TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT

RESOLUTION 2014-04

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY,
A CALIFORNIA COMMUNITY SERVICES DISTRICT,
ESTABLISHING AN UPDATED AND RESTATED
TOWN OF DISCOVERY BAY EMPLOYEE PERSONNEL MANUAL**

WHEREAS, On August 20, 2003 the Board of Directors approved and adopted an Employee Personnel Manual for the employees of the Town of Discovery Bay (TODB); and

WHEREAS, On August 18, 2004 the Manual was amended by the Board of Directors; and

WHEREAS, On September 4, 2013 the Manual was amended and approved by Resolution No. 2013-19; and

WHEREAS, On September 19, 2013 the Manual was amended and approved by Resolution No. 2013-20; and

WHEREAS, Article 3, Section 3.1 Holidays, has been amended; and

WHEREAS, the proposed Employee Manual, which is attached and made a part of this Resolution, complies with current TODB policies and federal and state employment laws and regulations that are in place at the time this Resolution was approved.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Employee Personnel Manual is hereby adopted and is attached and made a part of this Resolution.

SECTION 2. That Resolution No. 2013-20 be rescinded and replaced with Resolution No. 2014-04.

SECTION 3. That this action is effective immediately.

PASSED, APPROVED AND ADOPTED THIS 5th DAY OF FEBRUARY, 2014.

Mark Simon
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on February 5, 2014, by the following vote of the Board:

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

Richard J. Howard
Board Secretary

Town of Discovery Bay		
Program Area: Administrative	**Policy Name:** Personnel Manual	**Policy Number:** 005
Date Established: August 20, 2003	**Date Amended:** February 5, 2014	**Resolution:** 2014-04

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ARTICLE 1
INTRODUCTION

Section 1.1. Personnel Manual. This Manual is intended to help employees become better acquainted with the Town of Discovery Bay ("Town"). It describes, in general terms, many of the Town's employment guidelines. It is not intended to be an official policy and procedures manual, however, in the event this manual conflicts with a subsequent official adopted policy or administrative procedure, the adopted policy or administrative procedure shall override this document.

The Town reserves the right to make changes to this Manual (see Manual Revisions, below). Employees are responsible for knowing about and understanding those changes once they have been disseminated. The Town also reserves the right to interpret the provisions of this Manual. For this reason, employees should check with their supervisors to obtain information regarding specific employment guidelines, practices, policies, or procedures.

Because employment at the Town is "at will" (see Guideline 2.03), employees should not interpret anything in this Manual as creating a contract or guarantee of continued employment.

Section 1.2. Manual Revisions. The Town reserves the right to make changes to this Manual and to any employment policy, practice, work rule, or benefit, at any time without prior notice. However, any such change is effective only if it is in writing, and is authorized by the Board of Directors. Except as otherwise provided in this Manual, no one has the authority to make any promise or commitment contrary to what is in this Manual. This Manual replaces all earlier Manuals and supersedes all prior policies, practices, and procedures.

Section 1.3. Manual Acknowledgement. Employees should sign the acknowledgement form at the back of this Manual, tear it out, and return it to their supervisors. This will provide the Town with a record that each employee has received this manual.

Section 1.4. Town of Discovery Bay. The Town is a community services district, organized under the California Government Code, and the creation of which was approved by the voters in 1997. It serves the residents of Discovery Bay, and is an independent special district. It is, in fact, a local government, and has the powers specified by law. It is governed by a Board of Directors ("Board"), consisting of five elected members. Pursuant to its formation documents, it also carries out the functions of the former Discovery Bay Municipal Advisory Committee.

Section 1.5. Equal Employment Opportunity. It is the Town's policy to provide equal employment opportunity for all applicants and employees. The Town does not unlawfully discriminate on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender identity, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information, genetic information, family care status, military caregiver status, veteran status, marital status, domestic partner status, sexual orientation, or any other basis protected by local, state, or federal laws. When necessary, the Town also makes reasonable accommodations for disabled employees and for pregnant

employees who request an accommodation, with the advice of their health care providers, for pregnancy, childbirth, or related medical conditions.

The Town prohibits sexual harassment and the harassment of any individual on any of the other bases listed above. For information about the types of conduct that constitute impermissible harassment, the Town's internal procedures for addressing complaints of harassment, the legal remedies available through and complaint procedures of the appropriate state and federal agencies and directions on how to contact these agencies, please refer to the Town's Policy Against Harassment located at page 2 of this Manual.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with his or her immediate supervisor or the General Manager.

Section 1.6. Employment at Will. All employment at the Town is "at-will." This means that both employees and the Town have the right to terminate employment at any time, with or without advance notice, and with or without cause. Employees also may be demoted or disciplined and the terms of their employment may be altered at any time, with or without cause, at the discretion of the Town. No one other than a majority of the Board of Directors has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this at-will status. Any such agreement must be in writing and must be signed by the President of the Board and by the affected employee, and must express a clear and unambiguous intent to alter the at-will nature of the employment relationship.

Section 1.7. Policy Against Harassment.

A. Purpose of Policy. The Town is committed to providing a workplace free of unlawful harassment. This includes sexual harassment (which includes harassment based on gender, gender identity, pregnancy, childbirth, or related medical conditions), as well as harassment based on such factors as race, color, creed, religion, national origin, citizenship, ancestry, age, physical disability, mental disability, medical condition, genetic information, marital status, sexual orientation, domestic partner status, family care or medical leave status, veteran status, or any other basis protected by federal, state, or local laws. The Town strongly disapproves of and will not tolerate harassment of employees by managers, supervisors, or co-workers. Similarly, the Town will not tolerate harassment by its employees of non-employees with whom the Town employees have a business, service, or professional relationship. The Town also will attempt to protect employees from harassment by non-employees in the workplace.

B. Harassment Defined. Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with an employee's work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2)

submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Harassing conduct can take many forms and may include, but is not limited to, the following (when based upon an employee's protected status as noted above: slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, unwanted or offensive letters or poems, offensive email or voicemail messages.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. Sexually harassing conduct can be by a person of either the same or opposite sex.

C. Reporting And Investigating Harassing Conduct. Any incidents of harassment, including work-related harassment by any Town personnel or any other person, should be reported immediately to the employee's supervisor or to the General Manager. Supervisors and managers who receive complaints or who observe harassing conduct should immediately inform the General Manager. The Town emphasizes that an employee is not required to complain first to his or her supervisor if that supervisor is the individual who is harassing the employee. If it is desired to make a complaint about the General Manager, the employee may report directly to the President of the Board.

Every reported complaint of harassment will be investigated thoroughly and promptly. The investigation will be handled in as confidential a manner as possible consistent with a full, fair, and proper investigation.

In addition to notifying the Town about harassment or retaliation complaints, affected employees may also direct their complaints to the California Department of Fair Employment and Housing ("DFEH"), which has the authority to conduct investigations of the facts. The deadline for filing complaints with the DFEH is one year from the date of the alleged unlawful conduct. If the DFEH believes that a complaint is valid and settlement efforts fail, the DFEH may seek an administrative hearing before the California Fair Employment and Housing Commission ("FEHC") or file a lawsuit in court. Both the FEHC and the courts have the authority to award monetary and non-monetary relief in meritorious cases. Employees can contact the nearest DFEH office or the FEHC at the locations listed in the Town's DFEH poster or by checking the State Government listings in the local telephone directory.

D. Corrective Action. The Town will not tolerate retaliation against any employee for making a good faith complaint of harassment or for cooperating in an investigation. If harassment or retaliation is established, the Town will take corrective action. Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances.

Section 1.8. Applicability. This Personnel Manual applies to all employees of Town, except where inconsistent with a written contract of employment approved by the Board.

ARTICLE 2
EMPLOYMENT STATUS

Section 2.1. Employee Classifications. Employee classifications are as follows:

A. Regular Full-Time Employees. An employee who is regularly scheduled to work not less than thirty (30) hours per week for a period of indefinite duration is referred to as a regular full-time employee. A regular full-time employee is eligible for the benefits described in this Manual.

B. Regular Part-Time Employees. An employee who is regularly scheduled to work less than thirty (30) hours per week for a period of indefinite duration is referred to as a regular part-time employee. Regular part-time employees are eligible for benefits only as specifically described in this Manual.

C. Part Time, Seasonal, and Temporary Employees. Part Time, Seasonal, and Temporary Employees ("PST Employees") are persons hired to work on special projects or assignments with the understanding that such work will be completed within a specified period of time. When the need arises, the Town may hire employees for a temporary period or contact out, and may use a temporary staffing contract service or agency independent of the Town. PST Employees do not become regular employees as a result of the passage of time. PST Employees are not eligible for the benefits described in this Manual.

D. Exempt/Non-Exempt Employees. Exempt employees are those employees who are exempt from earning overtime compensation; non-exempt employees are those employees eligible for overtime compensation in accordance with the provisions of applicable wage and hour laws. Overtime compensation requirements are set forth in the section of this Manual entitled "Hours of Work and Overtime". The employment positions of the General Manager, Finance Manager, Parks and Landscape Manager, and Water and Wastewater Manager are exempt. Other positions may or may not be exempt, and the status of the employee in that position will be established at the time of hiring, depending on the duties and responsibilities of the position.

E. Hiring Powers. The General Manager and Legal Counsel are hired by and serve at the pleasure of the Board. All other employees of the Town are hired by and serve at the pleasure of the General Manager, subject to this Manual and Board approval of the authorized position schedule. The authorized position schedule is located within the Town's annual budget.

