

**TOWN OF OLD ORCHARD BEACH
MUNICIPAL EMPLOYEES
PERSONNEL POLICIES AND PROCEDURES**

Amended May 2, 2006



TABLE OF CONTENTS

ARTICLE I.	PURPOSE, DEFINITIONS AND APPLICATION	1
Sec. 1-1	Purpose	1
Sec. 1-2	Definitions	1
Sec. 1-3	Application	1
ARTICLE II.	BEGINNING EMPLOYMENT.....	2
Sec. 2-1	Equal Employment Opportunity	2
Sec. 2-2	Recruitment	2
Sec. 2-3	Anti-Nepotism	2
Sec. 2-4	Physical Exams.....	2
Sec. 2-5	Immigration Law Compliance	2
Sec. 2-6	Probationary Status of Employment	3
ARTICLE III.	NON-DISCRIMINATION.....	4
Sec. 3-1	Non-Discrimination and Anti-Harassment Policy	4
Sec. 3-2	Disability Accommodation	6
ARTICLE IV.	CONDITIONS OF EMPLOYMENT.....	7
Sec. 4-1	Employment Classification.....	7
Sec. 4-2	Work Schedules -- Normal Work Hours	7
Sec. 4-3	Attendance and Lateness	7
Sec. 4-4	Outside Employment	8
Sec. 4-5	Confidentiality Policy	8
Sec. 4-6	Policy on Workplace Threats And Violence	8
Sec. 4-7	Substance Abuse.....	8
Sec. 4-8	Political Activity.....	9
Sec. 4-9	Electronic Communications Systems Policy	9
Sec. 4-10	Workplace Smoking Policy	11
Sec. 4-11	Reporting of Injuries and Workers' Compensation Procedures	11
Sec. 4-12	Receipt of Gifts.....	11
Sec. 4-13	Use of Town Property.....	12
Sec. 4-14	Strikes and Slowdowns Prohibited	12
Sec. 4-15	Resignations	12
Sec. 4-16	Lay Offs and Rehires	12
ARTICLE V.	EMPLOYEE CONDUCT AND DISCIPLINE	13
Sec. 5-1	Employee Conduct	13
Sec. 5-2	Progressive Discipline	13
Sec. 5-3	Disciplinary Dismissals	13
Sec. 5-4	Grievance Procedure.....	14
ARTICLE VI.	EMPLOYEE COMPENSATION AND ADVANCEMENT.....	15
Sec. 6-1	Overtime and Compensatory Time	15
Sec. 6-2	Evaluation of Performance	15
Sec. 6-3	Merit Salary Increases	15
Sec. 6-4	Promotions.....	15
Sec. 6-5	Training and Education.....	15
ARTICLE VII.	TIME OFF FROM WORK.....	17
Sec. 7-1	Holidays.....	17
Sec. 7-2	Vacation.....	17
Sec. 7-3	Sick Leave	18
Sec. 7-4	Employee Sick and Vacation Leave Donation Program.....	19
Sec. 7-5	Bereavement Leave	19

Sec. 7-6	Maternity and Paternity Leave.....	19
Sec. 7-7	Family Medical Leave of Absence Policy.....	20
Sec. 7-8	Maine Family Medical Leave.....	23
Sec. 7-9	Military Leave of Absence.....	24
Sec. 7-10	Jury Duty.....	24
Sec. 7-11	Leave For Victims of Domestic Violence.....	25
Sec. 7-12	Unpaid Leaves of Absence.....	25
Sec. 7-13	Employee Status When All Paid Leave Is Utilized.....	25
ARTICLE VIII. EMPLOYEE BENEFITS, PROGRAMS AND SERVICES		26
Sec. 8-1	Overview.....	26
Sec. 8-2	Health Insurance.....	26
Sec. 8-3	Dental Insurance.....	26
Sec. 8-4	Group Life Insurance.....	27
Sec. 8-5	Income Protection Plan.....	27
Sec. 8-6	Retirement Plans.....	27
Sec. 8-7	Social Security.....	27
Sec. 8-8	Workers' Compensation Insurance.....	28
Sec. 8-9	Unemployment Compensation Insurance.....	28
ARTICLE IX. MISCELLANEOUS.....		29
Sec. 9-1	Personnel Records.....	29

**TOWN OF OLD ORCHARD BEACH MUNICIPAL EMPLOYEES
PERSONNEL POLICIES AND PROCEDURES**

ARTICLE I. PURPOSE, DEFINITIONS AND APPLICATION

Sec. 1-1 Purpose

The general purpose of this policy is to establish a system of personnel administration that meets the social, economic and program needs of the Town of Old Orchard Beach. This policy includes personnel policies, procedures, and conditions of employment.

Sec. 1-2 Definitions

“Appointing Authority” means the Town Manager when not covered by other provisions in the Town Charter.

"Town" means the Town of Old Orchard Beach, Maine.

"Employee" means any person appointed to a regular, non-elected, position by the Town Manager or the Town Council.

Sec. 1-3 Application

Each employee shall be furnished with a copy of the Personnel Policies and Procedures. These Personnel Policies and Procedures do not constitute a contract of employment and may be amended by the Town Council at any time. It shall be the responsibility of all employees to acquaint themselves thoroughly with material in these Personnel Policies and Procedures and any subsequent revisions.

These Personnel Policies and Procedures shall govern the employment of all Town of Old Orchard Beach personnel except in those instances where employees subject to an employment contract or a Collective Bargaining Agreement are subject to different policies pursuant to that Agreement, in which instances the policies of the employment contract or a Collective Bargaining Agreement shall prevail.

ARTICLE II. BEGINNING EMPLOYMENT

Sec. 2-1 Equal Employment Opportunity

The Town of Old Orchard Beach is an equal opportunity employer. All applicants and employees shall receive equal employment opportunities, and the Town shall make employment decisions without regard to religion, sex, sexual orientation (including gender identity and expression), race, color, ancestry or national origin, age or physical or mental disability, Veteran status, or status as a whistleblower. The Town shall employ, without discrimination, the best-qualified persons who are available at the salary levels established for each position, first preference being given to citizens of the Town, all other factors being equal.

Sec. 2-2 Recruitment

The character of the recruitment and selection process for all Town positions will vary with the position. There shall be as wide and practicable a search as possible, during the time limits allowed to fill the position. This may include advertising, open competitive examination, contact with State and other employment offices and other appropriate methods. The Town Manager or another appointed authority shall have the duty to seek out the most qualified employees for the Town. Citizens of Old Orchard Beach shall receive first preference for the position, all other factors being equal among the candidates. In all cases, the Town will provide notice of available positions to all employees by posting job openings at all job sites.

Sec. 2-3 Anti-Nepotism

Immediate family members of any department head may not be employed to work in that department. "Immediate family" means parents, spouse, domestic partner, brother, sister, child, stepchild, stepparents, adopted child, grandmother, grandfather, mother-in-law, father-in-law, son-in-law and daughter-in-law.

