinary notice or immediate termination from the Town without going through progressive disciplinary actions.

An employee's direct supervisor is responsible for evaluating their job performance throughout the year via confidential one-on-one meetings or coaching sessions emphasizing strengths and areas needing improvement. The supervisor must document performance and/or disciplinary issues through the performance management tool.

Procedures: The following conditions should be in place before any disciplinary action is taken for unsatisfactory or inefficient job performance:

1. The supervisor should be satisfied that the employee clearly understands the expectations of employment. These expectations are specifically delineated in the employee's job description.
2. The supervisor should ensure the employee has access to, and knowledge of, policies, procedures, professional development, and training opportunities; and a work environment conducive to carrying out assigned job duties and responsibilities; and
3. The supervisor must present documentation of just cause for disciplinary action to Human Resources. The department head must endorse a disciplinary action request.

Section 23. Performance Management Progressive Corrective Options



The following performance management options will be applied according to whether the circumstances involve unsatisfactory job performance, gross inefficiency, or unacceptable personal conduct:

1. ***Documented Coaching*** - serves as documentation of a coaching session where the supervisor articulates, models, and reinforces expected performance and addresses (a) performance deficiencies, (b) behavior concerns, including attendance and tardiness, and/or (c) violations of policies, procedures, standards of professional conduct, and safety practices. This disciplinary action is intended to focus on the employee's development through a process that reflects a mutual commitment to the employee's success and should be issued within five (5) working days of the correlating event unless there are extenuating circumstances. A Documented Coaching is not grievable.
2. ***Written Warning*** - The supervisor initiates a written notice when there are ongoing performance problems, behavior concerns, more serious violations, and/or a recurrence of prior violations. At the Written Warning stage, the supervisor advises the employee of the seriousness of the matter. The intent of this disciplinary action is to focus on the employee's development through a process that reflects a mutual commitment to the employee's success and should be issued within five (5) working days of the correlating event unless there are extenuating circumstances.
3. ***Final Disciplinary Warning*** - The supervisor, with prior approval from Human Resources, issues a Final Written Notice when one or both of the following conditions exist:
 - a. Unacceptable personal conduct; and/or
 - b. There is no improvement or resolution related to an employee's performance deficiencies, behavior issues, or policy violations following a Written Warning (This notice could be for the same violation as the Performance and/or Disciplinary Notices).
 - c. The intent of this disciplinary action is to focus on the employee's development through a process that reflects a mutual commitment to the employee's success and should be issued within five (5) working days of the correlating event unless there are extenuating circumstances.

In determining whether an employee's performance is unsatisfactory, the supervisor should consider any appropriate factors, including, but not limited to, the following:

- Quality of work;
- Quantity of work;
- Work habits (Attention to detail, team/group dynamics, follow-through, time management, etc.);



- Promptness;
- Completion of mandatory trainings;
- Timely performance of work;
- Related analysis, decision, or judgment;
- Accuracy of work;
- Results of the Performance Improvement Plan process;
- Absenteeism and tardiness;
- Ability to follow instructions, directions, and procedures;
- Appropriateness of work

Section 24. Performance Improvement Plan

The Performance Improvement Plan is intended to reestablish performance and behavior expectations. Supervisors must consult with Human Resources in the development of a Performance Improvement Plan. The plan must:

- Establish a timeframe of at least thirty (30) calendar days and no more than ninety (90) calendar days;
- Include specific tasks, actions, goals, and/or projects that are achievable and measurable given the timeframe;
- Include milestone check-in meetings (ideally at least biweekly) to discuss progress and provide coaching;
- Include a decision date by which the supervisor will provide closing feedback regarding resolution or further disciplinary action up to and including termination.

The Performance Improvement Plan for each performance management option may be extended in thirty calendar-day increments up to a total of ninety (90) calendar days with the approval of the Human Resources Director.

In order for an employee to be terminated from employment due to unsatisfactory job performance, they should have the following:

- A current unresolved incident of unsatisfactory job performance; and



- At least two prior active warnings or other disciplinary actions for unsatisfactory job performance or gross inefficiency or dissatisfactory results from a Performance Improvement Plan.

Section 25. Documentation and Recordkeeping

The supervisor is responsible for documenting actions taken to address any issues with an employee's performance or behavior, including any fact-finding activities, discussions with the employee and other relevant parties, analyses and determination of findings, and follow-up actions.

Section 26. Disciplinary Actions

The Town Manager will apply the following disciplinary actions based on whether the circumstances involve unsatisfactory job performance, gross inefficiency, or unacceptable personal conduct:

- ***Disciplinary Suspension with Pay*** - An employee who has allegedly violated a Town policy or procedure, standard of professional conduct, or safety guideline may be suspended or placed on administrative leave with pay pending the completion of an investigation. As part of the investigation, the employee's supervisor, department head, Human Resources Director should consider the following as appropriate considering the circumstance:
 1. Whether clear expectations have been communicated to the employee;
 2. Whether necessary policies, processes, and procedures have been followed;
 3. Whether corrective action has been recommended;
 4. Whether training has been accessible to the employee;
 5. Whether the supervisor has documented the processes, procedures, corrective action, and training;
 6. Whether the supervisor has documented the employee's ongoing performance deficiencies, behavior issues, and/or violations;
 7. Whether the supervisor has provided performance feedback; and/or
 8. Whether the allegation could result in the Town Manager taking action to terminate employment with the Town.
- ***Disciplinary Suspension without Pay*** - If the Town Manager determines that an employee has violated Town policies or procedures, a standard of professional conduct or safety practice, or engaged in other unacceptable behavior that, under normal circumstances, could warrant termination of employment, they may suspend the



employee without pay. A disciplinary suspension without pay for an employee who is subject to the overtime compensation provisions of the Fair Labor Standards Act (FLSA) must be for at least one full work day, but not more than two work weeks (ten work days). The length of a disciplinary suspension without pay for an employee who is exempt from the overtime compensation provisions of the FLSA must be for at least one full work week (five work days), but not more than two full work weeks (ten work days). The length of a disciplinary suspension for an employee on a non-forty-hour week/schedule shall be no more than 80 hours.

- ***Disciplinary Demotion*** - If the Town Manager determines that an employee has committed an egregious act in violation of a Town policy or procedure, a standard of professional conduct or safety practice, or engaged in other unacceptable behavior that, under normal circumstances, could warrant termination of employment, the Town Manager may demote the employee and adjust their compensation accordingly.
- ***Involuntary Transfer*** - If the Town Manager may reassign the employee to another position or department and may adjust their compensation accordingly. In order for an employee to be involuntarily transferred due to grossly inefficient job performance, they should have the following:
 1. A current unresolved incident of grossly inefficient job performance; and
 2. A failed Performance Improvement Plan that was implemented to correct job performance inefficiencies.
 3. In the event of an involuntary transfer, a reduction in pay will occur if significant job duties have been removed.

Section 27. Active Disciplinary Actions

Employees on active disciplinary actions are not eligible for merit bonus/increase but will be granted any Town-Wide COLA adjustments.

- ***Grounds for Immediate Dismissal*** - Termination of employment may occur for any of the following non-exclusive list of reasons:
 1. Conduct unbecoming of a Town Employee;
 2. Conviction for a crime involving moral turpitude or a felony;
 3. Chronic absenteeism;
 4. Insubordination, unprofessional conduct, or failure to cooperate with other employees to the extent that, in the opinion of the Town Manager, dissension interrupts the orderly performance of duties;
 5. Directly or indirectly intimidating, harassing, bullying, threatening, or coercing an employee in any way;



6. Use of controlled substances during work hours or appearing at any time on Town property under the influence of controlled substances;
7. Reporting to work or appearing at any time on Town property under the influence of alcohol;
8. Falsification of an employment application or other employment documentation;
9. Violation of Sexual Misconduct;
10. Participating in social media activity that does not support the Town's mission, vision, and core values;
11. Engaging in any other conduct that the employee knows or should know violates general standards of behavior that an employer would expect of an employee regardless of whether prior warning or notice is given.

Section 28. Recommendation to Terminate Employment

A recommendation to the Town Manager to terminate an employee should be reviewed and supported by the supervisor's department head and the Director of Human Resources. The supervisor is responsible for documenting the employee's actions and the supervisor's efforts to support the employee in improving deficiencies, performance, and actions, if applicable. Documentation in support of the employee's termination should be reviewed and endorsed by the department head. If the recommendation for the employee's termination is supported by the supervisor's documentation and determined to be warranted, the department head will forward it and a draft of the termination letter to Human Resources for review and consideration. The Town Manager's decision will be based on a review of the foregoing documentation and will be consistent with all applicable Town policies and procedures.

Section 29. Procedures for Pre-Corrective Action Conference

- ***Prior to the Conference*** - Before demotion, suspension or dismissal of an employee:
 1. A supervisor or management designee must schedule and conduct a Pre-Corrective Conference (PCC) after discussing his/her recommendation with Human Resources and receiving authorization to hold the PCC;
 2. The supervisor or management designee must give the employee advance written notice (at least 24 hours) of the conference. While a minimum of twenty-four (24) hours' notice to the employee is required, advance notice should be as much time as practical under the circumstances;
 3. The notice must inform the employee of the type of disciplinary action being



considered (demotion, suspension or dismissal), the conference time and location, and the specific acts or omissions that are the reasons for the recommendation;

4. If a demotion is being considered, the supervisor must inform the employee if the demotion may change the employee's compensation rate or classification title.

The following people may be included in the conference:

- The supervisor or other person chosen by agency management to conduct the conference;
- A second management representative may be present at management's discretion;
- The employee
- A Human Resources staff member

Legal Representation - No attorneys representing either side may attend the conference nor shall any witnesses attend the conference for either party. This provision does not prevent either party from consulting with legal representation.

Employee Absence - The employee's failure to attend the PCC after receipt of written notification shall not automatically stop the disciplinary process. In such situations, management must consult with Human Resources to determine whether rescheduling the PCC is warranted.

Recordings - Audiotape, videotape, recording devices, and transmission devices are not permitted during the conference.

- ***During the conference*** - During the conference, the person conducting the conference must:
 1. Give the employee written notice that the PCC cannot be recorded by either party or attended by attorney representatives.
 2. Give to the employee written notice of the recommendation for demotion, suspension or dismissal, including the specific reasons for the proposed disciplinary action and a summary of the facts supporting the recommendation; and
 3. Give the employee an opportunity to respond to the recommended disciplinary action, offer facts that are different from those offered by management and offer



facts in support of the employee's position.

This policy does not give an employee the right to have witnesses present at the conference.

- ***Following the Conference*** - After the conference, management shall:
 1. Review all necessary information, consider the response of the employee, and decide on the recommended disciplinary action;
 2. Allow time to review all necessary information and not communicate the decision to the employee prior to the beginning of the next business day following the conclusion of the pre-disciplinary conference; and

If management decides to demote, suspend, or dismiss the employee, then the employee shall receive a written disciplinary action letter either in person or by mail. The written disciplinary action letter shall include:

1. The basis for the disciplinary action;
2. The effective date of the disciplinary action;
3. The specific acts or omissions that are the reason(s) for the disciplinary action;
4. The employee's right to appeal and a copy of the grievance policy.

Section 30. Grievance

Purpose: The Town of Clayton offers regular full-time and part-time employees, except the Town Manager, a process through which they can seek to resolve grievances in a fair and equitable manner, without an employee fearing discrimination, coercion, retaliation, restraint, and reprisal, for a more effective employer/employee relationship that is in the best interest of all affected. Outside representatives are not allowed to be present during the Grievance Process. Legal counsel may be allowed at the final appeal level.

Scope: All Full Time and Part Time employees who are no longer in their probationary period.

Objectives:

- Assure employees of a way in which they can get their problems or complaints heard and, if possible, resolved;
- Encourage the employee to express himself/herself about how the conditions of work affect him/her as an employee;
- Foster better employee understanding of policies, practices, and procedures;



- Provide employees with assurance that actions are taken in accordance with policies;
- Ensure that Town policies are carried out;
- Provide a procedure for employees to grieve disciplinary action.

Coverage and Applicability: An employee may file a grievance with regard to any of the following:

- Dismissal notice;
- Denial of promotion where it is alleged that the selection was not from among the most qualified persons or other factors such as discrimination;
- Denial of veteran's preference regarding initial employment and other employment events including promotions, reassignments, and transfers;
- Any other alleged discriminatory or unlawful conduct.

Exclusions: Subjects for which grievances may not be filed, except to the extent covered above, include, but are not limited to:

- Position Classification;
- Position in assignment in terms of duties and responsibilities or organization;
- Duty station assignment;
- Salary administration except in manners where unlawful discrimination is alleged;
- Denial of participation in the Voluntary Shared Leave program;
- Any requirement to use technology for work efficiency and effectiveness;
- Mission of the Department or any sub-unit's mission of the Department;
- Any program function of the Department;
- Any standard of service;
- Any Department budget decision.

Procedures: All grievable disputes as defined in the preceding sections will be administered in the specific manner below and processed within the Town time limits unless a time extension is necessary due to unusual circumstances, or the need of further investigations as determined by the Supervisor, Department Head, or Town Manager. In such circumstances, the time



frames set forth herein may be extended by the Town by written notice to the employee. Failure by the employee to process a grievance within the stated time limit or time extension shall constitute a waiver of the grievance.

At each step of the grievance process, where written documentation is required, the Human Resources Director should receive a copy to retain. In a department where the Department Head is the immediate Supervisor, Step 2 shall be omitted, and the appeal process shall proceed to Step 3. In a department where there is more than one supervisory level, supplemental policies developed by the Department Heads may alter the process between the immediate Supervisor and the Department Head.

1. The employee shall first present his/her grievance in writing to the immediate Supervisor within five (5) business days of its occurrence or within five (5) business days of the time the employee learns of its occurrence, with the objective of resolving the matter informally.

The Supervisor should respond to the aggrieved employee within seven (7) business days after receipt of grievance; the response shall be in writing and signed by the immediate Supervisor. The employee shall sign a copy of the decision to acknowledge receipt and date of receipt. The Supervisor is encouraged to consult with any employee to obtain information deemed necessary to reach an impartial decision.

2. If the grievance is not resolved to the satisfaction of the employee during Step 1, the employee may file the grievance in writing with the Department Head (except when the Supervisor in Step 1 is the Department Head, in which case, the Human Resources Director) within five (5) business days of receipt of the Supervisor's written decision. The grievance shall state the basis of the complaint. The Department Head should meet with the employee within seven (7) business days of receipt of the Step 2 grievance, review the decision made at Step 1, and make an independent determination of the merits of the grievance. The Department Head should issue a written decision to the employee within seven (7) business days. The Department Head should send a copy of the decision to the Human Resources Director, signed and dated by the employee to acknowledge receipt of the response.
3. If a grievance is not resolved to the satisfaction of the employee during Step 2, the employee shall give written notice of appeal to the Town Manager no later than five (5) business days of receipt of the Department Head's written decision. The Human Resources Director will forward all documentation received relating to the grievance to the Town Manager. The Town Manager should conduct a fact-finding hearing and he/she will notify the employee in writing of his/her decision to conduct a fact-finding hearing within seven (7) business days of the employee's appeal.

The Town Manager will notify the employee of his/her final decision regarding their grievance within seven (7) business days of the hearing. The employee shall sign and date a copy of the Town Manager's response to acknowledge receipt. The decision of the Town Manager shall be conclusive and final, and there shall be no further appeal.

4. If a suspension, demotion or dismissal is overturned through the grievance process,



the employee will be reinstated to his/her same duties, classification, and rate of pay.
They are to receive pay at their regular rate for the time lost.

The time frames set forth herein may be extended by the Town depending on the circumstances by written notice to the employee.



ARTICLE V. BENEFITS

Section 1. Benefits Philosophy and Overview

Purpose: As an integral part of a competitive total compensation program, the town of Clayton offers its full and part time employees and retirees a comprehensive program of benefits. Other (not benefit eligible) employees receive a program of mandated benefits only.

The purpose of the Town's compensation program is to recruit, retain, motivate, and reward employees to fulfill the mission of the Town in providing service to its citizens. In addition to a competitive salary, a competitive benefits program is an integral part of a successful total compensation program. Some benefits offered by the Town are mandated by law, but most are voluntary. The Town's benefit program objective is to contribute to the health and well-being of employees as well as to provide for their financial security into retirement. Benefit program content, design, and cost sharing may change over time in response to market conditions and to meet the changing needs of employees and their dependents.

Scope: This policy applies to all Town of Clayton employees and retirees.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the City's benefit programs in addition to legally mandated coverage.
- ***Other (Not Benefit Eligible) Employee*** - An employee assigned to a position designated Part-time (Non-LGERS) roster, seasonal, or special project.
- ***Mandated Benefit Programs*** - Benefit program offerings that are required by law, including FICA (Social Security/Medicare Coverage), Unemployment Insurance, and Workers' Compensation Insurance.
- ***Voluntary Benefit Programs*** - Benefit program offerings that are offered by the Town on a voluntary basis including health, dental, and life insurance, and leave programs.

Organizational Rules:

1. Nothing stated in this policy guarantees an employee any vested benefits rights.
2. As with salaries, the Town will offer a benefits program that maintains at least a mid-level relationship with a competitive market.
3. The Town complies with the laws and regulations, both Federal and State, which apply to North Carolina local government benefits programs.



4. Benefit eligible employees will be provided a benefits program consisting of both mandatory and voluntary benefits.
5. Other (not benefit eligible) employees will be covered by mandatory benefits only.

Procedures: The human resources department will publish benefit information in the benefits book as needed. The Town reserves the right to make changes in any of these benefit programs at any time.

Section 3. Health Benefits – Active Employees

Purpose: In keeping with its compensation philosophy of maintaining a competitive market position, the Town of Clayton offers a comprehensive package of benefits to full-time and part-time benefit eligible employees.

A competitive benefits program is an integral part of a successful total compensation program. Many benefit programs provide tax advantages for employees. As a result, a number of laws have been established to govern how benefits are provided to employees. In order to comply with these laws, the Town has a number of requirements that govern benefit eligibility, enrollment, coverage changes. This policy focuses on these requirements and how they impact the Town's employee benefit programs.

Scope: The Policy applies to all benefit eligible Town of Clayton employees.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Dependent*** - For benefit purposes, dependents are: spouse; natural minor children; adopted minor children or minor children placed for adoption; minor stepchildren if the spouse is the custodial parent and the stepchildren live with the employee; minor grandchildren for whom the employee is legally responsible and the non-minor parent does not live with the employee; or other minor children for whom the employee has legal responsibility.
- ***COBRA (Consolidated Omnibus Budget Reconciliation Act of 1986/Public Health Act of 1986)*** - Federal laws, enforced by the United States Department of Health and Human Services for the public sector, that provide for continuation of health and dental coverage for specified lengths of time and for certain circumstances following a loss of insurance coverage.
- ***HIPPA (Health Insurance Portability and Accountability Act of 1996)*** - A Federal law, enforced by the United States Department of Health and Human Services, that governs the privacy of protected health information as well as personal data, and



- provides for portability of health and dental benefit eligibility.
- ***Qualified Family Status Change*** - Changes in the legal status of a family that allow for changes in benefit coverage. Status changes include marriage, birth or adoption of a child, placement of a child for adoption, legal separation, divorce, loss of dependent status, or a substantive change in employment status for the retiree or spouse.
- ***Open Enrollment*** - An annual period, normally in the fall, when retirees may make benefit coverage changes for the following plan year without a qualified family status change.

Eligibility: All benefit eligible employees and eligible dependents are eligible to enroll in City benefit programs.

1. Children under the age of 26 and children of any age who are permanently handicapped prior to age 26 may be covered, as long as the child does not have access to insurance through their own employer or a spouse's employer.
2. When requested, employees must complete a handicapped dependent eligibility verification form, and a physician's written statement providing proof of the dependent child's handicapped status.

Enrollment: Benefit eligible employees will be enrolled in the Town's benefit programs at benefits sign-up which normally occur immediately after employment.

1. Employees may enroll dependents in Town benefit programs during benefits sign-up. If dependents are not added to benefit plans when first eligible, they must wait until the next open enrollment period or when a qualified family status change occurs.
2. Employees may decline health and/or dental insurance coverage.

Coverage Changes:

1. Employees may change insurance coverage levels at open enrollment each year or during the year, if they have a qualified family status change that is consistent with the coverage change.
2. Benefit changes during the year, due to family status change, must be made within 30 days of the qualified family status change event.
3. Employees may make changes in benefit plans only during the open enrollment period.

Benefit coverage will terminate when any of the following occurs:

- Termination of employment



- Notification of the death of a covered participant
- Notification of a legal separation with written proof of the separation unless a legal document requires coverage for the separated spouse
- Notification of a divorce with written proof of the divorce
- Loss of eligibility of a dependent child
- An employee removes a dependent at Open Enrollment, or the Benefit plan is terminated

Notification:

1. It is the employee's responsibility to notify Human Resources of a change in family status that would impact the eligibility of the employee or dependent to participate in a benefit program. The notification of status change must be made within 30 days of the qualifying event.
2. Failure to notify Human Resources of a family status change will not change benefit eligibility and may result in the employee paying for non-refundable insurance premiums without receiving the benefit or not having coverage for a new dependent.

Procedures:

1. **Initial Benefit Enrollment** - Newly hired benefit eligible employees are enrolled in the Town's benefit programs during benefits sign-up which normally occurs immediately after employment. A representative of the human resources staff explains the benefit options, answers questions and assists the employee in enrollment. Employees who wish to enroll eligible dependents may do so. Employees are responsible for providing the dependent information necessary for enrollment.
2. **Annual Open Enrollment** - During Open Enrollment each year, the human resources department will provide employees with information about the coming year's benefits program as well as enrollment paperwork indicating the current year benefit choices. The human resources department will be responsible for providing educational opportunities for employees to learn about benefit options and ask questions. Employees wishing to make changes will complete the open enrollment paperwork and submit it to their departmental benefits assistant for processing.
3. **Family Status Change** - An employee who has a qualified family status change may add or drop dependents throughout the year if the change is consistent with the status change. To make a benefits change resulting from a family status change, the employee must contact Human Resources and make the change within 30 days of the family status change event, providing proof of the family status change if required by



policy.

4. Some benefit programs such as the Flex spending accounts require a new enrollment each year. During open enrollment, employees may add or drop dependents from benefit coverage without having a family status change.

Section 4. Wellness Reimbursement Program

Purpose: Town of Clayton provides the Fitness/ Weight Loss Management Reimbursement Program designed to encourage and support a well-rounded healthy lifestyle for Town employees. The Reimbursement program is offered to encourage employees to become physically fit, with the anticipation of lower health care claims and less frequent utilization of sick leave benefits. The Town will reimburse a maximum of twenty dollars (\$20) per month /\$240 per year for a fitness facility or weight loss management program membership (single or family) or eligible employees.

Scope: This policy is applicable to all full-time and benefits eligible part-time employees, regularly scheduled twenty (20) hours a week or more. Employees must have completed their probationary period.

Exceptions: Reimbursement is not available to part-time employees in positions designated to work less than twenty (20) hours per week or temporary employees.

Proof of Attendance: Employees are responsible for submitting proof of attendance and payment receipt to the payroll department for reimbursement. Acceptable attendance standards must be met in order to qualify for reimbursement. For gyms employee must attend at least eight times per month. It is the responsibility of the employee to ensure that the athletic facility is willing and able to provide attendance records/receipts for payment.

Eligible Expenses:

- Membership fees at a full-service health club with cardio and strength-training equipment such as treadmills, stationary bikes, weight machines, and free weights. You can submit information to Human Resources for facility approval if you have a question.
- Fitness class fees at a studio or online with instructor-led group classes such as yoga, Pilates, Zumba®, kickboxing, indoor cycling/spinning, and more.
- Participation fees for Weight Watchers and other non-hospital programs (in-person or online) that combine healthy eating, exercise, and coaching sessions with certified health professionals such as nutritionists, registered dietitians, or exercise physiologists (Food and supplements are not included).

Specific Policy Provisions: To be eligible for a monthly fitness reimbursement, the employee must visit an eligible fitness facility a minimum of eight (8) times per month. To receive a fitness reimbursement, a Fitness Reimbursement Claim Form must be completed.



The completed claim form along with a receipt from the health/fitness facility is submitted to the Human Resources Department.

- Claim for Monthly Payment (Reimbursement is paid quarterly, every three (3) months or greater.) The fee incurred after the service has been provided and payment made, will state "I (employee's name), have attended (insert facility's name) an average of eight (8) times per month for the following months (list months). Proof or payment is required for each month.
- Employees who voluntarily terminate employment with the Town of Clayton have until their last working day to submit any unpaid claims up to the date of separation. This request may be for less than the three (3) month minimum request.
- Employees who terminate their membership at a health/fitness facility prior to completion of a quarter may submit a request for less than the three (3) month minimum request with approval from Human Resources.

Reimbursement is processed through the Finance Department and will be deposited to your account on file. Paper checks for reimbursement will not be issued.

All claims for reimbursement, with accompanying documentation, must be submitted to the Human Resources Department prior to the last day of the calendar year of reimbursement. For example, all unpaid receipts for calendar year 2023 must be turned into the Human Resources Department prior to December 31, 2023.



Town of Clayton
North Carolina



PERSONNEL POLICY
January 1, 2024

BE IT RESOLVED by the Town Council of the Town of Clayton that the following policies apply to the appointment, classification, benefits, salary, promotion, demotion, dismissal, and conditions of employment of the employees of the Town of Clayton.

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ARTICLE I. GENERAL PROVISIONS

Section 1. Purpose of the Policy

It is the purpose of this policy and the rules and regulations set forth to establish a fair and uniform system of personnel administration for all employees of the Town under the supervision of the Town Manager. This policy is established under authority of Chapter 160A, Article 7, of the General Statutes of North Carolina.

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 Council and executed by the officers designated by the Council.

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 3. Merit Principle

All appointments and promotions shall be made solely on the basis of merit. All positions requiring the performance of the same duties and fulfillment of the same responsibilities shall be assigned to the same class and the same salary range. No applicant for employment or employee shall be deprived of employment opportunities or otherwise adversely affected as an employee because of such individual's race, color, religion, 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.

Section 4. Responsibilities of the Town Council

The Town Council 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. Responsibilities of the Town Manager

The Town Manager shall be responsible to the Town Council for the administration and technical direction of the personnel program. The Town Manager shall appoint, suspend, and remove all Town employees except those whose appointment is otherwise provided for by law. The Town Manager shall make appointments, dismissals and suspensions in accordance with the Town charter and other policies and procedures spelled out in other Articles in this Policy. The Town Manager shall supervise or participate in:

1. Recommending rules and revisions to the personnel system to the Town Council for consideration;
2. Making changes as necessary to maintain an up-to-date and accurate position classification plan;
3. Preparing and recommending necessary revisions to the pay plan;
4. Determining which employees shall be subject to the overtime provisions of FLSA;
5. Developing and administering such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
6. Performing such other duties as may be assigned by the Town Council not inconsistent with this Policy; and
7. Appointing an employee to the role of Human Resources Director.

Section 6. Responsibilities of the Human Resources Director

The responsibilities of the Human Resources Director shall be to ensure the establishment, implementation and management of a modern personnel system reflecting the Equal Employment Opportunity and Non-discriminatory vision and values of the Town of Clayton. Those responsibilities include, but shall not be limited to, the following:

1. Recommending rules and revisions to the personnel system to the Town Manager for consideration;
2. Recommending changes as necessary to maintain an up-to-date and accurate position classification plan;

3. Recommending necessary revisions to the pay plan;
4. Recommending which employees shall be subject to the overtime provisions of FLSA;
5. Maintaining a roster of all persons in the municipal service;
6. Establishing and maintaining a list of authorized positions in the municipal service at the beginning of each budget year which identifies each authorized position, class title of position, salary range, any changes in class title and status, position number and other such data as may be desirable or useful;
7. Developing and administering such recruiting programs as may be necessary to obtain an adequate supply of competent applicants to meet the needs of the Town;
8. Developing and coordinating training and educational programs for Town employees;
9. Periodically investigating the operation and effect of the personnel provisions of this Policy; and
10. Performing such other duties as may be assigned by the Town Manager not inconsistent with this Policy.

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

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

Section 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 Town Manager, 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 allocated position is authorized as a regular position by the Town Council. Regular allocated positions are assigned a specific job title, salary grade, salary range, duties, and minimum qualifications. Appointments to allocated positions are made through a competitive selection process. All town positions are subject to budget review and approval each year by the Town Council.

Continuous Service. Years of regular service with the Town of Clayton without a termination and rehire of employment. This does not include Family and Medical leaves of absence. Continuous service in regards to the Health Insurance for Retirees only includes full-time, regular employees.

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

Immediate Family. Immediate family, for purposes of these policies, means employee's spouse, guardian, children, brother, sister, parent(s), in-laws of the employee and anyone living as a part of the household of the employee.

Pay Status. When an employee is working or is on paid leave (vacation leave or sick leave).

Probationary Employee. A person appointed to an allocated position who has not yet successfully completed the designated probationary 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 (12 months for Sworn Law Enforcement Officers and Department Directors) of employment or promotion representing the period of observable work performance to determine the suitability and ability of the employee 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. A person appointed to a full-time allocated position, for which an average workweek equals 40 or more hours. Regular full-time employees are eligible for all employee benefits.

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

Temporary Employee. A person hired by a department to perform additional extra help. Many work on a seasonal or short-term basis. Temporary employees are paid on an hourly basis only for hours actually worked and cannot work more than 25 hours in a workweek. They are not eligible for benefits except those mandated by State and Federal government. The temporary employee or the Town can at any time or for any reason terminate the employment relationship.

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

ARTICLE II. LEAVE POLICIES

Section 1. Annual Leave

Purpose: The intent of this leave is to provide for paid periodic absences from work to enhance the health and well-being of Town employees as well as to maintain a competitive stance in the market for recruitment and retention of employees.

Scope: This policy applies to all benefit eligible employees.

Definitions:

- **Annual Leave** – Earned leave that may be taken for vacation purposes or for other personal reasons that are not covered by other leave policies.
- **Benefit Eligible** – Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Annual Leave Earnings

- a. Employees earn Annual Leave monthly as designated in the following table:

Annual Leave Earning Rates				
Years of Service	Full Time	LGRS PT	Fire	Police
0-4	8 Hours	4 Hours	10.6 Hours	8.4 Hours
5-9	10 Hours	5 Hours	13.25 Hours	10.5 Hours
10-14	12 Hours	6 Hours	15.9 Hours	12.6 Hours
15-19	16 Hours	8 Hours	21.2 Hours	16.8 hours
20+	20 Hours	10 Hours	26.5 Hours	20.8 Hours

- b. Credit for the first month of employment will be given if the employee has one-half or more service during that month, i.e., an employment date of the 1st through 15th of the month will begin earning leave as described above. An employment date of the 15th through the end of the month will earn one-half the amount above.

Employees transferring from other state or local government organizations may accrue annual leave at the rate equivalent to the years of uninterrupted service in the NC Retirement System.

2. Annual Leave Use

- a. Annual leave taken for any employee will be subject to approval of the timing and the amount of leave taken is subject to approval of their supervisor, manager, or department director. Approval will be based on the operating requirements of the department.
- b. Leave Increments: Annual leave is used in 15 minute (quarter hour) increments.

3. Annual Leave Accounting

- a. Any accumulated annual leave balance over 240 hours as of December 31st will be converted to sick leave.
- b. Upon termination, an employee will be paid a lump sum for annual leave earned up to 240 hours, not taken, less any deduction for annual or sick leave used, but not accrued, or deduction for any town issued uniforms, equipment, etc. that were not returned or to satisfy other outstanding balances related to Town policies. Annual leave earned for the last month of employment is based on the date of termination (completion of less than one-half the month, leave is not earned for that month; completion of the full month, full leave earned for the month).

Procedures:

1. Employees

- a. Annual Leave requests should be submitted through the Town's timekeeping system.
- b. When the supervisor receives the leave request, they should review operational schedules and already approved absences prior to approval of leave request to ensure proper staffing is maintained.
- c. After determining whether the annual leave can be granted, the supervisor will approve or disapprove the request through the Town's timekeeping system. If the leave request is denied because of operational issues, the manager should speak with the employee.

2. Annual Leave Upon Separation

- a. An employee who has successfully completed the six-month introductory period and provided at least two weeks' notice prior to the effective date of the resignation (minimum 30-days for Department directors), will be paid for accumulated vacation time upon separation not to exceed 240 hours. An employee failing to provide and physically work the two-week advance notice may forfeit payment for accumulated vacation leave. The notice requirement may be waived by the Town Manager, if it is deemed that it is necessary for the employee to leave sooner. Employees who are terminated shall receive payment for accumulated vacation leave not to exceed the

240 hours maximum allowed less any deductions previously noted.

- b. Upon the death of an employee while employed by the Town, his/her estate will be entitled to payment of all accumulated vacation leave not to exceed the maximum 240 hours allowed for vacation.
- c. If an employee returns within 12 months of separation, their accrual rate may be reinstated to the rate at time of separation.
- d. Employees submitting their resignation may not use leave in-lieu of completing their notice period. The separation date will be the last day physically worked by the employee.

3. Pay in Lieu of Leave

- a. Any employee in good standing may request pay in lieu of annual leave for up to ½ of their earned annual leave per year at the employee's current rate of pay. Pay in lieu of annual leave is only available in full day increments up to 100 hours or \$10,000. The annual leave that is paid shall be removed from the accrued balance of the employee. The employee shall request this benefit in writing between October 1st and October 15th. To be eligible for this benefit, employees remaining balance after the payout must be at least 40 hours of annual leave time. Employees may only request a cash-out every three (3) years. The lifetime maximum cash-out amount is 300 hours.

Section 2. Holidays

Purpose: The Town of Clayton grants paid time off for certain holidays for benefit eligible employees.

The intent of this leave is to provide for paid absences from work so that whenever possible employees may observe recognized holidays with their families as well as to maintain a competitive stance in the market for recruitment and retention of employees.

Scope: This policy applies to benefit eligible employees.

Definitions:

- ***Benefit Eligible*** – Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. The Town observes the following paid holidays (subject to Town Council approval annually):

<i>New Year's Day</i>	<i>Independence Day Labor Day</i>
<i>Martin Luther King Jr's Birthday</i>	<i>Labor Day</i>
<i>Easter (Good Friday)</i>	<i>Veteran's Day</i>
<i>Memorial Day</i>	<i>Thanksgiving Day (2 Days)</i>
<i>Juneteenth</i>	<i>Christmas/Winter Break (3 Days)</i>

2. Full-time employees will be given eight hours off to observe each designated holiday. Some full-time employees work alternative schedules requiring them to work more than eight hours per scheduled workday. If the holiday falls on a workday where an employee would normally work more than eight hours, the employee will offset the difference with the paid time off. For example, assume that an employee normally works four, ten-hour workdays. If a holiday falls on the employee's normally scheduled day off, the employee will receive eight holiday hours of holiday pay and will use two hours of paid time off to make up the difference or adjust their schedules during holiday weeks to account for 40 hours.
 - a. Regular-Part-time employees will be given hours off to observe each designated holiday at a prorated rate.
3. Each year, on a calendar-year basis, the Town Council will issue a schedule of the days that will be observed for each holiday.
4. Employees should refer to the Premium Pay Policy for information concerning working on designated holidays.

Procedures: None

Section 3. Sick Leave

Purpose: The Town of Clayton provides Sick Leave benefits to all benefit employees. Sick Leave benefits are a privilege granted by the Town, not a benefit earned by employees. The Town recognizes that occasionally an employee is unable to work due to a personal illness or injury or the serious illness or death of a family member. In these circumstances, the Town allows employees to use Sick Leave as outlined in this policy, so they may be paid while away from work.

Scope: This policy applies to employees in all benefit eligible positions.

Definitions:

- ***Sick Leave*** – A pay continuation privilege granted to benefit eligible employees during periods of personal illness or injury.
- ***Benefit Eligible*** – Full time (FT) and regular part-time (PT) employees who are eligible

for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Sick Leave Accrual

- a. The Town will grant eight hours per month of Sick Leave to full-time (FT) employees, beginning immediately upon employment. The Town will grant 4 hours per month of Sick Leave to regular part-time (PT) employees.
- b. Leave accrual for the first month of employment will be given if the employee has one-half or more service during that month (i.e., an employment date of the 1st through 15th of the month).
- c. Annual Leave for full-time (FT) employees over 240 hours as of December 31st may be converted to Sick Leave. Annual Leave for regular part-time (PT) employees over 120 hours as of December 31st may be converted to Sick Leave.
- d. Sick Leave will accrue without limit. At retirement from active service as an employee in good standing, unused Sick Leave may be applied, according to the provisions of North Carolina Local Government Employees Retirement System, for additional service credit towards retirement, as well as service time with the Town.

2. Transferred Sick Leave

- a. A new employee who is employed by the Town of Clayton in a benefit eligible position and who comes to the Town directly from a local or state governmental organization covered by the North Carolina Local Government Employees Retirement System (or compatible North Carolina state administered systems), may have his or her Sick Leave balance transferred to the Town.
- b. Verification from the previous employer must be received by the Town within 30 calendar days of the employee's start date.

3. Sick Leave Usage

- a. Sick Leave is a privilege granted to an employee on account of his or her own sickness or injury or that of a dependent. Unlike annual leave that is earned by the employee, Sick Leave is granted to the employee by the Town and its use is restricted to the circumstances covered by this and related policies.
- b. If an employee uses his or her Sick Leave for an event that is covered within the Family and Medical Leave Act (FMLA), the time that is charged to Sick Leave and the FMLA entitlement will run concurrently.

4. Sick Leave Accounting

- a. Sick Leave used will be subtracted from an employee's accrued balance at the of the actual number of hours away from work on sick leave.
- b. Upon termination, no payment will be made for unused Sick Leave. An employee may request documentation of their Sick Leave balance at the time of separation. Upon retirement from active service as an employee, unused Sick Leave will be used to determine additional retirement credits in accordance with rules of the North Carolina Local Government Employees Retirement System.