ARTICLE 3
HOLIDAYS, VACATION, LEAVES OF ABSENCE

Section 3.1. Holidays. The Town observes the following holidays:

New Year's Day
President's Birthday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Friday Following Thanksgiving
Christmas Eve
Christmas Day
Christmas Closure* (12/26 – 12/31)
Floating Holiday

* The Christmas Closure are those four weekdays beginning December 26 up to and including December 31st of each year. Employees are required to take one of the following during the Closure: administrative time, floating holiday or vacation day. The Winter Closure only applies to non-essential personnel.

A. Eligibility. Unless otherwise provided in this policy, all regular full-time employees will receive time off with pay at their normal base rate unless otherwise provided in this Manual. Regular part-time employees receive holiday time off, with pay pro-rated according to the number of weekly hours they are scheduled to work. PST Employees are not eligible for paid holiday benefits. Moreover, all employees are ineligible for holiday benefits while they are on leave of absence.

B. Holidays and Weekends. Holidays are to be taken on the day they occur. Holidays which fall on Saturday will be observed the preceding Friday, and those which fall on Sunday will be observed the following Monday. Holidays that occur during an eligible employee's vacation will not be counted as vacation days taken.

C. Pay In Lieu of Time Off. The Town may, in its sole discretion, require some or all employees to work on Town-observed holidays, in which case the Town will provide pay in lieu of time off.

Section 3.2. Vacation Policy. The Town provides vacation benefits to eligible employees to enable them to take paid time off for rest and recreation. The Town believes this time is valuable for employees in order to enhance their productivity and to make their work experience with the Town personally satisfying.

A. Vacation Accrual. All regular full-time employees, whether exempt or nonexempt, are eligible to accrue vacation benefits based on their continuous service, measured from the date of hire. All regular part-time employees are eligible to accrue vacation benefits on

a pro rata basis, according to the number of weekly hours they are scheduled to work. "Continuous length of service" is defined as service that is uninterrupted by termination of employment and subsequent rehire by the Town or a break in service that has been bridged. No vacation may be taken during the first year of service, unless otherwise permitted by the General Manager. Vacation accrues according to the following schedule:

Years of Continuous Service	**Vacation Accrual**
Date of hire through the first year	5/12 of one day for each full month worked up to a maximum of 5 days (40 hours) per year.
Second year through fifth year	10/12 of one day for each full month worked up to a maximum of 10 days (80 hours) per year.
Sixth year through tenth year	15/12 of one day for each full month worked up to a maximum of 15 (120 hours) days per year.
Eleventh year and thereafter	20/12 of one day for each full month worked up to a maximum of 20 (160 hours) days per year.

B. PST Employees. PST employees do not accrue vacation benefits.

C. Maximum Accrual. Vacation accruals may not exceed 2 times an employee's current annual entitlement (e.g., Maximum Accrual: 40 days for an employee with more than ten years of service. Once this maximum is reached, all further accruals of vacation will cease. Vacation accruals will recommence after the employee has taken vacation and his or her accrued hours have dropped below the maximum.

D. Pay in Lieu of Vacation. No employee will receive pay in lieu of vacation except on the termination of his or her employment, as described in Paragraph F, below, unless the employee has deferred his or her vacation at the Town's request.

E. Vacation Accrual During Periods of Leaves of Absence. Employees do not accrue vacation during an unpaid leave of absence. Vacation accruals recommence when the employee returns to work from an unpaid leave of absence. Employees will continue to accrue vacation during paid leaves of absence or while on disability salary continuation.

F. Vacation Pay on Termination. On termination of employment, employees are paid all accrued but unused vacation through their last day worked at their base rate of pay at the time of termination.

G. Vacation Approval. All vacations must be approved in advance by the employee's immediate supervisor.

H. Vacation Scheduling. Scheduling of vacations is to be done in a manner consistent with the Town's operational requirements. Vacation requests should be submitted by employees to their immediate supervisor for approval at least four (4) weeks prior to the commencement of a vacation period. This requirement may be waived in writing at the discretion of the General Manager. Vacation requests may be disapproved or rescheduled to accommodate the Town's operational requirements.

I. Vacation Advances. An employee is not permitted to borrow on future accrual of vacation benefits. If an employee has used any vacation days before they have been accrued and their employment with the Town is then separated, the overdrawn amount must be repaid to the Town upon separation.

J. Holidays Occurring During Vacation. If an observed Town holiday (*see* guideline entitled "Holidays") occurs during an employee's scheduled vacation, no deduction from accrued vacation will be made for the holiday. An employee may add to his or her vacation period by using the holiday in place of accrued vacation time.

Section 3.3. Sick Leave. In order to help prevent loss of earnings that may be caused by accident or illness, the Town has established paid sick leave.

A. Eligibility. All regular full-time employees are eligible for 3.08 hours of sick leave each pay period, or ten (10) days per year. Regular part-time are eligible to accrue sick leave on a pro-rata basis. PST Employees are ineligible to earn or receive sick leave benefits.

B. Use. Sick leave may be taken for a personal illness, an emergency, a disability, or for a family care or medical leave as described in the Town's "Leaves Of Absence" policy. Eligible employees may also use sick leave to attend to an illness of a child, parent, spouse, domestic partner, stepparent, stepchildren, in-law, grandparent, or grandchild of the employee. Additionally, hours missed for medical and dental appointments will be treated as sick leave. Sick leave must be taken by eligible employees in increments of at least one hour. The Town retains the right to request verification from a licensed health care provider for all absences due to illness or disability. Sick pay may be withheld if the employee does not provide a satisfactory verification.

C. Compensation For Sick Leave. Eligible employees will receive pay at their normal base rate for any sick leave taken. No employee will receive pay in lieu of sick leave under any circumstances, and employees will not be paid for any accrued but unused sick leave upon termination of employment.

D. Accrual Of Sick Leave. Regular full-time employees accrue 3.08 hours of sick leave per pay period and regular part-time employees accrue sick leave on a *pro rata* basis. Eligible employees may carry over accrued but unused sick leave from one calendar year to the next. However, sick leave may only be accumulated up to a total of 160 hours. Employees will not accrue sick leave during any unpaid leave of absence.

E. Approval. Whenever possible (e.g., for a scheduled doctor's or dentist's appointment), employees must seek approval from their immediate supervisor prior to taking their sick leave. Otherwise, the employees must notify their immediate supervisor as soon as practicable and, in no event, later than one hour after their scheduled starting time.

F. Coordination of Sick Leave Benefits With Other Benefits. The Town will pay sick-leave benefits to an eligible employee during the normal three-day waiting period before the employee is paid workers' compensation benefits pursuant to the applicable state or federal law governing the industrial injury or illness. Similarly, the Town will pay sick-leave benefits during the normal seven-day waiting period before the eligible employee is paid benefits from the State Disability Insurance (SDI) program or another insured unemployment disability plan. Following the three-day and seven-day waiting periods specified above, an employee will continue to receive accrued sick pay, less the disability benefits actually received or the disability benefits that would have been received had the employee made timely application to the appropriate agency.

Section 3.4. Leaves of Absence.

A. Introduction. The Town provides (1) family care, medical, and military family leave for up to 12 or 26 weeks per year, depending on the reason, see section II(D), in accordance with California's Family Rights Act ("CFRA") and the federal Family and Medical Leave Act of 1993, as amended ("FMLA"); (2) pregnancy leave for up to four months in accordance with the California Fair Employment and Housing Act ("FEHA"); (3) disability leave as required to reasonably accommodate employees with a workplace injury or a qualified disability under the Americans with Disabilities Act ("ADA") or the FEHA; and (4) leave for other legally required absences as set forth below. Employees having any questions regarding this policy should contact the General Manager.

B. Family Care, Medical and Military Family Leave.

(1) Eligibility. To be eligible for family care, medical, and military family leave, an employee must (1) have worked for the Town for at least twelve months prior to the date on which the leave is to commence; and (2) have worked at least 1,250 hours in the twelve (12) months preceding the leave.

An employee returning from fulfilling his or her National Guard or Reserve military obligation will be credited with the hours of service that would have been performed but for the period of military service in determining the 1,250 hours of service.

In the case of a pregnancy disability or other legally protected disability or medical condition or work-related injury, an employee may not need to satisfy all of the above requirements. In such circumstances, the employee should contact a Human Resources professional for clarification about his or her rights for other types of leave.

(2) Permissible Uses of Family Care, and Medical Military Leave. "Family care and medical leave" may be requested for (1) the birth or adoption of an employee's child; (2) the placement of a foster child with the employee; or (3) the serious health condition of

an employee's child, registered domestic partner, spouse, or parent; or (4) an employee's own serious health condition.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

"Military exigency leave" may be requested when there is a qualifying military exigency as defined by the U.S. Department of Labor arising out of the fact that an employee's spouse, child, or parent is on active duty (or has been notified of an impending call or order to active duty) in the Armed Forces. Qualifying military exigencies include the following:

(a) *Short-notice deployment* where the employee may take leave to attend any issue that arises from the fact that a covered military member is notified of an impending call or order to active duty seven or less calendar days prior to the date of deployment. Leave taken for this purpose can be used for a period of seven calendar days beginning on the date the covered service member receives the notification.

(b) *Military events and related activities* where the employee may take leave to attend to any official ceremonies, programs or events related to the call to active duty and to attend to family support, assistance programs, or informational briefings related to the call to active duty.