Sec. 2-4 Physical Exams

The Town may require, depending upon the position (i.e. police, fire, etc.), that applicants or employees applying for a new position of employment receive a physical examination as a condition of employment. The Town shall have the right to choose the physician who will conduct the exam. The Town shall pay for all medical costs associated with the physical examination.

Sec. 2-5 Immigration Law Compliance

In compliance with the Immigration Reform and Control Act of 1986, the Town is committed to employing only those individuals who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. All new employees, as a condition of employment, will be required to complete the Employment Eligibility Verification Form I-9 and must present documentation establishing identity and employment authorization.

This form must be completed within 3 days of your start date. Failure to comply with this requirement will result in termination of employment.

Sec. 2-6 Probationary Status of Employment

Any full or part-time employee appointed to a regular position shall be considered a probationary employee for the first 180 days of employment, except in the case of law enforcement officers, who shall complete an employment probationary period that lasts one year after graduation from the Maine Criminal Justice Academy or the date the Board waives the basic requirement. During the probationary period, any unpaid break in service lasting longer than two weeks except for military leave shall not be credited towards the 180 days probationary period. Every employee must complete the probationary period prior to becoming a regular employee.

During the probationary period, the department head, with the Town Manager's approval, may remove an employee for any reason, including a determination that the employee is unable or unwilling to perform required duties, has a poor attitude towards the job, co-workers or the public, or has unsatisfactory work habits.

Prior to completing the probationary period, an employee shall receive a formal written evaluation from the department head, which shall become a part of the employee's personnel file. Any employee who successfully completes the probationary period shall transfer to regular status, and is subject to removal for cause, after notice and hearing.

ARTICLE III. NON-DISCRIMINATION

Sec. 3-1 Non-Discrimination and Anti-Harassment Policy

The Town is committed to providing a workplace that is free from discrimination and discriminatory harassment. It is a violation of Town policy and/or state and federal law for any employee to discriminate against or harass another employee based on race, color, religion, national origin, ancestry, age, sex, sexual orientation (including gender identity and expression), physical or mental disability, veteran status, or status as a whistleblower, and for any supervisory employee to permit any such act of harassment in the workplace by anyone, whether or not an employee.

Any employee of the Town who believes that he or she has been discriminated against in employment on the basis of race, color, religion, national origin, ancestry, age, sex, sexual orientation, physical or mental disability, veteran status, or status as a whistleblower, or has been harassed on that basis, must report the behavior to the Assistant Town Manager or to the Town Manager. The Town takes allegations of discriminatory treatment very seriously. The Town will investigate every allegation of discrimination promptly and take whatever action is necessary to stop discrimination and remedy any effects of discrimination. Any employee who believes that he or she has been harassed or discriminated against in any way should follow the "Internal Complaint Procedure" set forth below.

Definition of Sexual Harassment

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- A. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- B. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- C. Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Description of Sexual Harassment

The following type of conduct is considered sexual harassment and is not permitted:

- A. Physical assaults of a sexual nature such as:
 - (1) rape, sexual battery, molestation or attempts to commit these assaults; and

- (2) intentional physical conduct which is sexual in nature, such as touching, pinching, patting, grabbing, brushing against another employee's body, or poking another employee's body.

B. Unwanted sexual advances, propositions or other sexual comments, such as:

- (1) sexually-oriented gestures, noises, remarks, jokes, or comments about a person's sexuality or sexual experience directed at or made in the presence of any employee who indicates or has indicated in any way that such conduct in his or her presence is unwelcome;
- (2) preferential treatment or promise of preferential treatment to an employee for submitting to sexual conduct, including soliciting or attempting to solicit any employee to engage in sexual activity for compensation or reward; and
- (3) subjecting, or threats of subjecting, an employee to unwelcome sexual attention or conduct or intentionally making performance of that employee's job more difficult because of that employee's sex.

C. Sexual or discriminatory displays or publications anywhere in the workplace by employees, such as:

- (1) displaying pictures, posters, calendars, graffiti, objects, promotional materials, reading materials, or other materials that are sexually suggestive, sexually demeaning, or pornographic, or bringing into the work environment or possessing any such material to read, display or view at work.

A picture will be presumed to be sexually suggestive if it depicts a person of either sex who is not fully clothed or in clothes that are not suited to or ordinarily accepted for the accomplishment of routine work in and around the Town and who is posed for the obvious purpose of displaying or drawing attention to private portions of his or her body.

- (2) reading or otherwise publicizing in the work environment materials that are in any way sexually revealing, sexually suggestive, sexually demeaning or pornographic; and
- (3) displaying signs or other materials purporting to segregate an employee by sex in any area of the workplace (other than restrooms and similar semi-private lockers/changing rooms).

Internal Complaint Procedure

Any employee who believes he or she has been the subject of discriminatory harassment should report the incident or act immediately to their Department Head or to the Assistant Town Manager or the Town Manager. The Town will promptly investigate all complaints. Each employee alleging discriminatory harassment will be requested, but not required, to put the specifics in writing. All information will be held in confidence to the extent possible and will be discussed only with those who have a need to know in order to either investigate or resolve the complaint. Any employee who the Town determines has engaged in discriminatory harassment will be promptly disciplined. Disciplinary measures may consist of suspension or termination depending upon the severity of the offense.

No employee will be punished or penalized in any way for reporting, complaining about or filing a claim concerning discriminatory harassment, or for participating in any investigation of a discriminatory harassment complaint.

Sec. 3-2 Disability Accommodation

The Town of Old Orchard Beach is committed to complying fully with the Americans with Disabilities Act (ADA) and the Maine Human Rights Act, and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the essential duties of the position.

Reasonable accommodation is available to all disabled employees where their disability affects the performance of job functions. Employees who believe they may require an accommodation should consult with their supervisor. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classification, organizational structures, position descriptions, lines of progression and seniority lists. Leave of all types will be available to all employees on an equal basis.

The Town will not discriminate against any qualified employees or applicants because they are related to or associated with a person with a disability. Furthermore, the Town is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and the Maine Human Rights Act.

ARTICLE IV. CONDITIONS OF EMPLOYMENT

Sec. 4-1 Employment Classification

Employee classification relates to work schedules, exempt/non-exempt status, and eligibility for benefits.

Regular full-time employees work the standard work week for their department and are hired for an indefinite period of time. Such employees may be exempt or non-exempt, based on the federal Fair Labor Standards Act criteria. Non-exempt employees are paid on an hourly basis and are eligible for overtime pay; exempt employees are paid on a salaried basis and are not eligible for overtime pay. Regular full-time employees are eligible for benefits in accordance with this policy.

Regular part-time employees work fewer hours than the standard work week for their department and are hired for an indefinite period of time. They may also be classified as exempt or non-exempt. Part-time employees may be eligible for some benefits, depending on the number of hours per week they work.

Temporary employees may work full-time or part-time for a limited period, usually less than six months. Temporary employees are not eligible for benefits.

Sec. 4-2 Work Schedules -- Normal Work Hours

The normal working days of the work week shall be Monday through Friday. It is necessary, however, due to the variations in the different services provided by the Town, that there be variations in the hours and days of work per week within different departments. The hours of work, the starting and stopping time, and sixty (60) minute lunch periods will be established within each department with the Town Manager's approval. The hours of work, the starting and stopping time, or the lunch periods may be changed by mutual agreement of the department head and department employees, subject to approval by the Town Manager.

It is understood that salaried employees who are exempt from overtime shall accomplish the work assigned to the position regardless of the hours required to do work. This policy will be applied within reason. It is the responsibility of each department head to ensure that the department's work hours are adhered to by all employees.

Sec. 4-3 Attendance and Lateness

Employees shall be at their respective places of work according to their department schedule expectations. It is the employee's responsibility to inform his/her department head of an unavoidable absence, such as illness, prior to the start of the work day and each day thereafter. If he/she expects to be late, the employee must contact his/her department head to inform that he/she will be late and at what time he/she plans to arrive.

Sec. 4-4 Outside Employment

A Town employee may engage in outside employment providing the employment does not interfere with the proper and effective performance of his/her primary Town duties, result in a conflict of interest or the appearance thereof, or subject the Town to public criticism or embarrassment.

Sec. 4-5 Confidentiality Policy

During the course of their duties, employees of the Town of Old Orchard Beach are often privy to sensitive and confidential information. Examples of this include, but are not limited to, labor relations and personnel actions. The Town expects any employee with access to such information to respect the confidential nature of the matter.

Sec. 4-6 Policy on Workplace Threats and Violence

The safety and security of employees of the Town of Old Orchard Beach, and also the public which conducts business in the various municipal buildings, is of paramount importance to the Town. Therefore, threats, threatening behavior or acts of violence against or by employees, visitors, guests or other individuals on Town property will not be tolerated. Violations of this policy may lead to disciplinary action of employees, which may include dismissal and may lead to arrest and prosecution of employees or others.

Any person who makes threats, exhibits threatening behavior or engages in violent acts on Town property will be removed from the premises as quickly as safety permits. The Town will initiate any actions necessary to ensure that employees and the public are safe on Town property.

All Town personnel are responsible for notifying the Assistant Town Manager of any threats that they have witnessed, received or have been told that another person has witnessed or received. Even without an actual threat, personnel should also report any behavior they have witnessed that they regard as threatening or violent when that behavior is job-related or might be carried out on a Town-owned site, or is connected to Town employment. Employees are responsible for making this report regardless of the relationship between the individual who initiated the threat or threatening behavior and the person or persons who were threatened or were the focus of the threatening behavior. If the Assistant Town Manager is not available, personnel should report the threat to their supervisor or to the Town Manager.

Sec. 4-7 Substance Abuse

To meet our responsibilities to our employees and the public, the Town must maintain a healthy, productive and safe workplace free from the effects of alcohol or drug abuse. Misusing or abusing controlled substances on the job is prohibited, as is selling, manufacturing, distributing, possessing, using, or being under the influence of illegal substances on the job.

Any employee who displays any signs of impairment or substance abuse, or who is in possession of alcohol or illegal drugs, whether on Town premises or while on Town business, is subject to

disciplinary action including suspension without pay and/or termination. Where warranted, such employees will be encouraged to obtain proper treatment.

The legal use of prescription medications is permitted on the job only if such use does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner, that does not endanger the employee or others. If employees are taking a prescribed medication that may affect their work performance, they are required to advise their supervisor of that fact.

Drivers who are subject to Department of Transportation regulations will be required to undergo testing for alcohol and controlled substances prior to being permitted to drive. Tests will be conducted before an employee is initially assigned to driver responsibilities; additionally drivers may be subject to "reasonable suspicion" testing and random testing, as well as testing conducted following an accident. No driver will be allowed to drive or continue driving unless the results of all tests are negative.

Sec. 4-8 Political Activity

Employees may seek or accept nomination or election to any office in the Town government while employed by the Town, provided that no person may hold elective office while employed by the Town. Therefore, any employee elected to any Old Orchard Beach Town Office shall resign from employment prior to taking office. During the course of their employment, employees shall refrain from using their influence publicly in any way for or against any candidate seeking elective office in the Town government. Town employees shall not work at the polls, circulate petitions or campaign literature for elective Town officials, or be in any way concerned with soliciting or receiving subscriptions, contributions, or political service from any person for any political purpose pertaining to the Town government. This rule is not to be construed to prevent Town employees from becoming, or continuing to be members of any political organization, from attending political meetings, from expressing their views on political matters, or from voting with complete freedom in any municipal, state or national election.

Sec. 4-9 Electronic Communications Systems Policy

The Town of Old Orchard Beach understands the important role that various electronic communications systems, including electronic mail (e-mail), voice mail, and Internet access can play in keeping our business competitive and efficient. However, to protect the confidentiality of information and to ensure the secure, appropriate, and legal use of electronic communications by our staff, all staff must adhere to the Town's Electronic Communication Systems Policy. As such, all Town employees, and contractors and vendors with access to the Town's electronic communication systems, are responsible for following appropriate steps to ensure electronic communication is secure.

Procedure

Appropriate Business Use of Electronic Communications

Employees of the Town may have access to and use of various electronic communications systems in the workplace. Electronic communications should be used primarily for official Town business. Limited personal use may be made of electronic communications, but personal use must not be excessive, unreasonable, or interfere with a staff member's work (e.g., used during work time). All uses of electronic communications must be appropriate for use in a business environment. Employees who are provided access to the Town's e-mail system are strictly prohibited from creating, distributing, or soliciting messages or transmissions that contain inappropriate, unprofessional, offensive, or harassing comments, sexually oriented messages or images, communications that constitute slander, defamation, or unlawful trade disparagement of management, employees, customers, clients, vendors, or any other person or entity. Items such as jokes, "top ten lists," chain letters, solicitation for commercial ventures, religious or political causes, outside organizations, or other non-business related solicitations are prohibited.

Monitoring and Review of Electronic Communications

All information and messages sent and received are the property of the Town. All information traveling over the Town's computer network that has not been specifically identified as property of other parties will be treated as though it is a Town corporate asset. Messages are not the property of employees and all messages generated on or handled by electronic communications systems, including back-up copies, are considered the property of the Town and are not considered private documents. The use of passwords does not create any privacy rights in the contents of electronic communications. The Town may monitor or review the electronic communications of any staff member at any time, for whatever reason, including, but not limited to, business-related reasons, system maintenance, preventing illegal activity, and guarding the rights or property of the Town. Monitoring will be done only by authorized Town staff. The Town may disclose the contents of any electronic communications for any lawful purpose.