Procedures:

1. The Town does not expect an employee to come to work when he or she is ill, but the employee is expected to always call their supervisor no later than the regular reporting time that they will be absent or late for work. Due to operational necessity, certain departments may have a more restrictive reporting requirement. The employee should discuss departmental requirements with the supervisor.
2. Employees should record the sick time-off into the Town's time-keeping system. If an employee is absent for an extended period, the supervisor must notify time and attendance so that they can continue to enter the sick time-off on behalf of the employee each payroll period. This will allow the supervisor to monitor the Sick Leave balance and determine when other benefits may become applicable. During an extended absence, the supervisor should be in regular contact with the employee to monitor the anticipated return to work.
3. If the employee has complied with all the rules of this policy, the supervisor will approve the Sick Leave. If the supervisor is unsure of policy compliance, he or she should discuss this with time and attendance or the Human Resources Department.

Section 4. Town Manager's Discretionary Leave

Purpose: The Town of Clayton provides Discretionary Leave, separate from other leave benefits, to help protect the financial security of employees in certain situations when they have extenuating circumstances requiring a lengthy absence from work.

The Town recognizes that circumstances may occur where an employee, through no fault of their own, has an inadequate amount of accrued leave to cover extended absences due to extenuating circumstances. This leave is intended to help employees during an extended recovery if the employee can reasonably be expected to recover and return to work. Town Manager's Leave is a limited benefit available only in certain restricted situations. It is not an entitlement and is awarded only if clearly warranted as outlined in this policy and may be required to be offset or reimbursed by future accruals.

Scope: This policy applies to all benefit eligible employees, typically who have served the Town for at least five consecutive years in a benefit eligible position.

Definitions:

- ***Town Manager's Leave*** – Town Manager's Leave is leave granted by the Town Manager to an employee, who through no fault of his or her own, has an inadequate amount of other leave benefits to cover an extended absence from work.
- ***Benefit Eligible*** – Full time and regular part-time employees who are eligible for coverage/participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Town Manager's Leave is only available for mitigation of the employee's individual or dependent's circumstances.
2. An employee who has served the Town for at least five consecutive years in a benefit eligible position meets the minimum eligibility requirements for Town Manager's Leave. Employees that have been with the Town less than five years may be eligible with additional limitations.
3. The total amount of Town Manager's Leave for a full-time employee will not exceed 1,056 hours during the course of his or her career with the Town. If a full-time employee moves to a part-time position, the career maximum limit will be reduced to 528 hours.
4. All of the following minimum requirements must be met for approval of Town Manager's Leave.
 - a. The eligible employee must have used all available sick leave.
 - b. The eligible employee must have used all available annual leave.
 - c. The eligible employee must have used all other forms of leave.
 - d. The eligible employee must not be under an active Worker's Compensation claim.
 - e. The circumstances are not related to an accident or illness sustained while engaged in secondary employment.
 - i. Town Manager's Leave may be granted in partial amounts, in increments or in total depending on the specific circumstances of the employee's situation at the discretion of the Town Manager. Contingency restrictions may be included with an approval of Town Manager's Leave. Once an employee returns to work, annual and sick leave balances will accrue as they did prior to being granted Town Manager's Leave. However, the leave accruals may be used to offset any negative balances allowed as a condition of the Town Manager's Leave approval.
 - ii. Town Manager's Leave qualifies for the 12-week FMLA entitlement; the Town

Manager's Leave granted and the FMLA entitlement will run concurrently.

iii. Employee benefits will remain in effect during the approved Town Manager's Leave.

Procedures:

1. If physically able to do so, an employee is expected to notify his or her supervisor when he or she will be out of work for an extended period of time, due to extenuating circumstances.
2. When the supervisor becomes aware of the serious, extended absence, the supervisor should contact Human Resources.
3. Human Resources will determine if the employee is eligible for Town Manager's Leave and if so, when.
4. If the employee has met the basic qualifying requirements as outlined in this policy, the supervisor should forward a written recommendation to request Town Manager's Leave to his or her department director. This should be done at least two weeks prior to the exhaustion of all eligible paid leave.
5. The department director will review the supervisor's recommendation, the employee's leave record, information concerning expected return to work and if appropriate, will recommend in writing, to Human Resources that Town Manager's Leave be approved for the employee. The department director's recommendation must include a certification that in the director's review, he or she has determined the employee has not abused the sick leave privilege.
6. The Human Resources Director will review and present the information to the Town Manager for a decision to be made. If the department's request is approved, Human Resources will notify the department director of the approval and any contingencies or restrictions that apply.
7. If an employee is absent for an extended period, the supervisor should ensure that the employee's leave is entered into the Town's time-keeping system on behalf of the employee each payroll period. This will allow the supervisor and the Human Resources department to monitor the leave balance and determine the status of the leave benefit. During an extended absence, the supervisor should be in regular contact with the employee in order to monitor the anticipated return to work.

Section 5. Donated Leave

Purpose: The Town of Clayton permits employees to assist fellow employees by allowing them to donate a portion of their earned annual leave balance in cases of serious illness or injury.

The Town of Clayton recognizes that circumstances may occur where an employee, through no fault of his own, has an inadequate amount of sick leave to cover absences due to his own illness or injury or that of an immediate family member. This situation would typically occur with

newer employees who have not worked for the Town long enough to accrue a sufficient leave balance or with a longer-term employee who has an extended illness but is expected to recover and return to work. The Town understands that employees may want to support fellow employees in these situations and this policy arranges for them to do so through the provision of donated leave.

Scope: This policy covers all Town benefit eligible employees.

Definitions:

- ***Donated Leave*** - Donated leave is earned annual leave or sick leave of an employee that he chooses to donate to another employee to provide paid leave for personal or family illness or injury.
- ***Benefit Eligible*** - Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Immediate Family*** – For the purpose of this policy, immediate family is defined as spouse, child, or parent as outlined under the Family Medical Leave Act.
- ***Prolonged Medical Condition*** – For the purpose of this policy, prolonged medical conditions are those that require an employee's absence from work for a period of at least 10 consecutive days.

Organizational Rules: The Donated Leave program is not a right, but a privilege offered by the Town of Clayton. Therefore, unjustified excessive use or abuse of such leave may result in requests for shared leave to be denied. It is expected that employees are good stewards of their leave and always make a reasonable effort to effectively and responsibly manager their accrued leave balance, so as to maintain sufficient leave availability in the event of a prolonged absence from work. Participation in this program shall be based on the employee's past compliance with leave rules.

1. Annual leave and sick leave as detailed in this policy may be donated.
2. An employee may not use donated leave for an injury by accident or illness sustained while engaged in outside employment.
3. Any use of donated leave must have the prior approval of the Human Resources Director to ensure equity and consistency of application.
4. Donated leave will not be granted to an employee who documented attendance issues unrelated to this event.
5. Only employees who have successfully completed their initial probationary period may donate leave.

6. Donated leave will not be granted if there is no reasonable expectation that the employee receiving the leave will recover and return to work.
7. An employee may not use shared leave for worker's comp, short-term disability or an injury or illness resulting from secondary employment.
8. Donations must be made on a voluntary basis. An employee may not attempt to coerce, pressure, intimidate, or threaten any other employee for the purpose of requesting donations.
9. The Health Insurance Portability and Privacy Act makes medical information confidential. When disclosing information on an approved recipient, only a statement that the recipient has a prolonged medical condition (or the family member) needs to be made.
10. Donated leave received qualifies for the 12-week FMLA entitlement. The time granted and the FMLA entitlement will run concurrently. See the Family and Medical Leave Act (FMLA) policy.
11. The establishment of a leave "bank" for future use is prohibited. The recipient will be granted leave for the exact hours needed for the requested medical leave event.

Employees Donating Leave:

1. Benefit eligible employees may voluntarily donate earned annual leave or sick leave to employees who have been approved to receive donated leave.
2. The donating employee may donate a minimum of 1 hour and no more than 40 hours to one nonfamily member per year.
3. The donating employee may not reduce their own leave balances below 40 hours for a full-time employee. Regular part-time employees may donate earned annual leave of at least four (4) hours provided the balance of the donating PT employee not less than twenty (20) hours. Donations are made on an hour-for-hour basis, not dollar-for dollar basis.
4. All leave donated will be immediately removed from the donor's leave account and become immediately available to the recipient to utilize.
5. The written record authorizing the donation of leave time will be made a permanent part of the donating employee's personnel file.
6. Each employee donating leave shall carefully read and execute a disclosure form confirming that he understands the following: the cash value of the donation; the potential for financial risk should the donor employee experience a future health problem or other possible threat to his income; the possible future situation when the employee making the donation would later need a donation but donations would not occur; retirement credit consequences of donating sick leave, and confirmation that he/she was not coerced, either directly or indirectly.

Employee's Receiving Donated Leave:

1. Any benefit eligible employee who has served the Town for six months or more is eligible to receive donated leave. This is intended for use in situations where an employee, or an employee's immediate family member, experiences a serious illness or injury requiring an extended treatment and/or recovery period.
2. The maximum number of hours of leave an employee can receive is equal to the projected recovery or treatment period, less the employee's combined vacation and sick leave balance as of the beginning of the leave event.
3. An employee can only be the recipient of donated leave for the duration of the prolonged medical condition every 24 months.
4. The employee receiving the donated leave must meet the following basic requirements for approval of this leave to occur.
 - a. The employee must have exhausted all available leave.
 - b. They must have a reasonable attendance record.
 - c. Have a need for leave resulting from a prolonged medical condition (or a member of the employee's immediate family has a medical condition that requires the employee's absence for a prolonged period of time) as covered under FMLA.
 - d. Produce medical evidence to support the need for leave beyond the available accumulated leave.

Employee's Personal Illness:

1. An employee is expected to notify human resources when they will be out of work for an extended period of time due to a serious illness or injury if physically able to do so.
2. When human resources become aware of the serious, extended absence, they will review the employee's attendance record and determine if the employee is eligible for donated leave and if so, when.
3. If the employee has met the basic qualifying requirements as outlined in this policy, the supervisor, manager, or department director should forward a recommendation to request donated leave to Human Resources. This should be done at least two weeks prior to the exhaustion of all eligible accrued paid leave.
4. The department director will review the recommendation of the supervisor, the employee's leave record, information concerning expected return to work, and if appropriate will recommend, in writing, to the human resources director that donated leave be requested for the employee.
5. Human Resources will send out a notification of an employee asking for donated leave. The employees' name or condition will not be shared.

6. Donations received will be sent to time and attendance for compilation and entry into the payroll-personnel system.
7. Time and Attendance will monitor the donated leave balance.
8. If at any time during the employee's illness, it becomes known that the employee will not be able to return to work, the department must immediately contact the human resources department.

Serious Illness or Injury of Immediate Family Member: If the employee needs to be absent from work due to the serious, extended illness or injury of an immediate family member, the employee and/or the supervisor should contact the human resources department for information. Several different policies must be considered, and more complex approvals are necessary, including approvals to use certain accrued benefits.

Section 6. Family and Medical Leave Act (FMLA)

Purpose: In accordance with the Family and Medical Leave Act (FMLA) of 1993, the Town of Clayton provides employees who meet the requirements of the Act a total of 12 weeks of unpaid FMLA job-protection during a year for their own illness, the illness of a family member, or because of a qualified exigency as specified in the Act. Town employees are also provided with unpaid FMLA job-protection for up to 26 weeks to care for a service member who is recovering from an injury or illness sustained while on active duty in support of a contingency operation.

The Town recognizes that employees may occasionally need to take a leave of absence for their own illness, the illness of a family member, or to assist a service member who is family or next of kin. The FMLA, and its amendments, provide for unpaid FMLA job-protection for covered employees under specific circumstances. The Town complies with this law and considers its requirements to be the minimum. This policy explains the rules and procedures the Town uses to comply with FMLA.

Scope: This policy covers all employees of the Town.

Definitions:

- ***FMLA Eligible Employee*** - An employee who has worked for the Town of Clayton for at least 12 months and for at least 1,250 hours during the year preceding the start of the leave. The 12 months do not have to be consecutive.
- ***Family Under FMLA*** - For the purpose of this procedure, the word "family" is defined as the employee's legal spouse or the employee's biological, adoptive, foster, or stepchild or parent, guardian, or person standing loco parentis ("in place of parent"). The child must be under 18 years of age or over 18 years of age and incapable of caring for themselves due to a mental or physical disability. For the purpose of the 26-week qualifying event [under USERRA], the next of kin or nearest blood relative is considered family.

- ***FMLA 12-Month Period*** - The Town has defined the 12-month FMLA period as a rolling 12-month period meaning any consecutive 12-month period measured backwards from the date an employee uses any leave under FMLA job protection. Each time an employee uses FMLA job protection, the remaining leave entitlement will be any balance of the 12 weeks which had not been used during the preceding 12 months.
- ***FMLA Qualifying Event*** - FMLA qualifying events are birth of a child and in order to care for the child, placement of a child for adoption or foster care, to care for a family member who has a serious health condition, or a serious health condition of the employee that makes him unable to work. This definition includes workers' compensation absences. The entitlement to leave for the birth or placement of a child for adoption or foster care will expire twelve (12) months from the date of the birth or placement. Military family leave for up to 12 weeks because of a qualifying exigency or 26 weeks to care for an injured service member are also qualifying events.

Organizational Rules:

1. FMLA job protection may be used by an eligible employee to care for his child after birth, adoption, placement for adoption or foster care; to care for a member of the family who has a serious health condition; or for a serious health condition that makes the employee unable to perform his job. Military family leave for up to 12 weeks because of a qualifying exigency or 26 weeks to care for a service member is also included.
2. If the FMLA job protection is used for the purpose of the birth, adoption, placement for adoption or foster care of a child, and both spouses work for the Town, a combined total of 12 work weeks of FMLA job protection may be used during a 12-month period. Any FMLA qualifying event where the employee is absent will be designated as FMLA leave. Employees cannot decline FMLA leave designation for qualifying events.
3. Whenever possible, an employee must give 30 days' advance notice of the need to use FMLA job protection. This notice should also include the employee's intent regarding his return to work. When circumstances do not allow advance notice, the employee must notify his supervisor and Human Resources as soon as physically possible.
4. Employees must invoke FMLA job protection by sending the Town of Clayton's Request for Family and Medical Leave form to Human Resources. The designated Human Resources representative will schedule time to meet with the employee or send the appropriate packet to the affected employee.
5. Any absence that would qualify for coverage under the FMLA is protected by law whether it is designated as FMLA eligible or not and it may not be used as justification for a corrective action or adverse employment decision. Any FMLA qualifying event where the employee is absent will be designated as FMLA leave. Employees cannot decline FMLA leave designation for qualifying events.
6. An employee granted FMLA job protection is required to first exhaust all paid, accrued leave (annual, sick, etc.) for which the employee is eligible and qualified.

7. Paid leave used for FMLA will be counted in the 12-week total for the year. Any accumulated FLSA and “other” compensatory time belonging to the employee must be used before unpaid leave under FMLA, when applicable
8. FMLA job protection resulting from an employee’s own or his family member’s serious health condition will require the employee to furnish medical certification substantiating the health condition at the time the leave is requested. Recertification will be required every 6 months. Recertification may also be required when the employee requests an extension; the circumstances have changed; or the Town receives reliable information that causes it to doubt the continuing validity of the existing certification.
9. If leave without pay is granted by the Town under the Family and Medical Leave Act, the employee is responsible for paying his portion of insurance premiums when they return to a paid status. Town will continue to pay the employee portion through the period of leave. If the employee does not return, they will be responsible for reimbursing the town for the amount paid towards the employee portion.
10. An employee in a leave without pay status for more than one pay period does not accrue benefits such as sick and annual leave, and the time in a leave without pay status will not be counted toward the employee’s service time. An employee on intermittent FMLA and also in a leave with pay status will continue to receive benefits and accrue leave at a prorated amount based on the hours working. Employees returning from full FMLA benefits to intermittent FMLA benefits will continue to receive benefits and accrue leave at a prorated amount based on the hours working.
11. An employee who uses FMLA job protection is entitled to be returned to the same position that the employee held when the leave started, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. The Town cannot guarantee that an employee will be returned to his or her original job. If at the end of the 12-week FMLA entitlement the employee is unable to return to work, the department may terminate the employee. The employee may be eligible for a disability retirement. A determination as to whether a position is an “equivalent position” will be made by the Town of Clayton.

Procedures:

1. When an employee is absent from work for more than 3 workdays, the supervisor, manager, or department director must notify Human Resources to determine if the event is an FMLA qualifying event. When an employee plans to be absent from work for an FMLA qualifying event they should notify Human Resources of his intent to use FMLA qualified leave.
2. When the employee notifies Human Resources of a potential FMLA event, or after the employee has been absent for more than three workdays, the employee should contact Human Resources and schedule time with designated Human Resources representative to discuss the required supporting documentation. Human Resources will

provide the employee with the required documentation based on the type of request. The initial request should be documented on the Leave Request Form which is signed by the requesting employee and their supervisor. The request should clearly indicate the leave dates needed, intended return date, if applicable.

3. Human Resources will make the determination if the employee is eligible for FMLA leave, based on years of service and if the leave reason qualifies for FMLA once all required supporting documentation is received. An approved leave letter will be sent directly to the employee, their supervisor, HR Director, and Finance confirming the approved leave dates. The appropriate documentation will also be distributed when an employee is ineligible for FMLA leave.

Section 7. Worker's Compensation Absence Tracking

Purpose: Benefit eligible employees injured in an accident determined to be work-related under the North Carolina Workers' Compensation Act are tracked in the time-keeping system for Workers' Compensation Leave Status.

The Town is committed to maintaining a safe working environment for its employees but recognizes that on occasion employees may be injured in the course of their employment.

When this occurs, benefit eligible employees are placed in a leave status to document and track the absence from work.

Scope: This policy applies to all Town of Clayton employees.

Definitions:

- ***Worker's Compensation Absence*** – Town leave status that documents and tracks work-related absences.
- ***Benefit Eligible*** – Full-time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Temporary Total Disability*** – The temporary inability of an employee to perform his regular duties due to an injury sustained during the course of employment, but a full recovery is expected.

Organizational Rules:

1. Benefit eligible employees who sustain a temporary total disability as the result of a work-related accident may be eligible for workers' compensation if the injury is determined to be eligible under the North Carolina Workers' Compensation Act. To document the absence, time and attendance will place employees in an appropriate leave status.

2. Family Medical Leave (FMLA) will run concurrently with the workers' compensation absence and modified duty until the employee returns to his regular job duties prior to the injury or is no longer in a modified duty status due to his injury.
3. A benefit eligible employee approved for workers' compensation will remain in a workers' compensation absence status until he returns to work, is placed in a leave without pay status, or is no longer an employee. An employee approved for workers' compensation may not use paid leave outside of the mandated 7 day waiting period.

Procedures:

1. When possible, employees should report all Workers Compensation absences to Human Resources immediately. If an employee is unable to report their absences, the employee's supervisor, manager, or department director should notify time and attendance.
2. Workers' compensation absence recordkeeping is done through the Town's time-keeping system using the WC Workers Comp-Tracking only time code to track all hours associated with their workers compensation event

Section 8. Civil Leave

Purpose: The Town of Clayton grants leave with pay to benefit eligible employees who are called to serve on jury duty or subpoenaed to appear as a witness in federal or state court for a case in which they are not a plaintiff or defendant in a legal matter.

The Town supports employee participation as citizens in the exercise of their responsibilities to serve on a jury when summoned or appear as a witness. All employees are allowed time off to serve on jury duty.

Although not required to, the Town further demonstrates its support by granting paid time to benefit eligible employees to serve on a jury and allows all employees to keep any monies awarded to jurors by the court.

Scope: This policy applies to all benefit eligible employees except for employees in Public Safety positions where they are acting in their normal duties.

Definitions:

- **Benefit Eligible** - Full time (FT) and regular part-time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Employees summoned to serve on jury duty will be allowed time off to serve.
2. A benefit eligible employee summoned to serve on a jury will be granted leave with pay for the duration of the period for which called, not to exceed 40 hours per occurrence, unless released earlier, without charge against annual leave.

3. A benefit eligible employee will be granted leave with pay for jury duty only when he is required to serve on a regularly scheduled workday. An employee will not be compensated for jury duty when he is required to serve on any nonscheduled workday.
 - a. Full-time employees will receive their normal pay for each day of jury duty served on a regularly scheduled workday.
 - b. Part-time employees will receive their hourly rate of pay for up to the same number of hours they were scheduled to work for each day of jury duty on a regularly scheduled workday.
4. Employees granted leave for jury duty must return to work when released from jury duty. If the jury duty requires only a partial day, the employee is expected to report for work for the remainder of the day if normally scheduled to work. If the benefit eligible employee wants the remainder of the day off, with permission of the supervisor, the employee may take paid time-off for the remainder of the day.
5. The employee called to civil duty may keep whatever compensation is awarded by the court for such service except that employees must turn over to the Town any witness fees or travel allowance awarded for court appearances in connection with official duties.
6. An employee serving as a voluntary witness in any court case is not eligible to use civil leave. The employee may use annual leave, holiday leave, compensatory time or leave without pay to cover their normal work hours.

Procedures:

1. Upon notification by the court of jury duty, the employee should inform his supervisor/manager/department director and make arrangements for the time off. The employee will provide a copy of the jury summons or subpoena to the supervisor.
2. After the jury duty has been served, on the first day back at work, the employee will notify his supervisor/manager/department director of the actual work hours absent and provide the jury duty certification.
3. The employee is responsible for ensuring the appropriate hours and pay codes are entered into the Town's time-keeping system.

Section 9. Military Leave – Annual Reservist Training

Purpose: The Town of Clayton provides time off for annual reservist training for all employees. Benefit eligible employees receive paid leave as specified in this policy. Other (not benefit eligible) employees receive unpaid time off.

The Town supports employees wishing to serve their country through participation in the military services as a reservist and has long provided benefit support to do so. The Town complies with the guidelines of the Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA) and considers them minimum requirements. This policy explains how the Town

fulfills its obligations under USERRA for employees who are serving on active duty in the military for their annual reservist training and the additional benefits the Town provides in some cases.

Scope: This policy applies to employees in all benefit eligible positions. Other (not benefit eligible) employees are not covered by the leave in this policy but will be allowed time off.

Definitions:

- ***Active Duty for Annual Reservist Training*** - off not to exceed the total number of scheduled work hours necessary for an employee to fulfill his annual reservist training obligation with the military during the 12-month period October 1 through September 30 (military fiscal year). Paid Leave for Annual Reservist Training - Town paid leave granted for annual reservist training for one-half the time of training up to two calendar weeks. For the remainder of the training period, the employee may use his own accrued paid or unpaid leave. Town-paid leave is available on a calendar year basis from October 1 through September 30 (military fiscal year).
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Other (Not Benefit Eligible) Employee*** - An employee assigned to a position designated roster (RP), seasonal temporary (ST), or special project (SP) who is eligible for salary and mandated benefits only.

Organizational Rules:

1. All employees will be allowed time to serve active duty for annual reservist training and will be returned to work in the same or like position they occupied prior to the reservist training.
 - a. Benefit eligible full-time employees will be provided with paid leave as defined in this policy. Normally the maximum Town paid leave will be 40 hours for full-time employees. Sworn police officers and firefighters, depending on their scheduled hours of work, may have a slightly different maximum paid leave.
 - b. Benefit eligible part-time employees will be provided with paid leave as this policy. Normally, the maximum Town paid leave will be 20 hours for Regular Part-time employees.
 - c. Other employees will be allowed unpaid time off from work.
2. For any active-duty annual reservist training in excess of the customary two weeks, the employee may use paid time off. Sworn police officers and firefighters may also use accumulated holidays.
3. If an employee is injured while serving annual reservist training, he must be cleared medically by Town medical services before returning to work.

Procedures:

1. All requests for time off due to active duty for annual reservist training leave must be submitted to Human Resources in advance and accompanied by the official set of orders or a letter from the commanding officer.
2. For the two weeks of annual reservist training that are compensated at one-half pay, the benefit eligible employee must notify his supervisor/manager with the following information:
 - a. The total number of hours absent for annual reservist training leave to be entered into the Town's time-keeping system using the appropriate military training half-pay code.
 - b. The remainder of the annual reservist training leave will be charged to paid time-off. Unpaid service time will not impact the employee's service time with the Town.
3. The Town's time-keeping system must account for all military leave hours in excess of the two weeks of training. Unpaid service time will not impact the employee's service time with the Town.
4. The employee must provide the official set of orders or a letter from the commanding officer to Human Resources.
5. The supervisor is responsible for ensuring the appropriate hours and pay codes are entered into the Town's timekeeping system.

Section 10. Military Leave – Active Duty

Purpose: The Town of Clayton grants time off for employees to serve on active duty in the armed forces. The Town supports employees wishing to serve their country through participation in the armed forces.

The Town complies with the guidelines of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and considers them to be minimum requirements. This policy explains how the Town fulfills its obligations under USERRA for employees who are serving on active duty in the military and the additional benefits the Town provides in some cases.

Scope: This policy applies to employees in all benefit eligible positions. Other (not benefit eligible) employees are not covered by the leave in this policy but will be allowed unpaid time off.

Definitions:

- **Active Duty** - Active military duty for which the tour of duty is expected to last six (6)

months or longer.

- ***Benefit Eligible*** - Full time (FT) and part time (PT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Other (Not Benefit Eligible) Employee*** - An employee assigned to a position designated roster (RP), seasonal temporary (ST), or special project (SP) who is eligible for salary and mandated benefits only.
- ***Lost Time*** - Any absence from work without pay. An absence from work without pay for a period of a pay period or greater that impacts actual benefit accrual but not benefit accrual rates.

Organizational Rules:

1. A benefit eligible employee who enlists for active duty with the armed services will be granted leave without pay status for that period. Other employees will be allowed time off. To qualify for the provisions of this policy, the employee must have been employed prior to the active-duty enlistment.
2. Employees who return to work in less than five years will be returned to the same or like position they occupied prior to the active-duty enlistment with full seniority, status and pay as if there had been no break in employment. A military discharge form DD-214 with an honorable discharge must be submitted with the notification of intent to return to work. USERRA's cumulative 5-year limit does not include certain kinds of military training or service.
3. Time limits for employees to reapply for return to work after release from military service are:
 - a. Less than 31 days absence - employee must report to employer by the next business day.
 - b. 31 days to 180 days absence - notification to Human Resources must be submitted within 14 days.
 - c. More than 180 days absence - notification to Human Resources must be submitted within 90 days.
4. An employee returning to Town employment following an active-duty enlistment must be able to perform the duties of his former position or a position of like classification.
5. Provisions for Deployed Benefit Eligible Employees:
 - a. Benefit eligible employees will not accrue annual and sick leave while on leave without pay while serving on active duty.

- b. Salary increases and changes in job level will be tracked during the employee's absence so that re-entry to employment is at the appropriate level.
- c. The employee on active duty may choose to drop or continue insurance. The Town will contribute the same amount to the active-duty employee's insurance as when the employee was in an active pay status with the Town.
- d. The benefit eligible employee will receive full-service credit with the Retirement System after returning from military service provided, they return to work within the guidelines stated above. In order to receive the retirement service credit, the returning employee must furnish his military discharge form DD-214 to Human upon return to work.

Procedures:

1. When an employee enlists in the military for active duty, they must immediately notify Human resources and provide a copy of the official set of activation orders. A benefit eligible employee must also submit a PTO request in the Town's timekeeping system if he wants to use any paid leave during the deployment. At the end of any paid leave used, the employee must be placed on leave without pay.
2. The benefit eligible employee will decide whether or not to maintain the Town's insurances during the period of active duty. If yes, the employee will be required to pay his portion of the premiums by check or cash on a monthly basis. If no, the employee will notify Human Resources to change his/her insurance status.
3. The benefit eligible employee will need to review their beneficiary status for retirement and deferred compensation (457 and 401(k) and make any desired changes.
4. If while the employee is serving the voluntary active duty, they receive notification of a deployment in support of a war effort of the United States, they must immediately contact Human Resources.
5. Upon release from military service, the employee will notify Human Resources of the date for return to Town employment.
6. Upon the benefit eligible employee's return to work, they will submit a copy of their military discharge form DD-214 to Human Resources for his personnel file. They should also make any necessary adjustments to their Town insurances.
7. In order to receive service credit with the North Carolina Local Governmental Employees' Retirement System, the benefit eligible employee will provide a copy of his military discharge form DD-214 to Human Resources.

Section 11. Leave Without Pay

Purpose: The Town of Clayton grants Leave Without Pay to benefit eligible employees under certain conditions as outlined within this policy.

Certain Federal laws such as the Family and Medical Leave Act (FMLA) and the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) require employees be given time off if they meet the requirements of the laws. The Town considers these guidelines to be minimum requirements. The Town recognizes that there may be circumstances where employees need to take time off from work even when there is no paid leave and provides for these circumstances through this and related policies.

Scope: This policy applies to employees in all benefit eligible positions. Other (not benefit eligible) employees are not covered by the leave in this policy but will be allowed time off if they qualify for a circumstance covered by Federal law.

Definitions:

- **Leave Without Pay** – An absence from work in a non-paid status.
- **Benefit Eligible** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules:

1. Leave Without Pay will only be granted if an employee has exhausted all of his accrued leave or any eligible donated leave.
 - a. Leave Without Pay Granted by Human Resources in collaboration with the Town Manager. In all cases, decisions are based on the employee's request, consideration of the impact on the work unit, and equity of treatment.
 - b. Leave Without Pay may be granted under the following circumstances:
 - i. Military Leave
 - ii. Leave for Birth/Adoption/Placement of a Child
 - iii. Family and Medical Leave (FMLA) - time granted and the FMLA entitlement will run concurrently.
 - iv. Cases of extended sick leave.
 - v. Leave Without Pay may be granted under other circumstances not covered under at the discretion of the Town Manager.
2. When an employee is on Leave Without Pay, he will continue to pay his portion of any

health/ dental insurance premiums and the Town will continue to pay its share.

3. If an employee's Leave Without Pay exceeds a pay period or greater, no leave accrual will occur for each full pay period in a LWOP status. In addition, Leave Without Pay of a pay period or greater may impact the employee's leave accruals and service time with the Town and the North Carolina Local Governmental Employees' Retirement System.
4. If an employee is in a LWOP status of one pay period or greater, he will not be compensated for holidays that fall during the LWOP time span. If an employee is in a LWOP status the day before a holiday, or the day after a holiday, the department may decide to compensate the employee for the holiday or not.

Procedures:

1. If Leave Without Pay must be granted, the procedures for the specific policy should be followed.
2. Requests for Leave Without Pay must be submitted in writing by the employee through Human Resources.
3. The Human Resources Director will review the request and will consult with the Town Manager's Office if necessary to approve or deny the request.
4. Human Resources will notify the Department Director and time and attendance of the decision.

Section 12. Leave for Parental Involvement in Schools

Purpose: The Town of Clayton grants a total of four (4) hours of leave per school year regardless of number of children to benefit eligible employees to provide parental involvement as an essential component of a child's success in school and positive student outcomes.

North Carolina General Statute G.S.95-28.3 specifies that employers shall grant four (4) hours per year of leave to any employee who is a parent, legal guardian, or person standing loco parentis ("in place of a parent") for a school-aged child so that the employee may attend or otherwise be involved in that child's school.

Scope: This policy applies to employees in all benefit eligible positions.

Definitions:

- **School Year** - A school year is defined as the time period July 1 through June 30, annually.
- **Benefit Eligible** - Full time and regular part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally

mandated coverage.

- ***School*** - For purposes of this policy, “school” means any (1) public school; (2) private church school, church of religious charter, or nonpublic school that provides a course of grade school instruction through 12th grade; (3) preschool; and (4) child day care facility with a structured program.

Organizational Rules:

1. Leave under this policy shall be subject to the following conditions:
 - a. The leave shall be at a mutually agreed upon time between the employee’s supervisor and the employee;
 - b. Approval of parental leave shall be subject to workload and scheduling considerations;
 - c. Approved parental leave under this policy will not have an adverse effect on the attendance record of the employee and may not be used for disciplinary action.
2. Leave under this policy will be treated as Leave Without Pay unless the employee elects to use accrued paid leave.

Procedures:

1. Employees should request parental involvement leave through the Town’s time-keeping system.
2. The employee’s supervisor may require the employee to furnish written verification from the child’s school confirming the employee’s attendance or participation at the school during the time of the leave.

Section 13. Paid Parental Leave

Purpose: The Town of Clayton may provide Paid Parental Leave of up to four (4) weeks of paid leave to employees classified as Full-time who have worked for the Town for at least twelve (12) months prior to the birth or adoption of their child.

The purpose of Paid Parental Leave is to allow up to four (4) weeks of paid leave to employees who have worked for the Town for at least twelve (12) months. The Family Medical Leave Act provides job protection in a paid or unpaid status however it does not address the lack of income experienced by many employees during periods of necessary leave. For this reason, the Town offers the family-friendly option to its employees of Paid Parental Leave for the birth, bonding, and care of a child. Paid parental leave will be in addition to an employee’s accrued annual leave and sick leave.

Scope: This policy applies to employees in all benefit-eligible positions classified as Full-Time. Full-time means a normal work schedule of at least 40 hours per week, or at least 80 hours on a bi-weekly basis. Regular Part-time and other non-benefit-eligible employees are not covered by the leave in this policy but are eligible for unpaid Family and Medical Leave if they meet the qualifying requirements.

Definitions:

- ***Paid Parental Leave*** - The period of time of up to four (4) weeks of paid leave for Parental care of a newborn; a child placed for adoption, foster care, or guardianship.
- ***Child*** - A biological, adopted or foster child, stepchild, legal ward or a child of a person standing in loco parentis, who is under age eighteen (18).
- ***Parent*** - means any of the following: (1) the biological parents of a child; (2) a person who has legal custody of a child; or (3) a person who assumes day-to-day responsibilities to care for or financially support a child regardless of whether he or she has been appointed legal guardian.
- ***Benefit Eligible*** - Full time (FT) employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

Organizational Rules: To qualify for Paid Parental Leave, an employee must meet all of the following criteria:

1. The employee must be a full-time benefitted employee and have worked for the Town for at least twelve (12) months.
2. Eligibility for Paid Parental Leave expires twelve (12) months after the date of the qualifying event. A qualifying event is any one of the following:
 - a. Birth of a child of the employee;
 - b. The legal placement of a child with the employee for adoption, foster care or guardianship; or
 - c. The placement of a child with the employee for whom the employee permanently assumes and discharges parental responsibilities (in loco parentis).
3. If both parents are employed by the Town, six (6) weeks is the maximum combined total available for Paid Parental Leave for both employees.
4. An employee may receive Paid Parental Leave for only one qualifying event within a rolling twelve (12) month period. Paid Parental Leave may be used on an intermittent basis in full work week increments with prior approval from the Department Director and

Human Resources or may be run consecutively. If an employee utilizes only a portion of the four (4) weeks for one (1) qualifying event, they would not be eligible to use the remaining time for a different qualifying event, even if that event occurred within the same twelve (12) month period.

5. An employee is eligible for Paid Parental Leave only if the qualifying event occurs on or after the effective date of this policy.
6. After Paid Parental Leave has been exhausted employees may use all available Vacation, Sick, and/or Holiday Leave to continue care for a newborn child, a child placed for adoption, guardianship or foster care.
7. In the event that an employee's request for Paid Parental Leave is denied, they may be eligible to use available Vacation, Sick, and/or Holiday Leave, provided that the conditions of those leave benefits are satisfied.

Procedures:

1. To receive Paid Parental Leave, an employee must complete and submit a Family and Medical Leave Act (FMLA) Application Form within 12 months of a qualifying event and specify the number of Paid Parental Leave hours requested.
2. Paid Parental Leave and FMLA will run concurrently.
3. In addition to the FMLA Application Form, an employee must also submit supporting documentation that establishes the qualifying event for eligibility. Supporting documents include, but are not limited to:
 - a. Birth of child – A certificate of live birth or similar government issued document, listing the requesting employee as a legal parent.
 - b. Legal placement of a child – A certified copy of a court order granting legal custody of the child to the requesting employee.
 - c. In Loco Parentis – A notarized statement from the employee asserting that he or she is assuming the obligations of a parent to a child. The statement must include the age of the child, the degree to which the child is dependent on the employee, the amount of support, if any provided by the employee and the extent to which the employee exercises duties commonly associated with parenthood.
 - d. Non-legal placement of a child – Two (2) official records establishing the employee as a named caregiver to the child (e.g. school enrollment, insurance records, or medical records); and documentation establishing the date when the placement occurred (e.g. insurance records and certificates of death).
4. The employee must submit their application to Human Resources along with the

supporting documentation as outlined in this policy.

5. The employee will be notified within five (5) business days if Paid Parental Leave is approved. In addition, the employee's supervisor and/or department director shall also be notified.
6. The employee must code Approved Paid Parental Leave in the Town's timekeeping system.

Health Benefits: The Town will continue to make contributions on behalf of the employee previously enrolled in a health plan with the Town. During the period of Paid Parental Leave, all premiums will continue to be deducted from the employee's paycheck.

Retirement: Retirement contributions and retirement service credit will continue to accrue during the Paid Parental Leave period.

Accrual of Annual Leave and Sick Leave: Annual Leave and Sick Leave will continue to accrue during the period of Paid Parental Leave.

Section 14. Birthday Leave

Purpose: This policy establishes the procedure for time off without loss of pay to celebrate the employee's birthday. The purpose of Paid Birthday Leave is to allow employees a day off with pay to recognize their birthday.

Scope: This policy applies to employees in all full-time and permanent part-time employees who have completed their six (6) month probationary period.

Definitions:

- **Full-Time** - an employee employed on average at least 30 hours of service per week.
- **Permanent Part-Time** - an employee who works part-time hours but has regular employment with a permanent schedule.

Organizational Rules:

1. Birthday leave may be taken on any day within an employee's birth month as long as the absence is approved by the employee's supervisor, or in accordance with departmental leave procedures, prior to taking the leave.
2. Full-time employees are allowed 8 hours of leave while part-time employees are granted leave on a proportional basis (i.e. 50% effort = 4 hours of leave). Birthday leave cannot be used in increments of less than one day. Employees working an alternate schedule of more than 8 hours per day must use vacation for the remaining hours of the day.
3. If an employee does not take his/her birthday leave within his/her birth month, the leave is forfeited for that calendar year.