(c) *Childcare and school activities* where the employee may take leave to arrange for alternative childcare or to provide childcare on an urgent, immediate need basis when the need arises from the call to active duty, to enroll or transfer a child to a new school, to attend meetings with school or daycare facility staff regarding disciplinary measures, parent-teacher conferences, or meetings with school counselors.

(d) *Financial and legal arrangements* where the employee may take leave to make or update financial or legal arrangements related to the covered service member's absence, such as preparing powers of attorney, wills, transferring bank accounts, and the like, or appearing or acting on behalf of the absent service member in matters related to military benefits.

(e) *Counseling* where the employee may take leave to attend counseling, the need for which arises from the call to active duty of the covered service member.

(f) *Rest and recuperation* where the employee may take up to five days of leave to spend time with a covered service member each time the service member is on short-term rest and recuperation leave during the period of deployment.

(g) *Post-deployment activities* where the employee may take leave for a period of up to 90 days following the termination of the deployment to attend arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs provided by the military, or to address issues that arise out of the death of a covered service member.

(h) *Additional activities* where the employee may take leave to address other events that arise out of the call to active duty as the Town and the employee may agree as to both timing and duration.

"Military caregiver leave" may be requested to care for a covered service member if the employee is the covered service member's spouse, child, parent, or next of kin. For purposes of this leave, a covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness, or a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the five years preceding the date on which the veteran undergoes medical treatment, recuperation, or therapy.

(3) Substitution of Paid Leave. Employees are required to substitute accrued vacation time and other paid personal leave (except sick leave) for all family care, medical leaves, and military leaves. Employees are required to substitute sick leave only for the employee's own medical leaves. Employees may elect to substitute sick leave to attend to an illness of a child, parent, spouse or domestic partner of the employee or for other types of family care leave.

(4) Amount of Leave.

(a) Family Care, Medical, and Military Caregiver Leave. Provided all the conditions of this policy are met, an employee may take a maximum of 12 weeks of family care, medical, and military exigency leave in a rolling 12-month period measured backwards from the date the employee's leave commences.

Employees who are unable to work due to pregnancy disability will be granted the greater of 12 weeks leave or the amount of leave to which the employee may be entitled under California state law for a pregnancy-related disability or in connection with childbirth. See Section III of this Guide. Family care leaves for the birth, adoption, or foster care placement of a child must be concluded within one year of the birth, adoption, or placement.

(b) Military Caregiver Leave. Provided all the conditions of this policy are met, an employee may take a maximum of 26 weeks of military caregiver leave in a single 12-month period, inclusive of the time the employee takes for a family care, medical, or military exigency leave during that period. This 12-month period will be measured forward from the first day leave is taken.

Spouses who are both employed by the Town may take a maximum combined total of 26 weeks in the 12-month period for the care of the service member and the birth, adoption, or foster care of their child or to care for an ill parent, provided that no more than 12 weeks of this combined 26-week period may be taken for reasons other than to care for the service member.

(c) Intermittent Leave. Medical leave for the employee's own serious health condition, family care leave for the serious health condition of the employee's spouse, parent, or child, and military caregiver leave may be taken intermittently or on a reduced schedule when medically necessary. Where the intermittent or reduced schedule leave is for planned medical treatment, the employee must make an attempt to schedule the treatment so as not to disrupt unduly the Town's operations. Where the family care leave is to be taken in connection with the birth, adoption, or foster placement of a child, the minimum duration for each period of leave is two weeks, except that the employee may request leave of less than two weeks duration on any two occasions. Military exigency leave also may be taken intermittently or on a reduced schedule.

(5) Leave's Effect on Pay. Except to the extent that other paid leave is substituted for family care, medical, and military family leave, leave under the FMLA and the CFRA is unpaid. However, employees may be entitled to California State Disability Insurance ("SDI"). Employees also may be entitled to Paid Family Leave ("PFL") for up to six (6) weeks in any twelve month period during leaves to care for qualifying family members. PFL provides a partial wage replacement for absences from work to care for a seriously ill or injured family member or for bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption. Employee contributions provide funding for this program. PFL is administered like SDI by the California Employment Development Department. PFL must be taken concurrently with family care leave and does not entitle an employee to take any additional time off. In addition, an employee must use up to two weeks of any accrued but unused vacation before the employee will be eligible to receive PFL.

(6) Leave's Effect on Benefits. During an employee's family care, medical, and military family leave, the Town will continue to pay for the employee's participation in the Town's group health plans, if any, to the same extent and under the same terms and conditions as would apply had the employee not taken leave. Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the Town for the payment of such premiums. All other benefits will be governed in accordance with the terms of each benefit plan and are the sole responsibility of the employee.

If the employee fails to pay his or her share of the premiums during leave, or if the employee fails to return from the leave at the expiration of 12 weeks (or 26 weeks in the case of a military caregiver leave) for a reason other than the recurrence, continuation, or onset of a serious health condition for which leave under this policy is allowed or other circumstances beyond the employee's control, the Town can recover any health plan premiums paid by the Town on the employee's behalf during any periods of the leave.

Employees on family care, medical, and military family leave accrue employment benefits such as sick leave, vacation benefits, or seniority only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

(7) Procedure for Requesting Family Care, Medical, and Military Family Leave.

(a) Notice Requirements. Employees must notify the Town of their request for family care, medical, military exigency, or military caregiver leave as soon as they are aware of the need for such leave. For foreseeable family care, medical and military caregiver leave, the employee must provide 30 calendar days' advance notice to the Town of the need for leave. For events that are unforeseeable 30 days in advance, the employee must notify the Town as soon as is practicable and generally must comply with the Town's normal call-in or notice procedures. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee must make an attempt to schedule such treatment so as to avoid unduly disrupting Town operations, and may be requested to reschedule the treatment so as to minimize disruption of the Town's business.

If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the Town reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for family care or medical leave.

All requests for family care, medical, military exigency, and military caregiver leave should include enough information to make the Town aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. Sufficient information may include that the employee is unable to perform job functions; the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the Town if the requested leave is for a reason for which FMLA leave was previously taken or certified.

Any requests for extensions of leave under this policy must be received as soon as is practicable and must include the revised anticipated date(s) and duration of the leave. To the extent permitted by law, the Town reserves the right to deny requests for extensions or deny reinstatement to an employee who exceeds the leave amounts provided by this policy or

fails to provide requested medical certification. In addition, if you have a disability, you may be eligible for leave under the Americans with Disabilities Act ("ADA") or state law. For more detailed information on extended leaves, please contact the General Manager.

Once the Town is aware of the employee's need for leave, it will inform the employee whether he or she is eligible under the FMLA. If the employee is eligible, the notice will specify any additional information required as well as the employees' rights and responsibilities. If the employee is not eligible, the Town will provide a reason for the ineligibility.

(b) Certification. Any request for medical leave for an employee's own serious health condition, for family care leave to care for a child, spouse, domestic partner or parent with a serious health condition or for a serious injury, or for military caregiver leave must be supported by medical certification from a health care provider. For military caregiver leave, the employee must provide confirmation of a family relationship to the seriously ill or injured service member. Employees generally must provide the required certification within 15 calendar days after the Town's request for certification. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after the Town's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts.

The medical certification for a child, spouse, domestic partner or parent with a serious health condition or for the serious injury or illness of a qualifying service member must include (a) the date on which the serious health condition or serious injury or illness commenced; (b) the probable duration of the condition or injury or illness; (c) the health care provider's estimate of the amount of time needed for family care; (d) the health care provider's assurance that the health care condition or injury or illness warrants the participation of the employee to provide family care; and (e) in the case of intermittent or reduced schedule leave where medically necessary, the probable duration of such a schedule.

The medical certification for leave for the employee's own serious health condition must include (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) a statement that, due to the serious health condition, the employee is unable to perform the essential functions of his or her position; and (d) in the case of intermittent leave or reduced schedule leave where medically necessary, the probable duration of such a schedule. In addition, the certification may, at the employee's option, identify the nature of the serious health condition involved.

Failure to timely provide the required certification may result in the denial of foreseeable leave until such certification is provided. In the case of unforeseeable leaves, failure to timely provide the required certification may result in a denial of the employee's continued leave. Where the employee's need for leave due to the employee's own serious health condition, or the serious health condition of the employee's covered family member, lasts beyond a single leave year, the Town may require the employee to provide a new medical

certification in each subsequent leave year. Any request for an extension of the leave also must be supported by an updated medical certification.

The Town has developed forms for use in obtaining medical certifications that satisfy the requirements of this policy. For military caregiver leave, the Town will accept Invitational Travel Orders ("ITOs") or Invitational Travel Authorizations ("ITAs") in lieu of its medical certification form.

It is the employee's responsibility either to furnish a complete and sufficient certification or to furnish the health care provider providing the certification with any necessary authorization from the employee or the employee's family member in order for the health care provider to release a complete and sufficient certification to the Town to support the employee's leave request.

Where permitted by law, if the Town has reason to doubt the validity of the medical certification provided by the employee, the Town may require the employee to obtain a second opinion from a doctor of the Town's choosing at the Town's expense. If the employee's health care provider providing the original certification and the doctor providing the second opinion do not agree, the Town may require a third opinion, also at the Town's expense, performed by a mutually agreeable doctor who will make a final determination. It is the employee's responsibility to furnish his or her health care provider with the necessary authorization for the disclosure of medical information to the doctor(s) who will provide the second and third opinions. If the employee fails to provide the necessary authorization, the request for leave may be denied, in accordance with applicable law.

