

City of Hendersonville
North Carolina



“City of Four Seasons”

Employee Handbook
Revised: June 5, 2025

Table of Contents
City of Hendersonville
Employee Handbook

| Contents | Page(s) |
|--|----------------|
| Introduction | |
| Disclaimer | ...6 |
| Welcome to the City of Hendersonville | ...6 |
| City Information | ...6 |
| | |
| Diversity | |
| Equal Opportunity Employment | ...7 |
| Implementation of E.O.E. | ...7 |
| Anti-Harassment Statement | ...7 |
| Fraud and Whistleblower Protections | ...8 |
| | |
| Employment with the City | |
| Responsibilities of the City Council | ...8 |
| Responsibilities of the City Manager | ...8 |
| Responsibilities of the Human Resources Director | ...8 |
| Recruitment and Selection | ...8 |
| Employment of Relatives | ...9 |
| Probationary Period | ...9 |
| Trainee | ...9 |
| | |
| Changes in Employment | |
| Promotion | ...10 |

| | |
|-----------------------------------|-------|
| Demotion | ...10 |
| Transfer | ...10 |
| Reassignment | ...10 |
| Reclassification | ...10 |
| Types of Separation | ...11 |
| Resignation | ...11 |
| Reduction in Force | ...11 |
| Disability | ...11 |
| Voluntary Retirement | ...11 |
| Death | ...12 |
| Dismissal | ...12 |
| Reinstatement | ...12 |
| Rehiring | ...12 |
| Disciplinary and Grievance Policy | ...12 |

Workplace Safety

| | |
|--|-------|
| Alcohol and Use of Controlled Substances | ...12 |
| Tobacco Use | ...12 |
| Safety and Workplace Violence | ...13 |
| Wellness Program | ...13 |

Workplace Expectations

| | |
|----------------------------|-------|
| Outside Employment | ...13 |
| Attendance and Punctuality | ...13 |
| Badge and Identification | ...13 |
| Dress Code | ...13 |
| Internet Use | ...14 |
| Cellular Phone Use | ...14 |

| | |
|---------------------------|-------|
| Solicitation and Delivery | ...14 |
| Political Activity | ...14 |
| Personnel Records | ...14 |
| Inclement Weather | ...15 |
| Credit Card Purchases | ...15 |

Compensation

| | |
|---|-------|
| Pay Plan | ...15 |
| Starting Salaries | ...15 |
| Merit Pay and Bonus | ...15 |
| Other One-Time Bonuses | ...16 |
| Stand-by Duty | ...16 |
| Flex Time | ...16 |
| Comp Time | ...16 |
| Travel Reimbursement | ...16 |
| Salary Effect on Salary Range Revisions | ...17 |
| Hourly Rate of Pay | ...17 |
| Pay for Interim Assignments | ...17 |
| Pay Days and Pay Periods | ...17 |
| Payroll Deductions | ...17 |

Time Off and Leave of Absence

| | |
|---------------------------------------|-------|
| Paid Holidays | ...17 |
| Annual (Vacation) Leave | ...18 |
| Sick Leave | ...18 |
| Sick Leave Accrual | ...18 |
| Transfer of Sick Leave | ...19 |
| Family Medical Leave Act (FMLA) Leave | ...19 |

| | |
|-----------------------|-------|
| Paid Family Leave | ...19 |
| Short Term Disability | ...19 |
| Leave Donation | ...19 |
| Leave Without Pay | ...20 |
| Worker's Compensation | ...20 |

Benefits

| | |
|--------------------------------------|-------|
| Eligibility | ...20 |
| Health and Hospitalization Insurance | ...20 |
| Group Life Insurance | ...21 |
| Retirement | ...21 |
| Social Security | ...21 |
| Unemployment | ...21 |
| Law Enforcement Separation Allowance | ...21 |
| Tuition Assistance Program | ...21 |



Introduction

Disclaimer:

The information contained in this handbook is summary information. It is designed to provide general information to City of Hendersonville employees. City policies are subject to change. This handbook is unable to reflect all changes immediately. Policy references are provided for your convenience, but it is the employee's responsibility to check the City of Hendersonville website or communicate with their Department Head for updates or additional details. If you have policy questions, consult your supervisor, the City of Hendersonville website, or the Human Resources Department.