4. Birthday leave must be earned prior to actual time off and cannot be taken in advance of the eligibility period.
5. Employees who do not recognize birthdays for religious reasons, may opt to use the leave as a floating holiday.
6. Birthday leave is a Town of Clayton employee benefit and the Town reserves the right to continue, change, or discontinue Birthday Leave at any time.

Section 15. Bereavement Leave

Purpose: The Town of Clayton provides up to five (5) days of funeral leave with pay to all full-time and regular part-time employees. The purpose of bereavement leave is to provide a way for the Town to support employees during a difficult life event.

Scope: This policy applies to employees in Full-Time and Permanent LGERS Part-Time positions. Other non-benefit-eligible employees are not covered by the leave in this policy.

Definitions:

- ***Immediate Family*** - For the purpose of this policy “immediate family members” shall include parents, stepparents, parent-in-laws, grandparents, children, grandchildren, siblings and spouses, or dependents.

Organizational Rules:

1. Employees are entitled up to five (5) business days of bereavement leave, per occurrence, for the death of an immediate family member. Employees are entitled up to three (3) business days of bereavement leave, per occurrence, when there is a death in the employee’s family other than those listed as immediate family. Examples include; brother-in-law, sister-in-law, aunt, uncle, niece or nephew.
2. Employees are provided with paid time off for making arrangements, settling family affairs, bereavement, and/or attending the funeral or memorial service of a member of their immediate family.
3. The Town reserves the right to require documentation of the death (e.g., obituary, documentation from funeral home).
4. The allotted days off with pay do not have to be consecutive however should be used within one year of the death the family member.
5. For death of family members or friends not covered by this policy, employees should use their accrued leave.

ARTICLE III. COMPENSATION POLICIES

Section 1. Total Compensation Philosophy

Purpose: The Town's total compensation program is a critical part of the Town's human resources (HR) strategy because it provides management with a powerful, cost-effective tool to attract, retain, and motivate a talented and committed workforce to support the Town's mission, vision, goals and culture. Competitive pay is an element in attracting, retaining, motivating, and rewarding the type of employees needed to fulfill the mission of the Town of Clayton.

Competitive compensation is critical in ensuring the organization employs the staff needed to fulfill the mission of the Town of Clayton. The Town compensation program is designed to retain a valuable workforce; facilitating career development of its employees; recruit in diverse labor markets; and maintain fiscal stewardship. recruiting effectively in diverse labor markets; and maintaining fiscal stewardship.

Scope: This policy applies to all benefit eligible positions of the Town of Clayton.

Definitions:

- ***Assessment*** - A comprehensive review, of all employees to ensure consistency in the application of compensation and benefits policies and programs.
- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Competitive Labor Market*** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices.
- ***Peer Group*** - Employees in the same department, classification and/or pay grade. These are established for the purpose of internal salary alignment analysis performed by Human Resources. Peer group analysis is required to be completed for all salary recommendations in order to ensure fair and consistent salary decision-making in accordance with Federal EEO laws and regulations.
- ***Total Compensation*** - Total compensation is the concept of considering all compensation provided by the Town to employees and includes both salaries (cash) and benefits (non-cash).

Organizational Rules:

1. The Town's pay philosophy is based upon of the development of salary structures, salary administration programs, and other rewards programs that contribute to successful employee recruitment and retention.
2. The Town's salary administration program is performance based.
3. The salary advancement of an individual employee is dependent upon their job performance, professional development, and personal behaviors resulting in the accomplishment of work plan objectives and positive contribution to the fulfillment of the Town's mission.
4. The Human Resources Department develops strategies to maintain the Town's competitive position in the market.
5. The Town's goal regarding compensation philosophy is:
 - a. Be competitive in pay at the 60th percentile or above as measured against peer counties and municipalities within bordering counties to Johnston County, subject to funding availability and approval.
 - b. Provide a competitive benefits program that supports employee retention and encourages Town employees and their families to be healthy and productive leading to a reasonable degree of retirement security following their active service.
6. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. The Town's total compensation program is reviewed periodically. This review includes a competitive assessment of the Town's salary structures, salaries/wages, employee benefits, and other financial and non-financial rewards that contribute to successful recruitment and retention of a highly qualified, competent and committed workforce.
2. The Human Resources Department acquires salary and benefits data through a combination of participation in compensation surveys, purchase of published salary market data, ongoing participation with other organizations in gathering and analyzing salary and benefits data, and other relevant information.
3. The Human Resources Department analyzes salary and benefits market data to determine the Town's relationship to the competitive labor market.
4. The Human Resources Department recommends to the Town Manager reasonable

compensation and benefit program offerings and/or adjustments that support the effective delivery of the Town's Compensation Philosophy.

Section 2. Hiring Pay Rates

Purpose: The Town of Clayton establishes salary ranges for each job based on the competitive labor market rate for employees in similar roles. Hiring ranges are established to help ensure the Town is able to attract applicants necessary to fill positions and to ensure equitable salary administration for new and current employees.

Scope: This policy applies to all new, benefit eligible employees upon initial appointment to Town service.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Hiring Range*** - The normal hiring range upon initial appointment to Town service; defined on an annual basis as part of the pay administration process.
- ***Pay Zones*** - A distribution divided into fifths (e.g., the pay range).
- ***Salary Range*** - span of possible pay rates defined by a minimum rate of pay and a maximum rate of pay. Establish boundary within the salary range.
- ***Internal Equity*** - A review of salaries of current employees in similar positions will be completed to ensure internal equity.
- ***Recruitment Difficulties*** - skills in high demand or hard-to-find areas require additional salary consideration. Factors such as the scarcity of qualified applicants, the number of rejected job offers, and the turnover rate for the position may be considered.

Organizational Rules:

1. Employees hired into benefit eligible positions are normally paid an initial salary within the established hiring range for the job.
2. The town has the option to hire all new hires at the minimum of the pay grade. However, hiring new employees above the minimum is appropriate in certain situations.
3. When determining pay, the employee's knowledge and skills should be considered as they relate to the job/duties/responsibilities. Only education and prior experience that

is directly related to the position should be considered. Salary offers above the hiring range may be approved when the applicant's competence and experience are clearly over and above those qualifications required as the minimum for the job and/or when a critical knowledge or skill shortage exists.

4. The salary of an employee must be on one of the predefined steps.
5. If an employee meets only the minimum qualifications of the position, they likely should be compensated at the minimum of the salary range.
6. An employee not meeting the minimum requirements for a job will be designated as a trainee and will have a starting salary set at 5% below the minimum of the salary range for the position that they're hire into.
7. Hiring managers must provide a justification to Human Resources for all trainee recommendations.
8. No salary, with the exception of trainees, will be paid below the minimum of the salary range, and salaries should not exceed the maximum of the salary range.
9. Administrative guidelines for sworn Police and Fire personnel may differ based on their respective salary structures.

Procedures:

1. Starting Salaries in the Green Zone: The Green Zone of the pay range starts at minimum in the grade and extends one fifth of the way to the maximum in the pay grade. Starting salaries in the Green Zone are appropriate when a job candidate meets minimum qualifications; has little or no direct related or prior experience beyond position minimums or may be new to the field of the job. The candidate will require additional training and time in job to build knowledge and skills. It is also appropriate to align with the Town's internal equity. Internal equity should be considered to ensure are establishing new hire salaries consistently and equitably within the grade.
2. Starting Salaries in the Blue Zone: The Blue Zone of the range is intended for candidates who have gained experience and skill and who will become more proficient in the position for which they are being hires hired. Employee ay need additional training to perform duties independently.
3. Starting Salaries in the Orange Zone: The orange zone employee is able to complete most job requirements; enters the job with directly relevant prior experience and requires only procedural and departmental specific training. Employee experience and qualifications will exceed the minimum requirements for the job.
4. Starting salaries in the Yellow Zone: The Yellow Zone is typically reserved for experienced employees who perform all tasks independently. The employee is fully competent or knowledgeable in all aspects of the job requirements and can demonstrate

ability to immediately contribute to the achievement of objectives with little direction or supervision beyond general operational orientation needs. Employee experience and qualifications will significantly exceed the minimum requirements for the job.

5. Starting Salaries in the Red Zone: The Red Zone of the range is normally reserved for individuals who are considered a subject matter expert in their position. The employee has depth and breadth of experience demonstrated through the ability to execute all job requirements while being held accountable for outcomes; routinely handles complex situations. Employee experience and qualifications will significantly exceed the minimum requirements for the job and the individual may bring in highly specialized expertise.
6. When submitting a salary request for HR review above the associated zone or posted hiring range, the hiring manager must submit an exception request signed by the Department Head that includes the recommended salary and the basis for the calculation.
7. Human Resources will review the following to make a final determination:
 - a. The advertised hiring ranges.
 - b. The candidate's application.
 - c. The candidate's current position title and salary.
 - d. The basis for the calculation.
 - e. Internal equity, with identified peer positions

Section 3. Promotional Pay Increases

Purpose: The Town of Clayton provides the opportunity for a promotional salary increase to employees promoted through a competitive process. To reward employees for successful appointment to a higher value job requiring the demonstration and application of a higher level of knowledge and skill to provide a means of maintaining equitable salary relationships with other employees based on differences in responsibilities and work assignments.

Scope: This policy applies to all benefit-eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit-Eligible*** - Full time and part-time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated

coverage.

- **Promotion** - The movement of an employee from a position in a job classification assigned to a position with a higher salary grade through a competitive process. Reclassifications of an employee's existing position will be addressed according to the reclassification policy.
- **Salary Range** - Each pay grade within each salary structure has a salary range minimum and salary range maximum, determined through market surveys.

Organizational Rules:

1. Promotions come with greater job expectations and addition of significant duties and or key responsibility. Generally, a significant change is identified when a position's duties increase in level of expertise, job knowledge, and/or responsibility.
2. For promotion to another position, the employee must possess at least the minimum recruitment standards, or their equivalent, as set forth in the class specification.
3. Promotional increases will normally be made to a salary within the established hiring range for the new job classification.
4. Promotional increases may be made above the hiring range with recommendation from the Human Resources Department and approval by the Town Manager or designee.
5. When an employee is promoted, the employee's salary shall normally increased by 5%. Any promotional increase in salary above 5% will require justification and review by Human Resources Director and final approve by the Town manager or designee.
6. A competitive offer (i.e., counteroffer) may not occur within the Town between departments.
7. The effective date for promotions will be effective at the start of the next pay cycle and will become the employees' new class date for the purpose of calculations of any future salary increase.
8. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation polices, programs or practices are introduced, amended, or eliminated.
9. Administrative guidelines for sworn Police and Fire personnel are listed on their respective salary structures.

10. In order to be eligible for a promotion, an employee should have completed their probationary period and have no active disciplinary actions during the previous 12 months.
11. Employees promoted to a new position shall complete a six (6) month probationary period.

Procedures:

1. The hiring manager will fill the vacant promotional opportunity competitively following required recruitment and selection process.
2. When the hiring manager has selected a candidate, they should forward the selection decision log to the Human Resources Department along with all supporting documentation obtained through the hiring process.
3. The Human Resources Director will review the information and provide the salary recommendation to the hiring manager.
4. Once the Hiring Manager has extended a verbal offer and it has been accepted, the hiring manager will notify Human Resources.
5. Human Resources will generate the promotional offer letter and initiate the process to update the employee's pay and any other change the employment record once the acceptance letter is received.

Section 4. Position Reclassification

Purpose: Position reclassification is designed to recognize changes in scope, nature and complexity of a job that may occur as a result of evolving or newly emerging business, customer, or organizational requirements.

To provide a means of appropriately recognizing a change in the nature of the job or the application of knowledge and skills that are different from the job previously performed.

Scope: This policy applies to all benefitted positions.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit-Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.

- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title and control point.
- **Job Evaluation Factors** - The factors provide a systematic way of determining the value/worth of a job in relation to other jobs in the Town. Factors used in the job evaluation process include:
 - Minimum education and experience required
 - Increased Professional or Industry Certification
 - Information processing and latitude
 - Type and nature of contacts
 - Budget/financial impact and influence
 - Job skill and technical difficulty
 - Exposure to mental fatigue/stress and physical risk
 - Organizational level, supervisory scope, and number of supervisees
- **Position** – A unique budget allocation to which an established set of duties and responsibilities (job) is assigned.
- **Reclassification** - Change of a position from one classification to another classification based on characteristics of currently assigned duties.

Organizational Rules:

1. All reclassifications require review by the Human Resources Department and approval by the Town Manager.
2. Positions are reclassified on the basis of a significant change in the nature of the work assigned to the position, changes in the job evaluation factors assigned to the position by Human Resources, and similarities of job and qualification requirements with other job classifications within the organization.
3. A reclass of a position represents significant Change in a position's current duties. An increase in the volume of work should not constitute a significant change.
4. Reclassification may result in placement of a position into a lower pay grade, same salary grade ("lateral reclassification"), or a higher salary grade ("promotional reclassification").

5. A position with an employee cannot be reclassified prior to the employee's successful completion of the probationary period in the position and will not be reviewed for reclassification more than once in a 12-month period.
6. Additional duties of a similar nature added to a position do not typically result in a position reclassification. Department Directors may request to compensate employees for taking on and successfully performing additional duties. Temporary or permanent adjustments, not including those situations covered under "Acting Assignment Pay," will require justification and review by the Human Resources Director and final approval by the Town Manager.
7. To warrant a salary increase for additional duties that do not modify the classification of a position, the additional duties must:
 - a. Be a permanent addition to the position
 - b. Be similar in complexity and nature of work
 - c. Be a formal specific, substantially noticeable addition to current work performed
8. When a position is reclassified to a job classification assigned to a higher salary grade, employees currently in the position may receive a reclassification salary increase.
9. When an employee's position is reclassified to a class which is allocated to a higher salary grade, the employee will be assigned to Step 1 of the new salary grade provided, however, that if the employee is already being paid at a rate equal to or higher than Step 1, they shall be placed in the step of the higher salary grade that will grant the employee a salary increase commensurate with their experience and education, taking into account equity within the position.
10. If the new salary has the potential to create an inequity with others in the same classification, the Human Resources Director, with Town Manager approval, may make adjustments that would resolve any internal equity discrepancy, considering the education and experience of the potentially affected employees.
11. If a job is reclassified to a job classification assigned a lower salary grade, the employee will not normally have his salary decreased.
12. No change in salary will accompany a change only in FLSA (Fair Labor Standards Act status (Exempt/Non-Exempt)).
13. A reclassification will be effective at the start of the first full payroll period following approval by the Human Resources Department. Reclassifications are not processed retroactively.
14. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town

Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. The employee or supervisor completes a request for classification review and attaches an updated position job description and a justification letter explaining any additional information helpful for the review.
2. A current and proposed organization chart must be submitted to HR/Compensation along with each position reclassification request.
3. Human Resources reviews all classification requests and determine appropriate job evaluation factor levels.
4. Human Resources communicates results of the reclassification review to the requesting Department Head. The Department Head or designee communicates the results of the review to any affected employees.
5. Position reclassification should not be used to provide salary increases for existing employees when a vacancy occurs nor should position reclassifications be used to avoid posting a vacant position.

Section 5. Employee Transfers

Purpose: To enhance organizational effectiveness, the Town of Clayton may allow employees to transfer from one position to another. Employee transfers, when permitted and practical, support the organization's abilities to foster employee career development, meet employee interests, resolve employee relations concerns, and increase the efficiency of Town business operations.

Scope: This policy applies to benefit eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Salary Range*** - Each pay grade within each salary structure has a salary range minimum and salary range maximum, determined through market surveys.
- ***Transfer*** - The movement of an employee from a position in one job classification to a position in another job classification within the same salary grade.

Organizational Rules:

1. Required Approvals- Supervisors must contact the Human Resources Department for approval in advance of taking any actions permitted by this policy.
2. Eligibility for Salary Increases – The salary of an employee transferred to a position in the same salary grade shall not be changed by the transfer unless it is determined that the salary is not equitable to others in the same job classification.
3. Requested Transfers to a Lesser Position - A transfer made at the employee's request to a position assigned to a lower salary grade requires a decrease in the employee's salary of at least 5% unless the decrease in salary would create an internal equity discrepancy.
4. Transfer at the Town's Request - A transfer made at the Town's request, not for cause (not a demotion), will not normally be accompanied by a change in the employee's rate of pay as a result of the transfer and will not require a competitive process. In cases where the employee's salary is less than the salary range minimum of the position into which he is being transferred, a salary increase may be awarded to the salary range minimum.
5. The movement of employees from one position to another like position in the same job class and assigned to the salary grade for operational or employee development purposes is not considered a transfer for the purposes of this policy. In such situations, no change in the employee's salary is permitted.
6. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.
7. Administrative guidelines for sworn Police and Fire personnel are listed on their respective salary structures.

Procedures:

1. Competitive Transfers - Employees interested in transferring to an existing vacant position should apply and compete for the position through the Town's normal recruitment and selection process.
2. Voluntary Transfers - Employees interested in a transfer, not attained through a competitive process, should follow the process below.

The employee must make a request in writing to his supervisor, stating his desire to transfer and the reason for the request. The supervisor should discuss the request with his Department head.

The division manager must respond in writing to the employee. The division manager is not obligated to grant the request, but may do so when:

- a. The employee has provided the request in writing.
 - b. The request is not due to discreditable circumstances.
 - c. The supervisor's assessment of the employee's performance indicates the likelihood of successful performance in a different role.
 - d. A position is available to accommodate the employee's request.
3. The employee must sign a statement agreeing to the terms and conditions of the transfer.
 4. If approved, the Department Head forwards the original request, response and signed statement with the necessary paperwork to the Human Resources Department to execute the transfer.
 5. The employee's request, the division manager's response and the signed statement will be included in the employee's official record.

Section 6. Employee Demotion

Purpose: Certain corrective actions may result in the demotion of an employee to a position assigned to a lower salary grade. This is to provide an opportunity for an employee who is not able to adequately perform in one role to acceptably perform in a lesser role. Demotions may be used in lieu of termination.

Scope: This policy applies to all benefit eligible employees.

Definitions:

- **Benefit Eligible** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- **Demotion** - The movement of an employee from a position in one job classification to a position in another job classification assigned to a lower salary grade as the result of discreditable circumstances.

Organizational Rules:

1. Demotions are involuntary resulting from a disciplinary action or inefficiency in performance.

2. Involuntary/Disciplinary demotions shall require a decrease in the employee's salary. Specifically, the salary of a demoted employee will be reduced to the step equivalent to the demoted employee's current step in the new salary grade. The salary reduction should not exceed 15%.
3. In some corrective actions, an employee may be separated if there is no vacant position available.
4. Supervisors must contact the Human Resources Department for approval in advance of taking this corrective action.

Procedures:

1. Demotion is a corrective action. Supervisors must follow the procedures as covered in the Disciplinary Action Policy.

Section 7. Employee Rehire

Purpose: Former employees seeking re-employment with the Town of Clayton may receive limited credit for prior Town service; salary offers will be reviewed on a case-by-case basis.

The Town recognizes that an employee may leave Town service for other employment or personal reasons but later decide they would like to return to Town employment. The Town cannot guarantee the former employee re-employment. However, should the former employee compete through the normal employment process and ultimately be selected, the provisions of this policy help minimize the rehired employee's loss by separation when the separation has been of relatively short duration and the former employee has met the conditions of this policy.

Scope: This policy applies to all former benefit eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Probationary Period*** - The probationary period is a "trial period" during which the supervisor determines whether the new employee is suitable for and is able to acceptably meet the Town's job performance and behavioral expectations for the position. It is the benefit eligible employee's initial period of employment. An employee may be terminated from Town employment for any lawful reason with no right of appeal during the period. The duration of a probationary period is typically

the initial six months of service but may be longer for specific jobs requiring more extensive training processes and closer supervision.

- **Rehire** - An employee's return to Town employment following a break in service, with special provisions regarding specific conditions of employment.

Organizational Rules:

1. The period of separation must not have exceeded one calendar year.
2. The former employee's separation must not have been due to discreditable circumstances.
3. A former employee rehired in a position in the same job classification may receive a salary equivalent to their pay rate at the time of separation.
4. Rehired employees are not entitled to service credit in determining eligibility for any of the Town's benefit program offerings. Benefit earnings rates will be the same as for new employees except that all periods of full time and part time employment will count towards eligibility for Town retiree benefits.
5. Credit for service prior to the separation may be given in determining eligibility for retirement benefits with the North Carolina Local Governmental Employees' Retirement System (NCLGERS) if the retirement account had not been withdrawn voluntarily.
6. Credit for a voluntarily withdrawn NCLGERS account may be restored in accordance with NCLGERS rules.
7. A rehired employee must successfully complete the introductory period under the same conditions as any new benefit eligible Town employee as if the rehired employee had no prior Town service. Rehired employees are not eligible to receive probationary salary increases.
8. A rehired employee may be eligible for a merit salary increase upon successful completion of the probationary period in accordance with salary administration guidelines.
9. Former employees seeking re-employment must make application through the normal job application process for consideration on an equal basis with all other applicants for employment.
10. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. If selected for the position, the department will determine whether or not the former employee meets the conditions of re-employment at the previous salary, obtaining advance approval from Human Resources, when necessary, as described in this policy.
2. The former employee will be notified of the salary decision in a written offer of employment.
3. Once the conditional offer of employment has been accepted the applicant of the need to pass a pre-employment physical which includes a drug screening test.

Section 8. Acting/Interim Assignment and Pay

Purpose: The nature, timing, or other special circumstances surrounding certain work activities may warrant compensation for assuming the work of a position of greater value in addition to the employee's own work assignments.

The Town recognizes that occasionally when an employee vacates a position or is out of work for an extended period of time that another employee will need to assume the absent employee's duties to ensure service is not interrupted. To provide for effective management of Town services and supervision of staff during an employee's absence, a Department Director may request additional compensation for an employee who meets the minimum requirements and assumes the work of a position of greater value in addition to his own work assignments during the absence.

In order to recognize the additional effort required, the Town may authorize Acting Pay. This policy outlines those situations and conditions for which Acting Pay may be authorized.

Scope: This policy applies to all benefit eligible employees below the Department Head level.

Definitions:

- ***Acting/Interim Pay*** - A temporary supplement to an employee's pay when the employee is acting in a higher capacity.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Higher Capacity*** - A level of work substantially greater in responsibility and complexity than that of an employee's current job assignment and which is recognized

at a control point of greater value.

Organizational Rules:

1. In order to be eligible to receive additional compensation for acting in a higher capacity, the employee must meet the minimum requirements of the higher position. The position in which the employee is acting must be either 1) vacant due to an employee separation for at least 30 calendar days, or 2) the employee must be absent from work for at least 30 calendar days. For the acting employee the following conditions must be met:
 - a. Vacant Position (Acting)– The employee acting in a higher capacity position is eligible, at the department's initiation and with Human Resources' prior approval, to receive Acting Pay. The Acting Pay supplement does not change the employee's base salary.
 - b. Absent Employee (Interim) – The employee acting in the stead of an employee absent due to illness, injury or long-term offsite training, is eligible for this Acting Pay, at the department's initiation and with Human Resources' advance approval.
2. The employee will normally not receive Acting Pay for more than six months. Requests for extensions require the approval of the Human Resources Director.

Procedures:

1. The Department Director who determines Acting Pay is warranted based on circumstances that meet the conditions of this policy will send a recommendation in writing to the Human Resources Department. When possible, the request should be submitted to Human Resources fifteen (15) calendar days in advance of the beginning of any Acting Assignment. Notification should only be made to the employee after written approval is provided by Human Resources.
2. The Human Resources Director will first review request from an equal employment perspective. The Town is committed to equal opportunity in all matters relating to hiring, assignment, promotion and other personnel actions to help ensure a competent and diverse workforce. Decisions on employment are based on qualifications, experience, and suitability for the job. HR will collaborate with the requesting department to ensure that the selection decision is fair and equitable in accordance with Federal and State laws, regulations, and Town policies. The employees considered for the Acting Assignment should meet the minimum qualifications of the Acting position in order to be considered for the assignment.

3. Once the selection decision has been approved by the HR Director for the Acting Assignment, the Human Resources Director will provide notification to the Department Director with the decision. The notification will also indicate when the Acting Pay will begin so the department can notify the employee.
4. The acting pay must begin at the start of a full payroll period.
5. In situations where the approved Acting/Interim Assignment begins after the start of a pay period, the Acting Pay will begin on the first day of the nearest full pay period following when the employee begins serving in an approved Acting Assignment.
6. The Acting Pay will end on the last day of the nearest full payroll period closest to when the employee ceases serving in an approved Acting Assignment.
7. The Acting Pay supplement will be calculated as 5% of the acting employee's annualized base pay not to exceed 10% of their current base pay.
8. Any Acting Pay supplement above 10% of the acting employees annualized base salary will require prior approval of the Town Manager. In all cases interim pay will be capped at 20% of interim employee's current base salary.
9. Acting pay should not be greater than the pay rate of the previous employee except under exceptional circumstances. This requires prior approval from Human Resources.
10. Requests for extensions of Acting Assignments and Acting Pay beyond six months must be submitted in writing and require the approval of the Human Resources Director.
11. At the end of the Acting Assignment, the Acting Pay supplement will end, and the acting employee's salary will return to the employees annualized base salary prior to the assignment.
12. Employees entering into temporary Acting Assignment, will not be placed in a probationary period.

Section 9. Probationary Salary Increases

Purpose: To recognize and reward a new employee's successful completion of the initial employment period. Supervisors may reward the successful completion of a new employee's probationary period with a salary increase, if eligible.

Scope: All benefit eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benefit Eligible*** - Full time and part-time plus employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Probationary Increase*** - A salary increase awarded to new employees after successful completion of the probationary period.
- ***Probationary Period*** - The probationary period is a "trial period" during which the supervisor determines whether the new employee is suitable for and is able to acceptably meet the Town's job performance and behavioral expectations for the position. It is the benefit eligible employee's initial period of employment. An employee may be terminated from Town employment for any lawful reason with no right of appeal during the period. The duration of a probationary period is typically the initial six months of service but may be longer for specific jobs requiring more extensive training processes and closer supervision.
- ***Probationary Status*** - The state of a new benefit eligible employee's employment during the probationary period. Probationary status indicates that an employee is in an initial period of employment during which the employee may be terminated from Town employment for any lawful reason with no right of appeal.

Organizational Rules:

1. The probationary period for most benefit eligible employees is 6 months.
2. The probationary period is an eligible employee's initial period of employment during which the employee may be terminated from Town employment for any lawful reason with no right of appeal.
3. The probationary period is a "trial period" during which the supervisor determines whether the new employee is suitable for and is able to acceptably meet the Town's job performance and behavioral expectations of the position into which the employee has been hired.
4. Supervisors may, or may not, choose to award probationary increases based on satisfactory performance.
5. An employee who receives a salary increase as a result of a reclassification or market adjustment will not be eligible for a probationary salary increase.
6. As an at-will employee, there is no guarantee of salary increases. All increases are

subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. Employees successfully completing the probation period will receive a 2.5% increase. However, the Probationary Increase may be reestablished annually by the Town Manager as part of the Town's salary administration program and will be included in the current year Probationary Increase Guidelines.
2. Managers in collaboration with Human Resources may designate whether a new employee's probationary period should be extended. A probationary period may be extended when the supervisor has not had an adequate opportunity to fully access the employee's performance, or the employee has not demonstrated successful performance in certain functions of their job.
3. A probationary period extension shall not exceed sixty days.
4. A written justification memo should be provided to Human Resources when requesting a probationary period extension.
5. A detailed work plan should be provided to the employee should the probationary period be extended. If the probationary period is extended, the effective date of the probationary increase will be the date that the employee satisfactorily completes the probation period.
6. Completion of a written probationary performance review is required prior to the award of an increase.

Section 10. Job Evaluation

Purpose: To establish job classifications which reasonably reflect similarities and differences in organizational relationships between jobs and which recognize differences in the market values of jobs. All positions are classified and assigned to pay grades based on competitive market rates for benchmark jobs and internal organizational value relationships.

Scope: This policy applies to all benefit eligible positions.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Benchmark Jobs*** - Used to measure our competitive position in the external labor markets in which we compete for talent. Benchmark jobs include:

- Town jobs with multiple employees.
- Jobs that are prevalent in the external market and can be readily priced.
- Identification of particular jobs which are critical to the Town's Mission.
- Not all jobs can be benchmarked if they are too specialized or unique.
Benchmark jobs serve as a representative sample of Town jobs that can be compared against the external market for pay. The representative sample should address:
 - Distribution of jobs across most grade levels.
 - Distribution of jobs between departments and job families.
 - Cover as broad a set of employees as possible.
- **Benefit Eligible** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- **Competitive Labor Market** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices. The Town competes in the national labor market for senior leadership and key management positions.

The Town competes in a multi-state regional local labor market for exempt professionals and sworn nonexempt positions. This competitive peer market includes the following areas states: Georgia, Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. Raleigh, Cary, Apex, Morrisville, Holly Springs, and Wake Forest. In local markets the Town may compete with state government and business organizations in the North Carolina Triangle and Piedmont regions.
- **Job Evaluation Factors** - The factors provide a systematic way of determining the value/worth of a job in relation to other jobs in the Town. Factors used in the job evaluation process include:
 - Minimum education and experience required.
 - Information processing and latitude
 - Type and nature of contacts
 - Budget/financial impact and influence
 - Job skill and technical difficulty
 - Exposure to mental fatigue/stress and physical risk
 - Organizational level, supervisory scope, and number of supervisees

Organizational Rules:

1. All classifications are determined by the Human Resources Department and approved by the Town Manager.
2. Positions are classified on the basis of the nature of the work assigned to the position, the job evaluation factor levels assigned to the position, similarities of job and qualification requirements with other job classifications within the organization, and competitive labor market data (for benchmark jobs).
3. A classification will be effective at the start of the first full payroll period following approval by Human Resources. Classification actions should not be processed retroactively.
4. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. Human Resources requires a Position Request Form be completed and submitted for new positions (i.e., Mid-year position requests or Service Enhancements for a new budget year).
2. A current and proposed organization chart must be submitted along with each position reclassification request.
3. Salary data is analyzed on a periodic basis to determine the competitive labor market median value for select benchmark jobs.
4. The Human Resources Director reviews all classification requests and determines appropriate job evaluation factor levels.
5. The Human Resources Director communicates results of the classification review to the requesting Department Head.
6. The Department Director or designee communicates the results of the review to any affected employees.

Section 11. Temporary and Roster Employee Pay

Purpose: Many departments in the Town of Clayton have needs for temporary or roster) personnel. Departments that require such services generally recruit employees into temporary positions for a limited time or roster positions on an as needed basis.

Hiring ranges are established to help ensure that the Town can attract the applicants necessary to quickly fill temporary positions. The hourly rates for temporary and Roster personnel shall be determined in a fair and systematic manner consistent with the type of work required to be performed and the nature of the temporary assignment.

Scope: This policy applies to all non-benefitted positions.

Definitions:

- **Hiring Pay** - The pay for temporary/roster positions will be posted at a flat rate.
- **Temporary Position** - An appointment for a limited term or limited number of hours. Positions that are considered temporary assignments for the purposes of this policy are typically assigned to a special project or initiative. Temporary Positions do not include workers contracted through outside agencies. Employees appointed to a temporary position receive base pay plus mandated benefits such as Workers Compensation, only and shall not exceed thresholds to become benefit eligible.
- **Roster Position** - An appointment for a limited term or limited number of hours based on need and availability. Positions considered roster assignments for this policy are typically assigned to roles that have varying hours and need based on seasons, functions, etc. Employees appointed to a temporary position receive base pay plus mandated benefits such as Workers Compensation, only and shall not exceed thresholds to become benefit eligible.

Organizational Rules:

1. It is the responsibility of the departments to ensure that temporary positions are properly classified based on the required duties and responsibilities. When new or unusual temporary positions are created, the classification assignments should be confirmed with Human Resources.
2. In some cases, temporary/roster employees may work abbreviated schedules but return on an annual or seasonal basis.
3. It is the responsibility of the departments to notify Human Resources when the assignment has ended, and the position needs to be made inactive.

Procedures:

1. When requesting a new temporary (roster) position or reclassification of an existing temporary position, departments must send the request to Human Resources.
2. When requesting new or reclassified temporary position: the department must first get approval from the Finance Department to confirm that the department has the

appropriate funds budgeted.

3. Once you receive email confirmation from HR that the position has been established or reclassified, the department can prepare the job posting request.

Section 12. In-Range Salary Increases

Purpose: An "In-Range Progression" is an increase within a salary range for a single classification or within a sub-range of a classification with skill levels. It most often occurs in one of three situations: 1) When an employee assumes a demonstrable increase in the scope, depth, and complexity of their job functions and outcomes which do not warrant an upward reclassification of the employee's grade/ range. 2) When an employee transfers to a different position within the same salary range/grade and assumes a demonstrable increase in the scope, depth, and complexity of job functions and outcomes as a result of the new position; or 3) In order to provide for an equity adjustment as a result of substantial internal and/or external market conditions.

The purpose of an in-range adjustment is to increase an employee's salary within the employee's current salary range to accomplish one or more of the following:

- Respond to documented labor market conditions (i.e., external competitiveness)
- Address salary compression/equity issues (i.e. internal salary alignment); and
- Recognize increased job scope/complexity not so significant as to result in a reclassification/ pay grade increase.

Scope: This policy applies to all full-time and regular part-time employees. in the General, Public Safety, and Public Utilities structures.

Definitions:

- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title.
- **Competitive Labor Market** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices.
- **In-Range Salary Adjustment** - An increase to an employee's salary within the employee's current salary range in order to accomplish one or more of the following:
 - recognize job changes not recognized through a reclassification/pay grade increase
 - address salary compression/equity issues (i.e. internal salary alignment)

- respond to documented labor market conditions (i.e., external competitiveness)
- ***Internal Salary Alignment*** - The consistent placement of salaries among employees who demonstrate similar required competencies in the same classification within a work unit or organization. Consideration is given to: minimum qualifications for the position; knowledge, skills, abilities, and related education and experience requirements; duties and responsibilities, training, certifications, and licenses required in the position; and, employee performance. In-range adjustments may be granted to establish equitable salary relationships among employees where there is a salary inequity.
- ***Salary Inequity*** - Salary inequities exist when there is a salary variance among employees holding similar or same classifications and whose relevant education, experience and performance are substantially comparable.
- ***Salary Compression*** - Salary compression occurs when the salary between a supervisor and a direct report is considered too small to be equitable. Compression usually occurs over time and may result from length of time in grade, lack of pay structure movement, meeting changing hiring and retention needs, and/or merit or other funding constraints.
- ***Salary Range*** - Each pay grade within each salary structure has a salary range minimum and salary range maximum, determined through market surveys.

Organizational Rules:

1. This policy recognizes that inequities may result from prior hiring decisions, differing evaluations of creditable education and experience, variances in pay policy which have occurred over time, and the availability of funds at a given time in the employee's work history.
2. Other situations may result in employees earning disparate rates of pay who should be paid on an equivalent basis assuming that legitimate pay factors such as education, experience, specialized training and/or certification(s), etc. are also equivalent.
3. Department Directors are expected to establish fair, consistently applied priorities to provide salary growth opportunities to employees for taking on permanent increased responsibility within their assigned classification.
4. Increases in responsibility shall represent a permanent increase in scope and/or complexity within the job, and not a reflection of increases in volume of similar work already performed.
5. Employees shall not be granted an in-range adjustment based on increased scope/

complexity of duties and responsibilities which have already been recognized through a previous salary adjustment or classification action.

6. An employee shall not receive an in-range adjustment for the addition of duties which are recognized and for which compensation is provided in another position.
7. Employees shall not receive introductory increases for in-range salary adjustments.
8. In-range increases based on acquisition of additional duties will typically be one or two steps. Increases above two steps are usually due to significant organizational changes or market competition documented in a legitimate salary offer from a competitor (See Retention Counteroffer Policy) and resulting change in position description.
9. An in-range salary adjustment may be limited to a maximum of four steps of the employee's current salary.
10. An in-range adjustment shall not result in an employee's salary being above the maximum of the assigned pay grade.
11. Generally, an employee will be limited to only one in-range salary adjustment per fiscal year unless significant changes in job responsibilities warrant reconsideration.

Procedures: Department Directors who want to address any of the three situations described above should observe the following procedures:

1. The request must be initiated in writing and presented to the appropriate Deputy Town Manager or Directly to the Town Manager before being routed to Human Resources.
2. The formal request must include a) a rationale or justification for the increase and b) the specific amount of increase desired (as a step or grade).
3. The request must address how department budget funds are impacted or identify funds available.
4. The justification may include documented external competitive employment offer, internal equity information and/or a description of added duties and responsibilities. The manager shall provide a detailed rationale related to the need for such an increase. The manager shall summarize the organizational necessity and the exceptional skills and abilities of the employee. The request must be accompanied by an updated position description. Human Resources will review the request and provide an assessment of internal comparisons, external comparisons and/or market data.
5. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced,

amended, or eliminated.

6. In-Range adjustment actions will normally be effective at the beginning of the next full pay period following approval by Human Resources.

Section 13. Competitive Retention Salary Offers

Purpose: The purpose of a counteroffer is to provide competitive salary adjustments to when the employee receives a job offer from another employer from outside of Clayton Town government. The Town of Clayton provides Department Directors with the opportunity to make one competitive salary offer (i.e., counteroffer) to a higher salary offered by a competitor in the external labor market to an employee.

Scope: This policy applies to all full-time and part-time plus benefited employees.

Definitions:

- ***Accountability*** - Department Directors are obligated to accept responsibility for making, justifying and documenting fair, consistent, non-discriminatory, and fiscally responsible recommendations with regard to compensation.
- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Effective Date*** - The effective date of any salary adjustment is the beginning of the next pay period in which Human Resources approved the adjustment after receipt and review of all required supporting documentation and electronic workflows.
- ***Salary Range*** - The salary range minimum and salary range maximum, determined through market surveys, for any given pay grade in the salary structure.