(8) Designation of Protected Leave. Once the Town has enough information to determine whether the leave is FMLA-qualifying, the Town will inform the employee if leave will be designated as FMLA-protected and, if known at that time, the amount of leave that will be counted against the employee's leave entitlement. If the Town determines that the leave is not protected, the Town will notify the employee.

(9) Recertification. The employee taking leave because of his or her own serious medical condition or the serious medical condition of a family member may be required, except in cases of military caregiver leave, to provide the Town with recertification at appropriate intervals. For purposes of recertification, the employer may request the same information as allowed by law for the original certification. As part of that request, the Town may provide the health care provider with a record of the employee's absence pattern to confirm whether such a pattern is consistent with the need for leave. The employee must provide the requested recertification within 15 calendar days of such a request, unless it is not practicable to do so despite the employee's diligent, good faith efforts.

(10) Return to Work Certification. Where the leave is for the employee's own serious health condition, the Town requires employees to provide medical certification that he or she is fit for duty and able to return to work. The Town may delay restoring the employee to employment or terminate the employee without such certificate.

(11) Leave's Effect on Reinstatement. Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. The Town may deny reinstatement to employees who are among the highest paid ten percent of all employees employed by the Town within 75 miles of the employees' worksite and whose reinstatement would cause substantial and grievous economic injury to the Town's operations. An employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. The Town will comply with all applicable laws pertaining to reinstatement of employees, including where required, the reasonable accommodation of employees who have been on an approved leave.

The Town complies with applicable family care, medical leave, and military family leave laws. Under the FMLA it is unlawful for any employer to: interfere with, restrain, or deny the exercise of any right provided under the FMLA; or discharge or discriminate against any person for opposing any practice made unlawful by the FMLA or for involvement in any proceeding under or relating to the FMLA. If an employer has done so, an employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights. If you have questions, or would like further clarification about your rights under the FMLA or other types of leave, please contact the Human Resources Department.

C. Pregnancy-Related Disability Rights.

(1) Leaves of Absence and Transfers. Any employee who is disabled on account of pregnancy, childbirth, or related conditions may take a pregnancy-related disability leave for the period of actual disability of up to four months, in addition to any family care or medical leave to which the employee may be entitled under Section 3.5 of this policy (Family Care, Medical and Military Family Leaves). Pregnancy-related disability leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the Town with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

(2) Substitution of Paid Leave for Pregnancy-Related Disability Leave. An employee taking pregnancy-related disability leave must substitute any available sick pay for her leave and may, at her option, substitute any accrued vacation time for her leave. The substitution of paid leave for pregnancy-related disability leave does not extend the total duration of the leave to which an employee is entitled.

(3) Leave's Effect on Benefits. During an employee's family care, medical, and military family leave, the Town will continue to pay for the employee's participation in the Town's group health plans, to the same extent and under the same terms and

conditions as would apply had the employee not taken leave. Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the Town for the payment of such premiums. All other benefits will be governed in accordance with the terms of each benefit plan and are the sole responsibility of the employee.

The Town may recover from the employee the premium that the Town paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired and the employee's failure to return is for a reason other than: (i) the employee is taking leave under the California Family Rights Act; (ii) the continuation, recurrence, or onset of a health condition that entitles the employee to leave for pregnancy disability or other circumstances beyond the employee's control.

Employees on Pregnancy-Disability leave will accrue employment benefits, such as sick leave, vacation leave, and seniority only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual. Employee benefits may be continued during the unpaid portion of the Pregnancy-Disability leave according to the provisions of the Town's various employee benefit plans.

(4) Other Terms and Conditions of Leave. The provisions of the Town's Family Care, Medical and Military Family Leave policy regarding the leave's effect on pay, notice requirements, medical certification requirements, and reinstatement also apply to all pregnancy-related disability leaves. However, for pregnancy-related disabilities, there is no process for obtaining more than one medical opinion, and there is no reinstatement exception for key employees. For the purpose of applying those provisions, an employee's pregnancy-related disability is considered to be a serious health condition.

D. Other Disability Leaves. In addition to medical or pregnancy-related disability leaves described in Sections II and III, employees may take a temporary disability leave of absence if necessary to reasonably accommodate a workplace injury or a disability under the ADA or the FEHA. Any disability leave under this section will run concurrently with any medical leave to which the employee is entitled under Section II of this policy. Disability leaves under this section will be unpaid.

Employees taking disability leave must comply with the Family Care, Medical and Military Family Leave provisions regarding substitution of paid leaves, notice, and medical certification. For the purpose of applying these provisions, a disability leave will be considered to be a medical leave.

If a disability leave under this section extends beyond 12 weeks in a 12-month period, the employee will not be entitled to any continued employer contributions towards any employee benefit plan unless otherwise required by law. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans.

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which an employee becomes capable of performing the essential functions of his or her position, with or without reasonable accommodation. For a full explanation of leave duration and reinstatement rights, employees should contact the General Manager.

E. Other Leaves Of Absence. The Town also grants eligible employees leaves of absence for military leave, jury or witness duty, certain court appearances, appearances at school or daycare activities, emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel, to vote in a statewide election, for bereavement leave, for leave related to domestic violence, crime victims leave, or leave for the donation of an organ or bone marrow. Unless otherwise required by law or set forth herein, employees will not be paid for such leaves of absence.

Employees wishing to take a leave of absence for one of these reasons should refer to the procedures outlined below or contact the General Manager.

(1) Military Leave Of Absence. The Town will grant employees a military leave of absence to the extent required by applicable federal and state law.

(2) Military Spouse Leave. At any time that it regularly employs 25 or more persons, or as otherwise required by applicable federal and state law, the Town will grant qualified California employees up to ten (10) days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide the Town with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to the Town certifying that the military member will be on military leave from deployment.

(3) Jury and Witness Duty. The Town will provide employees time off to serve, as required by law, on a jury or grand jury if the employee provides reasonable advance notice. The Town will also provide employees with time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order.

However, exempt employees who work any portion of a workweek in which they also serve on jury duty or appear as a witness will receive their full salary for that workweek. Employees may elect to substitute accrued vacation during any unpaid leave due to jury duty or a witness appearance.

Employees are required to provide reasonable advance notice of the need for jury/witness leave. Employees also are expected to report to work each day or portion of a day they are not performing jury/witness duty.

(4) Leave to Attend Children's School at Teacher's Request. The Town will grant employees who are parents or guardians of a pupil time off without pay to appear at their children's school pursuant to a teacher's request under Education Code section 48900.1, if the employee, prior to taking the time off, gives reasonable notice to the Town that he or she is requested to appear in the school.

(5) Leave For Educational/Daycare Purposes. At any time that it regularly employs twenty-five (25) or more persons, or as otherwise required by applicable federal and state law, the Town will grant employees time off without pay for up to forty (40) hours per calendar year, but no more than eight hours in any calendar month, to participate in the activities of schools or licensed child daycare facilities attended by their children. Employees must substitute accrued vacation for purposes of a planned absence under this Section.

Employees wishing to take time off under this Section must provide their supervisors with reasonable notice of the planned absence. If both parents of a child are employed by the Town at the same worksite, the request for time off under this Section will be granted to the first parent to provide notice of the need for time off. The request from the second parent will be accommodated if possible.

The Town reserves the right to request that the employee furnish written verification from the school or daycare facility as proof that the employee participated in school or daycare activities on the specific date and at a particular time. Failure to provide written verification is grounds for disciplinary action.

(6) Volunteer Firefighter, Reserve Peace Officer, and Emergency Rescue Personnel. Nonexempt employees will be granted time off without pay to perform emergency duties as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. At any time that it regularly employs fifty (50) or more persons, or as otherwise required by applicable federal and state law, Town will grant employees who are volunteer firefighters a leave of up to 14 days per calendar year for fire or law enforcement training. Exempt employees who work any portion of a workweek in which they also perform such emergency duties or training will receive their full salary for that workweek. Otherwise, exempt employees will be granted time off without pay. Employees may substitute vacation pay for any unpaid portion of leave to perform such emergency duties or training.

(7) Voting Time Off. Employees who do not have sufficient time outside of their regular working hours to vote in a statewide election may request time off to

vote. If possible, employees should make their request at least two days in advance of the election. Up to two hours of paid time off will be provided, at the beginning or end of the employee's regular shift, whichever will allow the most free time for voting and the least time off work.

(8) Bereavement Leave. All employees who suffer a death in their immediate family may have a paid leave for three (3) scheduled work days for each death of an immediate family member. For purposes of this policy an employee's immediate family is defined to include the employee's current spouse, domestic partner, child, parent, sibling, grandparent, grandchild of employee, or child, sibling, parent, grandparent or grandchild of employee's spouse or domestic partner. Employees must take this leave within a seven (7) consecutive day period will be paid only for days and hours they were scheduled to work.

If an employee requires more than three (3) days off for bereavement leave, the employee may request additional unpaid leave or may request the opportunity to use any accrued vacation time at the discretion of the General Manager.

(9) Leave Related To Domestic Violence or Sexual Assault. The Town will grant unpaid time off to an employee who is a victim of domestic violence or a victim of sexual assault for the employee to obtain or attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child.

At any time that it regularly employs twenty-five (25) or more persons, or as otherwise required by applicable federal and state law, the Town will also grant unpaid time off to an employee who has been the victim of domestic violence or sexual assault to attend court proceedings, to receive services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and for participation in safety planning programs.