Management reserves the right to change or modify any policy, procedure, or benefit. No expressed or implied right to employment is granted by any information contained in this handbook. The City is an at-will employer and there is no guaranteed term of employment for any employee. The City of Hendersonville complies with all applicable federal, state, and local laws.

The Human Resources Department is located on the third floor of City Hall, and can be reached by telephone at (828) 697-3003.

Welcome to the City of Hendersonville:

The City of Hendersonville has a responsibility to you as an employee, and in return, you have a responsibility to the City. You can expect fair and equitable treatment, adequate and justifiable pay and benefits, clean and safe working conditions, competent supervision, opportunity to

advance based on work performance and vacancies, and to be kept informed through satisfactory two-way communication. As a City employee, you are expected to provide quality service to citizens, to be loyal, to be fair and cooperative in your relations with the public and your fellow employees, to give the City a fair return for the salary you receive, to be neat in appearance and prompt in reporting for work, to be economically efficient and effective in the use of supplies or equipment, and to comply with all written policies and procedures.

www.hvlnc.gov, (828) 697-3000, 160 Sixth Avenue East, Hendersonville NC 28792

Diversity

Equal Opportunity Employment:

The City of Hendersonville fosters and maintains a consistent recruitment program to promote equal employment and to identify and attract the most qualified applicants for all position vacancies. The City shall select employees on the basis of the applicant's qualifications for the job and award them with respect to compensation and opportunity for training and advancement. The City shall select employees without regard to age, sex, race, color, religion, national origin, non-disqualifying disability, political affiliation, veteran status, or marital status.

Implementation of E.O.E.:

All City employees responsible for recruitment and employment will continue to review regularly the implementation of the Personnel Policy and relevant practices to assure that equal employment opportunity based on job-related requirements is being actively observed and administered. No employee or applicant for employment shall suffer discrimination because of age, sex, race, color, religion, non-disqualifying disability, national origin, political affiliation, veteran status, or marital status. Notices with regard to equal employment matters shall be posted in conspicuous places on City premises.

Anti-Harassment Statement:

The City prohibits sexual harassment or harassment on the basis of sex, race, color, religion, national origin, age, non-disqualifying disability, political affiliation, veteran status, or marital status. Harassment complaints or allegations will be investigated promptly. The City will act immediately to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action up to and including dismissal. Harassment is defined as conduct that culminates in tangible employment action, is sufficiently severe, or is pervasive enough to create a hostile work environment. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Any employee who believes that he or she may have a complaint of harassment may follow the Grievance Procedure described in this employee handbook or may file the complaint directly

with the Human Resources Director or Department Head who will immediately notify the City Manager. Employees making complaints of harassment are protected against retaliation from alleged harassers or other employees.

Fraud and Whistleblower Protections:

The City of Hendersonville recognizes the importance of protecting the City, its taxpayers, and its employees. An employee or citizen who suspects fraud, financial risks, operational breaches, or unethical activities should immediately follow the procedures referred to in the Fraud and Whistleblower Policy.

Employment

Responsibilities of the City Council:

The City Council shall be responsible for establishing and approving personnel policies, creating the position classification and pay plan, and changing the policies and benefits as necessary. They shall also make and confirm appointments when so specified by the general statutes.

Responsibilities of the City Manager:

The City Manager shall be accountable to the City Council for the administration and technical direction of the personnel program. The City Manager shall appoint, suspend, and remove all City employees except those whose appointment is otherwise provided for by law. The City Manager shall make appointments, dismissals and suspensions in accordance with the City charter and other policies and procedures listed in the Personnel Policy.