Organizational Rules:

1. No more than one retention counteroffer may be made to an employee within a rolling 12-month period.
2. A retention counteroffer shall not result in an employee's salary being above the Salary Range Maximum of the current salary grade.
3. The amount of the retention counteroffer should be equivalent to the step closest to the external offer.
4. A retention counteroffer may not be made to an employee in their probationary period.
5. A retention counteroffer shall not create significant salary inequities with other employees, taking into account performance, merit, and other labor market factors.

6. A retention counteroffer may not occur within the Town between departments.

Procedures:

1. Department Directors must document why an employee is eligible for consideration of a retention counteroffer within the guidelines of this policy.
2. All of the following conditions must be documented in a memorandum, vetted by the appropriate Executive Team member, and submitted to the Human Resources Director in advance of making a retention counteroffer to an employee:
 - a. Include a copy of the signed and dated offer letter and job description/posting from the external competitor that is seeking to hire the Town employee. The requesting Department Director is responsible for ensuring that the external salary offer is legitimate.
 - b. Department Heads must acquire advance approval of the above documentation from the Human Resources Director for any counteroffer BEFORE communicating with the employee.
 - c. Salary increases resulting from employee-accepted counteroffers will be effective on the first day of the next pay period nearest the date the documentation is completed by the requesting Department Head and approved by the Human Resources Director (i.e., not retroactive).

Section 14. Classification Plan

Purpose: Positions are categorized into job classifications according to duties and responsibilities to ensure similar treatment in personnel and salary administration. Each budgeted position is assigned to a standard job classification within the Town of Clayton's official Classification Plan (also referred to as the Job Classifications).

Scope: This policy applies to all budgeted positions in the Town.

Definitions:

- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title and control point.
- **Class Specification** - A broad, general written statement of the typical duties, responsibilities, and qualification requirements of all positions included in the same class.
- **Job Classifications** - All established job classes and salary grades to which they are assigned.

- **Position** - A unique set of duties and responsibilities assigned to an individual that has a budget allocation approved.

Organizational Rules:

1. The Human Resources Department is responsible for implementing and maintaining the Classification Plan for the Town at the discretion of the Town Manager.
2. The Pay Classification Plan is reviewed and revised systematically to ensure an accurate reflection of changes in functions, organizational relationships, work methods and duties/responsibilities of individual positions.
3. Official Classification titles are used in all personnel, payroll, accounting, budget, appropriation and financial records, and transactions.
4. Job codes are designated for each classification in the Classification Plan.

Procedures:

1. The Human Resources Department reviews the classifications and recommends changes to the Town Manager for approval annually, or on an as-needed basis.
2. Classifications and the Classification Plan modifications may be warranted when there are changes in the nature or design of position job duties, or if the values or structure of the organization.

Section 15. Salary Structures

Purpose: The Town maintains multiple salary structures to accommodate different organizational relationships between jobs and to recognize differences in the market values of jobs. Salary structures are maintained to provide competitive pay in relation to the designated market for the position and to provide equitable pay within the Town of Clayton organization.

Scope: This policy covers all positions with the Town.

Definitions:

- **At-Will Employment** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- **Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation the same job title and salary grade.
- **Competitive Labor Market** - The groupings of other employers the Town uses to compare salaries, benefits and related policies/practices.

- The Town competes in the national labor market for senior leadership and key management positions.
 - It competes in a multi-state regional labor market for exempt professionals and sworn non-exempt positions. This competitive peer market generally includes the following states: North Carolina, South Carolina, Tennessee, Virginia, and Georgia.
 - In local markets, the Town generally competes with government and business organizations in North Carolina's Piedmont and Coastal regions.
- ***Cost of Living Adjustment (COLA)*** - an increase made to salaries and wages to counteract the effects of rising prices in the economy.
 - ***Pay Zone*** - span of possible pay rates defined by a minimum rate of pay and a maximum rate of pay to establish boundaries within the pay range. Zones are Green, Blue, Orange, Yellow, and Red.
 - ***Job Classifications*** - All established job classes and control points to which they are assigned.
 - ***Pay Grade(s)*** - a "vertical" range where each level (or pay grade) corresponds to the scope, responsibility, and requirements needed for a position.
 - ***Pay Step(s)*** - a "horizontal" range (1 through 25) within each Pay Grade based on an employee's quality of performance, length of service. Steps allow for monetary incentives rewarding the changes in a position classification not significant enough to warrant reclassification to a higher pay grade. Each pay grade has an established salary range minimum, control point, and maximum.
 - ***Total Compensation*** - Total compensation is the concept of considering all compensation provided by the Town to employees and includes both pay (cash) and benefits (non-cash).

Organizational Rules:

1. There are currently four salary structures being utilized for all benefit eligible positions: General, Public Safety, Public Utilities, and Part-time. Each pay grade within each salary structure has a salary range minimum and salary range maximum. No salary will be paid below the minimum of the salary range unless the employee is designated as a trainee, and salaries should not exceed the maximum of the salary range.
2. Each salary grade has an identified "Pay Zone." Generally, an employee's salary is set at a step within a pay zone based on the career level of the employee. Zones are identified by colors.

3. The Human Resources Department conducts and participates in salary and benefit surveys on an periodically.
4. As an At-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. The Town's total compensation program is reviewed periodically but at a minimum, annually. This review includes a competitive assessment of the Town's salary structures, salaries/wages, employee benefits, and other financial and non-financial rewards that contribute to successful recruitment and retention of a highly qualified, competent and committed workforce.
2. The Human Resources Department acquires salary and benefits data through a combination of participation in compensation surveys, purchase of published salary market data, ongoing participation with other organizations in gathering and analyzing salary and benefits data and other relevant information.
3. The Human Resources Department analyzes salary and benefits market data to determine the Town's relationship to the competitive labor market.
4. The Human Resources Department recommends to the Town Manager reasonable compensation and benefit program offerings and/or structural adjustments that support the effective delivery of the Town's Compensation Philosophy.
5. (COLA), when approved by the Town Council for implementation, shall be implemented effective July 1 of the fiscal year unless approved otherwise. Each step is increased by a specific percentage and each employee on a step automatically receives the new rate for that step. An employee's salary that falls below the new range minimum, due to a salary structure adjustment, shall be raised to the new range minimum effective upon implementation of the new structures.

Section 16. Merit Pay Adjustments

Purpose: To reward employees who contribute to the fulfillment of the mission of the Town in providing service to its citizens through work performance.

Scope: This policy applies to all benefit-eligible employees.

Definitions:

- ***At-Will Employment*** - employment agreement stating that employment is for an indefinite period of time and may be terminated either by employer or employee.
- ***Merit Pay*** - May be an increase in an employee's base salary or a one-time bonus awarded on the basis of individual performance as determined by annual budget.

Organizational Rules:

1. The Town's compensation plan is administered on a uniform basis.
2. Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria.
3. 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 Town Manager.
4. Merit pay administration purview of Department Directors within the guidelines, rules, and procedures set forth by the Town's personnel policies and performance evaluation guidelines.
5. 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 Town Council.
6. Merit, when paid as an increase to an employee's base salary, will be effective on a common date town-wide.
7. Newly hired employees are eligible for a merit increase after successfully completing their six-month probationary period.
8. Employees on a leave of absence will be eligible for a performance review and possible merit increase upon their return to work.
9. As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the Town Council and/or Town Manager, or as Town compensation policies, programs or practices are introduced, amended, or eliminated.

Procedures:

1. Annually, employees will be assigned performance evaluation plans consisting of objectives and/or work standards by which the employee's performance may be consistently evaluated.
2. The amount per percentage of merit pay an employee receives will be based on the parameters set in the evaluation guidelines.

Section 17. Worker's Compensation

Purpose: In accordance with the North Carolina Workers' Compensation and rules administered by the North Carolina Industrial Commission (NCIC), the Town provides for the medical treatment, payment of medical expenses and wage loss to employees who experience a compensable work-related injury or occupational disease.

The Town is committed to making the workplace a safe and healthy environment and to preventing work-related accidents. The Town is also committed to the treatment, care, and return to work of employees injured on the job.

Scope: This policy applies to all Town of Clayton employees.

Definitions:

- ***North Carolina League of Municipalities (NCLM)*** - The Town's insurance carrier for Workers' Compensation. The NCLM communicates directly with the employee about workers' compensation claims and benefits.
- ***North Carolina Worker's Compensation Act*** - a state statute that governs workers' compensation in North Carolina. The Town provides Workers' Compensation insurance to Town employees. The insurance carrier makes all decisions related to compensable injuries or illnesses and makes payments for benefits and to employees for those injuries and illnesses deemed compensable. The North Carolina Industrial Commission establishes benefits, which include weekly disability compensation, the maximum weekly benefit and reimbursable expenses.
- ***Waiting Period*** - the seven (7) day period between the employees' first day of absence due to a workplace injury/illness and the first day the employee is eligible to receive workers' compensation benefits. Employees may use other paid leave to cover this period.
- ***Maximum Medical Improvement (MMI)*** - is a treatment plateau in each person's healing process. It can mean that the patient has fully recovered from the injury/illness or that the patient's medical condition has stabilized to the point that no major medical or emotional change can be expected in the injured workers' condition. This occurs despite continuing medical treatment or participation in ongoing rehabilitative programs.

Organizational Rules:

1. Coverage: All employees of the Town (regular full-time, regular part time, and temporary) are covered under the provisions of the North Carolina's Workers' Compensation Act.

2. **Responsibility of Employees:** All employees are required to report all injuries arising out of and in the course of employment to their immediate supervisor at the time of the injury in order that appropriate action may be taken at once. Failure to report a work-related injury or illness within 30 days of occurrence could result in denial of the employee's workers' compensation claim. Employees are responsible for cooperating with the Town's Safety Officer and Human Resources in coordination of treatment, recovery and return to work phases of the workers' compensation process. It is the employee's responsibility to immediately provide written documentation, including any work restrictions or subsequent changes related to their work status, to his or her supervisor immediately. Employees must follow the physical restrictions imposed by the designated health care provider and understand their benefits and responsibilities under the North Carolina Workers' Compensation Act and other rules as defined by the North Carolina Industrial Commission.
3. **Decisions and Payments:** The Town's insurance carrier, North Carolina League of Municipalities, Workers' Compensation Department makes all decisions related to compensable injuries or illnesses and makes payments for benefits and to employees for those injuries and illnesses deemed compensable.
4. **Benefit Amounts:** The North Carolina Industrial Commission (NCIC) establishes benefits, which include weekly disability compensation, the maximum weekly benefit and reimbursable expenses.

When an injury/illness occurs on the job:

1. **Reporting:** Employees injured on the job must immediately report all on the job accidents/injuries/illnesses to their supervisor, who must then immediately notify the Safety Officer.
2. **Medical Treatment:** Employees must seek treatment from the Town's designated medical providers which are listed on the Town's website. A violation of this procedure may result in denial of workers' compensation benefits.
3. **Written Statement from Medical Provider:** The employee must obtain a written statement from the Town's medical provider of the injury/illness and when they may return to work, with or without restrictions. The written statement must be presented to the supervisor within 24 hours after visiting the Town's medical provider. The Medical Provider will provide a summary report of the injury to the Claim Manager for North Carolina League of Municipalities and Human Resources.
4. **Human Resources or the Safety Officer to Complete NCIC-FORM 19:** Human Resources or the Safety Officer will complete NC Industrial Commission FORM 19 Employer's Report of Employee's Injury or Occupational Disease and forward it to the Town's Risk Manager.
5. **Supervisor to Complete TOC Accident Report:** Immediately following the notification

of an employee accident/incident/illnesses the supervisor will complete the TOC Accident Report and provide a copy to Human Resources.

6. Human Resources will forward the Form 19 and initiates an injury report with the North Carolina League of Municipalities (NCLM).

Pay Provisions:

1. Day of Injury: No leave is charged on the day of injury if the Town's medical provider instructs the employee not to return to work.
2. Waiting Period: If the employee cannot return to work due to disability, the employee must go on Workers' Compensation leave without pay for the first seven (7) calendar days of disability, which is the waiting period required by law.
3. Use of Leave during Wait Period: During the seven (7) calendar day waiting period, employees may use sick, vacation or holiday leave in order to receive compensation.
4. Source of Benefits: On day eight (8) of the authorized absence, the employee should begin receiving weekly disability benefits directly from North Carolina League of Municipalities (NCLM) if the injury/illness meets their eligibility guidelines.
5. Taking Leave while on Workers' Compensation: The employee has the option to supplement weekly disability payments with the use of leave to cover other expenses normally paid through payroll deductions.
6. After All Leave is exhausted: Once all leave is exhausted, the employee will only receive the weekly disability benefit under Workers' Compensation from North Carolina League of Municipalities.
7. Retroactive Pay after Twenty-One (21) Missed Days of Work: Employees will receive retroactive disability pay for scheduled workdays missed during the seven (7) calendar day wait period once they have been out of work twenty-one (21) calendar days or more.
8. This payment is received directly from the North Carolina League of Municipalities. Employees out of work fewer than twenty-one (21) calendar days are not eligible to receive retroactive disability pay from the North Carolina League of Municipalities for the seven (7) calendar day wait period.
9. One Seven (7) Day Waiting Period per Claim: There is only one seven (7) calendar day waiting period for each separate Workers' Compensation injury/illness claim even if multiple leaves of absence are required for the treatment for the same injury.

Employee being paid under Workers Compensation will continue to earn Annual Leave and Sick Leave.

Managed to Return to Work:

1. The Town requires managed return to work or modified duty for all employees who experience work related injuries or illness. To facilitate the managed return to work process all departments and employees will follow the procedures outlined below.
2. Report Next Scheduled Day after Release: Once the Town is in receipt of the medical provider's release to return to regular work or modified duty assignment, employees must report for their next scheduled workday.
3. Returning on Modified Duty: If the designated healthcare provider determines that the injured employee cannot return to his or her job without restrictions, a modified work assignment of the regular job or reassignment to a different job may occur. Every attempt should be made to modify the employee's current job assignment to meet the stated restrictions.
4. Modifications to Comply with Healthcare Provider Recommendations: Any modified duty or job reassignment must comply with the recommended job restrictions indicated by the designated healthcare provider.
5. Identifying Modified Duty Opportunities: In all cases, managers and supervisors are expected to work with the employee to identify modified duty opportunities. The primary focus is returning the employee to his or her regular job. In some cases, departments will make reasonable accommodations to return the employee to his or her regular job. Modified duties may include a temporarily modified work schedule, or temporary reduction of work hours.
6. Modified Duty in other Departments: If a suitable modified duty position cannot be found within the employee's department, Human Resources will work to find a suitable modified duty position within another department.
7. Supervision if Assigned to Different Department: Employees participating in a modified duty assignment may be assigned a new supervisor if moved to a different department. The employee will be subject to the same work rules and regulations as any other employee in that department and will be required to perform work within the limitations established by the designated healthcare provider.
8. Employees Responsible to Provide Updated Information: Employees are responsible for providing their supervisors with written notice of the designated healthcare provider's change in restrictions.

End of Modified Duty:

1. The modified duty assignment will end when any of the following occur:

- a. The employee is released to pre-injury job status by the designated Healthcare provider.
 - b. The worker's compensation claim is closed.
 - c. The employee has accepted an alternate position.
 - d. The employee reaches maximum medical improvement.
2. If the employee reaches maximum medical improvement (MMI) but cannot return to the original job, Human Resources will work directly with the employee regarding other available options.
- a. Additional Fit for Duty Exam: The Town may require, at its sole discretion, an additional fit for duty examination by another medical provider prior to the employee returning to their current position.
 - b. Light Duty: The Department will make reasonable efforts to accommodate a return to light duty if the employee has been released to light duty. Human Resources will assist departments in identifying light duty opportunities.

ARTICLE IV. EMPLOYEE STANDARDS/COMMON PROCEDURES

Section 1. Equal Employment Opportunity

Purpose: The Town of Clayton is committed to zero tolerance of ageism, racism, sexism, discrimination and unfair treatment of people regardless of the reason. To this end, the Town makes a concerted effort to foster a work environment that is welcoming, inclusive and equitable for all people. No person shall be refused employment, denied promotion or assignment, discharged, discriminated against, or given preference in any aspect of the employment relationship on the basis of age, color, ethnicity, familial status, gender or sex, gender expression, gender identity, genetic information, hair texture and hairstyle commonly associated with race or national origin, marital status, mental or physical disability, military status, national origin, political affiliation, race, religion, sexual orientation or any other non-job related factor, except when certain physical and mental requirements are bona-fide occupational qualifications.

The Town operates on the premise that a skilled, diverse work force provides more effective services for the residents. The purpose of this policy is to affirm the Town's commitment to equal opportunity in all matters relating to hiring, assignment, promotion and other personnel actions to help ensure a competent and diverse workforce. Decisions on employment are based on qualifications, experience and suitability for the job; compensation decisions are based on performance; and other personnel-related decisions are based on the Town's core values.

Scope: This policy applies to all Town employees.

Definitions:

- ***Bona-fide Occupational Qualification (BFOQ)*** - An employment qualification or standard that is reasonably necessary to the normal performance of duties in the desired position.
- ***Equal Employment Opportunity*** - A system of employee selection, assignment, and promotion in which personnel actions are made without regard for non-job-related factors.

Organizational Rules:

1. The Town's commitment to Equal Employment Opportunity shall include but not be limited to the following:
 - a. Continuous monitoring of the Town's recruitment process.
 - b. Continuous monitoring of hiring and promotional processes to identify and eliminate any non-job-related barriers to Equal Employment Opportunities, and
 - c. Training the organization's hiring managers in selection procedures that are free

from the influence of non-job related factors.

2. Department Directors are responsible for selecting individuals for employment, assignment, or promotion based on reasonable job related factors.

Procedures: None

Section 2. Dress Code/Grooming

Purpose: Much of the public image of the Town of Clayton and its employees is based upon the impression citizens make because of their contact with Town employees. Appearance, as well as conduct, is a part of that initial impression. All employees are expected to always dress in an acceptable and professional manner which is consistent with good business practices and the provision of the safety policy. Employees who are issued Town uniforms by their respective departments are expected to wear uniforms at all times while on duty.

Appropriate dress is important because it sends a message about your professionalism and that of the Town of Clayton. Employees are required to dress in appropriate attire and maintain good grooming standards.

Scope: The Policy applies to all Town of Clayton employees.

Definitions:

- **Identification Badge** - A badge issued to each employee that identifies the employee by name, department, photograph, and other criteria as established by the Town Manager.
- **Business Casual** - Relating to or denoting a style of clothing that is less formal than traditional business wear but is still intended to give a professional and businesslike impression.
- **Standard of Professionalism** - Exemplifying personal integrity, honest and fair in dealing with customers, observance of all applicable laws and regulations. Conducting oneself in a manner that shows respect to all.

Organizational Rules: This policy establishes guidelines for the appearance of Town employees in the performance of their duties and in conducting business for the Town. Regulations pertaining to acceptable attire and grooming are flexible due to the changing nature of fashion, however there are certain expected norms of professional appearance, personal neatness, cleanliness, and good grooming which are applicable to all Town employees.

1. The Town observes a business casual dress environment. There may be situations requiring more formal attire.
2. All employees are required to wear issued badges while in an official working capacity, including working off-site. A lost or stolen badge should be immediately reported to

Human Resources so that a new badge can be issued to the employee.

3. Any exceptions to the provisions of this policy must be approved by the Town Manager.
4. Employees required to wear uniforms or other articles of clothing identifying them as a Town employee while on duty shall be furnished such uniforms or clothing by the Town. The employee must maintain uniforms and other issued clothing in a clean and presentable manner. Town employees shall not permit any unauthorized person to wear Town uniforms. All articles of clothing provided by the Town must be returned upon termination of employment.
5. Normal office attire for employees is business casual Monday through Thursday and Friday is recognized as "Casual Friday's" however, at all times clothing should be neat, clean, pressed and in good condition in keeping with the nature of the duties being performed.
6. Any clothing with words, terms or pictures that may be offensive to other employees or customers is unacceptable. Clothing that promotes alcoholic beverages, tobacco, controlled substances, violence or is of a sexual or political nature is inappropriate.
7. Dresses and skirts should be at a length where the wearer can sit comfortably in public without being revealing. Length should be no more than 3-inches above the knee.

The following are examples of *appropriate* dress:

- Dress slacks, trousers or crop/capri pants
- Casual dresses, skirts or jumpers
- Blouses or dressy tops
- Casual golf-style or dress shirts with collars
- Button down shirts
- Sweaters or turtlenecks
- Suit or sport jackets
- Athletic or walking shoes, loafers or deck-type boat shoes
- Clogs, boots, flats or sandals (open or closed toe)
- Dress shoes or heels (open or closed toe). Heels should generally not exceed 3-inches in height.

This is not an all-inclusive list; thus, management reserves the right to determine appropriateness;

The following are examples of *inappropriate* dress:

- Blue jeans, with holes and exposed skin
- Sweatshirts, sweatpants, athletic outfits, jogging suits, wind suits, exercise pants, spandex pants or form fitting pants, tights worn as pants without a long blouse or shirt no shorter than 3-inches above the knee.
- Shorts or skorts, unless approved for a specific event or job task, no shorter than 3-inches

- above the knee, short-shorts, or cutoffs.
- Dresses, shirts or tops that do not cover the back waist or midriff or allow the underwear to be seen.
- T-shirts, tank, spaghetti, halter or tube tops, unless worn under another blouse, shirt, jacket or dress.

Procedures:

1. Employees whose positions involve leisure activities may dress in athletic dress appropriate for the specific job being performed. When not participating in a leisure activity or when representing the Town in other than a leisure activity, these employees are expected to wear business casual attire.
2. Reasonable accommodations will be considered for employees who, because of a sincerely held religious belief of a recognized religious organization, cultural heritage, or medical reason, request a waiver of a particular part of this policy for dress or appearance. The waiver request must be made in writing and signed by the employee and approved by the Town Manager on the recommendation of the Department Head.
3. Clothing shall be sufficient as to conceal undergarments at all times.
4. Personal hygiene is very important. Daily baths, shaving, use of deodorant, and daily mouth hygiene is essential to providing a professional image. Grooming accessories including perfumes, colognes or sprays should be applied so as not to affect other employees who may have allergies or sensitivities to scent.
5. In addition, supervisors will advise if poor hygiene or excessive perfume/cologne becomes an issue. If the problem persists, supervisors should follow the normal corrective action process.
6. Hair (including facial hair) must be neat and clean.
7. Tattoos bearing offensive language or logos that could be seen by others as profane, racist, sexist, or discriminatory in nature are to be covered.

Section 3. Drug and Alcohol-Free Workplace

Purpose: A Drug and Alcohol-Free workplace supports our Town values of Safety, Equity, and Professionalism. This policy helps to create an environment where employees can perform their jobs in a safe, productive, and healthy manner. The policy provides guidance to managers, supervisors, and employees on procedures they must follow to maintain a drug and alcohol-free workplace.

Scope: This policy applies to all Town of Clayton employees.

Definitions:

- ***Accident*** - Any occurrence involving a motor vehicle or Town equipment that results in

a fatality; serious bodily injury to a person who, as a result of the injury; is transported and/or receives medical treatment from a medical professional away from the scene; or with one or more motor vehicles incurring disabling damage as a result of the accident, requiring the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

- **Alcohol** - The intoxicating agent in fermented beverages or medicines. Also includes low molecular weight alcohols, including methyl and isopropyl alcohol.
- **Alcohol and Substance Abuse** - Any use of illegal drugs or controlled prescription drugs obtained unlawfully; or excessive use of lawfully obtained prescription drugs, over the counter drugs or alcohol when such use substantially impairs job performance, alters work behavior, and/or creates a risk to the health and/or safety of the employee or others.
- **Alcohol Test** - Testing for the presence of alcohol in the body as determined through the use of a breath alcohol test, or blood screening.
- **Drug** - A controlled substance as defined in North Carolina General Statute 90-87 (5) or a metabolite thereof.

Section 4. Prohibited Behavior

Report for Duty: No employee may report for duty or remain on duty at any time there is a quantifiable presence of drugs or alcohol in the body.

Perform Job-Related Functions: No employee shall perform any job-related function while under the influence of alcohol or drugs.

Safety Sensitive Functions: No employee shall perform any safety sensitive functions within twenty-four (24) hours of a determination of having an alcohol concentration of .02 BAC or higher.

On Duty: No employee may consume alcohol or drugs while on duty.

On-Call: Some employees in the Town, as part of their ongoing job duties, are designated by their departments to be 'on call' during certain periods. Typically, these employees receive 'on call' pay. Any employee who is officially 'on call' is in violation of this policy if he reports to work with a quantifiable presence of drugs or alcohol in his body. An 'on-call' employee must report drug or alcohol use if called to duty in order to avoid severe disciplinary action under the terms of this policy.

Off Duty: An employee is discouraged from ingesting alcohol or drugs to the extent that it results in appreciable impairment that might discredit the employee or the Town.

In Uniform: Employees shall not ingest any alcohol or drugs while in uniform or wearing any item of apparel construed as duty-related or which bears a Town or Department logo, regardless of whether the employee is on duty or off duty.

On-premises: Employees shall not bring or store any drugs or alcohol in any Town facility, vehicle, or work area. Employees who are in possession of such substances as part of their ongoing job responsibilities or for training purposes will not be in violation of this policy. They should follow their department's operating practices regarding the proper handling of these substances. For example, a police officer who confiscates drugs or drug paraphernalia from an individual and transports it to enter it into evidence would not be in violation of this policy. Similarly, a solid waste collector who collects open containers of alcohol and transport to be disposed of is also not in violation of this policy.

Post- Accident: In certain circumstances as outlined in this policy, employees will be tested for drugs and/or alcohol after being involved in an accident that has occurred while on Town business or while operating a Town vehicle or equipment. Therefore, employees must not consume any alcohol or drugs prior to a post- accident drug and/or alcohol test.

Prohibited Drugs/Drug Offenses:

1. ***Prescription Medications:*** The use of any controlled substance by an on-duty employee is prohibited except when prescribed by a health professional who has advised the employee that the substance does not adversely affect the employee's ability to perform job functions.
2. ***Over-the-counter medications:*** The use of any over the counter medication that may adversely affect an employees' ability to safely perform job duties is prohibited while on duty unless the employee has advised the Town that the substance does not adversely affect the employee's ability to perform job functions.
3. ***Physician Authorization:*** Employees who are taking either prescribed or over the counter medication that might affect job performance shall provide a doctor's note indicating that the employee is;
 - a. Fit for duty while taking the medication and
 - b. How long the employee will be taking the medication (The note will be kept in a secure file).
4. ***Drug Related Offenses:*** Employees who are charged and/or convicted of a controlled substance related violation under state or federal law must inform their department within five days of such charge or conviction or prior to the next scheduled workday, whichever occurs first.
5. ***Town's right to relieve employee of duties:*** Other policy provisions notwithstanding, the Town reserves the right to relieve any employee of his duties if, in the opinion of the Town, the employee presents a risk to himself or others while under the influence of any amount of alcohol or drugs.

Prohibited Alcohol Consumption/Alcohol Offenses:

1. ***Use and Possession of Alcohol:*** All employees are prohibited from using alcohol to the degree that it affects job performance. Alcohol includes any alcoholic beverage or substance such as medication, mouthwash, food, or candy in which alcohol is present. Possessing an open alcohol container while on duty, on Town property, or in a Town vehicle is a violation of this policy.
 - a. The possession of medicine containing alcohol is not prohibited when the packaging seals are unbroken.
 - b. Employees who are in possession of open containers of alcohol as part of their ongoing job responsibilities or for training purposes will not be in violation of this policy. They should follow their department's operating practices regarding the proper handling of alcohol.
2. ***Alcohol Related Offenses:*** Employees who are charged or convicted of alcohol related violations under state or federal law must inform their supervisor or designated employer representative within five days of such charge or conviction or the next scheduled workday, whichever is less.

Section 5. Employee Assistance

1. Counseling: Employees who need assistance in dealing with substance abuse or dependency are encouraged to voluntarily seek counseling or treatment through the Town Employee Assistance Program (EAP) or other counseling/treatment provider.
2. Voluntary Admission Prior to Testing: Voluntary admission of a substance abuse problem by an employee prior to random, reasonable suspicion, or positive test result is considered, but does not exempt an employee from, disciplinary action.
3. Participation in Employee Assistance or other Counseling Program: Participation in an EAP or other counseling or treatment program will be considered but will not exempt an employee from disciplinary actions.

Required Consent for Drug and Alcohol Testing:

Required Testing - As a condition of employment, employees and applicants are required to consent to testing for the use of drugs and to testing for the use of alcohol as specified in this policy.

Confidentiality – Results will be handled in a confidential manner.

Types of Drug Testing Conducted by the Town:

1. ***Pre-Employment Drug and Alcohol Testing:*** As a condition of employment, all employees and candidates who receive a conditional offer of employment are required

to consent to drug and alcohol testing as specified in this policy.

- a. Existing employees who are being considered for any safety sensitive position within the Town must be screened for drugs and alcohol as part of the employment process for the position.
 - b. No employee may perform Safety-Sensitive functions before the Department has received a verified negative drug test result.
 - c. A Safety-Sensitive employee who has been on a leave of absence for thirty (30) or more consecutive days must submit to a drug test that results in a verified negative result before returning to Safety-Sensitive duties.
2. ***Random Testing for Safety Sensitive Employees:*** All safety-sensitive employees are subject to random testing for alcohol and drugs.
 3. ***Reasonable Suspicion Testing for Any Employee:*** Any Town employee may be required to submit to a reasonable suspicion alcohol and/or drug test when the Town, acting through its supervisors and/or department heads, has reason to believe or suspect that an individual's ability to perform his/her job safely and efficiently is impaired.
 - a. ***Garrity Warnings Required Prior to Testing:*** any employee who is tested under the provisions of this policy for reasonable suspicion must be administered a 'Garrity Warning' prior to being tested for alcohol or drugs. A Garrity warning advises the employee that any information obtained by the Town during the course of testing will not be used to bring criminal charges against the employee. Human Resources will contact the Towns Police Department to administer.
 - b. ***Conditions for Reasonable Suspicion testing:*** Before an employee is required to submit to drug and/or alcohol testing, there must reasonable suspicion, based on specific observations of the behavior, speech, appearance, body odor, or other physical indicators of the employee's impairment. Only those trained in Reasonable Suspicion can be called upon to make a determination.
 - c. ***Employee Placed on Leave Pending Test Results:*** Under departmental authority, any employee who is required to submit to a reasonable suspicion alcohol or drug test will be placed on leave pending the receipt of test results.
 4. ***Post-Accident Testing:*** Employees may be tested for the presence of drugs and alcohol after an accident occurs during work hours, while on Town property, or while using or operating Town-owned equipment and vehicles. The provisions under which an employee can be tested differ depending on the employee's designation as a safety sensitive or non-safety sensitive employee.
 - a. ***Non-Safety Sensitive Employee Testing after an Accident:*** After an accident, non-Safety Sensitive employees may only be tested based on reasonable suspicion.

- b. ***Safety Sensitive Employee Testing after an Accident:*** Safety-Sensitive Employees are required to be tested for alcohol and controlled substances following a vehicle accident where:
- A fatality occurs;
 - The driver receives a citation under state or local law for a moving traffic violation arising from the accident AND an individual suffers a bodily injury which requires immediate medical treatment away from the scene;
 - The driver receives a citation under state or local law for a moving traffic violation arising from the accident AND any vehicle involved incurs disabling damage that requires the vehicle to be towed from the scene;
 - There is reasonable suspicion to believe the employee was under the influence of alcohol or drugs at the time of the accident
- c. ***Employee to Notify Management of Accident:*** Any employee who is involved in an accident with a Town vehicle or any other vehicle while on Town business must immediately notify their management of the incident.
- d. ***Management to notify Safety Officer:*** Upon learning that an employee has been in an accident, Management should immediately notify the Town's Safety Officer and briefly provide the details of the accident, including location and any resulting injuries. Responding to individual injury or assisting others who are injured should take priority over the reporting notifications.
- e. ***Criminal Investigation Takes Precedence:*** If alcohol or a controlled substance is believed to be a contributing factor to the accident and an employee is or may be criminally charged, the criminal investigation takes priority over any administrative investigation or procedure.
- f. ***Employee must Remain Available for Testing:*** An employee who is subject to post accident testing must be available for testing. An employee who fails to remain readily available for testing will be considered a refusal to test.
- g. ***Timeframe for Post-Accident Testing:*** Employees must be tested for drugs within thirty-two (32) hours following an accident. Absent extenuating circumstances, alcohol tests must be conducted within two (2) hours following an accident. There are no circumstances under which an alcohol test will be conducted after eight (8) hours following an accident.

Section 6. Testing Guidelines for All Drug and Alcohol Tests

Consent: Before a drug or alcohol test is administered, employees and candidates will be asked to sign a Chain of Custody consent form authorizing the test and permitting the release of the

results to the designated employer representative(s). All test results will be kept confidential.

Refusal to Test: Any employee or candidate who refuses to consent to a drug and/or alcohol test required by this policy, fails to appear for testing, fails to remain at the testing site prior to the commencement of the test, is found to have tampered with the sample or aborts or refuses to agree to the collection of the specimen before the test commences will be in violation of this policy and is subject to disciplinary action or the withdrawal of the contingent job offer. The employee or prospective employee will not be eligible for employment or promotion for a period of one year. Any of the following are considered refusal to test:

1. Failure to complete and sign all necessary paperwork to facilitate testing or failure to cooperate with any part of the testing process. b) Failure to provide photo identification at the testing location.
2. Failure to report to designated testing facility within 2 hours of being notified.
3. Intentional failure to provide enough urine, or failure to provide blood or breath to facilitate testing within 2 hours of being notified, without a valid medical explanation. e) Leaving the testing facility without providing a usable sample of urine, blood, or breath unless the facility has to close and the employee or candidate is released.
4. Failure to remain at the test site and provide a specimen once the test is underway unless a sample is taken elsewhere (on Site, etc.) or the facility closes before a sample can be collected.
5. Providing a tainted specimen or substituting a specimen for the employee or candidate's own.
6. Failure to permit the observation or monitoring of the collection of a urine specimen when required (The majority of specimens are provided in private; however, testing conducted under direct observation or monitoring may be required in limited situations.
7. Failure or declination to take a second test when directed by the collector or supervisor.
8. Leaving the scene of an accident, without just cause, prior to submitting to a drug or alcohol test when required to do so under this policy.

Section 7. Personnel Actions for Violation of Alcohol/Drug Policy

1. ***Town Actions after Violation:*** Any employee found to have violated the alcohol and/or drug prohibitions specified in this policy will immediately be removed from the performance of duties, placed on suspension without pay, referred for evaluation through EAP, and subject to disciplinary action, up to and including termination.
2. ***EAP Referral:*** When such a referral is made by the Town to EAP, participation is mandatory; failure to participate and comply may result in termination.
3. ***Disciplinary Process:*** All disciplinary actions will be administered in accordance with

the Town's disciplinary process, which includes notice to the employee of the test results and a right to be heard.

4. ***Self-Reporting prior to Testing:*** Employees who come forward and report their substance abuse problem before being tested for any reason may be permitted to continue in employment, depending on the circumstances of their situation. If continued employment is allowed, the employee is required to successfully complete a drug-abuse assistance program and a return-to-duty drug and alcohol testing and agree to participate in follow-up testing for a period of at least (1) year as a condition of employment. The employee must be tested at least six times during that one-year period.

Section 8. Limitations on the Employment of Relatives

Purpose: Town believes it can best achieve effective and efficient service delivery only in an atmosphere of fairness and equity and where there is no perception of favoritism. This policy is intended to avoid circumstances that could create problems within the work unit or could undermine the public's perception of fair play in providing equal opportunity for employment to all qualified individuals. This policy is not intended to prohibit relatives from working for the Town.

Two members of an immediate family shall not be employed in any Town of Clayton positions if such employment will result in one being in the chain of supervision of the other, nor where one member occupies a position which has influence over the other's employment, promotion, salary administration, or other related management or personnel considerations.

Scope: This policy applies to all Town of Clayton employees in permanent positions. This does not apply to roster, seasonal, intern or temporary part-time positions.

Definitions:

- ***Immediate Family*** - For the purposes of this policy, immediate family will include wife, husband, mother, father, brother, sister, daughter, son, uncle, aunt, nephew, niece, mother in-law, father-in-law, daughter-in-law, son-in-law, grandmother, grandfather, grandson, granddaughter, stepmother, stepfather, sister-in-law, and brother-in-law.
- ***Other Family*** - For the purposes of this policy, other family will include any relationship where the degree of closeness may suggest that problems might be created within the work unit, or that the public's perception of fair play in providing equal opportunity for employment to all qualified individuals would be violated. This may include engaged couples, roommates, or similar relationships.

Organizational Rules:

1. An employee who fails to report any existing relationship on the submitted employment application may be subject to disciplinary action up to and including dismissal.
2. An employee who has a relationship as defined above must report changes to those relationships to the department and must identify those relationships when applying for

a promotional position with the Town of Clayton.

3. An employee must notify the supervisor in those cases where the degree of closeness of relationship would suggest that problems might be created. The department will determine, in collaboration with the Human Resources Director, whether the closeness would result in a restriction on the position or job assignment.
4. Failure of an employee or supervisor to report any relationship that might be restricted by this policy to the Human Resources Director may result in disciplinary action, up to, and including, dismissal.

Procedures:

1. An employee who has a relationship with another employee as defined by this policy will report that relationship to Human Resources whenever this relationship would result in any supervisory relationship of one relative to another or when one relative would be in a position of influence over the working conditions of the other.
2. If the reported relationship is immediate family, Human Resources will ensure that no supervisory authority exists between the two related employees and that in no way does one employee exercise influence over the working conditions of the other.
3. The Human Resources Director will determine whether the relationship would require a restriction on the position or job reassignment.
4. If the reported relationship requires a restriction or job reassignment, the Human Resources Director will collaborate with the department to affect changes whenever possible.
5. If changes are not possible to comply with this policy, one of the relatives may be required to resign from Town employment.