The Town requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within fifteen (15) days of the absence, provide the Town with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

(10) Crime Victims' Leave. The Town will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. The Town requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide the Town with a copy of the notice within a reasonable time.

(11) Leave for Organ and Bone Marrow Donation. At any time that it regularly employs twenty-five (25) or more persons, or as otherwise required by applicable

federal and state law, the Town will grant an employee the following paid leaves of absence for the purpose of organ or bone marrow donation:

(a) A leave of absence of up to five (5) days in any one-year period for the purpose of donating the employee's bone marrow to another person.

(b) A leave of absence of up to thirty (30) days in any one-year period for the purpose of the employee donating his or her organ to another person.

A leave of absence for the purpose of organ or bone marrow donation will be provided with pay, however, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five days of paid sick or vacation time for a bone marrow donation and up to two weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to the General Manager that he or she is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, the Town will maintain and pay for coverage under any group health plan, for the full duration of this leave. Leave provided under this policy may be taken in one or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, the Town will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. The Town may decline to restore an employee because of reasons unrelated to the exercise of rights under this policy by the employee.

(12) Administrative Time Off. Notwithstanding any other portion of this Manual, it is recognized that exempt employees do not receive overtime compensation, and may work irregular hours, and may not be able to take vacation when desired. Accordingly, the General Manager shall be entitled to receive eighty (80) hours annually of paid administrative leave in addition to any leave otherwise authorized in the General Manager's employment contract. All other exempt employees shall be entitled to receive sixty (60) hours of paid administrative leave each fixed year. Administrative leave is not, however, a vested or earned form of compensation. Any administrative time unused at the end of the year shall be forfeited, and it shall not be compensated for upon termination.

Section 3.5. Employment During Leave of Absence. An employee on any leave under this section may not accept employment with any other employer without the Town's written permission. An employee who accepts such employment will be deemed to have resigned from the employment at the Town.

ARTICLE 4
HOURS OF WORK, OVERTIME, AND PAY DAY

Section 4.1. Hours of Work. The Town's office hours are generally from 8:30 a.m. to 5:00 p.m., Monday through Friday. However, employees will be assigned specific hours, shifts, and days of work, dependent upon the need of the department, by the General Manager or by the employee's supervisor. Due to the nature of Town operations, employees may be required to work shifts, or hours, outside regular office hours. The General Manager or the employee's Supervisor may reschedule an employee's hours, shifts, and days whenever necessary based upon the needs of the Town.

Section 4.2. Meal and Rest Periods.

A. Rest Periods. The Town authorizes and permits nonexempt employees working at least three and one-half hours in a day to take a ten-minute, off-duty paid rest period for each four hours worked or major fraction thereof. The 10 minutes do not include the reasonable time it takes to walk to and from a break area. Employees who work up to six hours in a day may take a second rest period. Employees who work more than 10 hours in a day may take a third rest period. Employees should take their rest periods in the middle of each work period to the extent it is practicable to do so, and not combine them with meal periods or skip them to leave work early.

Employees who feel they were not provided the opportunity to take all rest periods authorized and permitted under this policy should inform their supervisor or manager, and (if not corrected) Human Resources immediately.

B. Meal Periods. The Town provides employees who work more than five hours in a day with an unpaid 30-minute, uninterrupted meal period starting no later than the end of the fifth hour of work. The Town provides employees who work more than 10 hours in a day with a second unpaid 30-minute, uninterrupted meal period starting no later than the end of the 10th hour of work. Employees who work no more than six hours in a day may waive the first meal period. Employees who work no more than 12 hours in a day may waive the second meal period if they took their first meal periods. Employees are entitled, encouraged, and expected to take all meal periods provided under this policy and not waived. During meal periods, the Town will relieve employees of all duty and will not exercise control over employees' activities. Employees are free to spend their meal period time as they choose (consistent with any other Town policies that may apply during off-duty time) and are free to leave the worksite. No supervisor or manager may impede or discourage employees from taking meal periods provided under this policy.

Employees who feel they were not provided a meal period that complies with this policy should inform their supervisor or manager, and (if not corrected) the General Manager immediately.

Section 4.3. Overtime Pay.

A. Overtime Definition and Rates of Pay. All nonexempt employees who work more than forty (40) hours in one workweek will receive overtime pay computed as follows:

(1) Overtime at the rate of 1 ½ times the employee's regular rate of pay will be provided for all hours worked in excess of forty (40) in any one workweek.

(2) Overtime will be computed on actual minutes worked, adjusted to the nearest increment of 15 minutes. Only those hours actually worked are added together to determine an employee's overtime pay. Compensated holidays, for example, are not hours worked and are therefore not counted in making overtime calculations.

B. Workweek and Workday. Unless otherwise provided, for purposes of calculating overtime each workweek begins on Sunday and each workday begins at 12:01 a.m.

C. Pre-Authorization. No nonexempt employee may work overtime without the express prior approval of his or her supervisor.

D. Non-Exempt Employees Prohibited from Working at Home. Non-exempt employees are strictly prohibited from completing any work for the Town while at home and not during regularly scheduled working hours, unless express prior approval of the General Manager in writing is obtained.

Section 4.4. Other Types of Pay.

A. Reporting Time Pay. Nonexempt employees who report to work at the Town's request, but are furnished less than half of their usual or scheduled day's work, will be paid for half the usual or scheduled day's work, but not less than two hours' pay or more than four hours' pay at their regular rate, without regard to the number of hours they actually worked, unless the reasons for the lack of work are beyond the Town's control. Reporting time pay will not be paid to an employee on paid standby status who is called to perform assigned work at a time other than the employee's scheduled reporting time. Reporting time hours are not counted as "hours worked" for overtime purposes beyond the time in which work is actually performed. For example, if an employee who is scheduled to work an eight-hour shift is sent home after three hours, the employee will receive four hours' pay for that day, but the fourth hour of reporting time pay will not be treated as time worked for overtime purposes.

B. Callback Pay. Any non-exempt employee who is called back to work for a second work period in any one workday and is furnished with less than two hours' work is paid a minimum of two hours pay at the regular straight-time rate for the second work period, without regard to the number of hours actually worked, unless the reasons for lack of work are beyond the Town's control.

C. Holiday Pay. Non-exempt employees are paid their regular straight-time wages for holidays as set forth under Article 3 of this manual. To receive holiday pay, the employee must work the regularly scheduled workdays preceding and following the holiday, or receive prior approval from his or her Supervisor to take the time off.

D. Pay Advances. There will be no pay advances.

Section 4.5. Place and Time for Payment of Wages.

A. Regular Pay Days. Employees are paid biweekly, twenty-six (26) times annually. Employees must complete their time cards in a timely manner in order to ensure that they are paid for all hours worked. If a pay day falls on a holiday, paychecks will be distributed on the preceding workday. For employees who are not on direct deposit, checks are distributed on the date assigned for payment. If the employee is absent when the paycheck is distributed, the employee may claim the paycheck from his or her immediate supervisor when the employee returns.

B. Payment on Resignation, Termination, or Completion of Assignment or Term. If an employee resigns, his or her paycheck will be available on the final day of work, provided the employee has given at least 72 hours' prior notice. If an employee resigns without giving 72 hours' notice, his or her paycheck will be made available within 72 hours after the employee gives notice of the resignation, unless the employee requests in writing that his or her final paycheck be mailed, in which case the Town will mail the final paycheck within three days after the employee gives notice. Employees who are terminated involuntarily will be paid on the day of the discharge. If an employee is hired for a specific assignment or otherwise has a defined term of employment, his or her paycheck will be available upon the completion of the assignment or employment term. In all cases, employees' final paychecks will include payment for all wages owed and any accrued but unused vacation time.

ARTICLE 5
RULES OF CONDUCT

Section 5.1. Open Door. The Town has an Open Door Policy that encourages employee participation in decisions affecting them and their daily professional responsibilities. Employees who have job-related concerns or complaints are encouraged to talk them over with their immediate Supervisor or any other management representative with whom they feel comfortable. The Town believes that employee concerns are best addressed through this type of informal and open communication.

Section 5.2. Termination, Discipline, and Rules of Conduct.

A. Termination.

(1) Voluntary Termination. The Town will consider an employee to have voluntarily terminated his or her employment if an employee does any of the following:

(a) Elects to resign from the Town;

(b) Fails to return from an approved leave of absence on the date specified by the Town; or

(c) Fails to report for work without notice to the Town for three (3) consecutive days.

(2) Involuntary Termination. An employee may be terminated involuntarily for reasons that may include, but are not limited to, poor performance, misconduct, or other violations of the Town's rules of conduct as set forth below. Notwithstanding this list of rules, the Town reserves the right to discharge or demote any employee with or without cause and with or without prior notice.

B. Discipline and Rules of Conduct.

(1) Policy. Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet Town standards, the Town will endeavor when it deems appropriate to provide the employee a reasonable opportunity to correct the deficiency. If, however, the employee fails to make the correction, he or she will be subject to discipline up to and including termination.

The rules set forth below are intended to provide employees with fair notice of what is expected of them. Necessarily, however, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of the Town, other employees, or customers, may also result in disciplinary action. The listing of these rules does not in any way abrogate or modify the at-will policy set forth in Section 1.6 of this manual.

(2) Job Performance. Employees may be disciplined for poor job performance, including but not limited, to the following:

(a) Unsatisfactory work quality or quantity;

(b) Poor attitude (for example, rudeness or lack of cooperation);

(c) Excessive absenteeism, tardiness, or abuse of rest break and meal period policies;

(d) Failure to follow instructions or Town procedures; or

(e) Failure to follow established safety regulations.

(3) Misconduct. Employees may be disciplined for misconduct, including, but not limited to, the following:

(a) Insubordination;

(b) Dishonesty;

(c) Theft;

(d) Discourtesy;

(e) Misusing or destroying Town property or the property of another on Town property.

(f) Violating conflict of interest rules;

(g) Disclosing or using confidential or proprietary information without authorization;

(h) Falsifying or altering Town records, including the application for employment;

(i) Interfering with the work performance of others;

(j) Altercations, physical or verbal;

(k) Harassing, including sexually harassing employees, customers, contractors, or others while acting within the scope of their employment;

(l) Being under the influence of, manufacturing, dispensing, distributing, using, or possessing alcohol or illegal or controlled substances on Town property or while conducting Town business;

(m) Gambling on Town premises or while conducting Town business;

(n) Sleeping on the job or leaving your work location or worksite without authorization;

(o) Possessing a firearm or other dangerous weapon on Town property or while conducting Town business.

(p) Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of the Town, its employees, customers, or property;

(q) Failing to report to the Town, within five (5) days, any conviction under any criminal drug statute for a violation occurring in the work place;

(r) Use of foul, abusive, or offensive language; or

(s) Smoking in non-designated areas.

(4) Attendance. In addition to the general rules state above, employees may be disciplined for failing to observe the following specific requirements relating to attendance:

(a) Reporting to work on time, observing the rest break and meal period policies, and obtaining approval to leave work early; and

(b) Notifying the supervisor in advance of anticipated tardiness or absence.

C. Discipline Procedure

Except as set forth below, discharge or demotion for poor performance ordinarily will be preceded by an oral warning and a written warning. The Town reserves the right to proceed directly to a written warning, demotion, or termination for misconduct or performance deficiency, without resort to prior disciplinary steps, when the Town deems such action appropriate.

Section 5.3. Exit Interview. Employees who leave the Town for any reason may be asked to participate in an exit interview. This interview is intended to permit terminating employees the opportunity to communicate their views regarding their work with the Town, including job duties, job training, job supervision, and job benefits. At the time of the interview, employees are expected to return all Town-furnished property, such as uniforms, tools, equipment, I.D. cards, keys, credit cards, documents, and Manuals. Arrangements for clearing any outstanding debts with the Town and for receiving final pay also will be made at this time.

Section 5.4. Employment at Will. Nothing in this Guideline is intended to alter the at-will status of employment with the Town. Either you or the Town may terminate the employment relationship at any time with or without cause and with or without prior notice. The Town reserves the right to terminate any employment relationship, to demote, or to otherwise discipline an employee without resort to the above disciplinary procedures.

ARTICLE 6
WORK REGULATIONS

Section 6.1. Personnel Records.

A. Personnel Files. The information in an employee's personnel file is permanent and confidential, and must be kept up to date. Employees should inform the

Personnel Manager immediately whenever there are changes in personal data such as address, telephone number, marital status, number of dependents, and person(s) to notify in case of emergency.

Employees have the right to inspect their personnel files at reasonable times and on reasonable notice. In addition, employees have the right to request copies of all employment-related documents that they have signed. An employee may inspect only his or her own personnel file and only in the presence of a supervisor of the General Manager. Personnel files are the property of the Town and may not be removed from the Town's premises without written authorization from the General Manager.

B. Payroll Records. Employees also have the right to inspect and copy certain Town payroll records regarding their compensation, and deductions from their compensation, upon reasonable request to the Town. Employees wishing to review or copy payroll records should notify the General Manager.

Section 6.2. Personal Telephone Calls. Personal telephone calls are to be limited to essential matters and kept as brief as possible. Continued excessive use of phones for personal matters is subject to disciplinary action.

Section 6.3. Smoking. The Town prohibits smoking in the workplace. Smoking is prohibited within the confines of any office or vehicle. Smoking will be permitted out of doors only, and in accordance with all applicable laws and regulations. All cigarettes are to be extinguished and disposed of prior to entering any office or vehicle. Employees violating this policy will be subject to disciplinary action.

Section 6.4. Dress and Grooming Standards. The Town considers the presentation of the Town image to its clients, suppliers, and the public at large to be extremely important. Accordingly, it is expected that all employees dress in a manner consistent with proper hygiene, safety, and taste. Employees whose jobs require them to come in contact with clients, customers, suppliers, or the public are expected to wear apparel the Town considers appropriate for dealing with the public. Each employee is expected to be neat and clean in appearance, with clean clothing or clean uniform and good personal hygiene. Clothing should be appropriate for the particular work area and type of work performed.

Section 6.5. Employment of Relatives. The Town will only allow for the employment of relatives of existing employees under specific situations, as identified below and as set forth in this section and only with the advanced written approval of the General Manager. Relatives of present employees may be hired by the Town only if (1) the individuals concerned will not work in a direct supervisory relationship with one another, (2) the individuals concerned do not work in the same work unit or area or under the same direct Supervisor, and (3) the employment will not pose difficulties for supervision, security, safety, or morale. This policy will not apply to employees of the Town who are employees of the Town as of the effective date of this Manual, but such employees may, in the discretion of the General Manager, be reassigned to positions satisfying subsections (1), (2), and (3) above. "Relatives" are defined as spouses, domestic partners, children, sisters, brothers, mothers, or fathers, and persons related by marriage or

domestic partnership. Present employees who marry or form a domestic partnership, or become related by marriage or domestic partnership, will be permitted to continue employment with the Town only if they do not work in a direct supervisory relationship with one another, or otherwise pose difficulties for supervision, security, safety, or morale. If employees who marry or form a domestic partnership, or become related by marriage or domestic partnership, do work in a direct supervisory relationship with one another, the Town will attempt to reassign one of the employees to another position for which he or she is qualified, if such a position is available. If no such position is available, then one of the employees will be required to leave the Town's employment. The decision as to which employee will separate from employment is left to the sole discretion of the employees. In the event that no alternative position is available and neither employee voluntarily leaves the Town, the employee with lesser seniority will be terminated.

Section 6.6. Conflicts of Interest. Employees are expected to devote their best efforts and attention to the full-time performance of their jobs. They are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between the employee's personal interest and the interest of the Town. A conflict of interest exists where the employee's loyalties or actions are divided between the Town's interest and those of another, such as a competitor, supplier, or customer. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with their immediate supervisor or the General Manager for clarification. Any expectations to this guideline must be approved in writing by the General Manager.

Where it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts, from which employees should refrain, include the following.

A. Accepting personal gifts or entertainment from competitors, customers, suppliers, or potential suppliers;

B. Working for a competitor, supplier, or customer;

C. Engaging in self-employment in competition with the Town;

D. Using proprietary or confidential Town information for personal gain or to the Town's detriment;

E. Having a direct or indirect financial interest in or relationship with a customer or supplier;

F. Using Town property or labor for personal use;

G. Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to the Town.

H. Committing the Town to give financial or other support to any outside activity or organization.

I. Developing a personal relationship with a subordinate employee of the Town or with an employee of a competitor, supplier, or customer that might interfere with the exercise of impartial judgment in decisions affecting the Town or any employees of the Town.

If an employee or someone with whom an employee has a close relationship (a family member or close companion), has a financial or employment relationship with a competitor, customer, supplier, or potential supplier, the employee must disclose this fact in writing to the General Manager. Employees should be aware that if they enter into a personal relationship with a subordinate employee or with an employee of a competitor, supplier, or customer, a conflict of interest may exist which requires full disclosure to the Town.

Part-time employees may engage in outside employment, provided that they disclose such employment and get written approval from their immediate supervisor.

Failure to adhere to this guideline, including failure to disclose any conflicts or to seek an exception, may result in discipline, up to and including termination of employment.

If there are questions, the employee shall discuss them with their immediate supervisor, the General Manager, or both. Please refer to the Town's adopted Conflict of Interest Code for additional information.

ARTICLE 7
DRUG-FREE WORKPLACE

Section 7.1. Purpose of Guideline. It is the intent of the Town to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. Employees who are under the influence of a drug or alcohol on the job compromise the Town's interests and endanger their own health and safety and the health and safety of others. Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, and inferior quality in products or service.

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, the Town has established this Guideline concerning the use of alcohol and drugs. As a condition of continued employment with the Town, each employee must abide by this Guideline.

Section 7.2. Definitions. For purposes of this Guideline:

A. "Illegal drugs or other controlled substances" mean *any* drug or substance that (a) is not legally obtainable; or (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.

B. "Legal drug" means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.

C. "Abuse of any legal drug" means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.

D. "Reasonable suspicion" includes a suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

E. "Possession" means that an employee has the substance on his or her person or otherwise under his or her control.

Section 7.3. Prohibited Conduct.

A. Scope. The prohibitions of this section apply whenever the interests of the Town may be adversely affected, including any time an employee is:

(1) On Town premises;

(2) Conducting or performing Town business, regardless of location;

(3) Operating or responsible for the operation, custody, or care of Town equipment or other property; or

(4) Responsible for the safety of others in connection with, or while performing, Town-related business.

B. Alcohol. The following acts are prohibited and will subject an employee to discharge:

(1) The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or

(2) Being under the influence of alcohol.

C. Illegal Drugs. The following acts are prohibited and will subject an employee to discharge:

(1) The use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or

(2) Being under the influence of any illegal drug or other controlled substance.

D. Legal Drugs. The following acts are prohibited and will subject an employee to discharge:

(1) The abuse of any legal drug, including medicinal marijuana;

(2) The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; or

(3) Working while *impaired* by the use of a legal drug whenever such impairment might:

(a) Endanger the safety of the employee or some other person;

(b) Pose a risk of significant damage to Town property or equipment; or

(c) Substantially interfere with the employee's job performance or the efficient operation of the Town's business or equipment.

Section 7.4. Disciplinary Action.

A. Discharge for Violation of Guideline. A first violation of this Guideline will result in *immediate discharge* whenever the prohibited conduct:

(1) Caused injury to the employee or any other person, or, in the sole opinion of management, endangered the safety of the employee or any other person;

(2) Resulted in significant damage to Town property or equipment, or, in the sole opinion of management, posed a risk of significant damage;

(3) Involved the sale or manufacture of illegal drugs or other controlled substances;

(4) Involved the possession, distribution, or dispensation of illegal drugs or other controlled substances or alcohol;

(5) Involved an employee who had not completed the introductory period or was a casual, seasonal, or temporary employee; or

(6) Involved the failure of an employee to report a criminal conviction, as required by Section 7.4.C, below.

B. Discretion Not to Discharge. In circumstances other than those described in Paragraph A, above, the Town, in the discretion of management, may choose not to discharge an employee for a first violation of this Guideline, if the employee satisfactorily completes

participation in an approved drug or alcohol abuse assistance or rehabilitation program when recommended by the Town.

C. Effect of Criminal Conviction. An employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any Town-related activity or event will be deemed to have violated this Guideline.

D. Written Warning. An employee who is not discharged for a first violation of this Guideline will receive a final written warning.

E. Effect of Second Violation. A second violation of this Guideline at any time will result in immediate discharge.

F. Effect of Discharge on Eligibility for Rehire. Employees who are discharged for a violation of this Guideline will not be eligible for rehire by the Town.

Section 7.5. Management Awareness. Managers and supervisors should be attentive to the performance and conduct of those who work with them and should not permit an employee to work in an impaired condition or to otherwise engage in conduct that violates this Guideline. When management has reasonable suspicion to believe that an employee or employees are working in violation of this Guideline, prompt action will be taken. If the employee occupies a designated safety-sensitive position, such action may include drug testing in accordance with the procedures outlined in this policy.

Section 7.6. Use of Legal Drugs. The Town recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to Town property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued sick leave or vacation time. The employee may also contact the General Manager to determine whether or not he or she qualifies for an unpaid leave of absence, such as family care or medical leave. Nothing in this Guideline is intended to sanction the use of accrued sick leave or vacation time to accommodate absences due to the *abuse* of legal drugs. Further, nothing in this Guideline is intended to diminish the Town's commitment to employ and reasonably accommodate qualified disabled individuals. The Town will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

Section 7.7. Unregulated or Authorized Conduct.

A. Customary Use of Over-the-Counter Drugs. Nothing in this Guideline is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Guideline.

B. Authorized Use of Alcohol. The Town may provide alcohol for consumption at certain events, such as social functions. The consumption of alcohol at these events does not violate this Guideline.

Section 7.8. Confidentiality. Disclosures made by employees to the General Manager concerning their use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the General Manager concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

Section 7.9. Drug Testing for Safety-Sensitive Positions. Employees in safety-sensitive positions, as defined by the United States Department of Transportation regulations including those employees whose position requires possession of a Class 1 Commercial Drivers license, will be tested for drugs and alcohol as part of the Town's employment screening process and during employment in accordance with applicable state and federal law including, but not limited to, The Omnibus Transportation Employee Testing Act of 1991 and any subsequent amendments thereto.

ARTICLE 8
TECHNOLOGY

Section 8.1. Voice-Mail, E-Mails and Technology Policy. The Town maintains and utilizes, as part of its operations, a computer system, voice-mail, e-mail, cellular and smart phone, iPads and other methods of technological communication. These systems are provided to assist employees in the conduct of Town business. Each employee has a responsibility to use the Town's Technology Resources in a manner that increases productivity, enhances the Town's public image, and is respectful of other employees. Failure to follow the Town's policies regarding Technology Resources may lead to disciplinary measures, up to and including termination of employment.

Section 8.2. Technology Resources Definition. Technology Resources consist of all electronic devices, software, and means of electronic communication including any of the following: personal computers and workstations; laptop computers; mini and mainframe computers; computer hardware such as disk drives and tape drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet; electronic mail; telephones; cellular and smart phones; iPads; personal organizers and other handheld devices; pagers; voicemail systems; and instant messaging systems.

Section 8.3. Authorization. Access to the Town's Technology Resources is within the sole discretion of the Town. Generally, employees are given access to the Town's various technologies based on their job functions. Only employees whose job performance will benefit from the use of the Town's Technology Resources are authorized to access and use the necessary technology. Additionally, employees must successfully complete Town-approved training before they are authorized to access and use the Town's Technology Resources.

Section 8.4. Use. The Town's Technology Resources are to be used by employees only for the purpose of conducting Town business and personal use of such Resources is discouraged. Employees may, however, use the Town's Technology Resources for the following incidental personal uses as long as such use does not interfere with the employee's duties, is not done for pecuniary gain, does not conflict with the Town's business, and does not violate any Town policy:

(1) To use the telephone system for brief and necessary personal calls;

(2) To send and receive necessary and occasional personal communications;

(3) To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner; and

(4) To access the Internet for brief personal searches and inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

The Town assumes no liability for loss, damage, destruction, alteration, receipt, transmission, disclosure, or misuse of any personal data or communications transmitted over or stored on the Town's Technology Resources. The Town accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voicemail communications or any personal data stored on any Town property. The Town strongly discourages employees from storing any personal data on any of the Town's Technology Resources.

Section 8.5. Improper Use.

A. Prohibition Against Harassing, Discriminatory and Defamatory Use. The Town is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. As set forth more fully in the Town's "Policy Against Harassment," the Town does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, veteran status, or any other status protected by state and federal laws. Under no circumstances shall employees use the Town's Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could adversely affect any individual, group, or entity (*e.g.*, sexually explicit or racial messages, jokes, or cartoons).

B. Prohibition Against Violating Copyright Laws. Employees shall not use the Town's Technology Resources to copy, retrieve, forward, or send copyrighted materials

unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

C. Other Prohibited Uses. Employees shall not use the Town's Technology Resources for any illegal purpose, violation of any Town policy, in a manner contrary to the best interests of the Town, in any way that discloses confidential or proprietary information of the Town or third parties, or for personal or pecuniary gain.

Section 8.6. Town Access To Technology Resources. All messages sent and received, including personal messages, and all data and information stored on the Town's Technology Resources (including on its electronic mail system, voicemail system, or computer systems) are Town property regardless of the content. As such, the Town reserves the right to access all of its Technology Resources including its computers, voicemail, and electronic mail systems, at any time, in its sole discretion. No employee, other than the President of the Board of Directors, has authority to waive, vary or amend the Town's right to access its Technology Resources.

A. No Reasonable Expectation Of Privacy. On occasion, the Town may need to access its Technology Resources including computer files, electronic mail messages, and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created, collected, or maintained on the Town's Technology Resources, including personal information or messages. The Town may, at its discretion, inspect all files or messages on its Technology Resources at any time for any reason. The Town may also monitor its Technology Resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose.

B. Passwords. Certain of the Town's Technology Resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of the Town. Thus, even though employees may maintain passwords for accessing Technology Resources, employees must not expect that any information maintained on Technology Resources, including electronic mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access coworkers' systems without express authorization.

C. Data Collection. The best way for employees to ensure the privacy of personal information is not to store or transmit it on the Town's Technology Resources. So that employees understand the extent to which information is collected and stored, examples of information currently maintained by the Town are provided below. The Town may, however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

(1) Telephone Use and Voicemail: Records are kept of all calls made from and to a given telephone extension. Although voicemail is password-protected, an authorized administrator can listen to voicemail messages and also reset the password.

(2) Electronic Mail: Electronic mail is backed up and archived. Although electronic mail is password-protected, an authorized administrator can read electronic mail and also reset the password.

(3) Desktop Facsimile Use: Copies of all facsimile transmissions are maintained in the facsimile server.

(4) Document Use: Each document stored on Town computers has a history that shows which users have accessed the document for any purpose.

(5) Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site are recorded and periodically monitored.

D. Deleted Information. Deleting or erasing information, documents, or messages maintained on the Town's Technology Resources is, in most cases, ineffective. All employees should understand that any information kept on the Town's Technology Resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee. Because the Town periodically backs up all files and messages, and because of the way in which computers reuse file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential or ever were confidential. If a legal dispute arises, or may arise in the future, it may be unlawful to attempt to delete or erase certain information. Employees shall fully comply with Town policy regarding retention or destruction of information.

Section 8.7. The Internet And On-Line Services. The Town provides authorized employees access to online services such as the Internet. The Town expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use the Town's Technology Resources to access, download, or contribute to Internet sites that contain inappropriate content such as that which is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could adversely affect any individual, group, or entity.

Additionally, employees may not use the Town's Technology Resources to post, comment, send, or otherwise upload any information to any Web sites or other online groups, including web logs (*i.e.*, "blogs"), social networking Web sites, newsgroups, discussion groups, or non-Town email groups. These actions will likely generate junk electronic mail and may expose the Town to liability or unwanted attention because of comments or other contributions that employees may make. The Town strongly encourages employees who wish to access the Internet for non-work-related activities to obtain their own personal Internet access accounts that are unaffiliated with the Town, and to use such accounts at home on their own personal computer without making any reference to the Town.