Responsibilities of the Human Resources Director:

The responsibilities of the Human Resources Director include making recommendations to the City Manager on issues such as rules, the personnel system, and position classification and pay plans. Additionally, the Human Resources Director will maintain a roster of all municipal employees, remain up to date on state and federal policy changes, and investigate operations and effectiveness throughout the City.

Recruitment and Selection:

When position vacancies occur, the Human Resources Department shall publicize these opportunities for employment, including applicable salary information and employment qualifications. Open positions shall be advertised for a minimum of seven calendar days prior to any offer of employment being made. In addition, notice of vacancies shall be posted on the City's website and at designated conspicuous sites within departments if practical. In rare situations because of emergency conditions, high turnover, etc., the City may hire or promote without advertising jobs, upon approval of the City Manager. Before any commitment is made to an applicant either internal or external recommendations by the hiring team should be made to the department head along with the reasons for selecting the candidate over other candidates. The

Human Resources Director and Department Head shall recommend approval of appointments and the starting salary for all applicants to the City Manager. The City Manager shall approve appointments and the starting salary for all applicants.

Employment of Relatives:

Members of an immediate family shall not be employed within the same department if such employment will result in one member supervising another member of the employee's immediate family, or if one member will occupy a position which has influence over another member's employment, promotion, salary administration or other related management or personnel considerations. This does not apply to seasonal or temporary employees. The term immediate family includes spouse, child, parent, brother, sister, grandparent, grandchild, son-in-law, daughter-in-law, parent-in-law, brother or sister-in-law, aunt, uncle, of the employee or spouse or guardian of the employee. This also includes various combinations of "step", "half", and adopted relationships. For these purposes, it also includes other people living in the same household, who share a relationship comparable to immediate family members, if either occupies a position which requires influence over the other's employment, promotion, salary administration or other related management or personnel considerations.

Exceptions may only be granted by the City Manager and only when a subject employee or applicant possesses a unique set of skills or experience needed by the City and the employee's spouse or relative will not be involved in any personnel decisions regarding that employee. The Manager will note the reasons for making the exception in writing to be maintained in the employee's personnel file and may note appropriate limitations on transfers and promotions for that employee as a condition of initial employment, in order to reduce the likelihood of future problems. This provision shall not apply retroactively to anyone employed when the provision is adopted by the City.

Probationary Period:

An employee appointed or promoted to a regular position shall serve a probationary period of six months, except that employees in sworn police, entry level fire, and Department Head positions shall serve a twelve-month probationary period. Employees hired as "trainees" shall remain on probation until the provisions of their traineeship are satisfied. Disciplinary action, including demotion and dismissal, may be taken at any time during the probationary period of a new hire without following the steps outlined in this policy. A promoted employee who does not successfully complete the probationary period may be transferred or demoted to a position in which the employee shows promise of success. If no such position is available, the employee shall be dismissed.

Trainee:

Applicants being considered for employment or City employees who do not meet all of the requirements for the position for which they are being considered may be hired, promoted, demoted, or transferred by the City Manager to a "trainee" status. In such cases, a plan for training, including a time schedule, must be prepared by the Department Head. Trainee salaries shall be no more than two grades below the minimum salary rate established for the position for

which the person is being trained. If the training is successfully completed, the employee shall be paid at least at the minimum rate established for the position for which the employee was trained.

Changes in Employment

Promotion:

The purpose of the promotion and pay increase is to recognize and compensate the employee for taking on increased responsibility. When an employee is promoted, the employee's salary shall be advanced to the minimum rate of the new position, or to a salary which provides an increase of at least approximately 5% over the employee's salary before the promotion, whichever is greater. In the event that an employee's salary is increased 5% but does not reach the probation completion amount for the position, that employee's salary shall be advanced to the probation completion amount. In special circumstances the Hiring Procedure authorizes the Department Head with concurrence from the Human Resources Director to advance the salary up to 15%. The City Manager may set the salary at a higher than required minimum rate in the range of the position to which the employee is promoted that best reflects the employee's qualifications.