Section 9. Background Checks

Purpose: The Town believes that employing and retaining a well-qualified, diverse workforce is essential to the overall success of this organization. Criminal background checks are an important tool in determining the suitability of an individual for either initial or continued employment with the Town.

Information about an individual's past criminal conduct is collected to: preserve public trust; promote a safe work environment for employees and members of the public; determine their suitability for employment; and promote the protection of the Town's property. The Town seeks to promote a fair, consistent, confidential and non-discriminatory method of obtaining and using criminal information for employment decisions.

Scope: This policy applies to all applicants and employees of the Town of Clayton.

Definitions:

- **Background Check** - Process of acquiring records related to an individual's past criminal conduct.
- **Background Check Release Form** - A form completed by an applicant for any benefit eligible position that authorizes a background check prior to employment.
- **Fair Credit Reporting Act (FCRA)** - Federal law that regulates the collection, dissemination and use of consumer credit information, including criminal background reports.
- **Disciplinary Action** - An action initiated by a supervisor to address and correct an employee's unacceptable behavior and/or performance.
- **Legal Actions/Proceedings** - Any legal actions including, but not limited to, arrests, convictions, guilty pleas, no contest pleas, restraining orders, warrants, and criminal charges.
- **Safety Sensitive Position** - A position where an essential function of the job includes safety sensitive responsibilities. Safety sensitive responsibilities are those that pose a risk to the safety of the employee or others under which a momentary lapse of attention or judgment could have disastrous consequences without the opportunity to rectify the mistake.

Organizational Rules:

1. All applicants for employment are subject to a criminal background check.
2. An arrest, in and of itself, does not establish that criminal conduct has occurred. Accordingly, the fact that an individual was arrested should never be the sole basis of an adverse employment action. The Town may take adverse employment action based on information showing that the individual actually committed the conduct underlying the arrest. A conviction, guilty plea or no contest plea shall serve as sufficient evidence that the individual engaged in the alleged criminal conduct.
3. The Town shall not treat background check information differently for individuals based on their age, color, ethnicity, familial status, gender or sex, gender expression, gender identity, genetic information, hair texture and hairstyle commonly associated with race or national origin, marital status, mental or physical disability, military status, national origin, political affiliation, race, religion or sexual orientation or any other non-job-related factor.
4. The Town recognizes that the use of background check information may disproportionately impact some individuals based on their membership in a protected class. Accordingly, the Town will take steps to ensure that any use of background check

information will be job related and consistent with business necessity. The Town finds that reporting convictions for nonviolent, drug-related offenses such as possession, manufacture or distribution of controlled substance to only be job related and consistent with business necessity for those positions that are deemed safety-sensitive.

Procedures:

1. Any applicant refusing to authorize the background check will have their applications rejected.
2. Human Resources will arrange for the background check once a tentative offer of employment to the applicant offer has been extended to the applicant.
3. If the background check does not reveal any prior criminal activity, the applicant may be hired pending the results of the drug screening and/or pre-employment physical. However, if the background check reveals a conviction, guilty or no contest plea, HR shall determine the degree to which the criminal conduct is related to the position.
4. When determining whether to reject an applicant because of prior criminal activity, HR shall consider the:
 - nature and gravity of the criminal activity;
 - time that has passed since the criminal activity;
 - duties that the applicant will perform;
 - applicant's opinion on the accuracy of the background check;
 - facts surrounding the criminal activity;
 - number of criminal offenses;
 - age of the applicant at the time of the criminal activity;
 - applicant's employment history before and after the criminal activity;
 - applicant's rehabilitation efforts;
 - applicant's employment or character references; and
 - applicant's participation in a bonding program.
 - a. If the decision is to reject the applicant because of their prior criminal activity, the Town shall comply with the requirements of the Fair Credit Reporting Act.
 - b. First, HR will notify the background check third party administrator to send the applicant a "pre-adverse action" letter. The TPA will include a copy of the background check relied on by the Town. Also, the letter will provide the applicant with a summary of their rights under the Fair Credit Reporting Act.
 - c. The applicant will have five (5) business days to review and dispute any inaccurate information in the background check.
 - d. After the five (5) business days have passed, HR will provide the applicant with an "adverse action" letter.

Section 10. Procedures for Active Employees

1. All active employees who are subject to a legal action/proceeding shall provide the following information to their immediate supervisor within two (2) business days of the initial incident:
 - a. name of the jurisdiction involved (i.e., Johnston County);
 - b. location of the alleged activity;
 - c. specific legal action (i.e., arrest, charges, convictions, traffic violations) during work hours or after work hours;
 - d. nature of the alleged activity (i.e., driving while impaired, possession of marijuana);
 - e. date and time of the legal action;
 - f. any traffic violation(s) that impacts your driver's license or ability to drive legally;
 - g. dates of any upcoming court appearances for criminal related violations.
2. If the immediate supervisor is unavailable, the employee must report the legal action to the next higher-level supervisor. The reporting supervisor should notify their department director of the employee's legal action within two (2) business days.
3. The Department Director should consult with Human Resources to determine the relevance, if any, of the employee's legal action(s). In reaching this decision, consideration of the impact of the legal actions on the current position should be given.
4. Employees' legal action(s) may subject the employee to disciplinary action up to and including dismissal from Town employment. Likewise, employees failing to notify the immediate supervisor of legal actions, as required by this policy, may be subject to disciplinary action up to, and including dismissal from employment.
5. Employees are not to operate and/or drive Town vehicles if the employee's license has been revoked, expired or suspended.

Section 11. Secondary Employment

Purpose: The Town of Clayton regards employment with the Town as the primary occupation that will take precedence over other occupational pursuits in which the employee might be involved.

Because employees' salaries are paid from tax generated revenues and fees, the Town regards the employees' obligations to the taxpayer as being paramount. For this reason, the employee is expected to consider employment with the Town of Clayton as the employee's primary job. In addition, the Town requires that other occupational or business pursuits not be in conflict with Town employment or detract from the efficiency of work performance.

Scope: This policy applies to all employees.

Definitions:

- ***Secondary Employment*** - Self-employment, business ownership as a sole proprietor or partnership, or any employment for salaries, wages, tips, or commissions other than the position held with the Town of Clayton.

Organizational Rules:

1. Employees may not engage in secondary employment without prior approval of the Town. Secondary employment will not be approved if it creates a conflict of interest or an appearance of a conflict of interest as determined in the sole discretion by the Town. Further, employees may not engage in outside employment if the secondary employment hinders their ability to perform the responsibilities of their Town position.
2. Failure to seek approval for outside employment or to maintain such employment when not approved may be cause for disciplinary action up to and including dismissal from employment.
3. Inappropriate use of sick leave or donated leave benefits as a result of secondary employment may also subject an employee to disciplinary action up to and including dismissal from employment.
4. A signed Secondary Employment form must be in the employee's personnel file regardless of whether the employee is actually engaging in outside employment. In the event that an employee is not engaging in outside employment, then the employee and supervisor must complete and sign the form confirming that fact.
5. All newly hired employees must have an secondary employment form on file at the beginning of their employment with the Town.
6. Active employees must complete an updated secondary employment form at least annually and whenever a change occurs in their secondary employment activities.

Procedures: Prior to the commencement of the job or occupation, any employee considering outside employment should complete a Secondary Employment Form. The supervisor will review the outside employment and assure that:

1. The nature of the work will not create a conflict of interest or an appearance of a conflict of interest with the Town position;
2. The schedule or total hours worked will not conflict with the performance of the employee's duties with the Town;
3. If the employee is serving as a division manager, deputy department director,

department director, assistant Town manager or Town manager, then the employee may not be employed by or be the sole proprietor or a partner of a firm that is a current contractor or vendor of the Town;

4. The employee is not performing work on Town property, or for or on behalf of the Town as a part of the employee's secondary employment;
5. The secondary employment does not require the use of Town equipment, materials or supplies; and
6. Secondary employment does not require the employee to use confidential information acquired through the employee's employment with the Town.

The final decision whether or not to approve secondary employment must be made by the Department Director.

Section 12. Conflict of Interest

Purpose: In order to preserve the public trust of the residents whom the Town serves, it is the policy of the Town of Clayton to avoid financial transactions that create an actual or apparent conflict of interest.

It is essential for the Town of Clayton's Officer, employees and agents to remain free from all conflicts of interest, whether real or apparent. Additionally, North Carolina State law prohibits Town officers, employees and agents from voting upon or otherwise participating in the selection, award or administration of contracts in which they have a direct or indirect financial interest.

As a condition of receiving federal and state grant funds, the Town is required to have a Conflict-of-Interest policy that specifies certain conditions that necessitate a finding that a conflict of interest exists. This policy addresses these concerns and complies with all applicable federal and state conflict of interest laws.

Scope: This policy applies to all Town officers, employees or agents as well as sub-grantees or sub-recipients of any federal or state funds received from the Town.

Definitions:

- **Officer** - An individual who is elected to or appointed to serve or represent the Town of Clayton, other than an employee or independent contractor of the Town.
- **Employee** - Those individuals who are employed at will by the Town of Clayton for remuneration, whether full-time or part time, benefited or non-benefited, and are charged with implementing Town policies and Town Council's goals and objectives.
- **Agent** - Those individuals or companies who are authorized to act on behalf of the Town and who provide services or products, whether contractual or not.

- ***Immediate Family*** - For the purpose of this policy, immediate family is defined as wife, husband, mother, father, brother, sister, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepchild, sister-in-law, and brother-in-law.
- ***Firm*** - A business or other organization whose primary goal is to make money and/or profits for the benefit of its owners, as opposed to a non-profit organization whose purpose is to achieve humanitarian, educational, charitable or civic objectives.

Organizational Rules:

1. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family owns 10% or more of the company proposing to do business with the Town.
2. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family receives income or commission from the proposed transaction with the Town.
3. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family acquires property from the proposed transaction with the Town.
4. The Town may not enter a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family will be performing work for or on behalf of the Town as a result of the proposed transaction with the Town.
5. No officer or employee of the Town shall bid for or to purchase or to contract to purchase from the Town any real estate, equipment, materials, or supplies of any nature or kind whatsoever, either directly or indirectly, at either public or private sale, either singly or through, or jointly with any other person. Once certain Town equipment has exceeded its useful life the Town Manager has the discretion to approve the sale of the equipment to the employee who possessed and cared for the equipment during their service for the Town. For instance, the Town Manager has the authority to sell retiring K-9 dogs to their handlers.
6. No officer, employee or agent of the Town, and no sub-grantee or sub-recipient of any federal or state funds from the Town shall participate in the selection or in the award or administration of a contract supported by federal, state or Town funds if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when any of the following persons or entities has a financial or other interest in the firm selected for the award:
 - a. The employee, officer, agent
 - b. Any member of the employee's immediate family,

- c. The employee's partner, or
 - d. An organization which employs, or is about to employ, anyone listed in (1) through (3) above.
7. No Town employee, officer, agent or grantee's or sub-grantee's officers, employees or agents will solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, except as may be allowed in the Town's Gift Policy. See the Gifts policy on page 83 for more information.
 8. The Town encourages its employees to use their knowledge, skills, abilities and talents to benefit the community we serve. Volunteerism benefits the volunteer, the Town organization and the residents of Clayton. In some instances, an employee's volunteer activities may present a conflict of interest with the duties of their Town position. In those instances, employees are required to disclose the existence of the conflict to their immediate supervisor, and to refrain from participating in the selection, award or administration of any contract where the conflict of interest exists.
 9. Unless otherwise required by state or federal law, the above referenced organizational rules may be waived by the Town Manager if the Town Manager determines that the conflict of interest, real or apparent, would impair the Town's ability to acquire property or to enter into financial transactions or other contracts or purchases or such waiver would be in the best interest of the Town under the specific circumstances in which the conflict of interest arises. If the Town Manager is the employee with a real or apparent conflict of interest, then the Town Council may waive the above referenced organizational rules if the Council determines that the waiver would be in the best interest of the Town under the specific circumstances in which the conflict of interest arises.

Procedures:

1. Report to their immediate supervisor or other management official in their reporting relationship all the facts and circumstances concerning the conflict in as much detail as possible. This report should identify (i) the party or parties involved, (ii) the contract involved (iii) the nature of the conflict, and (iv) any other relevant facts and circumstances concerning the conflict; and
2. Refrain from participating in the selection, award or administration of any financial transaction involving that firm; and
3. Refrain from attempting to influence any person involved in the making or administration of the financial transaction.

Any management official who receives information related to a potential conflict of interest as described above shall promptly, thoroughly and impartially investigate the complaint. The management official shall consult with the Town Attorney's Office and the Human Resources Department to determine whether a conflict of interest exists in the particular situation, how to respond to the situation, and whether any disciplinary action is indicated.

Any violation of this policy will subject the officer, employee, or agent to disciplinary action up to and including dismissal from employment and may also subject the offender to criminal prosecution and/or civil penalties under North Carolina State law and Federal law.

It is the responsibility of each employee or officer to be aware of and adhere to the tenants of this conflict-of-Interest policy. Town officers, employees, and agents are also responsible for ensuring their subordinates remain abreast of this policy in all dealings they might be involved with as it pertains to the selection, award, or administration of a contract supported by federal, state, or Town funds.

Section 13. Gifts

Purpose: Town of Clayton policy prohibits employees from accepting gifts, gratuities or other considerations from anyone except as noted in this policy.

The citizens of Clayton entrust the employees of the Town to provide services to further the public, not private or personal, interest. To maintain the public trust, it is essential that the Town functions honestly and fairly, free from all forms of impropriety, threats, favoritism, and undue influence or from the appearance of impropriety. Town employees must maintain and exercise the highest standards of duty to the public in carrying out the responsibilities and functions of their positions. Supervisors and managers are expected to set the “tone” for adherence to the policy and serve as an example to follow.

In some circumstances, North Carolina State law also prohibits the acceptance of gifts or gratuities or the granting of any favor by governmental employees and makes a violation of this prohibition a Class I misdemeanor.

The Town acknowledges that networking opportunities in social settings and certain gift giving practices may be customary and are an integral part of on-going business relationships. However, employees will not accept gifts and gratuities for the benefit of the employees or participate in granting favors or influence of any kind regarding Town business except as noted in this policy.

Scope: This policy applies to all Town employees. This policy also applies to parties whom the employee knows, or has reason to know, any of the following:

Is doing or seeking to do business of any kind with the Town,

Is engaged in activities that are regulated or controlled by the Town, or who have a financial interest that may be substantially and materially affected, in a manner distinguishable from the public, generally, by the performance or nonperformance of the employee’s official duties.

Definitions:

- **Benefit** - For the purposes of this policy a benefit is anything reasonably regarded as a financial gain or financial advantage, including a benefit to any other person in whose

welfare an employee has a direct and substantial interest.

- **Business** - Any of the following, whether or not for profit; association, corporation, enterprise, joint venture, organization, partnership, proprietorship, vested trust, and every other business interest, including ownership or use of land for income.
- **Town Employee** - Any person hired or appointed to a position with the Town of Clayton for wages.
- **Contract** - A promise or set of promises constituting an agreement between the parties that gives each a legal duty to the other and also the right to seek a remedy for the breach of those duties.
- **Contractor** - One who, for a fixed price, undertakes to perform work or services, or the furnishing of goods for the Town.
- **Vendor** - A seller of goods or services to the Town.
- **Gift** - Anything given to the Town of Clayton or its employee, officer or agent, in the course of official duties, whether personal or real property, voluntarily transferred without compensation or consideration, or for substantially less than market value. Examples of gifts, and this list is not intended to be all-inclusive are food, promotional items, real property or the use of real property, meals, and entertainment.
- **Gratuities** - Something given voluntarily to the Town of Clayton or its employee, officer or agent, in the course of official duties, usually in return for or in anticipation of some service. Examples of gratuities, and this list is not intended to be all-inclusive are intangible items that represent a certain value such as money, preferential terms, endorsements, services, and/or access to people or information.
- **Nominal Gift** - A gift or benefit with a fair market value of less than \$25.

Organizational Rules:

1. **Allowed Meals and Beverages** – Meals and beverages may be paid by another party if:
 - a. At conferences, meetings of professional organizations or other gatherings of individuals for educational, training and/or professional development purposes, provided that all participants are invited to attend or there are a substantial number of different jurisdictions represented at the function to avoid the perception of “singling out” the Town of Clayton employee for special treatment, or
 - b. Provided at an “Open House”, meals and beverages are allowable if attendance at the event is widespread and includes staff members of other municipalities or the general public, or
 - c. The item is perishable (consumable) and it is offered for the enjoyment of all

employees in a work unit.

2. ***Prohibited Meals and Beverages*** – Meals and beverages may not be paid by another party if:
 - a. The item is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction.

Section 14. Non-Monetary Gifts and Gratuities

1. ***Allowed Non-Monetary Gifts and Gratuities*** - Non-monetary Gifts and Gratuities may be accepted if the item:
 - a. Represents a souvenir or a promotional item and the fair value is estimated at \$25 or less, or
 - b. Is a sample or representative product produced or sold by the other party and the value is estimated at \$25 or less, or
 - c. Is perishable (such as holiday plant, flowers) and is displayed for the enjoyment of all employees in a work unit, or
 - d. Is won in a raffle at a professional conference or other function, or
 - e. Is accepted on behalf of the Town (of any monetary value), with acknowledgement.
2. ***Prohibited Non-Monetary Gifts and Gratuities*** - Non-monetary gifts and gratuities may not be accepted if the item:
 - a. Is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction or
 - b. Is other than the allowable circumstances described above or is in excess of the nominal gift threshold.

Section 15. Monetary Gifts and Gratuities (Including Gift Cards and Certificates)

1. ***Allowed Monetary Gifts and Gratuities*** - Monetary gifts and gratuities may be accepted if the item:
 - a. Is accepted on behalf of the Town (of any monetary value) with acknowledgement or
 - b. Is won in a raffle at a professional conference or other function.

2. ***Prohibited Monetary Gifts and Gratuities*** - Monetary gifts and gratuities may not be accepted if the item:
 - a. Is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction, or
 - b. Is a gift certificate or cash award in any denomination, accepted for the sole benefit of an employee or the employee's family member, other than described above or below, or
 - c. Is payment offered for serving on an appointed board or commission, where the appointment is made due to the position or duties as a Town employee.

Section 16. Travel and Lodging

1. ***Allowed Travel and Lodging*** - Travel and lodging expenses may be paid or offered by another party only if it is associated with the public business of industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee(s) is responsible for conducting the business on behalf of the Town.
2. ***Prohibited Travel and Lodging*** - Travel and lodging expenses may not be paid or offered by another party if:
 - a. For any reason, the employee attends or speaks at a conference, user group or is part of a panel discussion, unless the other party is completely independent of a current or potential vendor associated with the Town, or
 - b. For any reason, the employee is evaluating a product or service for potential business use by the Town or is "troubleshooting" an existing product in service, or
 - c. For any reason, the employee's attendance is required at meetings/events surrounding a business or financial transaction, or
 - d. The travel and lodging represent use of a private entity's personal or real property

"PROHIBITED" travel and lodging expenses are to be paid for by Town employees under the standard Travel Policy, if associated with a valid business purpose.

Section 17. Entertainment

1. ***Allowed Entertainment*** - Entertainment may be accepted if:
 - a. The entertainment is associated with the public business of industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee(s) is responsible for conducting the business on behalf of the Town, or

- b. The entertainment is associated with conferences, meetings of professional organizations or other gatherings of individuals for educational, training and/or professional development purposes, provided that all participants are invited to attend or there is a substantial number of different jurisdictions represented at the function to avoid the perception of “singling out” the Town of Clayton employee for special treatment, or
 - c. The entertainment is provided at an “Open House” and attendance at the event is widespread and includes members of the general public, or
 - d. The Town is an official sponsor or joint sponsor of the event.
2. ***Prohibited Entertainment*** - Entertainment may not be accepted if:
- a. The entertainment is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction, or
 - b. The entertainment relates to participation in or viewing golf or other sporting event, or
 - c. The entertainment is provided by a third party and is not available to the general public. (For example, a Town employee may not accept the use of special entertainment suites, box seating or a company sponsored hospitality area that is not available to the general public).

Section 18. Awards and Honoraria

1. ***Allowed Awards and Honoraria*** - Awards and honoraria may be accepted if:
- a. The receipt of the honorarium or gift is for participating in meetings, in recognition of achievement or services provided to a profession or organization, or
 - b. The items are advertising items or souvenirs of nominal value, or
 - c. Meals furnished at banquets.

Section 19. Favors and Influence

- 1. A Town employee shall not knowingly use the employee’s public position in any manner that will result in financial benefit, direct or indirect, to the employee, a member of the employee’s family or a person with whom, or business with which, the employee is associated.
- 2. An employee will not mention or permit another person to mention the employee’s

public position in commercial advertising, unless it refers to comments associated with a professional organization's training program.

3. No preferential treatment may be given on any rates, loans, services or in any Town process.

Procedures:

1. If questions arise concerning the application of the provisions of this policy, employees should report the situation to their immediate supervisor who will consult with the Department Director to determine if the item or activity is allowable. Departmental management should contact the Human Resources Department for assistance, if needed.
2. IF A PROHIBITED GIFT IS RECEIVED, the employee will either:
 - a. Return to sender, if practical, or
 - b. Donate it to the Town of Clayton, or
 - c. Purchase the items/supplies, paying fair market value, for the benefit of the Town.
3. In all cases where a prohibited gift is received, the gift must be acknowledged in a letter to the donor explaining the item was accepted on behalf of the Town of Clayton.
4. Violations of this policy will subject the employee to disciplinary action, up to and including termination.
5. With his sole discretion and judgment, the Town Manager may interpret and apply the procedures and policies contained herein in accordance with the specific circumstances.

Section 20. Inclement Weather

Purpose: Town of Clayton services must continue to operate at all times including periods of severe inclement weather. Some operations may work an abbreviated schedule; others may temporarily cease specific operations. However, many services become more critical during poor weather conditions.

There are times when employees will be called in to work at times that differ from the employee's normally scheduled work hours to staff Town operations. During such conditions, employees may be required to work extended hours or times outside of the employee's regularly scheduled working hours to staff Town operations.

The Town Manager or a designee may declare that the Inclement Weather Plan is in effect by announcing that Town Offices are closed; will open at some time other than 8 am; or will close at some time other than 5 pm.

In addition, a Department Director, with the Town Manager's approval, may choose to close a facility or program if impacted by inclement weather.

Scope: This policy covers benefit eligible Town employees.

Definitions:

- ***Inclement Weather*** - Weather conditions that make travel to and from work especially difficult. Typically, this is an accumulation of ice/snow but could occur as a result of unusually severe storms of other types.
- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Other (Not Benefit Eligible) Employee*** - An employee assigned to a position designated roster (RP), seasonal, or special project (SP) who is eligible for salary and mandated benefits only.
- ***Exempt Status*** - Employees who are exempt from the minimum wage, overtime, and record-keeping requirements of the FLSA.
- ***Non-Exempt Status*** - Employees who are subject to the minimum wage, overtime, and record-keeping provisions of the Fair Labor Standards Act (FLSA).
- ***Service Critical*** - An employee whose job responsibilities require that the employee be at work regardless of weather conditions to directly provide immediate essential service to the public or provide direct leadership or support to those who do.

Organizational Rules:

General Provisions

1. The Town Manager or designee will declare that the Inclement Weather Plan is in effect by announcing that Town Offices will open at some time other than 8 AM and/or close at some time other than 5 PM.
2. All Service Critical employees are expected to be at work at scheduled times, not at the time of a delayed opening. The scheduled time may be different than the employee's normal work schedule.
3. Employees not designated as Service Critical may, during a declared weather emergency, report to work by the opening time designated by the Town Manager or leave at the early closing time designated by the Town Manager and will not be charged any leave time for the day.
4. Employees who can work remotely may do so with the approval of the Department Head. If working remotely, employees are expected to work as normal during adverse weather conditions unless the weather conditions affect their ability to work. Such reasons may include an electricity or Internet outage.

5. Those who do not report to work at all will be charged leave time for all hours missed during a normal workday. Employees on previously scheduled leave or who call in sick prior to designation of the closing will be charged the normal scheduled hours in leave for the day.
6. Employees reporting after the starting time designated by the Town Manager may be charged leave for the hours missed after the designated starting time. Employees who choose to leave prior to an early closing designation of the Town Offices by the Town Manager, or facility or program closings made by the Department Director, will be charged leave time from the time of the departure up to the early closing designated time.
7. Other (not benefit eligible, rosters) employees will be paid only for the actual hours worked.

Departmental Provisions

1. Each department, especially one offering direct public services, may develop more detail requirements this may include, but is not limited to, the department's approach to the use of Town vehicles for employee transportation, alternate work site reporting, permitted telecommuting/home assignments, and late reporting for Service Critical employees.
2. Each department is responsible for determining which employees are Service Critical and for communicating the designation to each employee. This should be included on the employee's job description.
3. Employees are expected to update their departments regularly in advance if personal circumstances, such as the care for children, prevent them from fulfilling their duties should their services be needed during an irregular inclement weather schedule.
4. If a Department Director, with the Town Manager's approval, chooses to close a facility or program early or directs employees to not report to work, the employees will not be charged leave for the hours not worked on the designated City inclement weather schedule.
5. Departments may, if feasible, allow employees to make up time missed due to the weather provided that, for non-exempt employees, the time is made up in the same work week.

Procedures:

1. Once a decision has been made to change the normal administrative operating hours, the information about late openings and early closings will be communicated to staff.
2. Departments will communicate any departmental inclement weather policies to

employees prior to implementation of the inclement weather policy.

3. Departments will inform employees whether the employee is considered Service Critical prior to the traditional inclement weather season. Changes to this status should be communicated when the change is made.
4. Employees will inform the immediate supervisor if a personal or family situation is occurring that would impact the employee's ability to meet the Town's expectations for attendance in inclement weather.

Section 21. Progressive Corrective Action

Purpose: This policy is to provide information to employees and supervisors about the behaviors and performance that are expected by the Town of Clayton. This policy highlights behaviors that are considered unacceptable and provides guidance to supervisors about the rules and procedures that are to be followed in dealing with unacceptable behaviors and performance.

The Town of Clayton continually strives to maintain a safe, productive, and professional work environment for its employees. This environment is reinforced by uniform, fair, and consistent administration of corrective action. Employees may be dismissed at the will of the Town Manager or his/her designee at any time. ***EMPLOYMENT WITH THE TOWN OF CLAYTON IS AT-WILL, AND NOTHING IN THIS POLICY SHALL BE CONSTRUED TO ALTER THE AT-WILL NATURE OF THE EMPLOYMENT RELATIONSHIP.***

Objectives:

- To maintain standards for performance and behavior that are reasonable, fair, and equitably applied;
- To communicate standards for employee performance and behavior that support the Town's mission, vision, and values;
- To prescribe corrective actions and outline disciplinary measures to be taken when employee performance or behavior is not in keeping with expectations and requirements; and
- To provide affirmative feedback when employee performance or behavior changes to meet expectations.

Scope: Non-benefit eligible employees and employees in their original probationary status are not covered. All other employees are covered by all sections of this policy.

Organizational Rules: The Town supports the use of progressive corrective action whenever possible and expects supervisors to use the process on a fair and consistent basis. However, in some cases, because of the circumstances surrounding the behavior and/or performance, the immediate suspension, demotion or dismissal of an employee may be appropriate. Supervisors

should consult Human Resources prior to implementing Correction Actions.

- The Town Manager is the only position that is allowed to approve the suspension, demotion, or dismissal of an employee.
- Supervisors should consult with the Human Resources Director for procedural guidance before initiating any corrective action.
- The procedures outlined in this policy are not mandatory for benefit eligible employees in an original probationary status, and other (not benefit eligible) employees, though they are strongly recommended.
- Both the Clayton Police Department and Fire Department may establish other alternative corrective action procedures that meet their unique needs provided that the departmental rules do not conflict with rules in the Personnel Policy Manual. Any variations from this policy should be reviewed and approved by the Human Resources Director in writing prior to their implementation. Allegations of harassment and discrimination will be investigated and addressed only through the applicable Town-wide personnel policy.

Section 22. Just Cause for Disciplinary Action

The bases for the discipline or termination of an employee are the following:

- Unsatisfactory job performance or grossly inefficiency in job performance;
- Violation of, or failure to adhere to, established Town policies or procedures; and
- Unacceptable personal conduct.

Certain actions by an employee may fall under one or more of the bases listed above. When just cause exists, any employee of the Town, regardless of position/role, may be subject to disciplinary action by the Town Manager. These disciplinary actions may include the following:

- Oral or written warnings
- Suspension with pay
- Suspension without pay
- Demotion or departmental transfer (only for unsatisfactory or gross inefficiency in job performance); and
- Termination

Depending on the nature of the misconduct or the severity of the unsatisfactory job performance, an employee may be subject to a final disciplinary notice or immediate termination from the Town without going through progressive disciplinary actions.

An employee's direct supervisor is responsible for evaluating their job performance throughout the year via confidential one-on-one meetings or coaching sessions emphasizing strengths and areas needing improvement. The supervisor must document performance and/or disciplinary issues through the performance management tool.

Procedures: The following conditions should be in place before any disciplinary action is taken for unsatisfactory or inefficient job performance:

1. The supervisor should be satisfied that the employee clearly understands the expectations of employment. These expectations are specifically delineated in the employee's job description.
2. The supervisor should ensure the employee has access to, and knowledge of, policies, procedures, professional development, and training opportunities; and a work environment conducive to carrying out assigned job duties and responsibilities; and
3. The supervisor must present documentation of just cause for disciplinary action to Human Resources. The department head must endorse a disciplinary action request.

Section 23. Performance Management Progressive Corrective Options

The following performance management options will be applied according to whether the circumstances involve unsatisfactory job performance, gross inefficiency, or unacceptable personal conduct:

1. ***Documented Coaching*** - serves as documentation of a coaching session where the supervisor articulates, models, and reinforces expected performance and addresses (a) performance deficiencies, (b) behavior concerns, including attendance and tardiness, and/or (c) violations of policies, procedures, standards of professional conduct, and safety practices. This disciplinary action is intended to focus on the employee's development through a process that reflects a mutual commitment to the employee's success and should be issued within five (5) working days of the correlating event unless there are extenuating circumstances. A Documented Coaching is not grievable.
2. ***Written Warning*** - The supervisor initiates a written notice when there are ongoing performance problems, behavior concerns, more serious violations, and/or a recurrence of prior violations. At the Written Warning stage, the supervisor advises the employee of the seriousness of the matter. The intent of this disciplinary action is to focus on the employee's development through a process that reflects a mutual commitment to the employee's success and should be issued within five (5) working days of the correlating event unless there are extenuating circumstances.

3. ***Final Disciplinary Warning*** - The supervisor, with prior approval from Human Resources, issues a Final Written Notice when one or both of the following conditions exist:
 - a. Unacceptable personal conduct; and/or
 - b. There is no improvement or resolution related to an employee's performance deficiencies, behavior issues, or policy violations following a Written Warning (This notice could be for the same violation as the Performance and/or Disciplinary Notices).
 - c. The intent of this disciplinary action is to focus on the employee's development through a process that reflects a mutual commitment to the employee's success and should be issued within five (5) working days of the correlating event unless there are extenuating circumstances.

In determining whether an employee's performance is unsatisfactory, the supervisor should consider any appropriate factors, including, but not limited to, the following:

- Quality of work;
- Quantity of work;
- Work habits (Attention to detail, team/group dynamics, follow-through, time management, etc.);
- Promptness;
- Completion of mandatory trainings;
- Timely performance of work;
- Related analysis, decision, or judgment;
- Accuracy of work;
- Results of the Performance Improvement Plan process;
- Absenteeism and tardiness;
- Ability to follow instructions, directions, and procedures;
- Appropriateness of work

Section 24. Performance Improvement Plan

The Performance Improvement Plan is intended to reestablish performance and behavior

expectations. Supervisors must consult with Human Resources in the development of a Performance Improvement Plan. The plan must:

- Establish a timeframe of at least thirty (30) calendar days and no more than ninety (90) calendar days;
- Include specific tasks, actions, goals, and/or projects that are achievable and measurable given the timeframe;
- Include milestone check-in meetings (ideally at least biweekly) to discuss progress and provide coaching;
- Include a decision date by which the supervisor will provide closing feedback regarding resolution or further disciplinary action up to and including termination.

The Performance Improvement Plan for each performance management option may be extended in thirty calendar-day increments up to a total of ninety (90) calendar days with the approval of the Human Resources Director.

In order for an employee to be terminated from employment due to unsatisfactory job performance, they should have the following:

- A current unresolved incident of unsatisfactory job performance; and
- At least two prior active warnings or other disciplinary actions for unsatisfactory job performance or gross inefficiency or dissatisfactory results from a Performance Improvement Plan.

Section 25. Documentation and Recordkeeping

The supervisor is responsible for documenting actions taken to address any issues with an employee's performance or behavior, including any fact-finding activities, discussions with the employee and other relevant parties, analyses and determination of findings, and follow-up actions.

Section 26. Disciplinary Actions

The Town Manager will apply the following disciplinary actions based on whether the circumstances involve unsatisfactory job performance, gross inefficiency, or unacceptable personal conduct:

- ***Disciplinary Suspension with Pay*** - An employee who has allegedly violated a Town policy or procedure, standard of professional conduct, or safety guideline may be suspended or placed on administrative leave with pay pending the completion of an investigation. As part of the investigation, the employee's supervisor, department head, Human Resources Director should consider the following as appropriate considering the circumstance:

1. Whether clear expectations have been communicated to the employee;
 2. Whether necessary policies, processes, and procedures have been followed;
 3. Whether corrective action has been recommended;
 4. Whether training has been accessible to the employee;
 5. Whether the supervisor has documented the processes, procedures, corrective action, and training;
 6. Whether the supervisor has documented the employee's ongoing performance deficiencies, behavior issues, and/or violations;
 7. Whether the supervisor has provided performance feedback; and/or
 8. Whether the allegation could result in the Town Manager taking action to terminate employment with the Town.
- ***Disciplinary Suspension without Pay*** - If the Town Manager determines that an employee has violated Town policies or procedures, a standard of professional conduct or safety practice, or engaged in other unacceptable behavior that, under normal circumstances, could warrant termination of employment, they may suspend the employee without pay. A disciplinary suspension without pay for an employee who is subject to the overtime compensation provisions of the Fair Labor Standards Act (FLSA) must be for at least one full work day, but not more than two work weeks (ten work days). The length of a disciplinary suspension without pay for an employee who is exempt from the overtime compensation provisions of the FLSA must be for at least one full work week (five work days), but not more than two full work weeks (ten work days). The length of a disciplinary suspension for an employee on a non-forty-hour week/schedule shall be no more than 80 hours.
 - ***Disciplinary Demotion*** - If the Town Manager determines that an employee has committed an egregious act in violation of a Town policy or procedure, a standard of professional conduct or safety practice, or engaged in other unacceptable behavior that, under normal circumstances, could warrant termination of employment, the Town Manager may demote the employee and adjust their compensation accordingly.
 - ***Involuntary Transfer*** - If the Town Manager may reassign the employee to another position or department and may adjust their compensation accordingly. In order for an employee to be involuntarily transferred due to grossly inefficient job performance, they should have the following:
 1. A current unresolved incident of grossly inefficient job performance; and
 2. A failed Performance Improvement Plan that was implemented to correct job

performance inefficiencies.

3. In the event of an involuntary transfer, a reduction in pay will occur if significant job duties have been removed.

Section 27. Active Disciplinary Actions

Employees on active disciplinary actions are not eligible for merit bonus/increase but will be granted any Town-Wide COLA adjustments.

- ***Grounds for Immediate Dismissal*** - Termination of employment may occur for any of the following non-exclusive list of reasons:
 1. Conduct unbecoming of a Town Employee;
 2. Conviction for a crime involving moral turpitude or a felony;
 3. Chronic absenteeism;
 4. Insubordination, unprofessional conduct, or failure to cooperate with other employees to the extent that, in the opinion of the Town Manager, dissension interrupts the orderly performance of duties;
 5. Directly or indirectly intimidating, harassing, bullying, threatening, or coercing an employee in any way;
 6. Use of controlled substances during work hours or appearing at any time on Town property under the influence of controlled substances;
 7. Reporting to work or appearing at any time on Town property under the influence of alcohol;
 8. Falsification of an employment application or other employment documentation;
 9. Violation of Sexual Misconduct;
 10. Participating in social media activity that does not support the Town's mission, vision, and core values;
 11. Engaging in any other conduct that the employee knows or should know violates general standards of behavior that an employer would expect of an employee regardless of whether prior warning or notice is given.

Section 28. Recommendation to Terminate Employment

A recommendation to the Town Manager to terminate an employee should be reviewed and supported by the supervisor's department head and the Director of Human Resources. The supervisor is responsible for documenting the employee's actions and the supervisor's efforts to

support the employee in improving deficiencies, performance, and actions, if applicable. Documentation in support of the employee's termination should be reviewed and endorsed by the department head. If the recommendation for the employee's termination is supported by the supervisor's documentation and determined to be warranted, the department head will forward it and a draft of the termination letter to Human Resources for review and consideration. The Town Manager's decision will be based on a review of the foregoing documentation and will be consistent with all applicable Town policies and procedures.

Section 29. Procedures for Pre-Corrective Action Conference

- ***Prior to the Conference*** - Before demotion, suspension or dismissal of an employee:
 1. A supervisor or management designee must schedule and conduct a Pre-Corrective Conference (PCC) after discussing his/her recommendation with Human Resources and receiving authorization to hold the PCC;
 2. The supervisor or management designee must give the employee advance written notice (at least 24 hours) of the conference. While a minimum of twenty-four (24) hours' notice to the employee is required, advance notice should be as much time as practical under the circumstances;
 3. The notice must inform the employee of the type of disciplinary action being considered (demotion, suspension or dismissal), the conference time and location, and the specific acts or omissions that are the reasons for the recommendation;
 4. If a demotion is being considered, the supervisor must inform the employee if the demotion may change the employee's compensation rate or classification title.