Staff of the Town should be aware that information sent via electronic communications is susceptible to unlawful interception. Therefore, staff should avoid sending confidential or proprietary Town information in an electronic communication without the express authorization of their supervisor.

Further, it is the policy of the Town to prohibit unauthorized access, disclosure, distribution, modification, diversion, destruction, loss, misuse, or theft of information. It is the policy of the Town to protect information belonging to third parties that has been entrusted to the Town in confidence in accordance with applicable contract and industry standards.

Use of the electronic communications system is subject to all Town policies, including, but not limited to, policies on personal business, Town equipment, confidential information, and illegal harassment. Violation of the Town's Electronic Communication Systems Policy by a staff member may result in discipline up to and including termination of employment.

Systems Security

All employees are expected to maintain a secure environment for the Town's electronic systems, software, and services. Use of computer software and other copyrighted materials will be in accordance with licensing agreements and applicable copyright laws.

Employees will protect all electronic systems equipment and software from inadvertent introduction of viruses by not downloading software from public bulletin boards and by not installing unauthorized software of any type unless previously approved.

Responsibility

It is the responsibility of each member of management, from the Town to all first-line supervisors, to give this policy full support. In addition, it is the responsibility of each employee of the Town to adhere to the practices regarding electronic systems belonging to the Town.

Sec. 4-10 Workplace Smoking Policy

The Town restricts smoking to outside areas designated as smoking areas. Each building shall have an outside-designated area.

Sec. 4-11 Reporting of Injuries and Workers' Compensation Procedures

When an on-the-job accident occurs, the affected employee is to report it immediately to his or her direct supervisor or department head. The department head shall notify the Town Manager's office within 24 hours of the injury or on the following work day of the accident.

Medical bills, when received by either the department or employee, are to be forwarded immediately to the Manager's Office. Medical bills are paid without any waiting period. The Town remains responsible for employee compensation for the first three days of absence. This will be charged to employee sick leave; between four and thirteen days, the insurance carrier provides compensation; fourteen days and over, all compensation is retroactive to day one by the insurance carrier and the employee's sick leave shall be credited back to the Town upon payment by the employee to the Town for the three days.

In some instances, Workers' Compensation payments may be delayed. If this occurs, the Town will continue to pay the employee by charging his/her time to sick leave, which the employee must buy back from the compensation paid by the insurance carrier.

If a worker is receiving Workers' Compensation, he/she must continue to pay his/her share of life and medical insurance.

Sec. 4-12 Receipt of Gifts

All Town employees are prohibited from soliciting or accepting any gift, gratuity, favor, entertainment, loan, or any other item of monetary value from any person, within or outside Town employment, whose interests may be affected by the employee's performance or

nonperformance of his/her official duties. Acceptance of nominal gifts, such as food and refreshments in the ordinary course of business meetings, or unsolicited advertising or promotional materials such as pens, note pads, calendars, etc., is permitted.

Sec. 4-13 Use of Town Property

Employees shall not, directly or indirectly, use or allow the use of Town property of any kind for other than official activities.

Sec. 4-14 Strikes and Slowdowns Prohibited

In view of the prohibitions stated in 26 M.R.S.A. Chapter 9-A, and the public nature of Town functions which cannot be subjected to interruption without widespread inconvenience and harm to the general public, the Town does not and will not recognize the right of any employee or group of employees to engage in, encourage, sanction, support, or suggest any strikes, slowdowns, work stoppage or similar actions which would involve suspension of or interference with the normal work week of the Town Departments. Accordingly, any employee who shall participate in the above-named actions shall be subject to dismissal for cause from Town employment.

Sec. 4-15 Resignations

An employee may resign from Town service in "good standing" upon the submittal of a written notice to the Town Manager fourteen (14) calendar days in advance of the last day of actual work. Failure of a resigning employee to comply with this rule may be cause for denying future employment with the Town. The Town Manager may permit a shorter period of notice if extenuating circumstances exist. A statement should accompany the resignation by the department head as to the resigning employee's service performance and pertinent information concerning the cause of resignation. The effective date of the employee's termination with the Town is considered to be the last day actually worked.

Upon separation, the Town shall pay all wages owed as well as earned vacation pay and sick time due to the employee, if any, on the next regular pay day.

Sec. 4-16 Lay Offs and Rehires

During periods when the workload dictates, or a shortage of funds exists, the Town may be forced to lay off employees. In all lay off cases, the employee shall receive either a two-week notice or two week's pay.

ARTICLE V. EMPLOYEE CONDUCT AND DISCIPLINE

Sec. 5-1 Employee Conduct

The Town requires that all employees treat the public with promptness, patience, courtesy and respect. The Town also expects all employees conduct themselves in a manner non-discreditable to the Town or their respective departments.

Sec. 5-2 Progressive Discipline

The Town has a policy of progressive discipline of employees, which means that repeated instances of poor job performance or misconduct will be subject to progressively more severe sanctions, which may include oral or written warnings, counseling, and suspension with or without pay, demotion or termination. Progressive discipline does not mean that the initial disciplinary response to unsatisfactory job performance or misconduct will always be the same. Serious job performance problems or misconduct such as, but not limited to, dishonesty, violence or theft, may result in more severe disciplinary sanctions, up to and including dismissal, even on the first occurrence.

When in the judgment of the appointing authority, whether a department head or the Town Manager, an employee's work performance or conduct justifies disciplinary action, the employee may be disciplined. Consideration shall be given to the severity of the performance problem or misconduct and prior disciplinary sanctions, in any, against the employee prior to imposing any discipline. Repeated misconduct or continuing performance problems may be considered cumulative, and subject to progressively more severe discipline, even if the conduct or performance problems vary in nature or severity.

Except in cases of emergency, no employee may be suspended by a department head until the Town Manager ratifies the decision. No employee shall be suspended for more than three days without first being given an opportunity to discuss the incident or incidents underlying the suspension with either the Town Manager or department head, whoever initiated the suspension.

Any employee who has been disciplined pursuant to this section shall have access to the grievance procedure outlined in Sec. 5-4.

Sec. 5-3 Disciplinary Dismissals

An employee may be dismissed from cause whenever in the judgment of the appointing authority the employee's work or misconduct so warrants. Prior to making a final decision to demote or dismiss an employee, the department head or Town Manager (whoever is the appointing authority) shall inform the affected employee of the action under consideration, along with the reasons therefore, and shall provide the employee an opportunity for an informal meeting to discuss the employee's version of the events and circumstances at issue. Prior discussion with the employee is not required when in the judgment of the department head or Town Manager the employee's conduct or job performance creates an immediate threat of injury to the employee, any other Town employee, or members of the public, provided that the employee shall be treated

as suspended with pay until such time as an opportunity for an informal meeting is offered. Removal of an employee appointed by a department head shall be subject to ratification by the Town Manager and removal of an employee appointed by the Town Manager shall be subject to ratification by the Town Council.

An employee who has been dismissed by a department head shall have access to the grievance procedure outlined in Sec. 5-4.

Sec. 5-4 Grievance Procedure

Regular and effective communication between supervisors and staff members reduces the opportunity for misunderstanding and conflict. The Town expects and encourages supervisors and staff to communicate openly, on a regular basis, to create and maintain a positive work environment. The employee grievance procedure is designed to accommodate employees a fair and equitable process for an unresolved dispute related to conditions of employment.

All employees aggrieved because of some condition of their employment, including disciplinary action, are eligible to utilize this process. Complaints concerning allegations of discrimination or harassment should be made pursuant to the procedures set forth in Sec. 3.1.

Procedure

All time frames and other procedural requirements must be adhered to unless an extension or exemption is granted by the Town Manager. If the grievant fails to respond within the specified time frames the grievance may be dismissed. If the respondent fails to respond within specified timeframes he/she may be subject to disciplinary action and the grievance will go to the next step.

Step 1

To initiate the grievance, the grievant must file a written grievance with his/her supervisor or department head within (5) working days of the date he/she knew or should have known of the event giving rise to the grievance.

Step 2

The respondent must meet with the grievant to discuss the grievance and provide him/her with a written response addressing each issue raised within five working days of receiving the written grievance.

Step 3

If the grievant is dissatisfied with the supervisor's or department head's decision, the individual may form a written appeal to the Town Manager within three working days of receiving the written decision. The Town Manager will then respond with a written decision within five working days. The Town Manager's decision is final and binding.

ARTICLE VI. EMPLOYEE COMPENSATION AND ADVANCEMENT

Sec. 6-1 Overtime and Compensatory Time

Hourly employees generally will be compensated for overtime work at a rate of one and one-half times their established hourly rate for hours worked in the excess of forty hours in one work week. The Town may offer employee's compensatory leave on the basis of one and one-half hours of compensatory time per overtime hour worked provided that the employee agrees in advance in writing to receive the compensatory time off in lieu of overtime pay. Employees may not accrue compensatory leave in excess of 12 hours.

In the event an employee works on a holiday, the employee shall be compensated for the time worked at the rate of one and one half the normal rate. In addition, the employee shall receive his or her holiday pay.

The Town makes every reasonable effort to distribute overtime equally among employees and their respective departments.

Sec. 6-2 Evaluation of Performance

Each regular employee shall be evaluated on an annual basis. The purpose of the evaluation is for the supervisor to assess the strengths and weaknesses of the employee. The Town Manager will use the evaluation to aid in consideration of salary increases, promotions, disciplinary action, training programs and other related personnel activity.

Sec. 6-3 Merit Salary Increases

Based upon work performance, the Town Council, upon recommendation of the Town Manager and Department Head, may authorize merit salary increases beyond any so-called cost of living adjustments or general pay increases.

Sec. 6-4 Promotions

The Town shall provide every employee an opportunity to advance in his/her respective career, consistent with the overall needs of the Town. All other factors being equal, current employees will receive first consideration for filling a vacancy. The municipality recognizes however, that the community may benefit from recruiting outside the ranks of the Town.

Sec. 6-5 Training and Education

Educational training programs for employees not only improve the employee's overall ability to function more efficiently, but training also contributes to the municipality's effectiveness. It shall be the responsibility of the Town Manager to provide employees a reasonable opportunity to receive education through either internal or external training methods.

If an employee takes the initiative to enroll in an educational or vocational course that is directly related to his/her position, he or she will receive half-tuition-reimbursement up to \$500 annually if the following requirements are met: 1) the employee earns a C average in the course and 2) the Town Manager pre-approves the course. Employees must attend classes offered after normal working hours.

ARTICLE VII. TIME OFF FROM WORK

Sec. 7-1 Holidays

The Town of Old Orchard Beach follows the holiday schedule set forth below:

- | | |
|------------------------|------------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Columbus Day |
| President's Day | Veteran's Day |
| Patriot's Day | Thanksgiving & following day |
| Memorial Day | 1/2 day Christmas Day Eve |
| Independence Day | Christmas Day |
| | Two Floating Holidays |

If a regular holiday falls on a Sunday, the following Monday is recognized as the holiday; if on a Saturday, the preceding Friday is recognized. Christmas Day Eve will be recognized on the day of the week designated by the Town Manager if Christmas falls on a Saturday or a Sunday.

A person on a leave of absence without pay shall not be entitled to holiday pay.

Holiday pay is to be considered a normal day's wages.

Temporary and seasonal employees shall not be entitled to paid holidays.

Sec. 7-2 Vacation

Each regular full-time or part-time employee shall earn annual vacation time with pay in accordance with the employee's current term of continuous employment and in accordance with the following schedule:

- | | | |
|--|----|---------|
| At beginning of employment | -- | 2 weeks |
| After completion of five years of employment | -- | 3 weeks |
| After completion of ten years of employment | -- | 4 weeks |
| After completion of 25 years of employment | -- | 5 weeks |

Vacation leave accrues on a pro-rata basis each month during the year it is accrued, commencing on the employee's date of employment. Accrued vacation time will be reflected on employees' paycheck stubs. No vacation may be utilized during the first six months of employment.

Exceptions to this schedule may be made pursuant to contract or in the discretion of the Town Manager in exceptional circumstances.

Requests for vacation time must be made on the vacation request forms. Scheduling of vacations shall be done by the employee's immediate supervisor and in accordance with operational needs. In the event a holiday falls within the vacation period, the holiday will not be counted as a

vacation day, and the employee will be compensated for the holiday.

Any paid leaves of absence shall not constitute a break in the employment record.

Unused vacation days may accrue from one year to the next with maximum hold over of two weeks. No vacation of more than two (2) weeks duration at one time will be allowed unless approved by the Town Manager.

Accumulated vacation leave, subject to the maximum allowed, shall be paid to an employee upon separation from employment or to the employee's beneficiary upon the employee's death.

Sec. 7-3 Sick Leave

Paid sick leave for each regular employee is earned at the rate of one day for each calendar month of service and may accumulate to not more than 120 days. Accrued sick leave will be reflected on employees' paycheck stubs.

Sick leave may be granted for any of the following reasons:

- Personal illness or injury of an incapacitating nature sufficient to justify absence from work;
- Personal medical or dental appointments which cannot be scheduled during other than working hours; and
- To care for a child, spouse or parent who is ill.

Sick leave is to be viewed as a type of "insurance policy" in the above circumstances and may not be utilized for any other purpose.

Vacation or compensatory time may also be utilized to care for a child, spouse or parent who is ill.

The Town Manager may, after three days as a condition precedent to continuance of sick pay, require a certificate of a qualified physician certifying the condition of the employee or of the employee's child, spouse or parent to be such as to justify the continued absence from employment.

Probationary employees shall not be entitled to be paid sick leave until they have completed 180 days employment. At the completion of 180 days employment by probationary employees, cumulative sick leave days shall be computed from the original date of employment. After any extended sick leave, it may be required by the department head that the absent employee obtain a physician's statement, at his or her own cost, that he or she is physically capable of returning to normal duty. It shall be the responsibility of the department head to ensure that this requirement is appropriately followed before the employee is allowed to return to his or her regular duties.

At the time of separation by the employee, accumulated sick leave shall be paid to the employee

at the rate of 50 % of the accumulated time.

In the event of an employee's death, the Town will pay all sick leave benefits to the employee's beneficiary.

Notification must be made by the employee to his or her supervisor if possible on each day of the leave unless other arrangements have been expressly authorized by the Town Manager.

Sec. 7-4 Employee Sick and Vacation Leave Donation Program

The Town has established an employee sick and vacation leave donation program that enables employees to donate a portion of their accrued sick or vacation time to other employees in need. In order to be eligible for an award of donated sick or vacation time, employees must have completed their six-month probationary period; be on an approved medical leave; have qualified for income protection, have exhausted all accrued paid leave and income protection time, and not be receiving compensation through Workers' Compensation or Social Security Disability insurance.

Hours of accrued sick or vacation time are donated on a purely voluntary and confidential basis by employees. Employees must maintain a balance of 12 sick days and 10 vacation days for their personal use.

Any employee who wishes to make a sick or vacation leave donation to another employee should contact the Finance Director to determine eligibility and to fill out the necessary written authorization.

Any unused donated sick or vacation leave time will be returned to the balances of the donating employees.

Sec. 7-5 Bereavement Leave

The Town shall grant leave with pay to regular full-time and part-time employees for up to three days for the absence caused by the death of a member of the immediate family. The employee may utilize two sick days to cover more time if he/she desires. "Immediate family" means parents, spouse, domestic partner, partner, brother, sister, child, stepchild, stepparents, grandmother, grandfather, mother-in-law, and father-in-law. The Town Manager may allow bereavement leave in other appropriate circumstances.

Sec. 7-6 Maternity and Paternity Leave

An employee shall be entitled up to eight consecutive weeks for maternity leave. The leave shall be unpaid unless she elects to use accumulated vacation or sick leave. She may continue to as long as her physician attests to her health status in written form. Upon completion of the maternity leave, the employee shall return to her regular position of work. Paternity leave of up to four consecutive weeks will be allowed. The leave shall be unpaid unless the employee elects to use accumulated vacation or sick leave.

Employees may be eligible for more extended leave for the birth or adoption of a child pursuant to the Federal Family Medical Leave Act or Maine Family Medical Leave law, and should refer to Sec.'s 7.7 and 7.8.

Sec. 7-7 Family Medical Leave of Absence Policy

Purpose

To define the policy and procedure of the Town with regard to family leave required by the Family and Medical Leave Act of 1993 (FMLA).

Policy

Employees who have worked for the Town for at least twelve (12) months and at least 1,250 hours during the prior twelve (12) months may take up to twelve (12) weeks of unpaid leave (FMLA leave) for the following reasons:

- (1) Birth and/or care of a child of the employee;
- (2) Placement of a child into the employee's family by adoption or by a foster care arrangement;
- (3) Care of the employee's spouse, child or parent who has a serious health condition; or
- (4) Inability of the employee to perform the functions of the employee's position due to a serious health condition.

Employees who have worked for the Town for 12 months but for less than 1,250 hours during the past year and are not eligible for Federal Family Medical Leave may be eligible for a 10-week Family Medical Leave under Maine law pursuant to the Maine Family Leave of Absence law as described in Sec. 7-8, and should follow the procedures set forth below to apply for a leave.

The twelve (12)-month period during which the twelve weeks of FMLA leave may be taken is measured forward from the date an employee's first FMLA leave begins, and the next 12-month period would begin the first time FMLA leave is taken after completion of any previous 12-month period. For example, if an employee's first FMLA leave begins on June 1, 2006, the first twelve-month period would be from June 1, 2006 through May 31, 2007. Any subsequent twelve (12)-month period could commence anytime after May 31, 2007.

The right to family leave for the birth and/or placement of a child into an employee's family may only be taken within the twelve (12) months after the date of the birth or placement of the child. In the case of unpaid leave for the birth or placement of a child, intermittent leave or working a reduced number of hours is not permitted, unless both the employee and the Town agree. If both parents are employed by the Town the combined leave shall not exceed twelve (12) weeks.

For purposes of this policy, a serious health condition means an illness, injury, impairment or physical or mental condition that involves:

- any period of incapacity or treatment in connection with or consequent to in-patient care in a hospital, hospice or residential medical care facility;
- any period of incapacity requiring absence from work or other regular daily activities for more than three (3) calendar days that also involves continuous treatment by or under the supervision of a healthcare provider; or
- continuous treatment by or under the supervision of a healthcare provider for a chronic long-term health condition that is incurable or so serious that if not treated would result in a period of incapacity of more than three (3) calendar days; or
- prenatal care.

In the case of unpaid leave for serious health conditions, the leave may be taken intermittently or on a reduced hours basis only if such leave is medically necessary. Where an employee requests intermittent leave or leave on a reduced hours basis due to a family member's or the employee's own serious health condition, the Town has the option, in its sole discretion, to require the employee to transfer to a temporary alternative job for which the employee is qualified and which better accommodates the intermittent leave or reduced hours leave than the employee's regular job. The temporary position will have equivalent pay and benefits as the employee's regular job.

Employees are required to use their available vacation time during the twelve (12) week family leave period, and available sick time is required to be used when family leave is taken because of the employee's serious health condition or to care for a child, spouse or parent who has a serious health condition. The remainder of the leave will be unpaid leave. An employee on a Family Medical Leave may be eligible for benefits under the Income Protection Plan set forth in Sec. 8-5.

When the necessity of leave is foreseeable due to the expected birth or placement of a child, the employee must provide the Town at least thirty (30) days' notice of the employee's intention to take leave. If the date of birth or placement of a child requires the employee's leave to begin in less than thirty (30) days from the date of notice to the Town, the employee must provide such notice as soon as practical. Where the necessity for leave is due to a family member's or an employee's own serious health condition and is foreseeable based on planned medical treatment, the employee must:

- give at least thirty (30) days' notice, or as soon as practical if treatment starts in less than thirty (30) days; and
- make a reasonable effort to schedule the treatment so as not to unduly disrupt the operation of the Town, subject to the approval of the healthcare provider.

Where the need for leave is unforeseeable, the employee must give notice as soon as practical. Any leave request based on a family member's or employee's own serious health condition must

be supported by certification from a healthcare provider. The employee must provide a copy of the certification to the Finance Director in a timely manner. (Fifteen calendar days will be allowed to provide the certification.) Certification from the healthcare provider must contain:

- the date the serious health condition began;
- the possible duration of the condition;
- the appropriate medical facts regarding the condition;
- if the leave is based on the care of a spouse, child or parent, a statement that the employee is needed to provide the care and an estimate of the amount of time that need will continue;
- if the leave is based on the employee's own serious health condition, a statement that the employee is unable to perform the functions of his/her job; and
- in the case of intermittent leave or leave on a reduced hours basis for planned medical treatment, the date the treatment is expected to be given and the duration of the treatment.

During family leaves of absence, the Town will continue to pay its portion of the health insurance premiums and the employee must continue to pay his/her share of the premium. Failure of the employee to pay his/her share of the health insurance premium may result in loss of coverage. If the employee does not return to work after the expiration of the leave, the employee will be required to reimburse the Town for payment of health insurance premiums during the family leave, *unless* the employee does not return because of the presence of a serious health condition which prevents the employee from performing his/her job or circumstances beyond the control of the employee.

During unpaid leave, the employee shall not accrue employment benefits, such as vacation pay, sick pay, pension, etc. Employment benefits accrued by the employee up to the day on which the family leave of absence begins will not be lost.

The Town may require an employee on FMLA leave to report periodically on his/her status and the intention of the employee to return to work, and also periodic recertification of the medical condition. An employee taking leave due to the employee's serious health condition is required to obtain certification that the employee is able to resume work prior to the return from any FMLA leave.

Employees who return to work from family leave of absence within or on the business day following the expiration of the twelve (12) weeks are entitled to return to their job or an equivalent position without loss of benefits or pay, unless (a) their employment with the Town would have terminated if no leave had been taken; (b) they have given notice of their intent to terminate their employment; or (c) they cannot, with or without reasonable accommodations, safely perform the essential functions of the job to which they may be restored. Certain key employees may not enjoy these reinstatement rights.

Procedure

Applications for family leave of absence must be submitted to the Finance Director in writing and signed by the employee's immediate supervisor. Applications should be submitted at least thirty (30) days before the leave is to commence or as soon as possible if thirty (30) days notice is not possible. Appropriate forms must be submitted to the Finance Director to initiate a family leave and to return the employee to active status. All necessary forms are available from the Finance Director.

Each employee taking leave which meets the requirements for FMLA leave will be provided the "Response to Your Request for Leave" form.

Sec. 7-8 Maine Family Medical Leave

In accordance with the Maine Family Medical Leave Law, The Town provides family leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill certain family obligations. Employees who have been employed by the Town for at least one year are entitled to take up to 10 consecutive weeks of unpaid leave during any 2-year period for:

1. their own serious health condition;
2. the birth of their child;
3. adoption of a child 16 years of age or younger); or
4. to care for the employee's child, spouse, or parent who has a serious health condition.

A serious health condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility, or continuing treatment by a health care provider.

Employees must make a request for family leave in writing to the Director of Finance at least 30 days in advance of their intended leave, unless prevented by medical emergency. Certification from a physician, other health care provider, or accredited practitioner of the healing methods of a recognized church or religious denomination, must accompany the request for leave, to verify the need for the leave and the amount of leave time requested.

If an employee is granted family leave, he/she may elect to use any accrued vacation time, and if the leave is taken because of the employee's serious health condition or the serious health condition of the employee's spouse, child or parent, the employee may utilize any accrued sick leave before taking unpaid leave. Employees will be allowed to continue fringe benefits, such as health insurance, on the same basis as before their leave. Employees may also be eligible for benefits under the Income Protection Plan set forth in Sec. 8-5. Vacation and sick leave do not accrue during unpaid leave.

During leave, employees are expected to keep their supervisor informed of their status and intentions, and to submit additional medical certification if necessary. So that return to work can be properly scheduled and planned for, employees should provide their supervisor with at least two weeks advance notice of their intended return to work date. Upon expiration of leave, employee will be reinstated to the same position or an equivalent position unless:

1. they have given notice of their intent to terminate their employment;
2. they fail to return to work on the agreed-upon return date;
3. they are unable, with or without reasonable accommodation, to safely perform the essential functions of their job; or
4. their position no longer exists for reasons unrelated to their taking of family leave.

Additional information regarding family leave, as well as all necessary forms for requesting and certifying family leave, are available from the Director of Finance.

Sec. 7-9 Military Leave of Absence

In accordance with state and federal law, all employees will be granted time off from work for annual training obligations or active service in the United States uniformed services. Employees engaged in active military service will be placed on military leave of absence status. You should advise your supervisor of the dates of your military service as far in advance as possible, unless military necessity prevents such notice. You should confer with your supervisor concerning your rights and the requirements of reemployment.

Sec. 7-10 Jury Duty

Employees have a legal and civic responsibility to serve on a jury or to appear as a witness, if summoned or subpoenaed, and will be excused from work for as long as they are needed for such duty. Employee must show the jury duty summons or subpoena to their supervisor as soon as possible, so that arrangements can be made to accommodate their absence, and they are expected to keep in touch with their supervisor on a daily basis to advise of their required absence.

Employees are also expected to report to work on days that they are not required to be in court, or partial days when excused early by the court. If they are excused from jury duty because of not being chosen for a trial, they are required to report for work on that day, provided it is early enough to make such action practical. If they are excused from jury duty because of a holiday that is not observed by the Town, they are expected to report for work on that day.

Regular full-time and part-time employees will be paid the difference between the gross fee, excluding travel expense, they receive from the court and their regular straight time earnings for that week. Any compensation received from the court for jury duty will be deducted from the

amount paid by the Town. Employees must report such compensation. Jury duty will not be considered time worked for purposes of computing overtime.

Sec. 7-11 Leave for Victims of Domestic Violence

In accordance with Maine Law, the Town will grant you a reasonable and necessary amount of time off from work without pay if you are a victim of domestic violence, domestic assault, sexual assault or stalking, and you need the time to:

- Prepare for or attend court proceedings,
- Receive medical treatment, or
- Obtain necessary services to remedy a crisis caused by domestic violence, sexual assault or stalking.

You must request the leave as soon as circumstances make it clear that time off is necessary. Approval of leave will be dependent upon (a) whether your absence will create an undue hardship for the Town, (b) whether you requested leave within a reasonable time, and (c) whether the requested leave is impractical, unreasonable or unnecessary given the facts made available to the Town at the time of your request.

If your leave is approved, you will be required to first use any accrued paid vacation or sick time before taking unpaid leave. Vacation and sick days do not accrue during your leave and holidays are not paid while you are on leave. You will not be discriminated against for taking or asking for leave.

Sec. 7-12 Unpaid Leaves of Absence

An employee of good standing may be granted a leave of absence without pay and insurance benefits, unless paid by the employee, in the discretion of the Town Manager on recommendation of the department head, with such leave not to exceed one year in length, when the leave will not unreasonably burden the Town or employee's coworkers. The granting of the leave shall protect the employee's existing continuous service for the leave period but shall not count as service time for Maine State Retirement, nor shall vacation or sick leave accrue during the absence, nor will the employee receive pay for the municipal holidays.

Sec. 7-13 Employee Status When All Paid Leave Is Utilized

When all leave including sick and vacation leave, has been utilized by an employee, and the employee is still unable to return to work, salary payments to the employee shall cease immediately. The Town will no longer pay any amount toward life and medical insurance. The employee will then have the opportunity to continue the benefits by paying the cost themselves.

ARTICLE VIII. EMPLOYEE BENEFITS, PROGRAMS AND SERVICES

Sec. 8-1 Overview

Regular full- and part-time employees who work at least 30 hours a week are eligible to participate in the Town's benefits programs, currently including health and dental insurance, life insurance, an income protection plan, and a choice between two retirement plans. All employees may be eligible to receive Workers' Compensation insurance or unemployment compensation insurance.

The following is an overview of the Town's current benefit plans. These descriptions are only summaries of the benefits currently provided. For complete details regarding the terms, conditions, restrictions, eligibility requirements and coverage, employees should refer to the summary plan descriptions, which are provided to eligible regular employees, or contact the Finance Director, who will provide Employees with a summary sheet pertaining to the current level of benefits. The Town reserves the right to change or eliminate any benefit plan at any time and for any reason, without advance notice by the Town. In the event of any discrepancy between the summaries contained in these policies and the specific insurance documents or summary plan descriptions, the insurance documents and summary plan descriptions will govern.

Sec. 8-2 Health Insurance

The Town currently provides a group health insurance plan through Maine Municipal Employees Health Trust to help reduce the costs of medical treatment for employees and their dependents. The cost of the premiums is shared between the Town and the employee, and the Town offers a plan to allow employees pay their share of the insurance premiums with pre-tax dollars.

At the time employees become eligible, they will be provided with information on the health insurance plan, and will be given an opportunity to choose the plan that best meets their needs. Eligibility for health insurance begins the first of the month following the date of the employment.

Upon termination of employment, employees may elect continuation of health insurance coverage, under COBRA, for themselves and eligible dependents for a limited time and at their own expense. Alternatively, employees may wish to convert health insurance coverage to an individual policy, according to provisions in the law and the Town's medical insurance contract. Upon notice of termination, employees should contact the Finance Director for the necessary information.

Sec. 8-3 Dental Insurance

The Town currently makes group dental insurance available to eligible and interested employees through Maine Municipal Employees Health Trust. To be eligible to participate in this plan, employees must work at least 30 hours per week. Eligibility for coverage begins the first of the month following the date of employment. The cost of premiums for the dental plan is shared between the Town and the employee, and the employee's contribution may be made on a pre-tax basis through payroll deduction.

Sec. 8-4 Group Life Insurance

The Town currently provides life insurance through Maine Municipal Employees Health Trust in the amount equal to one year's salary at no cost to employees. Employees may purchase additional coverage at their own expense through payroll deduction.

Sec. 8-5 Income Protection Plan

The Town currently makes short term disability insurance (Income Protection) available to eligible and interested employees through Maine Municipal Employees Health Trust. To be eligible to participate in this plan, employees must work at least 37 hours per week. Eligibility for this plan begins the first of the month following the date of employment. The cost of premiums for the base level of income protection is currently paid by the Town, and coverage may be increased at the cost of the employee.

Sec. 8-6 Retirement Plans

The Town currently offers full-time employees a choice between membership in the Maine State Retirement System and a Section 457 Deferred Compensation Plan account administered by International City Management Association - Retirement Corporation ("ICMA"). The Town will make contributions to one of these plans on behalf of all full-time employees. Following are general statements about each plan.

ICMA:

The Town will contribute a percentage of employees' weekly salary to a Section 457 Deferred Compensation Plan administered through ICMA. Employees may add to that amount or not as they choose, up to the legally allowed maximum. Employees who are members of Maine State Retirement may also contribute to an ICMA plan.

Maine State Retirement System: Members are required to contribute 6.5 % of their gross wages to participate in this plan.

Sec. 8-7 Social Security

If employees have worked the required length of time and retire, die or become disabled, Social Security provides monthly cash benefits to replace part of their working earnings. Through Medicare, funded by Social Security payments, employees may also be eligible for medical insurance after the age of 65. The Social Security program is supported equally by the employee and the Town. Every dollar the employee contributes under the required deduction is matched by the Town and the combined total is forwarded to the employee's Social Security account, administered by the federal government. The amount of your retirement benefit will depend on the employee's pre-retirement earnings and the age at which the employee retires.

Sec. 8-8 Workers' Compensation Insurance

The Town pays the full cost of Workers' Compensation insurance for all employees as of their first day on the job. The Workers' Compensation policy is designed to provide partial salary coverage and coverage for medical expenses if an employee experiences a job-related injury or disability. Workers' Compensation insurance does not provide benefits for injuries or illnesses arising out of employees' voluntary participation in off-duty recreational, social or athletic activities which are not part of their job duties.

Because the cost of Workers' Compensation insurance is directly related to the number of work-related injuries the Town's employees experience, it is in everyone's best interest to work safely and to take all necessary precautions to protect themselves and others from injury.

Sec. 8-9 Unemployment Compensation Insurance

In the event an employee is terminated from employment through no fault of his/her own, the employee may be eligible for payments for specified periods under state unemployment law. The Town pays taxes to support this state program and there is no deduction from pay.

ARTICLE IX. MISCELLANEOUS

Sec. 9-1 Personnel Records

The Town maintains personnel records for each employee. An employee may review his or her file(s) and make copies from such files in the presence of the staff member responsible for the files during normal office hours. In order for the employee to perform such a review, he/she must make an appointment, to occur at the convenience of the Town, via written request.

The Finance Director shall be responsible for maintaining current records regarding compensatory time, vacation time, sick leave and holidays. Department Heads shall be responsible for providing this information on the weekly payroll slips directly to the Treasurer.

**EMPLOYEE RECEIPT AND ACKNOWLEDGEMENT
OF PERSONNEL POLICIES AND PROCEDURES**

As part of your orientation, the Town of Old Orchard Beach Municipal Employees Personnel Policies and Procedures manual will provide important information. Please read it thoroughly. The policies have been developed as guidelines and do not constitute conditions of employment. Revisions to the policies may occur from time to time, as the Town deems necessary. When any of the policies are updated, they supersede the policies in this manual and you will be provided with copies of the updates. The Old Orchard Beach Municipal Employee Personnel Policies and Procedures do not constitute an employment contract.

I acknowledge that I have received a copy of the Town of Old Orchard Beach Municipal Employees Personnel Policies and Procedures manual and understand that it is my responsibility to become familiar with its contents.

(Signature)

(Date)