Demotion:

Demotion is the involuntary movement of an employee from one position to a position in a class assigned to a lower salary range. When an employee is demoted to a position, the salary shall be decreased at least 5%. Salaries of demoted employees may be no greater than the maximum of the new range. Longevity date will be based upon the employee's hire date.

Transfer:

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

Reassignment:

A reassignment is defined as the voluntary movement to a position in a lower salary range. When an employee takes a reassignment for which qualified, the salary will be decreased by at least 5%. The employee's salary shall not exceed the maximum of the new pay grade. If the employee retains their current salary, they will not be eligible for the 5% increase or probation completion level if they accept a position at a higher pay grade in the future unless the position they are promoted into is in a higher salary range than the position they moved from in the reassignment. Exceptions will be made on a case by case basis, authorized and approved by the City Manager.

Reclassification

A reclassification is a change in a position's salary grade and title due to substantial and permanent increases or decreases in job responsibilities, complexities, duties and authorities. An employee whose position is reclassified to a class having a higher salary range shall receive a pay increase

of approximately 5% or an increase to the probation completion amount of the new pay range, whichever is higher. If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is above the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary. The employee's annual performance review date will move to the reclassification date. Longevity date and any applicable market increase will be based upon the employee's hire date.

Types of Separation:

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

Resignation:

An employee may resign by submitting the reasons for resignation and the effective date in writing to the immediate supervisor as far in advance as possible. In all instances, the minimum notice requirement is two calendar weeks. Failure to provide minimum notice shall result in forfeit of payment for accumulated vacation unless the notice is waived upon recommendation of the Department Head and approval by the City Manager. Three consecutive days of absence without contacting the immediate supervisor or Department Head may be considered to be job abandonment, a voluntary resignation.

Reduction in Force:

Employees who are separated because of a reduction in force shall be given at least two weeks' notice of the anticipated action. No regular employee shall be separated because of a reduction in force while there are temporary or probationary employees serving in the same class in the department, unless the regular employee is not willing to transfer to the position held by the temporary or probationary employee.

Disability:

The City will comply with the Americans with Disabilities Act and will make all responsible efforts to provide reasonable accommodation to employees who may be or become disabled. An employee who cannot perform the essential duties of a position because of a physical or mental impairment may be separated for disability. Such action must be accompanied by medical evidence acceptable to the City Manager.

Voluntary Retirement:

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

Death:

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

Dismissal:

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

Reinstatement:

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

Rehiring:

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

Disciplinary and Grievance Policy:

The City shall provide a just procedure for the presentation, consideration, and disposition of employee grievances. Employees utilizing the grievance procedures shall not be subjected to retaliation or any form of harassment from supervisors or employees for exercising their rights under this policy.

Workplace Safety

Alcohol and Use of Controlled Substances:

The City may establish policies and procedures related to employee substance abuse in order to ensure the safety and well-being of citizens and employees and to comply with any state, federal, or other laws and regulations. The City provides a drug free workplace for all employees.

Tobacco Use:

The City expects that all employees will abide by the tobacco use ban while on City property, in all City buildings, in City vehicles, at City worksites, and in public parks, unless otherwise specified or marked.

Safety and Workplace Violence:

The City of Hendersonville has a zero tolerance for violence. The intent of the Workplace Violence Policy, in addition to the Personnel Policy, is to ensure that everyone associated with the City, including employees and customers, never feels threatened by any employee actions or conduct. It is the policy of the City to establish a safe work environment for employees. Employees shall follow the safety policies and procedures and attend safety training programs as a condition of employment. Employees who violate such policies and procedures shall be subject to disciplinary action up to and including dismissal.

Wellness Program:

The City's wellness mission is to encourage and support a culture of wellness that engages the work-force and improves the health and well-being of employees. The City's Wellness Program, Taking Shape, is designed to get employees active by encouraging fitness, preventative measures, education, and volunteer opportunities.

Workplace Expectations

Outside Employment:

The work of the City shall have precedence over other occupational interests of employees. All outside employment for salaries, wages, or commissions and all self-employment must be reported in advance to the employee's supervisor, who in turn will report it to the Department Head. Conflicting or unreported outside employment are grounds for disciplinary action up to and including dismissal. Employees are prohibited from performing outside employment while on Workers' Compensation Leave, Family and Medical Leave, or any Leave Without Pay status from City employment.

Attendance and Punctuality:

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

Badge and Identification:

Identification badges must include the City Seal, picture of the employee, employee name and employee number. Identification badges may not have pins, stickers, or additional markings. Identification badges are to be carried at all times during working hours.

Dress Code:

Appropriate work attire is required of each employee based on their department and in keeping with the nature of the duties performed. All employees, both uniformed and non-uniformed, are

expected to project and maintain a positive public image at all times. The Department Head or supervisor may give guidance to individual employees with questions or concerns.

Internet Use:

The City of Hendersonville has software and other systems in place to monitor and record all Internet usage. The City reserves the right to inspect any and all files stored in private areas of the City's network in order to ensure compliance with the Internet Usage Policy.

Cellular Phone Use:

It is recognized that the day-to-day operations of the workforce require both voice and data communications. Cellular telephone services, like other means of communication, are to be used to support City business. Employees will not use cellular phones for illegal, disruptive, unethical, or unprofessional activities that would jeopardize the legitimate interests of the City. City-issued cellular phones are for work related purposes. The City will ensure compliance with the Cellular Phone and Device Policy.

Solicitation and Delivery:

No official or employee of the City shall solicit or accept any gift, favor, or thing of value (more than \$50) that may influence such employee in the discharge of the employee's duties, or result in the granting of an improper favor, service, or thing of value.

Political Activity:

Each employee has a civic responsibility to support good government by every available means and in every appropriate manner. Each employee may join or affiliate with civic organizations of a partisan or political nature, may attend political meetings, and may support the principles or policies of civic or political organizations in accordance with the Constitution and laws of the State of North Carolina and in accordance with the Constitution and laws of the United States. Any violation of laws and regulations shall subject the employee to disciplinary action including dismissal.

Personnel Records:

The following information with respect to each City employee is a matter of public record: the employee's name; age; date of original employment or appointment to the service; the terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the City has the written contract or a record of the oral contract in its possession; current position title; current salary; date and amount of each increase or decrease in salary with the City; date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with the City; date and general description of the reasons for each promotion with the City; and date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the municipality. Any person may have access to this information for the purpose of inspection, examination, and copying during regular business hours, subject only to such rules and regulations for the safekeeping of public records as the City may adopt.

All information contained in a City employee's personnel file, other than the information mentioned above, is confidential.

Inclement Weather:

The decision whether the City should remain open or close is based on the overall concern for the community. Employees that are essential to the successful and efficient management of a weather emergency situation shall be designated by the City Manager or their Department Head and are expected to return to work as scheduled. City offices and departments shall remain open for the full scheduled working day unless authorization of closing or other deviation is approved by the City Manager. If the employee elects not to report to work when facilities are open the employee may use any accrued vacation, leave, or compensatory time or accept that the employee will not be paid for the day.

Credit Card Purchases:

The purpose of allowing City employees to possess City credit cards is so that the payment option can be used flexibly and efficiently to make small purchases. More information regarding credit card purchases may be found in the Purchasing Policy or by contacting the Finance Department.

Compensation

Pay Plan:

The City believes that employees are entitled to fair compensation in return for good job skills and adequate performance. The pay plan includes the basic salary schedule and the "Assignment of Classes to Grades" adopted by the City Council. The salary schedule consists of the minimum, midpoint, and maximum rates of pay for all classes of positions. The City Manager, assisted by the Human Resources Director, shall be responsible for the administration and maintenance of the pay plan.

Starting Salaries:

All persons employed in positions approved in the position classification plan shall be employed at the minimum rate for the classification in which they are employed. Exceptionally well qualified applicants may be employed above the minimum rate of the established salary range upon recommendation of the Human Resources Director and approval of the City Manager.

Merit Pay Bonuses:

Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria. Procedures for determining performance levels and performance pay increases within the range shall be established and approved by the City Manager. Employees who are at the maximum amount of the salary range for their position classification are eligible to be considered for a Merit Bonus at their regular performance evaluation time. Merit bonuses shall be awarded in lump sum payments and do not become part of base pay.

Other One-Time Bonuses:

No more frequently than once per fiscal year, City Council may approve a bonus for City employees to recognize or motivate City employees where Council finds that such a bonus will promote the hiring and retention of capable, diligent, and honest career employees. Any such bonus must be equal in amount of money for all permanent employees of the City and must be payable on a nondiscriminatory basis and without regards to the employees' rates of pay, duties or positions. All Merit Pay Bonuses and Other One Time Bonuses shall be awarded in lump sum payments and do not become part of base pay.

Stand-by Duty:

The City provides a continuous twenty-four hour a day, seven day a week service to its customers. Therefore, it is necessary for certain employees to respond to any reasonable request for duty at any hour of the day or night. If an employee fails to respond to calls for emergency service, either special or routine, the employee shall be subject to disciplinary actions up to and including dismissal by the City Manager. Non-exempt employees will be guaranteed a minimum payment of two hours of wages for being called back to work outside of normal working hours. Stand-by time is defined as that time when an employee must carry a pager or other communication device and must respond immediately to calls for service. Non-exempt employees required to be on "stand-by" duty will be paid for two hours of work for each day of stand-by time they serve. Hours actually worked while on stand-by are calculated beginning when the employee reports to the work site and are added to the regular total of hours worked for the week.

Flex Time:

Employees in positions determined to be "exempt" from the FLSA (as executive, administrative, or professional staff) will not receive pay for hours worked in excess of their normal work periods. These employees may be granted flexible time by their supervisor on an hour for hour basis when convenient for the department.

Comp Time:

Compensatory leave balances may not exceed 40 hours, except for public safety employees (sworn police and firefighting employees), who may not accrue more than 48 hours. Any overtime worked after such maximum balances must be compensated in pay. Employees are required to use or be paid for compensatory time before the start of each fiscal year, by June 30th. Employees if they choose, may retain and carry over up to twelve (12) hours of compensatory time each fiscal year. All other compensatory time will be paid out, in accordance with FLSA standards, upon the last pay period for the fiscal year.

Travel Reimbursement:

An employee or City Official on official business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. All travel and reimbursement is contingent upon the availability of

funds in the proper budgetary fund. Travel which exceeds the budgeted amount must be approved by the City Manager. Further information regarding travel may be found in the Travel Policy.

Salary Effect on Salary Range Revisions:

A salary range revision is a change in the salary range or grade assigned to a specific class of positions. When a class of positions is assigned to a higher salary range, employees in that class shall receive a pay increase of at least approximately 5%, or to the minimum rate of the new range, whichever is higher.

Hourly Rate of Pay:

Employees working in a part-time or temporary capacity with the same duties as full-time employees will work at a rate in the same salary range as the full-time employees.

Pay for Interim Assignments:

An employee who is formally designated by the City Manager to perform the duties of a job that is assigned to a higher salary grade than that of the employee's regular classification shall receive an increase for the duration of the Interim assignment. The employee shall receive a salary adjustment to the minimum level of the job in which the employee is acting or an increase of 5%, whichever is greater.

Pay Days and Pay Periods:

All employees shall be paid on a bi-weekly basis. Should a regular payday fall on a holiday, paychecks shall be issued on the workday that precedes the holiday. Salary changes approved after the first working day of a pay period shall become effective at the beginning of the next pay period, or at such specific date as may be provided by procedures approved by the City Manager.

Payroll Deductions:

Deductions shall be made from each employee's salary, as required by law. Additional deductions may be made upon the request of the employee on determination by the City Manager as to capability of payroll equipment, associated increase in workload and appropriateness of the deduction.

Time Off and Leave of Absence

Paid Holidays:

The City has adopted the State Holiday schedule and the Human Resources Director shall publish that schedule prior to the beginning of each calendar year. In order to receive a paid

holiday, an employee must have worked the day before and the day after the holiday(s), or have been given approved leave. Shift employees required to perform work on regularly scheduled holidays may be granted compensatory time off or paid for hours actually worked in addition to any holiday pay to which they are entitled. If a holiday falls on a regularly scheduled off-duty day for shift personnel, the employee shall receive the hours for paid holiday leave.

Annual (Vacation) Leave:

Vacation leave is intended to be used for rest and relaxation, school appointments, observation of religious holidays other than those granted by the City, and other personal needs. Employees who wish to use leave for religious observances must request leave from their respective Department Heads. Vacation leave for religious observance may be denied only when granting the leave would create an undue hardship for the City.

Each full and part-time employee of the City shall earn vacation at the following schedule, prorated by the average number of hours in the workweek:

| | | | | | | | | | | | |
|------------------------------|-----|----|----|----|----|-----|------|-------|-------|-------|-----|
| Years Of Service | 0-2 | 3 | 4 | 5 | 6 | 7-8 | 9-10 | 11-12 | 13-14 | 15-16 | 17+ |
| Accrued Days Per Year | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |

Sick Leave:

Sick leave may be granted to an employee when continuing to work would be harmful to themselves or others, specifically when sickness, bodily injury, exposure to a contagious disease, or a required physical or dental exam, is a factor. Sick leave may be taken in 30-minute increments. "Immediate family" shall be defined as spouse, child, parent, brother, sister, grandparent, grandchild, son or daughter-in-law, parent-in-law, brother or sister-in-law, aunt, uncle, of the employee or spouse or guardian of the employee. Sick leave may be used when an employee must care for a member of his or her immediate family who is ill. Notification of the desire to take sick leave should be submitted to the employee's supervisor prior to the leave or according to departmental procedures.

Sick Leave Accrual:

Sick leave shall accrue at a rate of one day per month of service or twelve days per year. All sick leave accumulated by an employee shall end and terminate without compensation when the employee resigns or is separated from the City.

Transfer of Sick Leave:

The City will accept sick leave balances when documented by a previous employer when the employee worked for a previous employer covered by the State or Local Government Retirement System and the employee did not withdraw accumulated contributions from that employer when leaving employment. The sick leave amount must be certified by the previous employer and it is the employee's responsibility to provide documentation from his or her previous employer within three (3) months of employment. Transferred sick leave will be credited to the employee upon their hire date.

Family Medical Leave Act (FMLA) Leave:

The City provides up to 12 weeks of job-protected leave in accordance with the Family and Medical Leave Act of 1993 (FMLA). FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. To qualify for FMLA coverage, the employee must have worked for the City of Hendersonville for 12 months or 52 weeks. However, the employee must have worked 1,250 hours during the twelve-month period immediately before the date when the FMLA time begins. Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. The City may require medical certification to assess FMLA eligibility, as well as updates at reasonable intervals for continued certification.

Paid Family Leave:

The City of Hendersonville believes that strong families benefit both the local community and the workplace. For this reason, the City offers to eligible employees six weeks of the family friendly option of Paid Family Leave for the birth of and bonding with a newborn, bonding with a newly placed child for foster care or adoption and to care for a child, spouse or parent with a serious health condition

Short Term Disability

An employee working 30 hours or more hours per week is eligible for Short Term Disability, excluding temporary and seasonal employees. If a Participant while covered under this plan for short term disability benefits, shall become wholly and continuously disabled so as to be actually prevented from the performance of every duty of his or her occupation or employment for salary or wages, due to bodily injury or sickness, the Municipal Insurance Trust of North Carolina (MITNC) will pay benefits to such Participant according to the Schedule of Benefits.

Leave Donation:

The City realizes that in extreme catastrophic situations, employees may be in a situation where personal or family illness requires they be away from work to the point of exhausting all vacation and sick leave. It is the desire of the City to have a policy whereby employees may donate a given amount of accumulated vacation leave to the employee in need of additional sick leave. Donation of leave will be given hour for hour irrespective of any difference in pay between the

individuals. Further information regarding leave donation may be found in the Vacation and Shared Leave Donation Policy.

Leave Without Pay:

A full or part-time employee may be granted a leave of absence without pay for a period of up to twelve months by the City Manager. The leave may be used for reasons of personal disability, sickness or disability of immediate family members, parental leave, continuation of education, special work that will permit the City to benefit by the experience gained or the work performed, or for other reasons deemed justified by the City Manager. If the employee decides not to return to work, the supervisor shall be notified immediately. Failure to report at the expiration of a leave of absence, unless an extension has been requested, shall be considered a resignation.

Workers' Compensation:

Under the North Carolina Workers' Compensation Act, employees may be compensated for absence from work due to injury or illness covered by the Act, subject to leave provisions that may be found in the Personnel Policy. The employee will be eligible for rehire and given priority for qualified job openings upon a physician's statement certifying the employee's ability to return to work. The City reserves the right to separate the employee prior to 52-weeks.

Benefits

Eligibility:

As an integral part of a comprehensive and competitive compensation program, the City offers a variety of benefits. Specific benefit programs will vary from time to time and the type, level, eligibility and cost of such programs are subject to change at any time at the sole discretion of the City. All full-time and part-time employees of the City are eligible for employee benefits, subject to any waiting period, as provided for in this Article which are subject to change at the City's discretion. Temporary employees are eligible only for Workers' Compensation benefits and FICA.

Health and Hospitalization Insurance:

The City provides group health and hospitalization insurance programs for full-time employees and their families and part-time employees. Employees who are scheduled to work 30 hours or more per week on a continuous year-round basis may purchase available group health through the City for themselves or for themselves and their qualified dependents. A prorated amount of

the cost of coverage paid for a full-time employee shall be paid by the City with the remainder of the cost being paid by the employee.

Group Life Insurance:

The City may provide group life insurance for each employee subject to the stipulations of the insurance contract. Life insurance may be provided by the City in an amount approved by the City, subject to appropriation.

Retirement:

Each employee who is expected to work for the City more than 1,000 hours annually shall join the North Carolina Local Governmental Employees' Retirement System on the first day of employment as a condition of employment. New hires who are current members of the NC Local or State Government Employees Retirement Systems shall be covered under the retirement system by the City on their first day of employment. The City may provide 401(k) and 457 benefits for its regular full and part-time employees as a percentage of salary as designated by the City Council beginning on the first day of employment, subject to appropriation by the City Council. Each sworn law enforcement officer shall receive 401(k) benefits beginning on the first day of employment as prescribed by North Carolina State Law.

Social Security:

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

Unemployment:

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

Law Enforcement Separation Allowance:

Every sworn law enforcement officer of the City, as defined by N.C. Gen. Statute 128-21(11b) or N.C. Gen. Statute 143-166.50, shall be eligible for a separation allowance, as provided by N.C. Gen. Statute 143-166.42, in the amount specified in N.C. Gen. Statute 143-166.41(a). If any such retired law enforcement officer works 1000, or more, hours per year for a North Carolina Local Governmental Retirement System employer, they shall be mandated to become members of that retirement system and ineligible to continue receiving the Separation Allowance. Employment by any other North Carolina Retirement System employer shall not cause the retired officer to be ineligible.

Tuition Assistance Program:

Full-time employees who have completed initial probation may apply for tuition reimbursement for courses taken on their own time which will improve their skills for their current job or prepare them for promotional opportunities within the City service. Tuition, registration, fees, laboratory fees, and student fees are eligible expenses. Employees may be reimbursed for 50% of eligible expenses. Satisfactory completion of the courses will be required for reimbursement.