The following people may be included in the conference:

- The supervisor or other person chosen by agency management to conduct the conference;
- A second management representative may be present at management's discretion;
- The employee
- A Human Resources staff member

Legal Representation - No attorneys representing either side may attend the conference nor shall any witnesses attend the conference for either party. This provision does not prevent

either party from consulting with legal representation.

Employee Absence - The employee's failure to attend the PCC after receipt of written notification shall not automatically stop the disciplinary process. In such situations, management must consult with Human Resources to determine whether rescheduling the PCC is warranted.

Recordings - Audiotape, videotape, recording devices, and transmission devices are not permitted during the conference.

- ***During the conference*** - During the conference, the person conducting the conference must:
 1. Give the employee written notice that the PCC cannot be recorded by either party or attended by attorney representatives.
 2. Give to the employee written notice of the recommendation for demotion, suspension or dismissal, including the specific reasons for the proposed disciplinary action and a summary of the facts supporting the recommendation; and
 3. Give the employee an opportunity to respond to the recommended disciplinary action, offer facts that are different from those offered by management and offer facts in support of the employee's position.

This policy does not give an employee the right to have witnesses present at the conference.

- ***Following the Conference*** - After the conference, management shall:
 1. Review all necessary information, consider the response of the employee, and decide on the recommended disciplinary action;
 2. Allow time to review all necessary information and not communicate the decision to the employee prior to the beginning of the next business day following the conclusion of the pre-disciplinary conference; and

If management decides to demote, suspend, or dismiss the employee, then the employee shall receive a written disciplinary action letter either in person or by mail. The written disciplinary action letter shall include:

1. The basis for the disciplinary action;
2. The effective date of the disciplinary action;
3. The specific acts or omissions that are the reason(s) for the disciplinary action;
4. The employee's right to appeal and a copy of the grievance policy.

Section 30. Grievance

Purpose: The Town of Clayton offers regular full-time and part-time employees, except the Town Manager, a process through which they can seek to resolve grievances in a fair and equitable manner, without an employee fearing discrimination, coercion, retaliation, restraint, and reprisal, for a more effective employer/employee relationship that is in the best interest of all affected. Outside representatives are not allowed to be present during the Grievance Process. Legal counsel may be allowed at the final appeal level.

Scope: All Full Time and Part Time employees who are no longer in their probationary period.

Objectives:

- Assure employees of a way in which they can get their problems or complaints heard and, if possible, resolved;
- Encourage the employee to express himself/herself about how the conditions of work affect him/her as an employee;
- Foster better employee understanding of policies, practices, and procedures;
- Provide employees with assurance that actions are taken in accordance with policies;
- Ensure that Town policies are carried out;
- Provide a procedure for employees to grieve disciplinary action.

Coverage and Applicability: An employee may file a grievance with regard to any of the following:

- Dismissal notice;
- Denial of promotion where it is alleged that the selection was not from among the most qualified persons or other factors such as discrimination;
- Denial of veteran's preference regarding initial employment and other employment events including promotions, reassignments, and transfers;
- Any other alleged discriminatory or unlawful conduct.

Exclusions: Subjects for which grievances may not be filed, except to the extent covered above, include, but are not limited to:

- Position Classification;

- Position in assignment in terms of duties and responsibilities or organization;
- Duty station assignment;
- Salary administration except in manners where unlawful discrimination is alleged;
- Denial of participation in the Voluntary Shared Leave program;
- Any requirement to use technology for work efficiency and effectiveness;
- Mission of the Department or any sub-unit's mission of the Department;
- Any program function of the Department;
- Any standard of service;
- Any Department budget decision.

Procedures: All grievable disputes as defined in the preceding sections will be administered in the specific manner below and processed within the Town time limits unless a time extension is necessary due to unusual circumstances, or the need of further investigations as determined by the Supervisor, Department Head, or Town Manager. In such circumstances, the time frames set forth herein may be extended by the Town by written notice to the employee. Failure by the employee to process a grievance within the stated time limit or time extension shall constitute a waiver of the grievance.

At each step of the grievance process, where written documentation is required, the Human Resources Director should receive a copy to retain. In a department where the Department Head is the immediate Supervisor, Step 2 shall be omitted, and the appeal process shall proceed to Step 3. In a department where there is more than one supervisory level, supplemental policies developed by the Department Heads may alter the process between the immediate Supervisor and the Department Head.

1. The employee shall first present his/her grievance in writing to the immediate Supervisor within five (5) business days of its occurrence or within five (5) business days of the time the employee learns of its occurrence, with the objective of resolving the matter informally.

The Supervisor should respond to the aggrieved employee within seven (7) business days after receipt of grievance; the response shall be in writing and signed by the immediate Supervisor. The employee shall sign a copy of the decision to acknowledge receipt and date of receipt. The Supervisor is encouraged to consult with any employee to obtain information deemed necessary to reach an impartial decision.

2. If the grievance is not resolved to the satisfaction of the employee during Step 1, the employee may file the grievance in writing with the Department Head (except when the Supervisor in Step 1 is the Department Head, in which case, the Human Resources

Director) within five (5) business days of receipt of the Supervisor's written decision. The grievance shall state the basis of the complaint. The Department Head should meet with the employee within seven (7) business days of receipt of the Step 2 grievance, review the decision made at Step 1, and make an independent determination of the merits of the grievance. The Department Head should issue a written decision to the employee within seven (7) business days. The Department Head should send a copy of the decision to the Human Resources Director, signed and dated by the employee to acknowledge receipt of the response.

3. If a grievance is not resolved to the satisfaction of the employee during Step 2, the employee shall give written notice of appeal to the Town Manager no later than five (5) business days of receipt of the Department Head's written decision. The Human Resources Director will forward all documentation received relating to the grievance to the Town Manager. The Town Manager should conduct a fact-finding hearing and he/she will notify the employee in writing of his/her decision to conduct a fact-finding hearing within seven (7) business days of the employee's appeal.

The Town Manager will notify the employee of his/her final decision regarding their grievance within seven (7) business days of the hearing. The employee shall sign and date a copy of the Town Manager's response to acknowledge receipt. The decision of the Town Manager shall be conclusive and final, and there shall be no further appeal.

4. If a suspension, demotion or dismissal is overturned through the grievance process, the employee will be reinstated to his/her same duties, classification, and rate of pay. They are to receive pay at their regular rate for the time lost.

The time frames set forth herein may be extended by the Town depending on the circumstances by written notice to the employee.

ARTICLE V. BENEFITS

Section 1. Benefits Philosophy and Overview

Purpose: As an integral part of a competitive total compensation program, the town of Clayton offers its full and part time employees and retirees a comprehensive program of benefits. Other (not benefit eligible) employees receive a program of mandated benefits only.

The purpose of the Town's compensation program is to recruit, retain, motivate, and reward employees to fulfill the mission of the Town in providing service to its citizens. In addition to a competitive salary, a competitive benefits program is an integral part of a successful total compensation program. Some benefits offered by the Town are mandated by law, but most are voluntary. The Town's benefit program objective is to contribute to the health and well-being of employees as well as to provide for their financial security into retirement. Benefit program content, design, and cost sharing may change over time in response to market conditions and to meet the changing needs of employees and their dependents.

Scope: This policy applies to all Town of Clayton employees and retirees.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the City's benefit programs in addition to legally mandated coverage.
- ***Other (Not Benefit Eligible) Employee*** - An employee assigned to a position designated Part-time (Non-LGERS) roster, seasonal, or special project.
- ***Mandated Benefit Programs*** - Benefit program offerings that are required by law, including FICA (Social Security/Medicare Coverage), Unemployment Insurance, and Workers' Compensation Insurance.
- ***Voluntary Benefit Programs*** - Benefit program offerings that are offered by the Town on a voluntary basis including health, dental, and life insurance, and leave programs.

Organizational Rules:

1. Nothing stated in this policy guarantees an employee any vested benefits rights.
2. As with salaries, the Town will offer a benefits program that maintains at least a mid-level relationship with a competitive market.
3. The Town complies with the laws and regulations, both Federal and State, which apply to North Carolina local government benefits programs.
4. Benefit eligible employees will be provided a benefits program consisting of both mandatory and voluntary benefits.

5. Other (not benefit eligible) employees will be covered by mandatory benefits only.

Procedures: The human resources department will publish benefit information in the benefits book as needed. The Town reserves the right to make changes in any of these benefit programs at any time.

Section 3. Health Benefits – Active Employees

Purpose: In keeping with its compensation philosophy of maintaining a competitive market position, the Town of Clayton offers a comprehensive package of benefits to full-time and part-time benefit eligible employees.

A competitive benefits program is an integral part of a successful total compensation program. Many benefit programs provide tax advantages for employees. As a result, a number of laws have been established to govern how benefits are provided to employees. In order to comply with these laws, the Town has a number of requirements that govern benefit eligibility, enrollment, coverage changes. This policy focuses on these requirements and how they impact the Town's employee benefit programs.

Scope: The Policy applies to all benefit eligible Town of Clayton employees.

Definitions:

- ***Benefit Eligible*** - Full time and part time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage.
- ***Dependent*** - For benefit purposes, dependents are: spouse; natural minor children; adopted minor children or minor children placed for adoption; minor stepchildren if the spouse is the custodial parent and the stepchildren live with the employee; minor grandchildren for whom the employee is legally responsible and the non-minor parent does not live with the employee; or other minor children for whom the employee has legal responsibility.
- ***COBRA (Consolidated Omnibus Budget Reconciliation Act of 1986/Public Health Act of 1986)*** - Federal laws, enforced by the United States Department of Health and Human Services for the public sector, that provide for continuation of health and dental coverage for specified lengths of time and for certain circumstances following a loss of insurance coverage.
- ***HIPPA (Health Insurance Portability and Accountability Act of 1996)*** - A Federal law, enforced by the United States Department of Health and Human Services, that governs the privacy of protected health information as well as personal data, and provides for portability of health and dental benefit eligibility.
- ***Qualified Family Status Change*** - Changes in the legal status of a family that allow for changes in benefit coverage. Status changes include marriage, birth or adoption

of a child, placement of a child for adoption, legal separation, divorce, loss of dependent status, or a substantive change in employment status for the retiree or spouse.

- ***Open Enrollment*** - An annual period, normally in the fall, when retirees may make benefit coverage changes for the following plan year without a qualified family status change.

Eligibility: All benefit eligible employees and eligible dependents are eligible to enroll in City benefit programs.

1. Children under the age of 26 and children of any age who are permanently handicapped prior to age 26 may be covered, as long as the child does not have access to insurance through their own employer or a spouse's employer.
2. When requested, employees must complete a handicapped dependent eligibility verification form, and a physician's written statement providing proof of the dependent child's handicapped status.

Enrollment: Benefit eligible employees will be enrolled in the Town's benefit programs at benefits sign-up which normally occur immediately after employment.

1. Employees may enroll dependents in Town benefit programs during benefits sign-up. If dependents are not added to benefit plans when first eligible, they must wait until the next open enrollment period or when a qualified family status change occurs.
2. Employees may decline health and/or dental insurance coverage.

Coverage Changes:

1. Employees may change insurance coverage levels at open enrollment each year or during the year, if they have a qualified family status change that is consistent with the coverage change.
2. Benefit changes during the year, due to family status change, must be made within 30 days of the qualified family status change event.
3. Employees may make changes in benefit plans only during the open enrollment period.

Benefit coverage will terminate when any of the following occurs:

- Termination of employment
- Notification of the death of a covered participant

- Notification of a legal separation with written proof of the separation unless a legal document requires coverage for the separated spouse
- Notification of a divorce with written proof of the divorce
- Loss of eligibility of a dependent child
- An employee removes a dependent at Open Enrollment, or the Benefit plan is terminated

Notification:

1. It is the employee's responsibility to notify Human Resources of a change in family status that would impact the eligibility of the employee or dependent to participate in a benefit program. The notification of status change must be made within 30 days of the qualifying event.
2. Failure to notify Human Resources of a family status change will not change benefit eligibility and may result in the employee paying for non-refundable insurance premiums without receiving the benefit or not having coverage for a new dependent.

Procedures:

1. **Initial Benefit Enrollment** - Newly hired benefit eligible employees are enrolled in the Town's benefit programs during benefits sign-up which normally occurs immediately after employment. A representative of the human resources staff explains the benefit options, answers questions and assists the employee in enrollment. Employees who wish to enroll eligible dependents may do so. Employees are responsible for providing the dependent information necessary for enrollment.
2. **Annual Open Enrollment** - During Open Enrollment each year, the human resources department will provide employees with information about the coming year's benefits program as well as enrollment paperwork indicating the current year benefit choices. The human resources department will be responsible for providing educational opportunities for employees to learn about benefit options and ask questions. Employees wishing to make changes will complete the open enrollment paperwork and submit it to their departmental benefits assistant for processing.
3. **Family Status Change** - An employee who has a qualified family status change may add or drop dependents throughout the year if the change is consistent with the status change. To make a benefits change resulting from a family status change, the employee must contact Human Resources and make the change within 30 days of the family status change event, providing proof of the family status change if required by policy.
4. Some benefit programs such as the Flex spending accounts require a new enrollment each year. During open enrollment, employees may add or drop dependents from

benefit coverage without having a family status change.

Section 4. Wellness Reimbursement Program

Purpose: Town of Clayton provides the Fitness/ Weight Loss Management Reimbursement Program designed to encourage and support a well-rounded healthy lifestyle for Town employees. The Reimbursement program is offered to encourage employees to become physically fit, with the anticipation of lower health care claims and less frequent utilization of sick leave benefits. The Town will reimburse a maximum of twenty dollars (\$20) per month /\$240 per year for a fitness facility or weight loss management program membership (single or family) or eligible employees.

Scope: This policy is applicable to all full-time and benefits eligible part-time employees, regularly scheduled twenty (20) hours a week or more. Employees must have completed their probationary period.

Exceptions: Reimbursement is not available to part-time employees in positions designated to work less than twenty (20) hours per week or temporary employees.

Proof of Attendance: Employees are responsible for submitting proof of attendance and payment receipt to the payroll department for reimbursement. Acceptable attendance standards must be met in order to qualify for reimbursement. For gyms employee must attend at least eight times per month. It is the responsibility of the employee to ensure that the athletic facility is willing and able to provide attendance records/receipts for payment.

Eligible Expenses:

- Membership fees at a full-service health club with cardio and strength-training equipment such as treadmills, stationary bikes, weight machines, and free weights. You can submit information to Human Resources for facility approval if you have a question.
- Fitness class fees at a studio or online with instructor-led group classes such as yoga, Pilates, Zumba®, kickboxing, indoor cycling/spinning, and more.
- Participation fees for Weight Watchers and other non-hospital programs (in-person or online) that combine healthy eating, exercise, and coaching sessions with certified health professionals such as nutritionists, registered dietitians, or exercise physiologists (Food and supplements are not included).

Specific Policy Provisions: To be eligible for a monthly fitness reimbursement, the employee must visit an eligible fitness facility a minimum of eight (8) times per month. To receive a fitness reimbursement, a Fitness Reimbursement Claim Form must be completed.

The completed claim form along with a receipt from the health/fitness facility is submitted to the Human Resources Department.

- Claim for Monthly Payment (Reimbursement is paid quarterly, every three (3) months or greater.) The fee incurred after the service has been provided and payment made, will state "I (employee's name), have attended (insert facility's name) an average of eight (8) times per month for the following months (list months). Proof or payment is required for each month.
- Employees who voluntarily terminate employment with the Town of Clayton have until their last working day to submit any unpaid claims up to the date of separation. This request may be for less than the three (3) month minimum request.
- Employees who terminate their membership at a health/fitness facility prior to completion of a quarter may submit a request for less than the three (3) month minimum request with approval from Human Resources.

Reimbursement is processed through the Finance Department and will be deposited to your account on file. Paper checks for reimbursement will not be issued.

All claims for reimbursement, with accompanying documentation, must be submitted to the Human Resources Department prior to the last day of the calendar year of reimbursement. For example, all unpaid receipts for calendar year 2023 must be turned into the Human Resources Department prior to December 31, 2023.

**TOWN OF CLAYTON
PERSONNEL POLICY**

BE IT RESOLVED by the Clayton Town Council to adopt the Personnel Policy as attached:

Duly adopted this the 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

Town of Clayton Policy & Procedure Statement



Policy Number	HR 2024-01
Department	Human Resources
Subject	Personnel Policy
Approved By	Town Council
Effective Date	June 17, 2024; Resolution #2024-69
Revision Date(s)	

Purpose:

The records covered by this policy are in the custody of the Town of Clayton and are maintained for Town of Clayton that the following policies apply to the appointment, classification, benefits, salary, promotion, demotion, dismissal, and conditions of employment of the employees of the Town of Clayton.

Policy:

This policy shall remain in effect until such time as amended by the Town Council



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Approval for Town Manager to Execute Encroachment Agreement with North Carolina Railroad Company for the East Clayton Industrial Area Transmission Project. Permit number - #o_h-098+4968

Suggested Action

Approval of Agreement

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☐ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☐ Website
- ☐ Survey
- ☐ None Required

Summary

The Town has submitted an application for a pipeline encroachment to pass underneath the railroad for the East Clayton Industrial Area Transmission Project. The permit has been approved and is now ready for the Town to execute.

Funding Source

N/A

Corresponding Documentation

[HN-80 Pipeline Agreement 23090 ECIA](#)

Submitted By: Louis Duffie, Engineering

Reviewed By:

Joshua Baird, Water Resources
Director

Approved - Jun 11 2024

Rich Cappola, Town Manager

Approved - Jun 12 2024

Heidi Holland, Town Clerk

Approved - Jun 12 2024

Railroad Use Only
NS File No. 1322005

NCRR File No. o_h-098+4968
AC:

PIPELINE AGREEMENT

THIS AGREEMENT, made and entered into by and between TOWN OF CLAYTON, a North Carolina government entity, hereinafter styled "Licensee"; and NORTH CAROLINA RAILROAD COMPANY, a North Carolina corporation, hereinafter styled "Company"; and NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation, hereinafter styled "NSR";

WITNESSETH:

WHEREAS, Licensee proposes to install, maintain, operate and eventually remove one (1) 20-inch ductile iron sewer pipe encased within one (1) 42-inch steel casing pipe, under and across the right of way or property and any tracks of Company, at Milepost 098.93-NC, Valuation Station 5122 plus 54 feet, at or near SR-1990 in Clayton, Johnston County, North Carolina; the same to be located in accordance with prints of the Drawings marked **Exhibit A1** dated March 25, 2024, attached hereto and made a part hereof (hereinafter called "Facilities");

WHEREAS, Company is willing to permit the proposed Facilities, upon the following terms and conditions; and

NOW, THEREFORE, for and in consideration of the premises, payment of an initial fee by Licensee to NSR of TWO HUNDRED AND NO/100 DOLLARS (\$200.00), and also an annual non-refundable fee to Company of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) payable annually in advance; which amount will increase by five percent (5%) each year on the anniversary of this agreement for the remainder of this agreement, and of the covenants hereinafter made, Company does hereby permit and grant to Licensee insofar as Company has the right to do, without warranty and subject to all encumbrances, covenants and easements to which Company's title may be subject, the use and occupation of so much ground as may be necessary for the Facilities. This permit and grant to Licensee is made upon the following terms and conditions, to-wit:

1. Licensee will construct and maintain the Facilities, at its expense, in such a manner as will not interfere with the operations of Company or endanger persons or property of Company, and in accordance with (a) plans and specifications (if any) shown on said print(s) and any other specifications prescribed by Company, (b) applicable governmental regulations or laws, and (c) applicable specifications adopted by the American Railway Engineering and Maintenance of Way Association when not in conflict with plans, specifications or regulations mentioned in (a) and (b) above.

2. Licensee hereby agrees to indemnify and save harmless Company, its officers, agents and employees, from and against any and all liability, claims, losses, damages, expenses (including attorney's fees) or costs for personal injuries (including death) and/or property damage to whomsoever or whatsoever occurring which arises in any manner from the installation, maintenance, operation, presence or removal or the failure to properly install, maintain, operate or remove the Facilities, unless such losses, damages or injuries shall be caused solely by the negligence of Company. The indemnity contained herein is intended to survive the termination of this Agreement.

3. Licensee assumes all responsibility for any environmental obligations imposed under applicable laws, regulations or ordinances relating to the installation of the Facilities and/or to any contamination of any property, water, air or groundwater arising or resulting from Licensee's permitted operations or uses of Company's property pursuant to this Agreement. In addition, Licensee shall obtain any necessary permits to install the Facilities. Licensee agrees to indemnify and hold harmless Company from and against any and all liability, fines, penalties, claims, demands, costs (including attorneys' fees), losses or lawsuits brought by any person, company or governmental entity relating to contamination of any property, water, air or groundwater due to the use or presence of the Facilities. It is agreed that this indemnity provision extends to any cleanup costs related to Licensee's activities upon Company's property and to any costs related to cleanup of the Facilities or to other property caused by the use of the Facilities. The indemnity contained herein is intended to survive the termination of this Agreement.

4. No work of any character shall be started on the property until Certificates of Insurance, specifying that the policies have been furnished and accepted by Company as evidence that Licensee, Contractor, and Subcontractor maintain the following insurance coverages:

(a) Comprehensive General Liability Insurance having a combined single limit of not less than \$2,000,000 per occurrence for all loss, damage, cost and expense, including attorney's fees, arising out of bodily injury, liability and property damage liability during the policy period. Such policy shall be endorsed to name Company as an additional insured and shall include a severability of interests provision. In addition, Licensee's policy shall be endorsed to reflect Contractual Liability Insurance specifically relating to the indemnity provisions of this agreement. Any exclusion for construction or demolition activities (including installing wells or bore holes, but not for work done by means of a hand augur) conducted within 50 feet of railroad tracks shall be deleted from Licensee's policy.

(b) In the event Licensee cannot obtain contractual liability insurance to cover the obligations assumed under this Pipeline Agreement, Licensee or its contractor shall procure and furnish to Company a Railroad Protective Liability Insurance Policy having a combined single limit of \$2,000,000 per occurrence and \$6,000,000 aggregate. Said policy shall name Company as the named insured.

(c) Workers' Compensation Insurance in satisfaction of statutory requirements of the state where the property covered by this agreement is located. Also, Employers' Liability Insurance having limits of not less than \$500,000 each accident, \$500,000 per disease - policy limit, and \$500,000 per disease - each employee.

(d) Automobile Liability Insurance having a combined single limit of not less than \$500,000 per occurrence. Said policy shall name Company as an additional insured and shall include a severability of interests provision.

(e) The insurance required herein shall be of such form and content as may be acceptable to Company. Evidence of such insurance (a certificate of insurance for the general liability insurance policy and the original policy of Railroad Protective Liability Insurance) must be furnished to Company at Property Department, North Carolina Railroad Company, 2809 Highwoods Blvd, Raleigh, NC 27604 (or such other current address provided to Licensee) and approved by Company prior to Licensee's entry on the Premises. The insurance required herein shall not limit the liability assumed by Licensee under this Agreement or consent.

5. The details of the Facilities to be installed and maintained shall be at the option of Licensee, and subject to the approval of Company. In case of failure of Licensee to do the work as herein specified, Company reserves the right to remove the Facilities from Company's premises at the expense of Licensee, and to terminate this Agreement upon ten (10) days' written notice.

6. If Company shall make any change or addition on its right of way at or near the Facilities of Licensee affecting the character, height or alignment of any of Company's power lines, communication, signal or other wires or electrical apparatus, or shall place structures or additional wires or electrical apparatus upon its said right of way, or shall make on its said right of way any change to any line, grade, track, roadbed, installations, works or structures or in the use of any such line, grade, track, roadbed, installations, works or structure, which would be affected by the Facilities of Licensee or by the use thereof, Licensee shall within thirty (30) days of written notice from the Company to Licensee, at Licensee's sole cost and expense, make such changes in the location and character of the Facilities as, in the opinion of Company, shall be necessary or appropriate on account of any such changes or additions.

7. Licensee will notify Company prior to the installation and placing in service of cathodic protection in order that tests may be conducted on Company's signal, communications and other electronic systems for possible interference. If the Facilities cause degradation of the signal, communications or other electronic facilities of Company, Licensee, at its expense, will relocate the cathodic protection and/or modify the Facilities to the satisfaction of Company so as to eliminate such degradation. Such modifications may include, without limiting the generality of the foregoing, providing additional shielding, reactances or other corrective measures deemed necessary by Company. This provision applies to the existing signal, communications and electronic equipment of Company and to any signal, communications or electronic equipment that Company may install in the future.

8. If Licensee fails to take any corrective measures requested by Company in a timely manner or if an emergency situation is presented which, in the Company's judgment, requires immediate repairs to the facilities, Company, at Licensee's expense, may undertake such corrective measures or repairs as it deems necessary or desirable and Licensee shall reimburse Company upon receipt of an invoice.

9. Notwithstanding any other provision of this Agreement, it is understood, agreed and covenanted that Licensee accepts this Agreement as a mere license and assumes all risk of damage to its property by reason of its occupation of the premises herein described caused by any defects therein or business conducted thereon, whether caused by the negligence of Company, its officers, agents or employees, or otherwise, and Licensee hereby indemnifies Company, its officers, agents, and employees, from and against any such liability for said damage. The indemnity contained herein is intended to survive the termination of this Agreement.

10. Company shall furnish, at the cost of Licensee, labor and materials to support its tracks and to protect its traffic during the installation, maintenance, repair, renewal or removal of the Facilities.

11. It is further agreed between the parties that the premises shall be used by Licensee only for the Facilities and for no other purpose without the written permission of the chief engineering officer of Company.

12. Licensee shall give Company seventy-two (72) hours' advance notice (or less in case of emergencies) of any work to be performed on the premises of Company. Licensee agrees to pay any costs incurred by Company for the purpose of protection and inspection considered necessary by Company during installation, maintenance, operation, modification, replacement and/or removal of the Facilities. Such costs shall be paid upon the Company's submission of an invoice to Licensee.

13. Licensee shall not assign this Agreement without the written consent of Company which consent may be withheld in Company's sole discretion.

14. The word "Company" as used herein shall include any other company whose property at the aforesaid location may be leased or operated by Company. Said term also shall include Company's

officers, agents and employees, and any parent company, subsidiary or affiliate of Company and their officers, agents and employees.

15. This Agreement may be terminated by either party upon sixty (60) days written notice to the other party. During said sixty (60) day period, Licensee shall remove the Facilities from Company's premises and restore said premises to a condition satisfactory to Company's chief engineering officer. If Licensee fails to remove the Facilities within the aforesaid sixty day period, Company may elect: (a) to become the owner of the Facilities without any claim or consideration whatsoever therefor by or to Licensee, its successors or assigns, or (b) to remove the Facilities and all property of Licensee from the premises of Company at the expense of Licensee. Licensee agrees to reimburse Company for any and all costs of such removal upon receipt of an invoice. No termination of this Agreement shall affect any liability incurred by either party hereto prior to the effective date of such termination.

16. The terms set forth in the attached **Exhibit B**, consisting of two pages and titled "Agreement and Consent of Norfolk Southern Railway Company," are incorporated into this Agreement as if set forth verbatim herein.

[The rest of this page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in triplicate, each part being an original, as of the latest date of either Licensee, Company or NSR shown below:

LICENSEE:
TOWN OF CLAYTON

By: _____

Title: _____

Date: _____

COMPANY:
NORTH CAROLINA RAILROAD COMPANY

By: _____

Title: _____

Date: _____

NSR:
NORFOLK SOUTHERN RAILWAY COMPANY

By: _____

Title: _____

Date: _____



EXHIBIT B

AGREEMENT AND CONSENT OF NORFOLK SOUTHERN RAILWAY COMPANY

WHEREAS, Company, Licensee, and NSR desire to enter into the attached Agreement regarding the property described therein (the "Premises").

NOW THEREFORE, in consideration of the above recitals and the promises and agreements contained herein, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NSR, Company, and Licensee agree as follows:

1. NSR gives its consent to the Agreement pursuant to the terms and conditions of this Consent. All of the terms of this Consent are hereby incorporated by reference into the Agreement. The term "NSR" as used in this Agreement and Consent and as used in the Agreement shall include NSR's officers, agents and employees, and any parent company, subsidiary or affiliate of NSR and their officers, agents and employees.
2. The parties agree and understand that any right or claim of Company held in or by virtue of the Agreement shall also inure to the benefit of, and be enforceable by NSR or by any successor or assignee of Company or NSR, and NSR shall not be responsible for any obligations, duties or indemnities of Company to Licensee under the Agreement. NSR reserves any pre-existing rights, claims and defenses against Company and Licensee and said rights, claims and defenses shall not be waived or limited in any way by the Agreement.
3. Licensee understands that NSR makes no warranties or representations regarding the condition of or title to the Premises. Licensee takes the Premises "AS IS" and expressly waives any and all claims against NSR relating to or arising from the condition of or title to the Premises and the property surrounding the Premises, including without limitation, any claims and costs relating to environmental contamination under any applicable laws (such as, without limitation, those which might arise under CERCLA, RCRA, and the North Carolina Oil Pollution and Hazardous Substances Act).
4. Without the written consent of NSR, (i) neither the Agreement nor this Consent may be assigned in whole or in part by Company or Licensee; (ii) Licensee shall not enter into any sublicense or sublease of the Premises; and (iii) the Agreement shall not be amended by Company or Licensee. No consent by NSR to any sublease, sublicense, assignment, or amendment of the Agreement shall be construed to be consent to any further sublease, sublicense, assignment, or amendment of the Agreement.
5. In consideration of the rights granted by NSR to Licensee by this Consent, Licensee agrees to indemnify and hold NSR harmless to the same extent as Company is indemnified and held harmless pursuant to the Agreement. In addition, without limiting the indemnities provided in the Agreement, Licensee specifically shall indemnify and hold harmless NSR from and against any and all attorney's fees, costs, expenses, liabilities, injuries, claims (including third party claims and any claims under any environmental laws and regulations such as CERCLA, RCRA, and the North Carolina Oil Pollution and Hazardous Substances Control Act) and damages arising from or related to (1) the Agreement; (2) any acts or omissions by Licensee at or near the Premises, (3) Licensee's violations of environmental laws and regulations, and (4) environmental contamination caused by Licensee. For purposes of this paragraph, the term Licensee shall mean its officers, employees, agents, contractors, guests or invitees.
6. NSR must be given at least thirty (30) days notice prior to the placement of any equipment, structure, facility, fixture, or other improvement on the Premises other than those permitted by this Agreement.

7. Company and NSR agree that, by entering into this Consent, (i) NSR is not making any admission regarding any matter between NSR and Company; (ii) Company is not making any admission regarding any matter between NSR and Company; (iii) NSR is not waiving any claim or defense against Company or any affiliate of Company; (iv) Company is not waiving any claim or defense against NSR; (v) NSR does not waive or prejudice any position, claim or defense with regard to any legal or administrative proceedings in which Company or its affiliates and NSR are currently involved or may become involved, including but not limited to any claim or defense with respect to any leasehold rights, environmental obligation or liability, possessory rights, or holdover or non-holdover status of Company; and (vi) Company does not waive or prejudice any position, claim or defense with regard to any legal or administrative proceedings in which Company or its affiliates and NSR are currently involved or may be involved, including but not limited to any claim or defense with respect to any leasehold rights, environmental obligation or liability, possessory rights, or holdover or non-holdover status of Company.
8. Licensee acknowledges that NSR has not made any inspection of the Premises and that the Premises are located at or near active or inactive railroad facilities, structures, or related property.
9. No work of any character shall be started on the property until Certificates of Insurance, specifying that the policies have been furnished and accepted by NSR as evidence that Licensee, Contractor, and Subcontractor maintain the following insurance coverages:
 - (a) Comprehensive General Liability Insurance having a combined single limit of not less than \$2,000,000 per occurrence for all loss, damage, cost and expense, including attorney's fees, arising out of bodily injury, liability and property damage liability during the policy period. Such policy shall be endorsed to name NSR as an additional insured and shall include a severability of interests provision. In addition, Licensee's policy shall be endorsed to reflect Contractual Liability Insurance specifically relating to the indemnity provisions of this agreement. Any exclusion for construction or demolition activities (including installing wells or bore holes, but not for work done by means of a hand augur) conducted within 50 feet of railroad tracks shall be deleted from Licensee's policy.
 - (b) In the event Licensee cannot obtain contractual liability insurance to cover the obligations assumed under this Wireline Agreement, Licensee or its contractor shall procure and furnish to NSR a Railroad Protective Liability Insurance Policy having a combined single limit of \$2,000,000 per occurrence and \$6,000,000 aggregate. Said policy shall name NSR as the named insured.
 - (c) Workers' Compensation Insurance in satisfaction of statutory requirements of the state where the property covered by this agreement is located. Also, Employers' Liability Insurance having limits of not less than \$500,000 each accident, \$500,000 per disease - policy limit, and \$500,000 per disease - each employee.
 - (d) Automobile Liability Insurance having a combined single limit of not less than \$500,000 per occurrence. Said policy shall name NSR as an additional insured and shall include a severability of interests provision.
 - (e) The insurance required herein shall be of such form and content as may be acceptable to NSR. Evidence of such insurance (a certificate of insurance for the general liability insurance policy and the original policy of Railroad Protective Liability Insurance) must be furnished to NSR at NSR Risk Manager, Three Commercial Place, Norfolk, VA 23510 (or such other current address provided to Licensee) and approved by NSR prior to Licensee's entry on the Premises. The insurance required herein shall not limit the liability assumed by Licensee under this Consent or the Agreement.



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Removal of Advisory Board Members

Presenter(s)

Heidi Holland, Town Clerk

Suggested Action

Place on Consent Agenda

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☐
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☐ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☐ Website
- ☐ Survey
- ☐ None Required

Summary

To ensure that advisory boards serve their intended function and purpose, it is critical that members adhere to standards of ethical and professional conduct. Each member of an advisory board was provided with a copy of the Code of Conduct and Member Requirements and was required to acknowledge the requirements by subscribing his or her name.

At the May 6, 2024 Council meeting, the Town Manager stated that all advisory board members must have these documents signed and returned to the clerk's office by the end of May 2024. On May 7, 2024, letters were mailed out to those that have not signed these documents, giving them a deadline of May 31, 2024 to return the signed documents.

Approximately 60 advisory board appointees have signed the Code of Conduct and Member Requirements. The following have not signed: Thomas Antoine with the BOA.

The Town Council may choose to remove any member at their sole discretion for refusing to sign these documents.

Funding Source

N/A

Submitted By: Heidi Holland, Clerks

Reviewed By:

Rich Cappola, Town Manager
Heidi Holland, Town Clerk

Approved - Jun 12 2024
Approved - Jun 12 2024



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Final Acceptance of Public Water and Sewer Utilities for Durham Street Townhomes :TOC Project 2019-36-SD

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Social Media

☐ Special Mailing

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Survey

☐ None Required

Summary

Public Utilities (water and sewer), their easements, and applicable apparatuses are required to be designed and built according to the Town of Clayton Manual of Standards, Specifications, and Design. The subject public utilities have been verified through testing and inspections to be installed per the Town’s Manual of Standards, Specifications, and Design and have been certified and approved by the appropriate regulatory agencies. Engineering staff recommends final acceptance of the subject public utility infrastructure.

Funding Source

N/A

Corresponding Documentation

[Utility Final Acc Resolution 5-29-24](#)

Submitted By: Chris Rowland, Engineering

Reviewed By:

Joshua Baird, Water Resources Director	Approved - Jun 11 2024
Sam Johnson-Phillips, Deputy Town Clerk	Approved - Jun 12 2024
Heidi Holland, Town Clerk	Approved - Jun 12 2024

**RESOLUTION TO ACCEPT PUBLIC UTILITIES INTO THE TOWN OF CLAYTON PUBLIC UTILITY SYSTEM
FOR MAINTENANCE – DURHAM STREET TOWNHOMES**

WHEREAS, public utilities (water and sewer), their easements, and applicable apparatuses are required to be designed and built according to the Town of Clayton Manual of Standards, Specifications and Design; and

WHEREAS, the public utility segments listed below have been certified and approved by the appropriate regulatory agencies; and

WHEREAS, the public utility segments listed below were placed under a warranty period for one-year to monitor for construction deficiencies, which has subsequently expired and;

WHEREAS, Town of Clayton Engineering staff has inspected the public utility segments listed below on and recommends final acceptance by Town Council for operation and maintenance by the Town and;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Clayton, North Carolina accept this list of public utilities and their apparatuses into the Town of Clayton Public Utility System.

SUBDIVISION	LOCATION DESCRIPTION	UTILITY TYPE AND SIZE	LENGTH
Durham Street Townhomes	Durham Street	6" Waterline	550
		TOTAL	550 LF
Durham Street Townhomes	Durham Street	8" Sanitary Sewer	425
Durham Street Townhomes	Sewer Outfall	24" Sanitary Sewer	149
		TOTAL	574 LF

Duly adopted this the 17th day of June 2024.

Jody McLeod
Mayor

ATTEST:

Heidi L. Holland, NCCMC
Town Clerk



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Town of Clayton - Novo Nordisk Memorandum of Understanding

Presenter(s)

Joshua Baird, PE - Water Resources Director

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☐ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☐ Website
- ☐ Survey
- ☒ None Required

Summary

Town and NovoNordisk have negotiated a compliance period associated with the industries Industrial User Permit (IUP). NovoNordisk will begin to pay the adopted high-strength surcharge fee on the users wastewater. Staff request Town Council approve the MOU and authorize the Town Manager to execute MOU and any subsequent related amendments associated with the IUP.

Funding Source

N/A

Corresponding Documentation

[2024-73 NN MOU](#)

[MOU NN API US MAY 2024](#)

Submitted By: Joshua Baird, Public Works/Operations

Reviewed By:

Joshua Baird, Water Resources
Director

Approved - Jun 12 2024

Rich Cappola, Town Manager

Approved - Jun 12 2024

Heidi Holland, Town Clerk

Approved - Jun 12 2024

**TOWN OF CLAYTON -NOVO NORDISK
MEMORANDUM OF UNDERSTANDING**

WHEREAS, the Clayton Town Council seeks to memorialize high-strength surcharges and compliance periods associated with Novo Nordisk Industrial User Permit.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council approves and authorizes Town Manager to execute attached Memorandum of Understanding (MOU) and any subsequent related amendments associated with the IUP.