Section 8.8. Monitoring. The Town monitors both the amount of time spent using online services and the sites visited by individual employees. The Town reserves the right to limit such access by any means available to it, including revoking access altogether. The Town, through

technological tools, may also prohibit or limit access to certain Web sites considered inappropriate by the Town or its technology provider.

Section 8.9. Confidential Information. The Town is very sensitive to the issue of protection of trade secrets and other confidential and proprietary information of both the Town and third parties ("Confidential Information"). Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential Information on the Town's Technology Resources.

Confidential Information should not be accessed through the Town's Technology Resources in the presence of unauthorized individuals. Similarly, Confidential Information should not be left visible or unattended. Moreover, any Confidential Information transmitted via Technology Resources should be marked with the following confidentiality legend: "This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise [employee's name] immediately at [employee's telephone number] or return it promptly by mail."

Employees should adhere to Town's security policy with regard to Confidential Information and take all appropriate measures to safeguard the confidentiality and security of such information. Employees should avoid sending Confidential Information via the Internet, except when absolutely necessary. Employees should also verify electronic mail addresses before transmitting any messages containing Confidential Information.

Section 8.10. Software Use / License Restrictions. All software in use on the Town's Technology Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the Town's computers, by any means of transmission, unless authorized in writing in advance by the General Manager or the President of the Board of Directors, and thoroughly scanned for viruses or other malware prior to installation.

Section 8.11. Software For Home Use. Employees are prohibited from transferring or copying any software from a Town Technology Resource to another computer or other device, unless employees have received written authorization from the General Manager or the President of the Board of Directors.

Section 8.12. Security. The Town has installed a variety of programs and devices to ensure the safety and security of the Town's Technology Resources. Any employee found tampering with or disabling any of the Town's security devices will be subject to discipline up to and including termination. Moreover, the Town reserves the right to advise appropriate legal authorities of any violation of law by an employee that results in the misappropriation, theft, or unlawful use of Town's property or proprietary information. To maintain the effectiveness of the Town's security measures, employees should use only secure networks established by the Town to access or use Confidential Information. Such information may not be downloaded, stored, or copied on any non-Town equipment or media (including personally owned computer, handheld devices, external memory devices, or disks) without prior written approval of the

General Manager. If Confidential Information is downloaded, stored, or copied on non-Town equipment or media, employee must take all appropriate measures to safeguard against loss, theft, damage, or breach of such equipment or media. If Confidential Information is downloaded, stored, or copied on non-Town equipment or media, employees must permanently delete such information prior to selling or otherwise transferring out of their own possession or control such equipment or media. If Confidential Information is downloaded, stored, or copied on non-Town equipment or media and employee resigns, is terminated, or is requested to do so by management, employees must delete all Confidential Information they received, including any and all copies thereof. Similarly, employees may not send Confidential Information to their personal e-mail accounts, even for work-related purposes, without prior written approval of the General Manager or President of the Board of Directors.

Any loss or suspected loss of Confidential Information, or any suspicious activity such as external hacking attempts or unusual internal activity, should be reported immediately to Town management.

Section 8.13. Remote Access To Technology Resources. The Town may, at its sole discretion, provide certain employees with remote access systems such as a laptop, iPad, smart phone, or other personal organizer to allow such employees to handle the tasks associated with their jobs while working away from the office. Employees must take care to ensure the security of all Town-provided equipment. Employees must not share network passwords or other PINs with anyone. As soon as an employee believes Town-provided equipment is lost or that the security and confidentiality of the data on that equipment has been compromised, he or she must notify the General Manager. If Town-provided equipment is lost, or if it is damaged as a result of carelessness, employees may be responsible for replacement fees. The Town-provided remote access system should only be used for Town-related business. The Town may decide that it is no longer necessary for certain employees to possess a remote access system and their ability to use such systems may be discontinued, in which case such employees are expected to return any Town-issued remote access systems in accordance with Town's "Town Property" policy.

The Town does not expect or require employees to work on tasks (including e-mail, work product, etc.) during meal periods or after scheduled working times. Any and all use of remote access systems shall be made in compliance with Town's "Hours Of Work, Overtime, And Pay Day policy." Non-exempt Employees are strictly prohibited from working on any tasks outside of scheduled working hours unless with the express written authorization of the General Manager.

Use of public or home networks, such as unencrypted Wi-Fi networks, can be a threat to the security and reliability of the Town's Technology Resources. Accordingly, employees must only access Town Technology Resources via means that are specifically approved by the Town.

Section 8.14. Audits. The Town may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on the Town's Technology Resources may be conducted without warning at any time.

ARTICLE 9
VIOLENCE IN THE WORKPLACE

Section 9.1. Statement of Policy. The Town recognizes that workplace violence is a concern among employers and employees across the country. The Town is committed to providing a safe, violence-free workplace. In this regard, the Town strictly prohibits employees, consultants, customers, visitors, or anyone else on Town premises or engaging in a Town-related activity from behaving in a violent or threatening manner. Moreover, the Town seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior.

The Town believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures for responding to any situation that presents the possibility of violence.

Section 9.2. Workplace Violence Defined. Workplace violence includes, but is not limited to, the following:

(1) Threats of any kind;

(2) Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;

(3) Other behavior that suggests a propensity towards violence, which can include belligerent speech, excessive arguing or swearing, sabotage, or threats of sabotage of Town property, or a demonstrated pattern of refusal to follow Town policies and procedures;

(4) Defacing Town property or causing physical damage to the facilities; or

(5) With the exception of security personnel, bringing weapons or firearms of any kind on Town premises, in Town parking lots, or while conducting Town business.

Section 9.3. Reporting. If any employee observes or becomes aware of any of the above-listed actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify a supervisor or the General Manager immediately.

Further, employees should notify the General Manager if any restraining order is in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

Section 9.4. Investigation. All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the Town will inform the reporting individual of the results of the investigation. To the extent possible, the Town will maintain the confidentiality of the reporting employee and of the investigation. The

Town may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The Town will not tolerate retaliation against any employee who reports workplace violence.

Section 9.5. Corrective Action and Discipline. If the Town determines that workplace violence has occurred, the Town will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, and reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the Town will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the Town may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the Town may request that the employee participate in counseling, either voluntarily or as a condition of continued employment.

ARTICLE 10
MOBILE DEVICE POLICY

Section 10.1. Mobile Device Policy. The Town prohibits the use of all handheld mobile devices including telephone, data, personal organizer, or other devices for work purposes while operating a motor vehicle or for personal purposes while operating a motor vehicle during work hours or on Town business. Moreover, all use of Town-issued mobile devices, or personally purchased mobile devices used for work-related purposes, must be made in accordance with Town policy.

Employees may use hands-free mobile devices while driving when safe to do so. Special care should be taken in situations where there is heavy traffic, inclement weather, or the employee is driving in an unfamiliar area. Employees must adhere to all federal, state, and local rules and regulations regarding the use of mobile devices while driving.

Under no circumstances are employees allowed to use text devices to type or review text messages for work purposes while operating a motor vehicle or for personal purposes while operating a motor vehicle during work hours or on Town business.

ARTICLE 11
VEHICLE USAGE POLICY

Section 11.1. Vehicle Usage Policy. The Town maintains a Vehicle Usage Policy. While the policy is considered part of this Manual, it is set forth in a separate document. A copy of the Vehicle Usage Policy will be provided to you.

EMPLOYEE ACKNOWLEDGMENT

PLEASE READ THE EMPLOYEE MANUAL AND FILL OUT AND RETURN THIS PORTION TO YOUR SUPERVISOR.

Employee Name: _____

I acknowledge that I have received a copy of the Town's Employee Manual. I understand that I am responsible for reading the Manual and for knowing and complying with the policies set forth in the Manual during my employment with the Town.

I further understand, however, that the guidelines contained in the Manual are guidelines only and are not intended to create any contractual rights or obligations, express or implied, and shall not be construed to create any type of right to a "fair procedure" prior to termination or other disciplinary action. I also understand that, except for the Town's at-will employment policy, the Town may amend, interpret, modify, or withdraw any of the provisions of the Manual at any time in its sole discretion, with or without notice. Furthermore, I understand that, because the Town cannot anticipate every issue that may arise during my employment, if I have any questions regarding any of the Town's guidelines or procedures, I should consult my immediate supervisor or the General Manager.

I understand and agree that my relationship with the Town is "at-will," which means that my employment is for no definite period and may be terminated by me or by the Town at any time and for any reason, with or without cause or advance notice. I also understand that the Town may demote or discipline me or otherwise alter the terms of my employment at any time at its sole discretion, with or without cause or advance notice.

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement approved by a majority vote of the Board of Directors, that no other employee or representative of the Town has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by me and the President of the Board of Directors of the Town. I further understand and agree that if the terms of this Acknowledgment are inconsistent with any guideline or practice of the Town now or in the future, the terms of this Acknowledgment shall control.

Finally, I understand and agree that this Acknowledgment contains a full and complete statement of the agreements and understandings that it recites, that no one has made any promises or commitments to me contrary to the foregoing, and that this Acknowledgment supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Acknowledgment.

I have carefully read this Acknowledgement of Receipt.

Date: _____

_____
Employee's Signature

_____
Employee's Name (Please Print)