Duly adopted this the 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

Date: 05/1/2024

Memorandum of Understanding

To: Novo Nordisk API, Clayton, NC

From: Town of Clayton, NC

Memo of Understanding: Schedule of Compliance for Novo Nordisk API Pretreatment Facility

To All Concerned,

The Town of Clayton (Town) has an Interlocal Agreement with Johnston County Public Utilities (County) to treat the wastewater from the East Clayton Industrial Area (ECIA). As the flows have increased from the ECIA, Johnston County's WRF has experienced operational challenges from rising Total Dissolved Solids (TDS) levels. A study was performed at the County's WRF in 2018 that led to interlocal limits for contributors of higher strength TDS loadings. The County has a 4 million gallon per day (mgd) expansion underway with a planned startup date in late 2024. The Town of Clayton and Johnston County have been working to address the TDS concern and have set a path forward on this issue.

The Town is building a new Water Reclamation Facility to replace the existing Sam's Branch Water Reclamation Facility, formerly the Little Creek WWTP. The new facility will treat up to 6 mgd with an eventual build out to 10 mgd.

As the Novo API Manufacturing Facility has ramped up production, the concentration of Total Dissolved Solids has increased and is noncompliant. Novo has provided the Town with a temporary treatment plan for the facility's higher than expected TDS levels. It is expected that Novo will implement a permanent solution. The proposed plan will require time to implement said improvements.

The Town and County have selected Hazen Engineering to update the 2018 TDS Impact Study and evaluate impacts on the new Sam's Branch WRF, and the existing Johnston County's treatment facilities. This study will evaluate all the affected facilities for treatability, regulatory issues, operational impacts associated with high TDS loadings. The study will require 6 months to complete and cooperation and support from all high strength TDS dischargers.

The Town will put forth its best effort to have the study completed within the time specified but cannot be held liable for delays or the results of the study.

The County agrees to granting the Town permission to issue temporary permit conditions for affected users to obtain compliance. During the compliance grace period, the affected industries will be charged a high strength surcharge based upon current rates established by the Town. This rate will become effective May 1, 2024.

The TDS limits established by the interlocal agreement and shown below will be the permit limits for compliance during the period, however a compliance grace period will be granted for one year from discharge pipes 001 and 002:

Parameter	Weekly	Daily	Effective Date	Grace Period
TDS	2,100 mg/l	2,500 mg/l	Permit Effective Date	1 year.

The maximum TDS allowed will be 3,500 mg/l maximum daily, discharges above this amount will be subject to an additional surcharge of \$0.60 per pound per day. In addition, the Town reserves the right to pursue all other enforcement actions through the Town's Sewer Use Ordinance should the exceedances become chronic or create pass through conditions. Novo agrees to indemnify, defend, and hold the Town harmless from any liabilities incurred due to State and or County imposed costs, fines, surcharges, and penalties proven those liabilities were associated with Novo wastewater.

This agreement does not exempt Novo API from other limits and conditions of IUP (Industrial User Permit) # 0005-02.

Signatures:

Richard D. Cappola Jr.
Town Manager
Town of Clayton, NC



Leonardo Costa Siqueira
Corporate Vice President
Novo Nordisk, API, MS US



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Contract For School Resource Officer Services

Suggested Action

Place on Consent Agenda

Strategic Priorities Alignment



Think Clayton
(Administrative)



Think Arts &
Culture



Think
Downtown



Think
Economic
Development



Think Land
Use &
Housing



Think
Mobility



Think Parks,
Recreation
& Natural
Resources



Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Social Media

☐ Special Mailing

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Survey

☐ None Required

Summary

Contract For School Resource Officer Services

Funding Source

N/A

Corresponding Documentation

[Contract For School Resource Officer Services](#)

[The resolution to accompany the contract for School Resource Officer Services will be provided at a later date](#)

Submitted By: Greg Tart, Police Department

Reviewed By:

Heidi Holland, Town Clerk

Approved - Jun 12 2024

**STATE OF NORTH CAROLINA
COUNTY OF JOHNSTON**

CONTRACT FOR SCHOOL RESOURCE OFFICER SERVICES

This Contract for School Resource Officer Services ("Agreement") is made and entered into this ____ day of June, 2024, by and between the Johnston County Board of Education (hereinafter "Board"), the governing body of the Johnston County Public Schools (hereinafter "JCPS" or "District"), and the Town of Clayton, the governing body of the Clayton Police Department ("Town"), (collectively, the "Parties").

WITNESSETH:

WHEREAS, the Board desires to have the Town assign a sworn law enforcement officer to serve as a School Resource Officer at certain schools owned and operated by the Board; and

WHEREAS, the Town is willing to provide sworn law enforcement officers to serve as School Resource Officer within the School System;

WHEREAS, the Board and Town have entered into a separate School Resource Officer Memorandum of Understanding ("MOU"), describing the respective roles and responsibilities of school administrators and law enforcement officers pursuant to the MOU;

NOW, THEREFORE, in consideration of the promises and covenants of the parties hereto herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Board and Town do hereby agree as follows:

1. The Town shall provide seven (7) full-time sworn law enforcement officers from the Clayton Police Department to serve as School Resource Officers (SRO) for the 2024-2025 school year.
2. One (1) SRO shall be assigned to each of the following schools:
 - a. Riverwood Elementary School
 - b. Powhatan Elementary School
 - c. West Clayton Elementary School
 - d. Cooper Academy Elementary
 - e. Riverwood Middle School
 - f. Clayton Middle School
 - g. Clayton High School
3. During the term of this Agreement, the Board shall pay to the Town an amount not to exceed **five hundred seventy-seven thousand and five hundred dollars (\$577,500)**. Payment shall be made by the Board in equal amounts on a monthly basis commencing with the effective date of this Agreement and continuing each month thereafter, with each

monthly payment to be issued by the Board no later than thirty (30) days after receipt of an invoice from the Town reflecting the amount due.

4. The assignment of and services provided by the School Resource Officers shall be consistent with the terms of the School Resource Officer Memorandum of Understanding (MOU) between the Board and the Town, effective July 1, 2024. The MOU is hereby incorporated in this Agreement by reference and attached as Exhibit A. To the extent the MOU is amended or modified during the term of this Agreement, any such modified terms shall govern. To the extent any terms of this Agreement conflict with terms of the MOU, the MOU shall prevail.
5. It is understood and agreed between the Parties that although it is the intent of both Parties to provide the officers and funding described herein, there may arise circumstances in which one or both Parties are unable to discharge their respective obligations pursuant to the Agreement and MOU. It is understood and agreed between the Parties that the payment obligation of the Board under this Agreement is contingent upon the availability of appropriated funds from which payment for Agreement purposes can be made. To the extent the Board is unable to issue funding as described herein, the Board acknowledges that the Town may decline to provide further SRO services. It is understood by the Board that the services provided by the Town under this Agreement are contingent upon ongoing employment of a sufficient number of officers to meet the needs of the Town at large, which includes the needs of the School System pursuant to this Agreement. To the extent the Town is at any time unable to provide SRO services as described in this Agreement and the MOU, the Board shall not be responsible for further payment, and payment made for services not rendered shall be refunded by the Town to the Board.
6. The Parties acknowledge that the requirements of G.S. 115C-332.1 apply to this Agreement. The Town shall conduct an annual check of all sworn law enforcement officers assigned as SROs on the North Carolina Sex Offender and Public Protection Registration Program, The North Carolina Sexually Violent Predator Registration Program, and the National Sex Offender Registry, and certifies that no individual appearing on any such registry shall be assigned as, or provide services pursuant to this Agreement as, an SRO. The Town shall also conduct criminal background checks on each of its officers who shall be assigned as, or provide services pursuant to this Agreement as, an SRO. The Town shall not assign an officer to provide services pursuant to this MOU if said officer has been convicted of a felony or any crime, whether misdemeanor or felony, involving violence, illegal drugs, theft, child abuse, sexual harassment, sexual abuse, or personal impropriety of a sexual nature with regard to any other person or if said officer has engaged in any crime or conduct indicating that the officer may pose a threat to the safety or well-being of students or school personnel. The Town agrees to conduct the background checks articulated above no earlier than 30 days prior to provision of services articulated in this Agreement, to maintain documentation of the checks, and to provide such documentation of the checks to the District upon its request. The Board reserves the right to prohibit any individual officer of the Town from providing services on Board property or at Board events if the Board determines, in its sole discretion, that such officer poses a threat to the safety or well-being of students, school personnel or others, or that the officer has not undergone the background checks articulated in this

Paragraph.

7. The Town shall pay all federal, state, and FICA taxes, and maintain minimum insurance requirements for all sworn law enforcement officers assigned as School Resource Officers under this Agreement.
8. The Town shall be an independent contractor of the Board, and nothing herein shall be construed as creating a partnership or joint venture; nor shall any employee of the Town be construed as an employee, agent, or principal of the Board.
9. This Agreement shall be governed by the laws of the State of North Carolina. The venue for initiation of any such action shall be Johnston County, North Carolina.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seal the day and year indicated below.

JOHNSTON COUNTY BOARD OF EDUCATION

By: *Lyn Andrews - Chair*
Name, Title

Date: 5-14-24

This instrument has been pre-audited in the manner required by the School Budget and Fiscal Control Act.

[Signature]
JCPS Finance Director

5/2/2024
Date

TOWN OF CLAYTON

By: _____
Name, Title

Date: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director

Date



The School Resource Officer Services contract is to be approved by a resolution. The resolution will be provided at a later date. The language is currently being drafted, and a final resolution will be emailed out once it is completed.



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

Water Resources Department - Certification Incentive Pay Policy

Presenter(s)

James Blalock, UMC - Assistant Water Resources Director

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☐ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☐ Website
- ☐ Survey
- ☒ None Required

Summary

Updated departmental policy to align with most recently adopted Town Personnel Policy and to align all Water Resources Divisions under one incentive policy and plan. Staff request approval of policy to be effective beginning July 1, 2024

Recommendation

Approve Resolution adopting policy

Funding Source

N/A

Corresponding Documentation

[240611 WR Certification and License Pay policy FINAL_TC](#)

[2024-71 WR Dept Incentive Policy](#)

Submitted By: James Blalock, Public Works/Operations

Reviewed By:

Joshua Baird, Water Resources
Director

Approved - Jun 11 2024

Rich Cappola, Town Manager

Approved - Jun 12 2024

Heidi Holland, Town Clerk

Approved - Jun 12 2024



TOWN OF CLAYTON POLICY

Department: Water Resources

Effective: July 1, 2024

Policy Title: Certification Incentive Pay Policy
Version #WR 2024-01

Supersedes: W & S 2021-01

Prepared By:
James E. Blalock
Assistant Water Resources
Director

Approved By: Town Council ☐ or Town Manager ☐ **Date:** Select Approval Date

I. Purpose

The Town of Clayton believes that employees who receive certifications and licenses that directly relate to their jobs can perform their duties more efficiently and capably than their uncertified and unlicensed colleagues. As a result, the town desires to create a framework that creates an economic incentive for employees to acquire such certifications and licenses. The purpose of this policy is to establish a Departmental standard for obtaining job specific certifications and licenses.

II. Scope

This policy applies to full-time and Part-Time LGERS eligible staff in the Water Resources Department who are not on introductory status. Employees of the Town of Clayton in each of the three divisions, Maintenance, Operations, and Reclamation, as well as any employees who obtain a Professional Certificate through participation in a Certification Program. Promotions apply to Utility Maintenance Mechanics, Wastewater Treatment Plant Operators, and similar positions in the event of Organizational Structure changes. This policy will replace all previous departmental incentive policies including those approved in July 2021. To the extent this policy conflicts with other Town-wide policies or regulations, the other town-wide policies or regulations shall govern.

III. Definitions

- **Professional Certificates:** Certificates offered by the North Carolina Department of Environmental Quality as well as the National American Water works Association, to qualify individuals to serve as Certified Operators or professionals in the water, wastewater, and maintenance industry.
- **Certification Incentive:** A step increase (as defined by the Town of Clayton's Pay & Compensation Policy) applied to an employee's base salary when the employee obtains required professional certifications.
- **Career Progression** – The act of moving from one classification/level and associated grade to the next classification upon successful completion of required certifications, experience, and assessment.

IV. Organizational Rules

- To obtain each of the levels of certification, an employee must meet the minimum criteria required for the specific grade of certification and meet the job-related standards set forth by the Water Resources Department
- To qualify, employees must attend classes administered by a professional association or a state or federal licensing agency and obtain a passing grade on the subsequent exam according to the current requirements set forth by that agency.
- Certifications must be related to the respective position the employee is currently holding.
- A copy of all certifications should be forwarded to Human Resources as definitive proof of attainment and to be maintained in the employee's file. Certificates should include a certificate number and issue date from the applicable Certifying Agency.
- Incentive pay will be effective at the start of the first pay period occurring after the date that the certification is obtained, and all certification incentive pay requests should be made to Human Resources no later than 15 days from the date that the certification was obtained to avoid retroactive payments.
- It is the employee's obligation to ensure that all certification, licensing, etc., be maintained in an active status and must be renewed on an annual basis or otherwise as required by the certification or licensing entity. No additional pay will be granted for renewals.
- Employees will not be eligible to receive the additional incentive pay if the certification and/or license is required for their position and listed as a minimum requirement in their job description or the certification and/or license has not been submitted by the Department Director for prior approval.
- If the employee's certification, licensing, and/or education were included in the calculation of the employee's salary, the employee will not be eligible to receive incentive pay for the same certification/license or education.
- Employees will not receive incentive pay for a certification and promotional pay. If an employee obtains a certification that results in a promotion to a higher level, the employee will be compensated through promotional pay. If the employee obtains a certification and is not promoted to a higher level or a new position, the employee will receive certification incentive pay.
- The pay incentives outlined in this policy are not guaranteed and Certification Incentive pay is subject to annual review and approval based on the annual budget.
- The Department Director can recommend to the Human Resources Director other certifications and/or licenses for inclusion in the approved certifications and licenses category. These recommendations must have Town Manager approval.
- The Town reserves the right to update, or eliminate, this policy at any time.

V. Departmental Requirements

- To receive a Certification incentive, Operators, Technicians, and Specialists must first have met Departmental criteria for attending a school, as well as the minimum requirements set forth by the governing entity to attend a certification school.
- Employees must be in good standing and cannot have any active disciplinary actions. They must also meet all Departmental requirements for career progression. This

includes but is not limited to demonstration of the duties required by the job description and position.

- Employees may also be required to pass an assessment based on the performance of their current duties and other duties as specified by their respective position in advance of promoting to the next level even if employee has obtained all certifications required for that level.
- Position reclassification and promotions will only apply when an Operator, Technician, or Specialist meets the required certification levels shown in the table below.

The table below outlines the minimum requirements required for position reclassification and promotions. The certifications and licenses listed in the below table are deemed by the Town to be job relevant certifications and licenses for eligible staff. Eligible individuals will be entitled to the incentive compensation associated with their eligible positions upon presenting to Human Resources definitive proof of attainment of the approved certifications and licenses in addition to the expiration date(s) of those certification(s) and/or license(s).

Utility Maintenance Mechanics (UMM) (WRM & WRO)

Grade	Position Title	Distribution Certificate Required	Collections Certificate Required	Minimum years of experience
301	UMM1	N/A	N/A	0
302	UMM2	C	2	3
303	UMM3	B	3	5
304	(Future) Senior UMM	A, Maintenance Tech 2	4	7

Wastewater Treatment Plant Operators (WRF)

Grade	Position Title	WW Treatment Certificate Required	Other Certifications Required	Minimum years of experience
301	Apprentice	N/A	N/A	0
302	Operator 1	1		0
303	Operator 2	2	Maintenance Tech 1	2
304	Operator 3	3	Maintenance Tech 2	4
305	Senior Operator	4	Maintenance Tech 3 & Land App.	6

Pump and Instrumentation Technicians (PIT) (WRM & WRF)

Grade	Position Title	Wastewater Certificate Required	Other Certificate Required	Minimum years of experience
302	PIT1	Col. 1 or WW 1	Maintenance Tech 1	0
303	PIT2	Col. 2 or WW2	Maintenance Tech 2	2
304	PIT3	Col. 3 or WW3	Maintenance Tech 3	4
305	(Future) Senior PIT	Col. 4 or WW4	Maintenance Tech 4	6

Laboratory Technicians (LT) (WRF)

Grade	Position Title	Laboratory Certificate Required	Other Certificate Required	Minimum years of experience
302	LT1	Lab Analyst 1	N/A	0
303	LT2	Lab Analyst 2	Wastewater1	3
304	LT3	Lab Analyst 3	Wastewater 2	5

Pretreatment Specialists (PTS) (WRF)

Grade	Position Title	Pretreatment Certificate Required	Other Certificate Required	Minimum years of experience
302	PTS1	Pretreatment 1	N/A	0
303	PTS2	Pretreatment 2	WW1	3
304	PTS3	Pretreatment 3	WW2	5

- All Certified Operators will be required to maintain their Professional Certificates by meeting the minimum number of mandatory continuing education credits per year. **Failure to maintain Professional Certificates will result in revocation of the associated Certification Incentive and potential demotion.**
- In the event an employee separates from the Town within one year of receiving a certification incentive, the cost associated with any courses paid by the Town for the

attainment of the certification/license may be deducted from the employee's final paycheck.

- The Town will only cover the costs associated with one certification school.
- Employees will have no more than three exam attempts for any certification. If an employee has not obtained certification/license after three attempts, the employee will be financially responsible for any subsequent attempts.
- Additional certifications obtained that are not associated with this policy will not qualify for certification incentive, unless deemed necessary and directly applicable to a specific position. Prior review and approval are required by Human Resources and the Town Manager.

VI. IV. Procedure

- For each Professional Certificate outlined above and obtained following the effective date of this policy, an employee will receive a step increase as defined in the Town of Claytons Pay & Compensation policy.
- Career progression will follow the Town's Compensation policy in accordance with the current personnel policy and is subject to approval by the Water Resources Director, Assistant Water Resources Director, and/or the Town Manager.
- Payment of the incentive shall be subject to taxes and withholdings and other Town payroll policies.
- Employees will only be allowed to receive a maximum of two certifications and/or one career progression per calendar year.
- Certification Incentive and career progression increases shall not exclude employees from eligibility for other increases (e.g., Merit, COLA, promotion) approved by the Town Council.

**TOWN OF CLAYTON
WATER RESOURCES DEPARTMENT
CERTIFICATION INCENTIVE PAY POLICY**

BE IT RESOLVED by the Clayton Town Council to adopt the Water Resources Department Certification Incentive Pay Policy as attached:

Duly adopted this the 17th day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

CONSENT AGENDA

Item Title

NCDOT Road Closures for Special Events

Suggested Action

Place on Consent Agenda

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☒
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☐
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? Yes

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Social Media

☐ Special Mailing

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Survey

☒ None Required

Summary

NC DOT Required resolution for DOT roadways utilized during town sponsored special events for remainder of the 2024 calendar year. Includes: Downtown Concerts, Harvest Festival, Halloween Trick or Treat, Christmas Tree Lighting and Parade.

Funding Source

N/A

Corresponding Documentation

- [Oct 26 CLAYTON HARVEST FESTIVAL](#)
- [Oct 31 TRICK OR TREAT](#)
- [September 6 Concert](#)
- [August 15 Concert](#)
- [Dec 5 CHRISTMAS VILLAGE AND TREE LIGHTING](#)
- [Dec 14 CHRISTMAS PARADE](#)

Submitted By: Amy Shearin, Economic Development

Reviewed By:
Rich Cappola, Town Manager Approved - Jun 12 2024
Heidi Holland, Town Clerk Approved - Jun 12 2024

**CLAYTON HARVEST FESTIVAL
SPECIAL EVENT REQUEST ROAD CLOSURE**

WHEREAS, the Clayton Town Council acknowledges the Clayton Harvest Festival as a beloved tradition for its residents; and

WHEREAS, the Clayton Town Council acknowledges the Clayton Harvest Festival will require signage and traffic control prior to the start of and until its completion.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council pursuant to the authority granted by NCGS 20-169 that they do hereby declare a temporary road closure during the following day and times as set below on the following portion of a North Carolina State Road:

Date: Saturday – October 26, 2024

Times: 5:00 a.m. – 6:00 p.m.

Road Closures: Main Street (from Robertson Street to Smith Street)

FURTHER, this ordinance will remain in effect for only the dates and times as stated above.

Duly adopted this the 17th day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

**MAIN STREET TRICK OR TREAT
SPECIAL EVENT REQUEST ROAD CLOSURE**

WHEREAS, the Clayton Town Council acknowledges the Main Street Trick or Treat as a beloved tradition for its residents; and

WHEREAS, the Clayton Town Council acknowledges the Main Street Trick or Treat will require signage and traffic control prior to the start of and until its completion.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council pursuant to the authority granted by NCGS 20-169 that they do hereby declare a temporary road closure during the following day and times as set below on the following portion of a North Carolina State road:

Date: Thursday – October 31, 2024

Times: 12:00 p.m. – 3:30 p.m.

Road Closures: Main Street (from O’Neil Street to Smith Street)

FURTHER, this ordinance will remain in effect for only the dates and times as stated above.

Duly adopted this the 17th day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

**DOWNTOWN CONCERT
ROAD CLOSURE REQUEST**

WHEREAS, the Clayton Town Council acknowledges the Downtown Clayton Concerts as a beloved tradition for its residents; and

WHEREAS, the Clayton Town Council acknowledges the Downtown Clayton Concert will require signage and traffic control prior to the start of and until its completion.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council pursuant to the authority granted by NCGS 20-169 that they do hereby declare a temporary road closure during the following day and times as set below on the following portion of a North Carolina State road:

Date: Friday – September 6, 2024

Times: 5:00 p.m. – 10:30 p.m.

Road Closures: Main Street (from O’Neil Street to Fayetteville Street)

FURTHER, this ordinance will remain in effect for only the dates and times as stated above.

Duly adopted this the 17th day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

**DOWNTOWN CONCERT
ROAD CLOSURE REQUEST**

WHEREAS, the Clayton Town Council acknowledges the Downtown Clayton Concerts as a beloved tradition for its residents; and

WHEREAS, the Clayton Town Council acknowledges the Downtown Clayton Concert will require signage and traffic control prior to the start of and until its completion.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council pursuant to the authority granted by NCGS 20-169 that they do hereby declare a temporary road closure during the following day and times as set below on the following portion of a North Carolina State Road:

Date: Thursday – August 15, 2024

Times: 5:00 p.m. – 10:30 p.m.

Road Closures: Main Street (from O’Neil Street to Fayetteville Street)

FURTHER, this ordinance will remain in effect for only the dates and times as stated above.

Duly adopted this the 17th day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

**CHRISTMAS VILLAGE AND TREE LIGHTING
SPECIAL EVENT REQUEST ROAD CLOSURE**

WHEREAS, the Clayton Town Council acknowledges the Christmas Village and Tree Lighting as a beloved tradition for its residents; and

WHEREAS, the Clayton Town Council acknowledges the Christmas Village and Tree Lighting will require signage and traffic control prior to the start of and until its completion.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council pursuant to the authority granted by NCGS 20-169 that they do hereby declare a temporary road closure during the following day and times as set below on the following portion of a North Carolina State road:

Date: Thursday – December 5, 2024

Times: 4:00 P.M. – 9:00 P.M.

Road Closures: Main Street (from O’Neil Street to Smith Street)

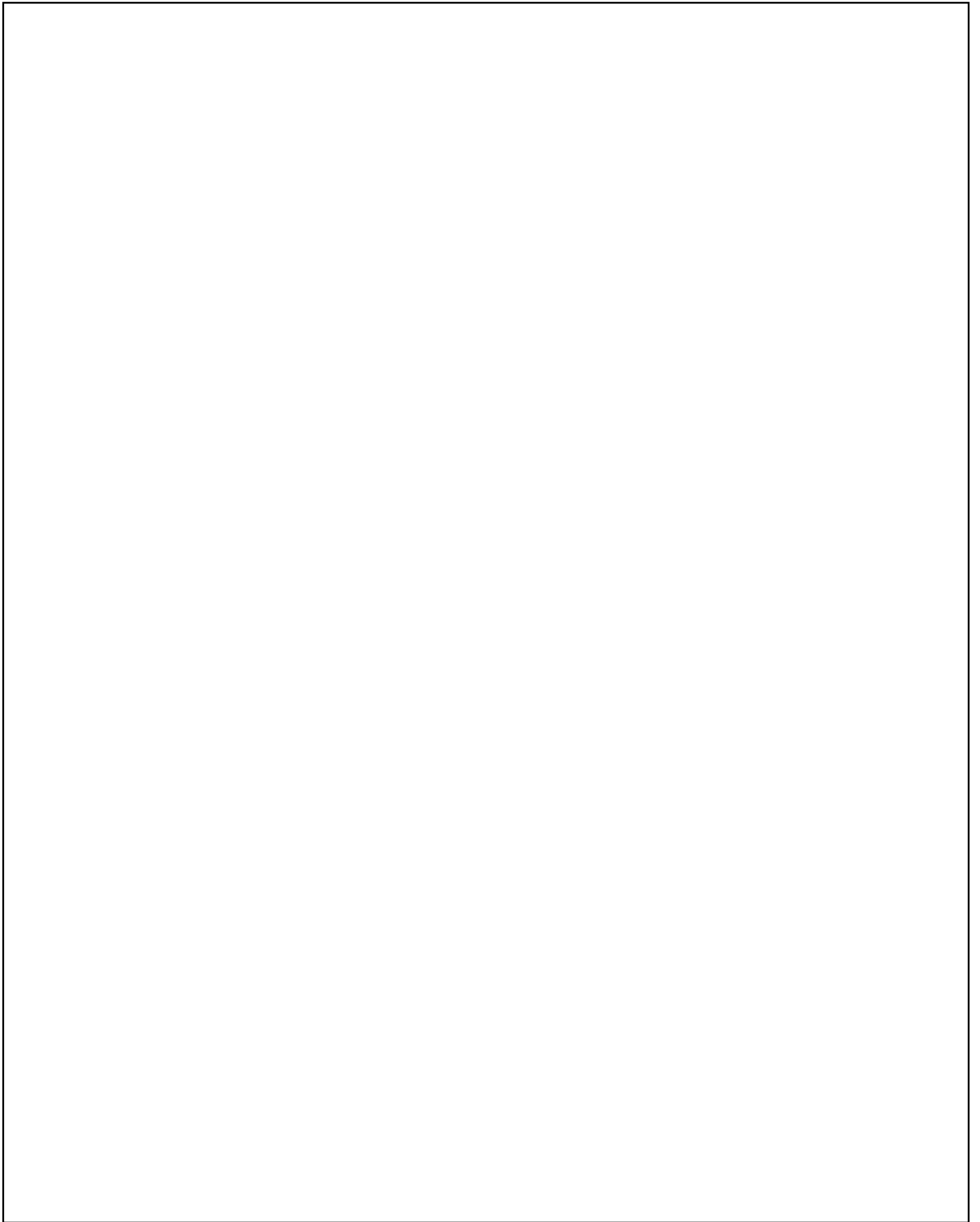
FURTHER, this ordinance will remain in effect for only the dates and times as stated above.

Duly adopted this the 17th day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk



**CLAYTON CHRISTMAS PARADE
ROAD CLOSURE REQUEST**

WHEREAS, the Clayton Town Council acknowledges the Clayton Christmas Parade as a beloved tradition for its residents; and

WHEREAS, the Clayton Town Council acknowledges the Clayton Christmas Parade will require signage and traffic control prior to the start of and until its completion.

NOW THEREFORE BE IT ORDAINED by the Clayton Town Council pursuant to the authority granted by NCGS 20-169 that they do hereby declare a temporary road closure during the following day and times as set below on the following portion of a North Carolina State Road:

Date: Saturday – December 14, 2024

Times: 1:00 p.m. – 6:00 p.m.

Road Closures: Robertson Street from Highway 70 to Main Street

Main Street from Moore Street to Second Street

Lombard Street from Main Street to Horne Street

Main Street (from O'Neil Street to Smith Street)

FURTHER, this ordinance will remain in effect for only the dates and times as stated above.

Duly adopted this the 17th day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

**TOWN OF CLAYTON
PROCLAMATION
NATIONAL PARKS AND RECREATION MONTH**

WHEREAS, parks and recreation is an integral part of communities throughout this country, including the Town of Clayton; and

WHEREAS, parks and recreation promotes health and wellness, improving the physical and mental health of people; and

WHEREAS, parks and recreation promotes time spent in nature, which positively impacts mental health by increasing cognitive performance and well-being; and

WHEREAS, parks and recreation encourages physical activities by providing space for sports, hiking trails, and many other activities designed to promote active lifestyles; and

WHEREAS, park and recreation programming and education activities, such as out-of-school time programming, youth sports and environmental education, are critical to childhood development; and

WHEREAS, parks and recreation increases a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, parks and recreation is essential and adaptable infrastructure that makes our communities resilient in the face of natural disasters and climate change; and

WHEREAS, our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, the U.S. House of Representatives has designated July as Parks and Recreation Month; and

NOW, THEREFORE, on behalf of the Clayton Town Council, we hereby recognize the benefits derived from parks and recreation resources and proclaim July as Parks and Recreation Month.

Proclaimed this the 17th day of June, 2024.

Jody L. McLeod
Mayor



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

OLD BUSINESS

Item Title

Budget Amendments - Yearend Closeout

Presenter(s)

Robert McKie - Finance Director

Suggested Action

Adoption of Ordinance

Strategic Priorities Alignment



Think Clayton
(Administrative)



Think Arts &
Culture



Think
Downtown



Think
Economic
Development



Think Land
Use &
Housing



Think
Mobility



Think Parks,
Recreation
& Natural
Resources



Think Public
Services &
Infrastructure

Public Hearing: No

Applicable General Statute Number: G.S. 159-13.2

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Social Media
☐ Special Mailing

☐ Survey
☒ None Required

Summary

Realign the budget to ensure compliance with the Local Government Budget and Fiscal Control Act.

Recommendation

The Executive Team recommends adoption of the budget amendments.

Funding Source

Incremental Revenues

Cost

Yes

Corresponding Documentation

[General Fund Budget Amendment_ Yearend Realignment](#)

[Fund 616 Budget Amendment_ Yeareend Realignment](#)

[Fund 620 Budget Amendment_ Yearend Realignment](#)

[Fund 641 Budget Amendment_ Yearend Realignment](#)

[Fund 644 Budget Amendment_ Yearend Realignment](#)

Submitted By: Robert McKie, Finance Department

Reviewed By:

Robert McKie, Finance Director

Rich Cappola, Town Manager

Heidi Holland, Town Clerk

Approved - Jun 07 2024

Approved - Jun 12 2024

Approved - Jun 12 2024

Town of Clayton
Amendment to the FY 23-24 Budget

BE IT HEREBY ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF CLAYTON that the following amendments shall be made to the FY 23-24 Budget:

Fund: General Fund

<u>Line Item</u>	<u>Previous Appropriation</u>	<u>Adjustment</u>	<u>Revised Appropriation</u>
Revenue			
100-41-02-48 00	Misc Investment Earnings \$1,680,000	+521,000	\$2,201,000
100-44-02-43 32	Building Permits \$1,000,000	+150,000	\$1,150,000
100-65-02-44 52	Sales & Serv Cultural Arts \$123,777	+35,000	\$158,777
Expenditures			
100-40-95-58 20	Building Improvements -	+275,000	\$275,000
100-44-02-56 11	Contract Services \$332,983	+150,000	\$482,983
100-49-11-56 11	Contract Services \$104,000	+46,000	\$150,000
100-54-95-58 20	Building Improvements \$357,460	+200,000	\$557,460
100-65-02-54 31	Professional Season \$150,000	+35,000	\$185,000

Explanation:

Amendment to budget incremental revenues to cover additional expenditures for building improvements related to an office renovation for Human Resources and the elevator replacement in Town Hall; additional costs associated with the Clariti software implementation; increased billing and mailing costs; and higher professional season costs incurred. This amendment is required for compliance with G.S. 159-15.

Duly adopted this ____ day of _____, 2024 while in regular session.

Jody L. McLeod
Mayor

Attest:

APPROVED AS TO FORM

Heidi L. Holland, CMC, NCCMC
Town Clerk

Jim Cauley
Town Attorney

Town of Clayton
Amendment to the Capital Project Budget Ordinance

BE IT HEREBY ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF CLAYTON that the following amendments shall be made to the 2021 GO Bonds Parks Projects Capital Project Budget Ordinance:

Fund: 616 – 2021 GO Bonds Parks Projects

<u>Line Item</u>	<u>Previous Appropriation</u>	<u>Adjustment</u>	<u>Revised Appropriation</u>
Revenues			
616-48 00	Investment Earnings -	+176,800	\$176,800
Expenditures			
616-58 21	Site Improvements \$12,200,000	-814,273	\$11,385,727
616-58 24	Design \$760,000	-542,062	\$217,938
616-59 23	Transfer to Capital Project Fund \$2,000,000	+1,533,135	\$3,533,135

Explanation: Amendment to the capital project budget ordinance to realign the budget with actual costs in conjunction with a transfer of funds to the 2024 GO Bonds Park Capital Project Budget Ordinance for improvements to Clayton Community Park. This amendment is required for compliance with G.S. 159-13.2.

Duly adopted this ____ day of _____, 2024 while in regular session.

Jody L. McLeod
Mayor

Attest: APPROVED AS TO FORM

Heidi L. Holland, CMC, NCCMC
Town Clerk

Jim Cauley
Town Attorney

Town of Clayton
Amendment to the Capital Project Budget Ordinance

BE IT HEREBY ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF CLAYTON that the following amendments shall be made to the 2024 GO Bonds Park Project Capital Project Budget Ordinance:

Fund: 620 – 2024 GO Bonds Park Project

<u>Line Item</u>	<u>Previous Appropriation</u>	<u>Adjustment</u>	<u>Revised Appropriation</u>
<u>Expenditures</u>			
620-56 00	Professional Services		
	-	+15,000	\$15,000
620-58 05	Closing Fees		
	-	+140,000	\$140,000
620-58 21	Site Improvements		
	\$5,600,000	-155,000	\$5,445,000

Explanation: Amending the capital project budget ordinance to reflect the cost of the underwriter’s discount and closing fees associated with the issuance of the general obligation bonds. This amendment is required for compliance with G.S. 159-13.2.

Duly adopted this ____ day of _____, 2024 while in regular session.

Jody L. McLeod
Mayor

Attest:

APPROVED AS TO FORM

Heidi L. Holland, CMC, NCCMC
Town Clerk

Jim Cauley
Town Attorney

Fund: 641 – Sam’s Branch Water Reclamation Facility

Jim Cauley
Town Attorney

Town of Clayton
Amendment to the Capital Project Budget Ordinance

BE IT HEREBY ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF CLAYTON that the following amendments shall be made to the Copper District Capital Project Budget Ordinance:

Fund: 644 – Copper District

<u>Line Item</u>	<u>Previous Appropriation</u>	<u>Adjustment</u>	<u>Revised Appropriation</u>
<u>Expenditures</u>			
644-56 00	Professional Services		
	-	+250,000	\$250,000
644-58 30	Water Line Improvements		
	\$10,600,000	-250,000	\$10,350,000

Explanation: Amending the capital project budget ordinance to reflect the engineering cost related to the construction of the elevated water storage tank for the Copper District. This amendment is required for compliance with G.S. 159-13.2.

Duly adopted this ____ day of _____, 2024 while in regular session.

Jody L. McLeod
Mayor

Attest:

APPROVED AS TO FORM

Heidi L. Holland, CMC, NCCMC
Town Clerk

Jim Cauley
Town Attorney



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 17, 2024

Agenda Location

NEW BUSINESS

Item Title

Agreement with NCDOT for Locally Administered Project Program funding for Clayton Connector and S. Robertson/Main Street Improvements Project HL-0129

Presenter(s)

Shannon Poole, Engineering Technician

Suggested Action

Approval of Agreement

Suggested Action (2): Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? Yes

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

- ☐ Social Media
☐ Special Mailing

- ☐ Survey
☐ None Required

Summary

In September 2023, Engineering staff was notified by Capital Area Metropolitan Planning Organization (CAMPO) that due to some changes, they were able to obligate design and right-of-way funds for the Clayton Connector and S. Robertson/Main Street Project. This project was originally submitted to CAMPO in October 2022 and was not selected.

Project Funding Table:

Design

NCDOT Funding (70%) \$490,000

Town Match (30%) \$210,000

Right of Way

NCDOT Funding (70%) \$385,000

Town Match (30%) \$165,000

This project was identified as Priority Project #1, portions of Priority Project #3 and portions of Priority Project #4 in the 2022 Pedestrian Plan. The project's goal is to create pedestrian connectivity to Amelia Church Greenway, across Hwy 70 to Robertson, up Robertson to Main St., and from Main St to Moore St.

Tentative Project Schedule:

PE/ROW Phase July 2024-July 2025

Town Engineering and Procurement Staff have reviewed the proposed LAPP agreement and recommends approval to enter into the agreement.

Funding Source

N/A

Corresponding Documentation

[LPMO Agreement HL-0129 Town of Clayton](#)

[Priority Projects Pedestrian Plan](#)

[Project Limits](#)

[2024-72 LAP Agreement Resolution_HL-0129](#)

Submitted By: Shannon Poole, Engineering

Reviewed By:

Joshua Baird, Water Resources
Director

Approved - Jun 12 2024

Rich Cappola, Town Manager

Approved - Jun 12 2024

Heidi Holland, Town Clerk

Approved - Jun 12 2024

NORTH CAROLINA

**LOCALLY ADMINISTERED PROJECT -
FEDERAL**

JOHNSTON COUNTY

DATE: 4/4/2024

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION

TIP #: HL-0129

AND

WBS Elements: PE 51268.1.1

ROW 51268.2.1

CON 51268.3.1

TOWN OF CLAYTON

OTHER FUNDING: _____

FEDERAL-AID NUMBER: 512607

CFDA #: 20.205

Total Funds [NCDOT Participation] \$875,000

THIS AGREEMENT is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department" and the Town of Clayton, hereinafter referred to as the "Municipality".

WITNESSETH:

WHEREAS, the Infrastructure Investment and Jobs Act (IIJA) allows for the allocation of federal funds to be available for certain specified transportation activities; and,

WHEREAS, the Municipality has requested federal funding for Clayton Connector and S. Robertson/Main Street Imp, hereinafter referred to as the Project, in Johnston County, North Carolina; and,

WHEREAS, subject to the availability of federal funds, the Municipality has been designated as a recipient to receive funds allocated to the Department by the Federal Highway Administration (FHWA) up to and not to exceed the maximum award amount of \$875,000 for the Project; and,

WHEREAS, the Department has agreed to administer the disbursement of said funds on behalf of FHWA to the Municipality for the Project in accordance with the Project scope of work and in accordance with the provisions set out in this Agreement; and,

WHEREAS, the Department has programmed funding in the approved Transportation Improvement Program for the Project; and,

WHEREAS, the governing board of the Municipality has agreed to participate in certain costs and to assume certain responsibilities in the manner and to the extent as hereinafter set out; and,

Agreement ID # 12885

1

WHEREAS, this Agreement is made under the authority granted to the Department by the North Carolina General Assembly including, but not limited to, the following applicable legislation: General Statutes of North Carolina (NCGS) Section 136-66.1, Section 136-71.6, Section 160A-296 and 297, Section 136-18, Section 136-41.3 and Section 20-169, to participate in the planning, construction and/or implementation of the Project approved by the Board of Transportation.

NOW, THEREFORE, this Agreement states the promises and undertakings of each party as herein provided, and the parties do hereby covenant and agree, each with the other, as follows:

1. GENERAL PROVISIONS

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT

All parties to this Agreement, including contractors, subcontractors, and subsequent workforces, associated with any work under the terms of this Agreement shall provide reports as required by the Federal Funding Accountability and Transparency Act (FFATA) for this Project.

AGREEMENT MODIFICATIONS

Any modification to scope, funding, responsibilities, or time frame will be agreed upon by all parties by means of a Supplemental Agreement.

LOCAL PUBLIC AGENCY TO PERFORM ALL WORK

The Municipality shall be responsible for administering all work performed and for certifying to the Department that all terms set forth in this Agreement are met and adhered to by the Municipality and/or its contractors and agents. The Department will provide technical oversight to guide the Municipality. The Department must approve any assignment or transfer of the responsibilities of the Municipality set forth in this Agreement to other parties or entities.

PERSON IN RESPONSIBLE CHARGE

The Municipality shall designate a person or persons to be in responsible charge of the Project, in accordance with Title 23 of the Code of Federal Regulations, Part 635.105. The person, or persons, shall be expected to:

- Administer governmental project activities, including those dealing with cost, time, adherence to contract requirements, construction quality and scope of Federal-aid projects;

- Maintain knowledge of day to day project operations and safety issues;
- Make or participate in decisions about changed conditions or scope changes that require change orders or supplemental agreements;
- Visit and review the project in accordance with the project scope and scale;
- Review financial processes, transactions and documentation to reduce the likelihood of fraud, waste, and abuse;
- Direct project staff, agency or consultant, to carry out project administration and contract oversight, including proper documentation; and
- Be aware of the qualifications, assignments and on-the-job performance of the agency and consultant staff at all stages of the project.

The person in responsible charge must be a full-time employee of the Municipality, but the duties may be split among several employees, if necessary.

COMPLIANCE WITH STATE/FEDERAL POLICY

The Municipality, and/or its agent, including all contractors, subcontractors, or sub-recipients shall comply with all applicable Federal and State policies and procedures, stated both in this Agreement and in the Department's guidelines and procedures, including the *Local Programs Management Handbook*.

FAILURE TO COMPLY - CONSEQUENCES

Failure on the part of the Municipality to comply with any of the provisions of this Agreement will be grounds for the Department to terminate participation in the costs of the Project and, if applicable, seek repayment of any reimbursed funds.

2. SCOPE OF PROJECT

The Project consists of the Design and Right of Way acquisition for approximately 5,500 linear feet of sidewalk on Amelia Church Road/Robertson Street from the Cross Clayton Pedestrian Connector to Main Street and along Main Street from Robertson Street to Moore Street. Add crossing of Little Creek and US 70 BUS, providing pedestrian sidewalk down both sides of S Robertson Street. The Design for Improvements extend from Amelia Church Road at the Cross Clayton Pedestrian Connector, across US 70 Bus to Robertson Street, up Robertson Street to

Main Street and Robertson to Moore Street. Improvements include widening of South Robertson Street and Main Street to accommodate curb and gutter, sidewalks and storm drainage. Design of ADA compliant curb ramps and driveways within the project limits. Pedestrian Traffic Signal at the intersection of South Robertson and Main Street review and re-design as needed. Removal of mid-block crossing of S. Robertson St near Clayton High School.

The Department's funding participation in the Project shall be restricted to the following eligible items:

- Design
- Environmental Documentation
- ROW Acquisition
- Utility Relocation
- Construction

as further set forth in this Agreement.

3. FUNDING

PROGRAMMING AND AUTHORIZATION OF FEDERAL FUNDS

The funding currently programmed for the project in the State Transportation Improvement Program (STIP) is Transportation Alternatives Program. The funding source may be modified with the coordination and approval of the respective Metropolitan Planning Organization (MPO) and/or the Department prior to authorization of funds. The Department will authorize and reimburse federal funding based on the type of federal funding that is programmed in the STIP at the time of the authorization request. The Department will notify the Municipality of the type of federal funds authorized by issuing a Technical Amendment – Funds Authorization letter. A modification in the source of funds will have no effect on project responsibilities outlined in this agreement.

REIMBURSEMENT FOR ELIGIBLE ACTIVITIES

Subject to compliance by the Municipality with the provisions set forth in this Agreement and the availability of federal funds, the Department shall reimburse seventy percent of eligible expenses incurred by the Municipality up to a maximum amount of Eight Hundred Seventy Five Thousand

Dollars (\$875,000), as detailed below. The Municipality shall provide the non-federal match, as detailed in the FUNDING TABLE below, and all costs that exceed the total available funding.

FUNDING TABLE

Fund Source	Federal Funds Amount	Reimbursement Rate	Non-Federal Match \$	Non-Federal Match Rate
Transportation Alternatives Program	\$875,000	70%	\$375,000	30%
Total Available Funding			\$1,250,000	

WORK PERFORMED BY NCDOT

All work performed by the Department on this Project, including, but not limited to, reviews, inspections, and Project oversight, during any phase of the delivery of the Project, shall reduce the funding available to the Municipality under this Agreement. The Department will set aside, but is not limited to, ten percent (10%) of the total available funding, or \$12,500, to use towards the costs related to review and oversight of this Project. These costs may include but are not limited to: review and approval of plans, environmental documents, contract proposals, and engineering estimates; performance of any phase of work, for example, contract administration or construction engineering and inspection; oversight of any phases; or any other items as needed to ensure the Municipality's appropriate compliance with state and federal regulations.

In the event that the Department does not utilize all the set-aside funding, then those remaining funds will be available for reimbursement to the Municipality at the above reimbursement rate. For all costs of work performed on the Project, whether incurred by the Municipality or by the Department, the Municipality shall provide the non-federal match. The Department will bill the Municipality for the non-federal match of any costs that the Department incurs on the Project and for any costs that exceed the total available funding.

4. PERIOD OF PERFORMANCE

The Municipality has five (5) years to complete all work outlined in the Agreement from the date of authorization of Federal funds for the initial phase of work. Completion for this Agreement is defined as completion of all construction activities or implementation activities, acceptance of the project, and submission of a final reimbursement package to the Department.

If additional time is needed to complete the Project, then a supplemental agreement must be executed. The Department may allow up to three additional months for submission of final reimbursement package by the Municipality, without entering into a supplemental agreement.

The Department and/or FHWA reserves the right to revoke the funds awarded if the Municipality is unable to meet milestone dates included herein.

5. PRELIMINARY ENGINEERING AUTHORIZATION

If Preliminary Engineering is an eligible expense, then upon receipt of an executed agreement, the Department will authorize Preliminary Engineering funds and shall notify the Municipality, in writing, once funds have been authorized and can be expended. The Municipality shall not initiate any work, nor solicit for any professional services prior to receipt of written authorization from the Department to proceed. Any work performed, or contracts executed, prior to receipt of written authorization to proceed will be ineligible for reimbursement.

6. PROFESSIONAL AND ENGINEERING SERVICES

The Municipality shall comply with the policies and procedures of this provision if the Municipality is requesting reimbursement for the Preliminary Engineering contract or the Construction Contract Administration / Construction Engineering and Inspection contract.

PROCUREMENT POLICY

When procuring professional services, the Municipality must adhere to Title 2 Code of Federal Regulations Part 200; Title 23 of the Code of Federal Regulations, Part 172; Title 40 United States Code, Chapter 11, Section 1101-1104; NCGS 143-64.31; and the Department's *Policies and Procedures for Major Professional or Specialized Services Contracts*. Said policies and standards are incorporated in this Agreement by reference at www.fhwa.dot.gov/legisregs/legislat.html and www.ncleg.net/gascripts/Statutes/Statutes.asp.

- The Municipality shall ensure that a qualified firm is obtained through an equitable selection process, and that prescribed work is properly accomplished in a timely manner and at a just and reasonable cost.
- All Professional Services Firms shall be pre-qualified by the Department in the Work Codes advertised.
- A pre-negotiation audit will be conducted by the Department's External Audit Branch. The Municipality shall not execute a consultant contract until the Department's review has been completed.

SMALL PROFESSIONAL AND ENGINEERING SERVICES FIRMS REQUIREMENTS

Any contract entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization of Small Professional Services Firms (SPSF). This policy conforms with the SPSF Guidelines as approved by the North Carolina Board of Transportation.

- The Municipality shall not advertise nor enter into a contract for services performed as part of this Agreement, unless the Department provides written approval of the advertisement or the contents of the contract.
- If the Municipality fails to comply with these requirements, the Department will withhold funding until these requirements are met.

WORK BY ENTITY

If the Design, Planning, Contract Administration and/or Construction Engineering and Inspection required for this project will be undertaken by the Municipality, and the Municipality requests reimbursement, then the Municipality must submit a request and supporting documentation to the Department for review and approval, prior to any work being initiated by the Municipality.

7. PLANNING / ENVIRONMENTAL DOCUMENTATION

The Municipality shall prepare the environmental and/or planning document, including any environmental permits, needed to construct the Project, in accordance with the National Environmental Policy Act (NEPA) and all other appropriate environmental laws and regulations. All work shall be performed in accordance with Departmental procedures and guidelines. Said documentation shall be submitted to the Department for review and approval.

- The Municipality shall be responsible for preparing and filing with all proper agencies the appropriate planning documents, including notices and applications required to apply for those permits necessary for the construction of the desired improvements. Copies of approved permits should be forwarded to the Department.
- The Municipality shall advertise and conduct any required public hearings.
- If any permit issued requires that action be taken to mitigate impacts associated with the improvements, the Municipality shall design and implement a mitigation plan. The Department will determine if any mitigation costs are eligible for reimbursement. The

Municipality shall bear all costs associated with penalties for violations and claims due to delays.

- The Municipality shall be responsible for designing an erosion control plan if required by the North Carolina Sedimentation Pollution Control Act of 1973, NCGS 113A, Article 4, incorporated in this Agreement by reference at www.ncleg.net/gascripts/Statues/Statutes.asp and obtaining those permits required thereby in order to construct the Project. During the construction of the improvements, the Municipality, and its contractors and agents, shall be solely responsible for compliance with the provisions of said Act and the plan adopted in compliance therewith.

8. DESIGN

CONTENT OF PLAN PACKAGE

The Municipality, and/or its agent, shall prepare the Project's plans, specifications, and a professional estimate of costs (PS&E package), in accordance with the Department's guidelines and procedures, and applicable Federal and State standards. All work shall be submitted to the Department for review and approval. The plans shall be completed to show the design, site plans, landscaping, drainage, easements, and utility conflicts.

9. RIGHT OF WAY / UTILITY AUTHORIZATION

If the costs of right of way acquisition or utility relocation are an eligible expense, the Municipality shall submit a letter of request to the Department to authorize and set up right of way and/or utility funding. The acquisition for right of way, construction easements, and/or utility relocation may be undertaken only after the Municipality receives written authorization from the Department to proceed.

10. PROJECT LIMITS AND RIGHT OF WAY (ROW)

The Municipality shall comply with the policies and procedures of this provision regardless of whether the Municipality is requesting reimbursement for the Right of Way phase of the Project.

SPONSOR PROVIDES ROW

The Municipality, at no liability whatsoever to the Department, shall be responsible for providing and/or acquiring any required ROW and/or easements for the Project.

ROW GUIDANCE

The Municipality shall accomplish all ROW activities, including acquisition and relocation, in accordance with the following: Title 23 of the Code of Federal Regulations, Part 710, Subpart B and Title 49 of the Code of Federal Regulations, Part 24, [Uniform Act] incorporated by reference at www.fhwa.dot.gov/legisregs/directives/fapgtoc.htm; NCGS, Chapter 133, Article 2, Sections 133-5 through 133-18, Relocation Assistance, incorporated by reference at www.ncleg.net/gascripts/Statutes/Statutes.asp; and the North Carolina Department of Transportation Right of Way Manual.

APPRAISAL

The Municipality shall submit the appraisal to the Department for review and approval in accordance with Departmental policies and procedures.

CLEARANCE OF PROJECT LIMITS / ROW

The Municipality shall remove and dispose of all obstructions and encroachments of any kind or character (including hazardous and contaminated materials) from said ROW, with the exception that the Municipality shall secure an encroachment agreement for any utilities (which shall remain or are) to be installed within the Department's ROW, or follow other applicable approval process, for utilities within the Municipality's ROW. The Municipality shall indemnify and save harmless the Department, Federal Highway Administration, and the State of North Carolina, from any and all damages and claims for damages that might arise on account of said right of way acquisition, drainage, and construction easements for the construction of said Project. The Municipality shall be solely responsible for any damages caused by the existence of said material now and at any time in the future and will save the Department harmless from any legal actions arising as a result of this contaminated and/or hazardous material and shall provide the Department with documentation proving the proper disposal of said material.

RELOCATION ASSISTANCE

The Municipality shall provide relocation assistance services and payments for families, businesses, and non-profit organizations being displaced by the Project in full accordance with the Federal relocation requirements of Title 49 Code of Federal Regulations, Part 24 [Uniform Act], as amended. Relocation assistance services and payments may be accomplished by contract with any other municipal corporation, or State or Federal agency, rendering such services upon approval by the Department and Federal Highway Administration.

11. UTILITIES

The Municipality, and/or its agent, at no liability to the Department, shall relocate, adjust, relay, change or repair all utilities in conflict with the Project, regardless of ownership. All utility work shall be performed in a manner satisfactory to and in conformance with State and Federal rules and regulations, prior to Municipality beginning construction of the project. This Agreement does not modify or supersede any existing Utility Encroachment Agreements that may be in place.

12. RIGHT OF WAY / UTILITY / RAILROAD CERTIFICATION

The Municipality, upon acquisition of all right of way/property necessary for the Project, relocation of utilities, and coordination with the railroad shall provide the Department all required documentation (deeds/leases/easement/plans/agreements) to secure certification. Certification is only issued after all ROW is in public ownership or property is publicly accessible by a legal document; utilities in conflict with the project are relocated, or a plan for their relocation during construction has been approved; and coordination with the railroad (if applicable) has occurred and been documented.

13. CONTRACT PROPOSAL AND ENGINEER'S ESTIMATE

CONTRACT PROPOSAL

The Municipality shall develop a contract proposal that will be advertised for bids. The proposal shall comply with NCDOT Specifications and Standard Drawings as applicable to the Project. The proposal shall also contain provisions, as applicable, per Title 23 Code of Federal Regulations 633 and 635 to include, but not be limited to: FHWA 1273, Buy America, Davis-Bacon Wage Rates, Non-discrimination, DBE Assurances, Contractor Certification regarding suspension and debarment, and other provisions as required by the Department.

ENGINEER'S ESTIMATE

The Municipality shall develop an itemized engineer's estimate to show items referenced to the NCDOT Standard Specifications, if applicable, along with units and unit price. The engineer's estimate will be used as the basis for comparing bids received.

14. CONSTRUCTION AUTHORIZATION

The Municipality shall submit the required environmental and/or planning document, ROW certification, final construction plans, total contract proposal, and an estimate of Project costs (final PS&E package) to the Department for review and approval.

- After approval of all documentation, the Department will request construction authorization from the Federal Highway Administration.
- The Municipality shall not advertise for bids prior to receiving written construction authorization from the Department.

15. CONTRACTOR PROCUREMENT

ADVERTISE FOR BIDS

Upon receipt of written construction authorization from the Department, the Municipality may advertise the Project. The Municipality shall follow applicable Federal and/or State procedures pertaining to the advertisement of the Project, bid opening, and award of the contract, according to Title 2 of the Code of Federal Regulations, Part 200 and Title 23 of the Code of Federal Regulations, Part 633 and Part 635, incorporated by reference at www.fhwa.dot.gov/legisregs/directives/fapgtoc.htm; and NCGS, Chapter 143, Article 8 (Public Contracts), incorporated by reference at www.ncleg.net/gascripts/Statutes/Statutes.asp.

CONSTRUCTION CONTRACTOR REQUIREMENTS

All Contractors submitting bids on the project shall be pre-qualified by the Department. All proposed subcontractors must be pre-qualified before construction work begins. Any subcontractors who are proposed to meet the Disadvantaged Business Enterprise goal must be certified by the Department.

CONSTRUCTION SUBCONTRACTOR REQUIREMENTS

Any contract entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization of Disadvantaged Business Enterprises (DBEs), or as required and defined in Title 49 of the Code of Federal Regulations, Part 26 and the North Carolina Administrative Code. These provisions are incorporated into this Agreement by reference <https://connect.ncdot.gov/projects/Contracts/Pages/LGA-Projects.aspx>.

- The Municipality shall not advertise nor enter into a contract for services performed as part of this Agreement, unless the Department provides written approval of the advertisement or the contents of the contract.
- If the Municipality fails to comply with these requirements, the Department will withhold funding until these requirements are met.

AWARDING CONTRACT

After the advertisement of the Project for construction bids, the Municipality shall request concurrence from the Department to award the construction contract by submitting a letter along with tabulated bids received depicting Disadvantaged Business Enterprises (DBE) goals, and a resolution recommending award of the Project to the lowest responsible, responsive bidder. The Department will review the submitted information and provide written approval to the Municipality prior to the contract being awarded by the Municipality.

DELAY IN PROCUREMENT

In the event the Project has not been let to contract within six (6) months after receiving construction authorization from the Department, the Municipality shall be responsible for documenting to the Department justification for project delay and that the Project remains in compliance with the terms of this Agreement, the approved plans and specifications, and current codes.

FORCE ACCOUNT

Force account work is only allowed when there is a finding of cost effectiveness for the work to be performed by some method other than a contract awarded by a competitive bidding process, or there is an emergency. Written approval from the Department is required prior to the use of force account by the Municipality. Federal Highway Administration regulations governing Force Account are contained in Title 23 Code of Federal Regulations, Part 635.201, Subpart B; said policy being incorporated in this Agreement by reference www.fhwa.dot.gov/legsregs/directives/cfr23toc.htm. North Carolina General Statutes governing the use of Force Account, Chapter 143, Article 8 (Public Contracts) can be found at www.ncleg.net/gascripts/Statutes/Statutes.asp.

16. CONSTRUCTION

The Municipality, and/or its agents shall construct the Project in accordance with the plans and specifications of the Project as filed with, and approved by, the Department. During the construction of the Project, the procedures set out below shall be followed:

CONSTRUCTION CONTRACT ADMINISTRATION

The Municipality shall comply with the NCDOT Construction Manual as referenced at <http://www.ncdot.org/doh/operations/dp%5Fchief%5Feng/constructionunit/formsmanuals/construction/>, which outlines the procedures for records and reports that must be adhered to in order to obtain uniformity of contract administration and documentation. This includes, but is not limited to, inspection reports, material test reports, materials certification, documentation of quantities, project diaries, and pay records. The Municipality, and/or its agent, shall perform the construction engineering, sampling and testing required during construction of the Project, in accordance with Departmental procedures, including the Department's Guide for Process Control and Acceptance Sampling and Testing. The Municipality shall document that said compliance was accomplished in accordance with State and Federal procedures, guidelines, standards and specifications.

RETAINAGE

The Municipality shall not retain any portion of a payment due the contractor.

SIGNAGE

The Municipality shall provide and maintain adequate signage and other warning devices for the protection of the public in accordance with the approved traffic control plans for the Project and the current edition of the Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways, or any subsequent revision of the same, published by the Federal Highway Administration and effective at the time of award of the contract.

SITE LAYOUT

The Municipality shall be responsible for ensuring that all site layout, construction work, and Project documentation are in compliance with applicable city, state and federal permits, guidelines, and regulations, including American Association of State Highway and Transportation Officials (AASHTO) guidelines and Americans with Disabilities Act (ADA) Standards for Accessible Design (www.usdoj.gov/crt/ada/stdspdf.htm).

RIGHT TO INSPECT

The Department and representatives of the Federal Highway Administration shall have the right to inspect, sample or test, and approve or reject, any portion of the work being performed by the Municipality or the Municipality's contractor to ensure compliance with the provisions of this Agreement. Prior to any payment by the Department, any deficiencies inconsistent with approved plans and specifications found during an inspection must be corrected.

CONTRACTOR COMPLIANCE

The Municipality will be responsible for ensuring that the contractor complies with all of the terms of the contract and any instructions issued by the Department or FHWA as a result of any review or inspection made by said representatives.

CHANGE ORDERS

If any changes in the Project plans are necessary, the Department must approve such changes prior to the work being performed.

SHOP DRAWINGS

Shop Drawings shall be submitted in accordance with the approved plans and specifications and may require review by the Designer.

17. CLOSE-OUT

Upon completion of the Project, the Municipality shall be responsible for the following:

FINAL INSPECTION

The Municipality shall arrange for a final inspection by the Department. Any deficiencies determined during the final field inspection must be corrected prior to final payment being made by the Department to the Municipality. Additional inspection by other entities may be necessary in accordance with the Department's guidelines and procedures. The Municipality shall provide the Department with written evidence of approval of completed project prior to requesting final reimbursement.

FINAL PROJECT CERTIFICATION

The Municipality will provide a certification to the Department that all work performed for this Project is in accordance with all applicable standards, guidelines, and regulations.

18. MAINTENANCE

The Municipality, at no expense or liability to the Department, shall assume all maintenance responsibilities for the Clayton Connector and S. Robertson/Main Street Imp, or as required by an executed encroachment agreement.

19. REIMBURSEMENT

SCOPE OF REIMBURSEMENT

Activities eligible for funding reimbursement for this Project shall include:

- Design
- Environmental Documentation
- ROW Acquisition
- Utility Relocation
- Construction

REIMBURSEMENT GUIDANCE

The Municipality shall adhere to applicable administrative requirements of Title 2 Code of Federal Regulations, Part 200 (www.fhwa.dot.gov/legisregs/directives/fapgtoc.htm) "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards." Reimbursement to the Municipality shall be subject to the policies and procedures contained in Title 23 Code of Federal Regulations, Part 140 and Part 172, which is being incorporated into this Agreement by reference at www.fhwa.dot.gov/legisregs/directives/fapgtoc.htm. Reimbursement to the Municipality shall be subject to the guidance contained in Title 2 Code of Federal Regulations, Part 170 (<http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>) and Office of Management and Budget (OMB) "Federal Funding Accountability and Transparency Act" (FFATA). Said reimbursement shall also be subject to the Department being reimbursed by the

Federal Highway Administration and subject to compliance by the Municipality with all applicable federal policy and procedures.

REIMBURSEMENT LIMITS

- **WORK PERFORMED BEFORE NOTIFICATION**

Any costs incurred by the Municipality prior to written notification by the Department to proceed with the work shall not be eligible for reimbursement.

- **NO REIMBURSEMENT IN EXCESS OF APPROVED FUNDING**

At no time shall the Department reimburse the Municipality costs that exceed the total funding per this Agreement and any Supplemental Agreements.

- **UNSUBSTANTIATED COSTS**

The Municipality agrees that it shall bear all costs for which it is unable to substantiate actual costs or any costs that have been deemed unallowable by the Federal Highway Administration and/or the Department's Financial Management Division.

- **WORK PERFORMED BY NCDOT**

All work performed by the Department on this Project, including, but not limited to, reviews, inspections, and Project oversight, shall reduce the maximum award amount of \$875,000 available to the Municipality under this Agreement. The Department will bill the Municipality for the non-federal match of any costs that the Department incurs on the Project and for any costs that exceed the total available funding.

- **CONSTRUCTION ADMINISTRATION**

Reimbursement for construction contract administration will be made as governed by Departmental policy that limits reimbursement for construction contract administration to no more than fifteen (15%) percent of the actual construction contract of the Project. These costs will also include any cost overruns and charges to the Project by the Department during the Construction Phase.

- **CONSTRUCTION CONTRACT UNIT PRICES**

Reimbursement for construction contract work will be made on the basis of contract unit prices in the construction contract and any approved change orders.

- **RIGHT OF WAY**

Reimbursement will be limited to the value as approved by the Department. Eligible costs for reimbursement of Right of Way Acquisition include: realty appraisals, surveys, closing costs, and the agreed upon just compensation for the property, at the reimbursement rate as shown in the FUNDING TABLE.

- **FORCE ACCOUNT**

Invoices for force account work shall show a summary of labor, labor additives, equipment, materials and other qualifying costs in conformance with the standards for allowable costs set forth in 2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Reimbursement shall be based on actual eligible costs incurred with the exception of equipment owned by the Municipality or its Project partners. Reimbursement rates for equipment owned by the Municipality or its Project partners cannot exceed the Department's rates in effect for the time period in which the work is performed.

BILLING THE DEPARTMENT

- **PROCEDURE**

The Municipality may bill the Department for eligible Project costs in accordance with the Department's guidelines and procedures. Proper supporting documentation shall accompany each invoice as may be required by the Department. By submittal of each invoice, the Municipality certifies that it has adhered to all applicable state and federal laws and regulations as set forth in this Agreement.

Along with each invoice, the Municipality is responsible for submitting the FFATA Subrecipient Information Form, which is available at <https://connect.ncdot.gov/municipalities/Funding/Pages/default.aspx>.

- **INTERNAL APPROVALS**

Reimbursement to the Municipality shall be made upon approval of the invoice by the Department's Financial Management Division.

- **TIMELY SUBMITTAL OF INVOICES**

The Municipality may invoice the Department monthly for work accomplished, but no less than once every six (6) months to keep the Project funds active and available. If the

Municipality is unable to invoice the Department, then they must provide an explanation. Failure to submit invoices or explanation may result in de-obligation of funds.

- **FINAL INVOICE**

All invoices associated with the Project must be submitted within six (6) months of the completion of construction and acceptance of the Project to be eligible for reimbursement by the Department. Any invoices submitted after this time will not be eligible for reimbursement.

20. REPORTING REQUIREMENTS AND RECORDS RETENTION

PROJECT EVALUATION REPORTS

The Municipality is responsible for submitting quarterly Project evaluation reports, in accordance with the Department's guidelines and procedures, that detail the progress achieved to date for the Project.

PROJECT RECORDS

The Municipality and its agents shall maintain all books, documents, papers, accounting records, Project records and such other evidence as may be appropriate to substantiate costs incurred under this Agreement. Further, the Municipality shall make such materials available at its office and shall require its agent to make such materials available at its office at all reasonable times during the contract period, and for five (5) years from the date of payment of the final voucher by the Federal Highway Administration, for inspection and audit by the Department's Financial Management Section, the Federal Highway Administration, or any authorized representatives of the Federal Government.

21. OTHER PROVISIONS

REFERENCES

It will be the responsibility of the Municipality to follow the current and/or most recent edition of references, websites, specifications, standards, guidelines, recommendations, regulations and/or general statutes, as stated in this Agreement.

INDEMNIFICATION OF DEPARTMENT

The Municipality agrees to indemnify and hold harmless the Department, FHWA and the State of North Carolina, to the extent allowed by law, for any and all claim for payment, damages and/or liabilities of any nature, asserted against the Department in connection with this Project. The Department shall not be responsible for any damages or claims, which may be initiated by third parties.

DEBARMENT POLICY

It is the policy of the Department not to enter into any agreement with parties that have been debarred by any government agency (Federal or State). By execution of this agreement, the Municipality certifies that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Agency or Department and that it will not enter into agreements with any entity that is debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction.

TITLE VI - CIVIL RIGHTS ACT OF 1964

The Municipality shall comply with Title VI of the Civil Rights Act of 1964, (Title 49 CFR, Subtitle A, Part 21). Title VI prohibits discrimination on the basis of race, color, national origin, disability, gender, and age in all programs or activities of any recipient of Federal assistance.

OTHER AGREEMENTS

The Municipality is solely responsible for all agreements, contracts, and work orders entered into or issued by the Municipality for this Project. The Department is not responsible for any expenses or obligations incurred for the Project except those specifically eligible for the funds and obligations as approved by the Department under the terms of this Agreement.

AVAILABILITY OF FUNDS

All terms and conditions of this Agreement are dependent upon, and, subject to the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

IMPROPER USE OF FUNDS

Where either the Department or the FHWA determines that the funds paid to the Municipality for this Project are not used in accordance with the terms of this Agreement, the Department will bill the Municipality.

TERMINATION OF PROJECT

If the Municipality decides to terminate the Project without the concurrence of the Department, the Municipality shall reimburse the Department one hundred percent (100%) of all costs expended by the Department and associated with the Project.

AUDITS

In accordance with 2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Subpart F – Audit Requirements, and the Federal Single Audit Act Amendments of 1996, the Municipality shall arrange for an annual independent financial and compliance audit of its fiscal operations. The Municipality shall furnish the Department with a copy of the annual independent audit report within thirty (30) days of completion of the report, but not later than nine (9) months after the Municipality's fiscal year ends.

REIMBURSEMENT BY MUNICIPALITY

For all monies due the Department as referenced in this Agreement, reimbursement shall be made by the Municipality to the Department within sixty (60) days of receiving an invoice. A late payment penalty and interest shall be charged on any unpaid balance due in accordance with NCGS 147-86.23.

USE OF POWELL BILL FUNDS

If the other party to this agreement is a Municipality and fails for any reason to reimburse the Department in accordance with the provisions for payment hereinabove provided, NCGS 136-41.3 authorizes the Department to withhold so much of the Municipality's share of funds allocated to Municipality by NCGS 136-41.1, until such time as the Department has received payment in full.

ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and there are no understandings or agreements, verbal or otherwise, regarding this Agreement except as expressly set forth herein.

AUTHORIZATION TO EXECUTE

The parties hereby acknowledge that the individual executing the Agreement on their behalf is authorized to execute this Agreement on their behalf and to bind the respective entities to the terms contained herein and that he has read this Agreement, conferred with his attorney, and fully understands its contents.

FACSIMILE SIGNATURES

A copy or facsimile copy of the signature of any party shall be deemed an original with each fully executed copy of the Agreement as binding as an original, and the parties agree that this Agreement can be executed in counterparts, as duplicate originals, with facsimile signatures sufficient to evidence an agreement to be bound by the terms of the Agreement.

GIFT BAN

By Executive Order 24, issued by Governor Perdue, and NCGS 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e. Administration, Commerce, Environmental Quality, Health and Human Services, Information Technology, Military and Veterans Affairs, Natural and Cultural Resources, Public Safety, Revenue, Transportation, and the Office of the Governor).

22. SUNSET PROVISION

All terms and conditions of this Agreement are dependent upon, and subject to, the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

IT IS UNDERSTOOD AND AGREED that the approval of the Project by the Department is subject to the conditions of this Agreement, and that no expenditures of funds on the part of the

Department will be made until the terms of this Agreement have been complied with on the part of the Municipality.

IN WITNESS WHEREOF, this Agreement has been executed, in duplicate, the day and year heretofore set out, on the part of the Department and the Municipality by authority duly given.

L.S. ATTEST:

TOWN OF CLAYTON

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

NCGS 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

This Agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

(SEAL)

(FINANCE OFFICER)

Federal Tax Identification Number

Town of Clayton

Remittance Address:

DEPARTMENT OF TRANSPORTATION

BY: _____
(CHIEF ENGINEER)

DATE: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____ (Date)

Priority Project #1: Robertson St Sidewalk Gaps and Crossing Improvements

Several gaps in the sidewalk along the east side of Robertson St should be completed with sidewalk. Additionally, formalized crosswalks are needed to connect to the neighborhood to the west. This is an important pedestrian corridor that links Clayton High School, downtown Clayton, the US 70 corridor (and the recently installed US 70 crosswalk), and multiple neighborhoods and businesses.

Facility: Sidewalk, Crosswalks

Trip Generators: Downtown, Clayton High School, US 70 businesses, multiple neighborhoods

Potential ROW Needs: 375' Sidewalk section along the Clayton High School property should be constructed closer to the ballfields; coordinate with Johnston County Board of Education

Potential Partnerships: Johnston County, NCDOT, adjacent businesses and residences

Estimated Construction Costs: \$359,000 (see Appendix E for further detail)



Ample space to complete the sidewalk gap south of Horne St

Consider lowering the speed limit along S. Robertson St from 35 mph to 25 mph (NCDOT maintained road - NCDOT speed zone study needed). Additional analyses should be conducted in considering additional traffic calming features such as narrowing the motor vehicle travel lanes (especially south of the Johnston County EMS) constructing separated bike lanes, and adding strategic speed tables. See further discussion of speed management on page 68.



EXISTING FACILITIES

- SIDEWALK
- PEDESTRIAN-ACTIVATED CROSSING SIGNAL
- HIGH-VISIBILITY CROSSWALK
- TWO-BAR CROSSWALK

RECOMMENDATIONS

- SIDEWALK
- CROSSING IMPROVEMENT

High visibility crosswalks are needed across Robertson St to connect the Robertson St sidewalk to neighborhoods to the west. At each of these streets, install high visibility crosswalks (Brooks St, Willow Dr, Horne St, and Second St.)

For side street crossings, high visibility crosswalks should be painted (high visibility crosswalks should be the default).

Priority Project #3: US 70 Crossings

While US 70 remains a significant barrier to pedestrian connectivity on both sides, multiple efforts are needed to make this corridor traversable by pedestrians. In addition to the numerous residences, businesses, and destinations on either side of US 70, this is a key corridor that is also being studied as part of the southern extension of bus rapid transit between Raleigh, Garner, and Clayton.

Building on the recently completed US 70 pedestrian crossing at the Robertson St/Amelia Church Rd intersection, the following priorities for improving US 70 crossings include (see further detail in the map below):

- **US 70/E. Main St/Champion St intersection:** With sidewalks complete to all four corners of the intersection and the funded sidewalk gap project along E. Main St to the north, this crossing would utilize the existing signalized intersection to connect the eastern edge of downtown with multiple businesses and neighborhoods to the southeast.
- **Shotwell Rd intersection:** With existing sidewalk connectivity to the northeast corner (and see priority project #4 regarding connectivity to the southeast corner), this crossing would utilize the existing signalized intersection to connect multiple businesses and residential areas on either side of US 70.
- **Moore St intersection:** With existing sidewalk connectivity to the northeast corner and the western edge of the downtown Clayton neighborhood grid, this crossing would connect numerous businesses and residences.



Priority Project #4: Amelia Church Rd & Shotwell Rd Greenway Gaps

Facility: Sidewalk, Greenway, Crosswalks

Trip Generators: US 70 businesses, multiple neighborhoods

Potential ROW Needs: Each greenway segment would need agreements with adjacent business or home owner association/LLC.

Potential Partnerships: NCDOT, adjacent businesses and residences

Estimated Construction Costs: \$3,151,000 (see Appendix E for further detail)

Greenway segments along Little Creek, Amelia Church Rd, and Shotwell Rd provide important neighborhood connectivity on the southwest side of US 70, but they come short of connecting to the US 70 corridor. Two short links are needed - one in the Shotwell Rd area and one along Amelia Church Rd.

Furthermore, additional greenway links could help significantly with neighborhood connectivity as well. See map notes on the following page. The image at the bottom of the page shows a cleared utility corridor that could link the existing greenway toward the Greenwood Dr neighborhood and US 70.



Cleared utility corridor that could be part of a greenway connection between Little Creek and the Greenwood Dr neighborhood and US 70.



Area of Project Limits



**RESOLUTION AUTHORIZING TOWN MANAGER TO EXECUTE AN
AGREEMENT WITH NCDOT FOR THE CLAYTON CONNECTOR & S.
ROBERTSON ST/MAIN ST IMPROVEMENTS LAPP PROJECT**

WHEREAS, the Town of Clayton desires to provide pedestrian connectivity through the Downtown Clayton; and

WHEREAS, Clayton Connector and S Robertson/Main Street improvements project proposes to design and acquire necessary right-of way for sidewalk gaps, curb/gutter and ADA compliant curb along S. Robertson St and Main St.

WHEREAS, the Town of Clayton submitted the project for consideration of Locally Administered Projects Program (LAPP); and

WHEREAS, the Town of Clayton was awarded \$1,250,000 in funding with a required 30% town match of \$375,000; and

WHEREAS, it is further recommended that the Town Manager or designee be authorized to execute the agreement with NCDOT for LAPP funding; and

NOW THEREFORE BE IT RESOLVED, BY THE CLAYTON TOWN COUNCIL THAT:

The Town Manager or designee is hereby authorized to execute on behalf of the town of Clayton the agreement with NCDOT to receive LAPP funding for the Clayton Connector and S. Robertson St/Main Improvements project

Duly adopted this 17th day of June, 2024.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk