

**TOWN OF GRAY**  
**GRAY TOWN COUNCIL**  
**AGENDA • DECEMBER 6, 2022**

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**Gray Town  
Council Workshop**

**Town Council Chambers**  
**24 Main Street, Gray, ME 04039**  
**<https://us06web.zoom.us/j/82940991644>**  
**Phone 646-558-8656 / Meeting ID: 82940991644**

**6:00 PM**

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**CALL to ORDER**

Roll Call

**WORKSHOP 6:00 PM - 6:55 PM**

- Personnel policy/travel reimbursement policy
- Discuss a review of all Financial policies using Finance Committee
- Public Works Director job description/reorganization

*\* The Town of Gray is an equal opportunity employer and complies with all applicable equal access to public accommodations law. If you are planning to attend a Town Council or Town committee or board meeting and need assistance with a physical disability, please contact the Town Manager's office at least 48 hours in advance of the meeting to have the Town assist you. 657-3339. TTY 657-3931.*



## TOWN OF GRAY

Henry Pennell Municipal Complex  
24 Main St, Gray Maine 04039  
www.graymaine.org

OFFICE OF THE TOWN MANAGER

*Nate Rudy, Town Manager*  
*nrudy@graymaine.org*  
*(207) 657-3339*

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December 1, 2022

TO: Gray Town Council

RE: Proposed clarifications to the Town Travel Policy and the role of the Human Resources department in personnel matters

As the administrator of the Town Personnel Policy, I have attached my recommendation for revisions to the document to clarify the role of the new Human Resources Director position in personnel matters, and to clarify elements of the travel policy.

Gray seeks to attract and retain the best candidates in an increasingly competitive employment environment, in which public service jobs are not as attractive as they once were. Modern families are increasingly blended and/or multi-generational, and Maine, Cumberland County, and Gray are diversifying to include people of different ethnic and belief backgrounds. Maine's new discrimination by association laws require renewed discretion in how Gray requires employees to document their travel expenses, and the travel policy should not be used as an avenue to interpret expenses in a manner that discriminates against a particular employee, their health needs, their manner of lifestyle with respect to eating or lodging needs, or their familial/household associations to people in protected classes.

My policy recommendations clarify policy matters related to employee travel expenses, embody Gray's commitment to diversity and equity, and acknowledge that the cost of employee travel goes beyond just the cost of travel, lodging, and meals. Our travel documentation should not require employees to reveal personal information that could be used to discriminate against them, or could invite such accusations and legal challenges. The policy recommendations follow broadly accepted accounting standards, protect Gray from liabilities, and simplify the travel reporting process for the employee, work managers, and accounting. There will be negligible or no change in the cost to the Town between the per-diem and receipt reimbursement methods. The proposed policy

ties travel reimbursement rates to a broadly used standard that factors in cost differentials for different destinations and is regularly updated by the Federal government. It also explicitly states that Town funds will not be used to purchase alcohol or other intoxicants. It leaves discretion for the Town Manager to approve the purchase of alcoholic beverages related to business development purposes. It protects the Town from the risk of costly discrimination litigation.

The revision includes a provision for Town Department Heads and the Town Manager to communicate known travel dates and expenses as part of the annual budget setting process. It also identifies the Human Resources Director as the primary contact for questions related to the Personnel Policy, and corrects language related to the extension of probationary employment periods beyond the legally permitted duration of six months.

# Harassment & Discrimination

2022 Legal Update

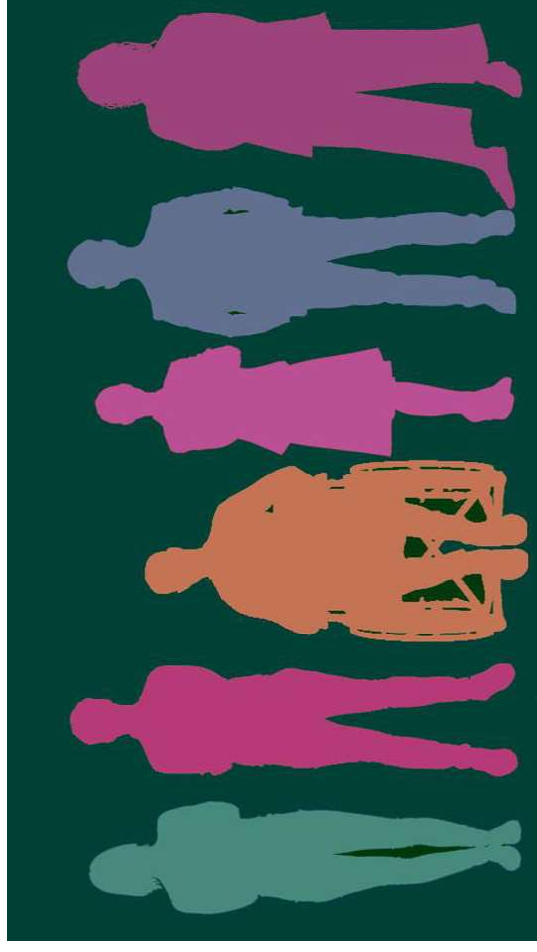
Maine Municipal Association Labor and Employment Law Seminar  
October 25, 2022

Tara A. Walker, Esq. (she/her/hers)  
Bernstein Shur  
Labor & Employment Practice Group

# Associational Discrimination

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- ADA- May not take certain actions against an individual who has a relationship or association with a disabled person because of that relationship/association.
- Title VII – May not take certain actions because of a relationship to a third party on the basis of a protected characteristic, i.e., one's sex, race, etc.
  - Specific contours are still being developed following Supreme Court's decision in *Bostock*.
- MHRA tracks the ADA and Title VII.



# Familial Status

## MHRA: Now includes “familial status” defined as:

- One or more individuals who have not attained 18 years of age and are living with a parent or another person having legal custody of the individual or individuals or the designee of the parent or other person having custody with the written permission of the parent or other person; or
- One or more individuals 18 years of age or older who lack the ability to meet essential requirements for physical health, safety or self-care because the individual or individuals are unable to receive and evaluate information or make or communicate decisions.
- The protections afforded against discrimination on the basis of familial status apply to any person who is pregnant or who is in the process of securing legal custody of any individual who has not attained 18 years of age.



# Familial Status Discrimination

- Tina, a human resources employee, has agreed to the Town's "remote work" agreement, which (for purposes of this hypothetical) specifies that "remote work is not a substitute for childcare" and that employees are required to obtain adequate childcare for all hours worked remotely.
- Two days in a row, Tina has not logged in during scheduled hours. Rather they have sent you responses to e-mails late into the night, at 9:00p and 10:00p.
  - **Can the Town counsel or discipline her?**
- Same facts, but now the employee is failing to respond in a timely way to e-mails. Last week, you asked Tina to review some documents for a project that is due on Thursday, but she did not respond until late Tuesday night, two days before the project is due. By that time, you had already reassigned the project to Tim, another employee.
  - **Can the Town counsel or discipline her?**

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# PERSONNEL POLICY

## Town of Gray

Adopted: February 2, 2010

Amended: February 21, 2012

Amended: February 18, 2020

Amended: June 7, 2022

[Amended: November 15, 2022](#)

# Table of Contents

Section 1 - Mission Statement.....	5
Section 2 - Definitions.....	5
Section 3 - Administration.....	6
Section 4 - Employment.....	7
A. Applications.....	7
B. Classifications.....	8
C. Probation.....	8
D. Conduct.....	9
E. Professional Dress Standards.....	10
F. Electronic Communications Policy.....	11
G. Telephone and Personal Cell Phone Usage.....	11
H. Smoking.....	11
I. Drug Free Workplace Act.....	11
J. Drugs.....	12
K. Alcohol.....	12
L. Personnel Files.....	12
M. Evaluations/Reviews.....	12
N. Outside Employment.....	12
O. Vital Information.....	13
P. Conflict of Interest.....	13
Q. Confidentiality.....	14
Section 5 – Hours of Work.....	14
A. Overtime.....	14
B. Compensatory Time.....	15
C. Absences.....	15
D. Call-In.....	16
E. Emergencies.....	16
Section 6 – Compensation.....	16
A. Pay Schedule.....	16
B. Pay Dates.....	16
C. Position Changes.....	16
D. Cost of Living Adjustment (COLA) / Merit Raises.....	17
E. Fire / Rescue Per-Call Stipend.....	17

F.	Travel Expenses .....	17
G.	Outside Compensation .....	18
Section 7 - Benefits .....		18
A.	Social Security .....	18
B.	Health and Major Medical Insurance.....	18
C.	Life Insurance .....	18
D.	Town Offered Optional Benefits .....	18
E.	Retirement.....	18
F.	Sick Time .....	19
G.	Personal Time .....	20
H.	Vacation Time.....	20
I.	Discretionary Time .....	21
J.	Bereavement Time.....	21
K.	Leave of Absence.....	21
L.	Military Service Leave.....	21
M.	Holidays .....	22
N.	Jury Duty.....	23
O.	Family Medical Leave Act.....	23
P.	Earned Paid Leave .....	23
Q.	Remote Work.....	23
R.	Emergency Telework.....	26
Section 8 – Resignations .....		26
Section 9 – Disciplinary Procedures.....		27
A.	Just Cause .....	27
B.	Disciplinary Actions .....	27
C.	Suspension .....	27
D.	Discharged Without Just Cause .....	27
E.	Employee Termination .....	27
Section 10 – Grievance Procedure .....		28
Section 11 –Harassment .....		29
A.	Sexual Harassment.....	29
B.	Harassment.....	30
C.	Reporting a Complaint.....	30
D.	State Law .....	30
Section 12 – Political and Outside Activities .....		30

Section 13 – Safety.....	30
A.    Workers Compensation.....	31
B.    Infectious Disease .....	31
Section 14 – Severability.....	31
APPENDIX A - FAMILY MEDICAL LEAVE ACT .....	32
APPENDIX B – MAINE FAMILY MEDICAL LEAVE ACT.....	39
APPENDIX C - ELECTRONIC COMMUNICATION POLICY .....	42
APPENDIX D – EMPLOYER / EMPLOYEE CONTRIBUTION.....	44
APPENDIX E - OPTIONAL BENEFITS .....	45
APPENDIX F – INFECTIOUS DISEASE POLICY.....	46
APPENDIX G – EARNED PAID LEAVE.....	49

Be it hereby resolved by the Gray Town Council of the Town, Maine:

## **Section 1 - Mission Statement**

The Town of Gray (hereafter “Town”) recognizes that employment within its government shall be based on merit. As an Equal Opportunity Employer, the Town shall employ and promote employees without discrimination as to race, creed, age, sex, sexual orientation, disability, national origin or political affiliation; the best qualified persons who are available at the salary level established for the position, with first preference being given to citizens of the Town, all other factors being equal.

The Personnel Policy that follows is designed to promote and maintain equal employment conditions for all Town employees. Positions have been classified, where necessary, to clarify policies which apply strictly to employees with similar duties, authority, compensation or responsibilities. This policy is adaptive in nature and may be amended to meet the Town's future needs. This policy shall be applicable to all employees as defined within and is not a contract of employment.

## **Section 2 - Definitions**

- 1) Appointing Authority: The Town Manager or the Town Council.
- 2) Employee: Denotes any person hired to a position by the Town Manager.
- 3) Regular, Full-Time: Employees who are not in a temporary, per-diem or probationary status and who are regularly scheduled to work the Town’s full-time schedule are, generally, eligible for the Town’s benefit package, subject to the terms, conditions and limitations of each benefit program. Reference Appendix for Employer / Employee Contributions.
- 4) Regular, Part-Time: Employees who are not assigned to a temporary, per-diem or probationary status and who are regularly scheduled to work less than a full-time schedule, but no less than 20 hours per week. These employees receive all legally mandated benefits and are eligible for the Town’s benefit package at full cost to the employee subject to the terms, conditions and limitations of each benefit program. Reference Appendix for Employer / Employee Contributions. If hours worked during a pay period drop under 20 hours per week, no vacation or sick time will be accrued for that pay period.
- 5) Probationary: Employees whose performance is being evaluated to determine whether further employment in a specific position or with the Town is appropriate. Employees who satisfactorily complete the probationary period will be notified of their new employment classifications.
- 6) Temporary: Employees who may or may not work a specified number of hours per week but who is employed on a ~~short-short~~ term basis at the discretion of the Town, usually for a specified term or project or are employed as part of seasonal operations, and whose employment will normally end at the conclusion of those seasonal operations during any given year.

Employment beyond any initially stated period does not; in any way imply a change in employment status. Temporary employees retain their status until they are legally notified of a change. A change to or from this category can be accomplished only with the written consent of the Town Manager. Although temporary employees receive legally mandated benefits they are ineligible for the Town's benefit package.

- 7) Per-diem: Employees who routinely work either a full-time or a part-time schedule and who accept additional compensation in lieu of participation in all but legally-mandated benefits. The Town offers this category in limited classifications and to a limited number of employees, such as Rescue EMTs. Service in this category cannot be credited in any way toward any benefit program, even if the employee is later assigned to a benefit-eligible classification. A change to or from this classification can be accomplished only with the written consent of the Town Manager.
- 8) FLSA: Fair Labor Standards Act.
- 9) Legally Mandated Benefits: Social Security and Workers Compensation Insurance.
- 10) Full-Time Schedule: For the purposes of determining benefits eligibility, a full-time schedule means a minimum of thirty-five (35) hours per week, based on a calendar year.
- 11) Good Standing: Employees who are not the subject of disciplinary action by the Town are considered in good standing.
- 12) Immediate Family: Includes parents, spouse/domestic partner, brother, sister, children (including step-children), grandparents, mother-in-law, father-in-law, sister-in-law, brother-in-law.
- 13) Hire Date: The date when an individual is notified of their employment with the Town of Gray. This date is not to be confused or used synonymously with an employee's start date which effects their benefit eligibility date.
- 14) Start Date: The date on which an employee actually commences work for the Town of Gray. This date is used to determine an employee's benefit eligibility date as applicable.

### **Section 3 - Administration**

The Town Manager shall be the Administrator of the Personnel Policy. It shall be their duty to:

- a) Encourage and exercise leadership in the development of sound personnel practices among the departments of the Town;
- b) Advise the Gray Town Council regarding manpower needs and utilization;
- c) Foster and develop programs for the improvement of employee effectiveness including training, safety, health, counseling and courtesy when dealing with the public and respectfulness of municipal property;

- d) Establish and maintain records of all Town employees in the public service, setting forth as to each employee: classification, title, salary or status, sick time, vacation time and any other relevant data;
- e) Ensure that at least one bulletin board shall be set up within easy access to each employee for the purpose of required Department of Labor posters, advertising job position openings, public notices, departmental regulations, etc.;
- f) Apply and perform any act, which may be necessary or desirable to carry out the purposes and provisions of the Personnel Policy.

## **Section 4 - Employment**

### **A. Applications**

- 1) Original hires to positions in Groups I, II, III and IV shall be announced by posting notices in the Town Office, Post Office and such other places within the Town as may be deemed appropriate by the Town Manager, including at least one newspaper of general circulation. The Town Manager shall have final hiring authority on all municipal hires.
- 2) Applications shall be made on forms provided by the Town. Such forms shall require information covering training, experience and other pertinent information. All applicants must sign their application forms. Any misrepresentations, falsifications or material omissions may result in an applicant's exclusion, or, if the person has been hired, termination.
- 3) Preference may be given to qualified applicants who are residents of the Town.
- 4) Vacancies in positions above the entrance level shall be filled by promotion whenever, in the judgment of the Town Manager, it is in the best interests of the Town to do so. In the case of promotion, appropriate consideration shall be given to the applicant's qualifications, record of performance or seniority.
- 5) A person responsible for the hiring of new employees within a department may not hire a relative. A relative is a "person connected with another by blood or affinity".
- 6) The Town is an Equal Opportunity Employer and is committed to complying fully with the Americans with Disabilities Act (ADA).
- 7) The Town complies with the Immigration Reform and Control Act of 1986. Each new employee must complete Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility the original to be kept on file with the ~~Finance~~Human Resources Department.
- 8) The Town will check references and needed licensure of qualified job applicants.

- 9) An offer of employment is conditional on the following where applicable: a medical examination, a psychological evaluation, a criminal background check, a drug and alcohol test and a driving record. It is the practice of the Town of Gray to initiate at least a criminal background check for all prospective employees, as well as necessary independent contractors and volunteers to ensure the welfare and safety of the citizens in the Town of Gray.

## B. Classifications

The Town Manager shall develop and recommend a classification plan for all positions in Groups I, II, III and IV. The classification plan shall consist of job descriptions specifying title, typical duties and responsibilities. The Town Manager shall assign the position a salary or wage range in accordance with the adopted pay schedule.

Before the classification plan, or any part thereof, shall become effective, it shall be approved, by order from the Gray Town Council.

The Town has established four (4) employment classifications.

- a) Group I: All full-time, salaried exempt employees.
- b) Group II: All full-time, hourly paid employees
- c) Group III: All regular part time employees.
- d) Group IV: All probationary, temporary, casual and per-diem employees. (This category **does not** include full-time hires in probationary status.)

## C. Probation

The probationary period is intended to give a new employee the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Town uses this period of time to evaluate an employee's capabilities, work habits, and over-all performance. Either the employee or the Town may end the employment relationship at will, during the probationary period, with or without cause or advance notice.

All new or rehired employees shall work on a probationary basis for the first six months from their date of hire or a time as established in writing by the Town Manager. Probationary basis shall be consistent with regulations as established by the FLSA. ~~The Town Manager at their discretion may extend an employee's probationary status, but for no longer than an additional six (6) months.~~

During the initial probationary period, new employees are eligible for legally-mandated benefits. New employees shall not be eligible for health care benefits until the first day of the month following the first thirty (30) days of employment after their start date. New employees shall be eligible for other benefit programs at full cost to the employee. (A list of Town-offered optional benefits is available in Appendix E) Upon satisfactory completion of the initial probationary period, employees enter the established classifications.

An employee who is promoted or transferred within the Town may be required to complete a secondary probationary period with each reassignment to a new position. Any significant absence will automatically extend a probationary period by the length of the absence.

In cases of promotions or transfers within the Town, an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the secondary probationary period. If this occurs, the employee may be allowed to return to their former position or to a comparable position for which the employee is qualified, depending on the availability of such positions and the Town's needs.

Employment status is not changed until the end of the secondary probationary period that results from a promotion or transfer within the Town.

#### **D. Conduct**

All employees of the Town are expected to follow rules of conduct that will protect the interest and safety of all employees and the Town. Situations or conduct which would reflect negatively or bring discredit upon the Town are also unacceptable. It is not possible to list all forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions that may result in disciplinary action, up to and including termination of employment:

- a) Theft or inappropriate removal or possession of property;
- b) Falsification of time-keeping records;
- c) Working under the influence of alcohol or illegal drugs;
- d) Possession, distribution, sale, transfer or use of alcohol or illegal drugs in the workplace while on duty or while operating employer-owned vehicles and equipment;
- e) Fighting or threatening in the workplace;
- f) Boisterous or disruptive activity in the workplace;
- g) Negligence or improper conduct leading to damage of employer-owned or customer-owned property;
- h) Insubordination or other disrespectful conduct;
- i) Violation of safety or health rules;
- j) Smoking in prohibited areas;
- k) Sexual or other unlawful or unwelcome harassment;
- l) Possession of dangerous or unauthorized materials such as explosives/firearms in the workplace;
- m) Excessive absenteeism or any absence without notice;
- n) Unauthorized absence from the work station during the workday;
- o) Unauthorized use of Town owned equipment;
- p) Illegal or inappropriate activity engaged in while using Town-owned vehicles and equipment, including, but not limited to violation of federal/state law or local ordinance, including those governing cell phone usage and text messaging regulations.
- q) Violation of the Personnel Policy;

- r) Unsatisfactory performance or conduct.

(This list is not intended to be exclusive.)

## **E. Professional Dress Standards**

Appropriate professional attire ensures a safe, distraction-free work environment. Town of Gray employees, including volunteers, interns, and any other individual who would represent the Town, are expected to dress appropriately, and present a professional image while at work.

### *Professional Attire*

Professional attire is expected of all employees consistent with the work location and the nature of work. Employees are asked to use good judgment and present themselves at all times in a manner that best represents the Town. Inappropriate attire includes clothing that is too tight or revealing; clothing with rips, tears, holes, or frays; or any extreme style or fashion in dress, footwear, accessories, fragrances, or hair. Basic elements for appropriate attire include clothing that is in neat and clean condition.

Examples of appropriate Town Hall office and Gray Public Library attire include:

- **Shirts:** Shirts with collars, professional or business casual blouses or tops. Examples of inappropriate shirts include T-shirts, shirts with inappropriate slogans, tank tops, muscle shirts, camouflage, and crop tops.
- **Pants:** Dress slacks, trousers, and denim. Examples of inappropriate pants include shorts, camouflage, and pants worn below the waist or hip line.
- **Shoes:** Dress shoes, loafers, dress sandals. Examples of inappropriate footwear include flip-flops and construction or hunting boots.

Departments may elect to establish different standards based on job roles, safety / OSHA requirements, and level of interaction (or lack thereof) with members of the public. Departments with specific uniform practices in place should refer directly to department guidelines.

### *ID Badges*

Employees visiting or working in Town Hall and the Library must wear their Town-issued ID badge and display the badge where it can be easily read. Picture IDs should be clear and unmarked.

### *Procedures*

Department heads or those with supervising responsibilities are accountable for supporting and enforcing dress and appearance standards in their areas of responsibility. This includes coaching employees whose appearance is inappropriate. Employees who do not meet a professional standard may be sent home to change, and nonexempt employees will not be paid for that time. Repeated violations will lead to

disciplinary action as determined by the Personnel Policy. Questions about procedures should be referred to Human Resources or the Town Manager.

### *Accommodations*

Exceptions and reasonable accommodations will be made as needed. For instance, managers may make appropriate exceptions for special occasions or in the case of inclement weather, at which time employees will be notified in advance. An employee who is unsure of what is appropriate should check with his or her department head.

Additionally, the Town of Gray respects the religious beliefs of its employees and will make, upon request, an accommodation in terms of workplace attire when accommodation is available and does not create an undue hardship or safety issue for the Town. Requests for religious accommodation should be made in writing to the Town Manager.

## **F. Electronic Communications Policy**

See Appendix for current policy.

## **G. Telephone and Personal Cell Phone Usage**

Staff are expected to avoid making or receiving personal calls during work hours. Urgent calls to/from family members can be made/received and should be brief. Employees are expected to exercise the same discretion in using personal cell phones.

Employees contacted by creditors or collection agencies should immediately inform the caller of this policy and end the call. The employee should inform the agency in writing advising them not to contact them at work. Creditors failing to honor such a request can be reported to the Federal Trade Commission at [www.ftc.gov](http://www.ftc.gov).

## **H. Smoking**

Smoking is not allowed in any workplace. It is the policy of the Town to comply with all applicable federal/state laws, and local ordinance regarding no smoking in the workplace and in public places.

Excerpt from the Town of Gray “No Tobacco, Alcohol or Medical Marijuana Use” Ordinance:

“No person(s) shall use or partake of any form of tobacco, alcohol or medical marijuana on/in Town of Gray property, 365 days a year, 24 hours a day. There will be no designated areas to use or partake of any form of the same on/in Town of Gray property. No litter associated with tobacco, alcohol or medical marijuana may be discarded on/in Town of Gray property.”

## **I. Drug Free Workplace Act**

Under the Drug-Free Workplace Act, any employee who performs work for a

government contract or grant must notify the Town of a criminal conviction for drug-related activity occurring in the workplace. Employees concerned with substance dependency and abuse issues are encouraged to discuss these matters with their supervisor or the Town Manager.

## **J. Drugs**

No employee may use, possess, distribute, sell or be under the influence of drugs while on the job or representing the Town. Prescription drugs may be used only if they do not impair the employee's job performance. Violations will result in disciplinary action, which may include termination.

## **K. Alcohol**

No employee may use, possess, distribute, sell or be under the influence of alcohol while on the job and / or representing the Town at official Town proceedings or at Town-hosted events. Violations will result in disciplinary action, which may include termination.

## **L. Personnel Files**

The Town maintains a personnel file on each employee. Personnel files are confidential and are the property of the Town. Personnel files are to be kept locked and secured under the Town Manager's control. Title 26 M.R.S.A § 631 provides employees with access to their personnel records (including former employees and duly authorized representatives). However, a written request for such information must be submitted to the Town. File review and copying must take place at the location where the personnel files are maintained, during normal office hours unless, at the Town Managers discretion, a more convenient time and location for the employee is arranged. Employees are entitled to one free copy of their personnel file per calendar year upon written request.

## **M. Evaluations/Reviews**

Supervisors and employees are strongly encouraged to discuss job performance, goals and professionalism. Formal Written Performance Evaluations are to be completed every twelve months, on or about the anniversary of the date of hire. Employee evaluations shall be signed by the employee, Department Head and Town Manager. An employee may attach a written statement within ten (10) calendar days after any evaluation given to be included in their personnel file.

## **N. Outside Employment**

A Town employee may engage in outside employment. However, no employees may engage in outside employment which in any manner interferes with the proper and effective performance of the duties of their position, results in a conflict of interest, or if it is reasonable to anticipate that such employment may subject the Town to public criticism or embarrassment. Employees must inform their Department Head who shall inform the Town Manager of their outside employment. If the Town Manager determines that such outside employment is disadvantageous to the Town, they shall

notify the employee in writing that the outside employment must be terminated. Any employee who engages in employment outside their regular working hours shall be subject to perform their regular duties first.

## **O. Vital Information**

In order to comply with federal and state regulations as well as for insurance and payroll purposes, employees must notify the [Finance](#)[Human Resources](#) Director, in writing, of any of the following changes:

- a. Address and/or telephone number
- b. Change in marital status
- c. Change in dependent status
- d. Legal change in name or citizenship status
- e. Additional or relevant education or skills acquired since date of
- f. employment
- g. Person to be notified in case of emergency
- h. Change in military status or reserve requirements

## **P. Conflict of Interest**

No employee of the Town shall have any financial interest in or profit from any contract, purchase, sale or work performed by the Town unless otherwise provided for by the Town Council. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or immediate family as listed in the definitions portion of this Policy. Actual conflicts of interest, as well as incidents or situations which create the appearance of a conflict, must be avoided.

- 1) Purchasing - No Town employee who is authorized to make purchases shall have any interest, either directly or indirectly in any contract with the Town. No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence or transactions involving purchases, contracts or leases, it is imperative that they disclose this, as soon as possible, to an officer of the Town, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.
- 2) Gratuities - Compensation paid to the employee in accordance with the Pay Schedule, and reasonable expenses as approved by the Town Manager, shall constitute the sole remuneration for services rendered by an employee in the discharge of Town duties. No additional reward, gift or other form of remuneration shall be accepted by any employee for the discharge of their Town duties. Acceptance of nominal gifts, such as food and refreshments in the ordinary course of business, or unsolicited advertising or promotional materials such as pens, note pads, calendars, etc., is permitted.

Personal gains may result not only in cases where an employee or relative has a

significant ownership in a firm with which the Town does business, but also when an employee or relative receives any “kickbacks”, bribes, substantial gifts or special consideration, as a result of any transaction or business dealings involving the Town.

## **Q. Confidentiality**

During the course of their duties, employees of the Town are often privy to information about individuals, which is sensitive and should be kept confidential. Examples include, but are not limited to, labor relations, General Assistance and personnel actions. Employees are expected to respect the confidential nature of such information. Violations will result in disciplinary action, which may include termination.

## **Section 5 – Hours of Work**

The hours of work (starting times, quitting times, lunch times and overtime) will be established within each department subject to the Town Manager's approval.

The hours of work may be changed by mutual agreement of the Department Head and the department employees, subject to Town Manager's written approval.

### **A. Overtime**

Any time actually worked in excess of 40 hours in one work week shall be compensated by overtime pay at a rate of time and one-half, with the exception of employees in Group I. For those employees in Group I, it is understood that compensation is based on the job responsibility; and the person filling the position will be expected to accomplish the work assigned to the position regardless of hours required. For the purposes of overtime calculation, holiday and vacation time will be considered time actually worked, with the exception of floating holidays. Public Works and Maintenance employees will be paid overtime for time worked after their normal daily scheduled hours.

In accordance with FLSA, temporary summer Recreation employees are exempt from overtime.

In accordance with FLSA, Law Enforcement and Fire Protection Employees are entitled to overtime if they work in excess of 212 hours in a consecutive twenty-eight (28) day period.

Fire Protection personnel include firefighters, paramedics, emergency medical technicians, rescue workers, ambulance personnel, or hazardous materials workers who:

1. are trained in fire suppression;
2. have the legal authority and responsibility to engage in fire suppression;
3. are employed by a fire department of a municipality, county, fire district, or State; and
4. are engaged in the prevention, control and extinguishment of fires or response

to emergency situations where life, property, or the environment is at risk.

## **B. Compensatory Time**

Compensatory time is paid time that is earned and accrued by an employee in lieu of immediate cash payment for working overtime hours. Accrual of compensatory time in hours will equal 1.5 the overtime hours worked to correctly compensate the employee in regular hours. (see example below)

- a. Overtime hours worked 2.5 hours = 2.5 hours multiplied by 1.5= 3.75 compensatory time hours.

All compensatory time accrued must be used within six months of their accrual date. At such a time, expired compensatory time will be paid out at the current rate of pay for the employee in the regular hours as calculated, as the regular hours have already been calculated at the required 1.5 rate.

Unless otherwise indicated in writing, each employee will be paid for the overtime hours worked during the normal payroll process. Each Department Head may determine whether the needs of their department are better served by allowing compensatory time to accrue for their employees in lieu of immediate cash payment for overtime hours worked. An employee may submit a written request to their Department Head for accrual of compensatory time in lieu of immediate cash payment for working overtime hours in advance of the hours worked, which will be subject to the Department Head's advance approval.

## **C. Absences**

In the event of an absence due to illness or other personal cause, it is the responsibility of employees to notify their Department Head directly of the absence, as early as possible, but no later than fifteen (15) minutes after their scheduled starting time. If the Department Head is unavailable the employee should contact the Town Manager's Office. A signed Absence request form must be submitted to the [FinanceHuman Resources](#) Department within three working days for Payroll purposes if utilizing eligible time. Absenteesim and excessive tardiness may lead to disciplinary action and/or possible termination.

A completed Absence request form must be submitted by the employee to their Department Head to request utilization of eligible time available. Scheduled Absence requests must be submitted with sufficient time in advance of the requested time off. The Department Head will process an Absence request within a reasonable amount of time (not to exceed five business days unless otherwise indicated to the employee in writing within that time frame). Department Head approval of such requests should cause a minimum loss of service to the public and is subject to approval by the Town Manager. Department Head requests shall be submitted to the Town Manager.

## **D. Call-In**

Except as otherwise provided by law, any employee in Group II who is subject to

being called in to work during their normal off-duty hours shall be paid a minimum of three (3) hours pay for each such call-in. Should they be required to work less than two (2) of the three (3) hours, three (3) hours will be the maximum paid in lieu of overtime compensation. Should they be required to work more than two (2) of the three (3) hours, overtime pay will be calculated on actual time worked.

### **E. Emergencies**

Emergencies requiring the closure of any of the Town's facilities will be announced on local radio and television stations. Employees should be notified no later than one hour prior to the normal opening of the Town's affected public facilities. Employees who scheduled to work will be paid their normally-scheduled hours during official closures. Emergency and essential staff may be asked to work during official closures and will receive regular pay.

## **Section 6 – Compensation**

### **A. Pay Schedule**

The Town Manager shall prepare a pay schedule for all of the positions in the Town. The pay schedule shall reflect fairly the difference in duties and responsibilities and shall be related to compensation for comparable positions in other public and private employment.

The Town Manager shall submit the pay schedule to the Gray Town Council in the form of a resolution. The Council may adopt the pay schedule with or without amendment. Thereafter, no position shall be assigned a salary higher than the maximum provided for the position unless the pay schedule is amended in the same manner as herein provided for its adoption.

Any pay schedule amendments of position or re-assignment requests shall be brought to the attention of the Town Manager by the Department Heads. Changes will be made by the Town Manager in writing and will be based on employee merit.

### **B. Pay Dates**

All employees are paid bi-weekly. If payday falls on a regularly scheduled holiday, employees will receive pay on the last day of work before the regularly scheduled payday. To receive pay before a scheduled vacation or to have pay direct-deposited to bank accounts, employees must submit a written request to the Finance Department. Any questions concerning payroll deductions may be addressed to the Finance Department.

### **C. Positions Changes**

When an individual position is changed by reorganization, creation of a new position, or a change in duties and responsibilities, revisions of the pay schedule or possible job classification changes are necessary and the Town Manager shall recommend the necessary revisions to the Town Council for their approval.

When a regular employee is out for an extended period of time due to illness or injury, the Department Head must review the vacancy to determine if the operations can continue without the position being filled temporarily. The written analysis must include the cost benefits of using existing personnel, including any overtime incurred, versus the promotion or hiring to fill the vacancy. If it is determined that the position must be filled during this period the following shall apply:

- 1) Promotions: In those cases where a regular part-time employee is temporarily promoted to fill the full-time vacancy, the person promoted shall be entitled to receive, all benefits provided to that position as indicated in the positions job classification. The time served in the temporary position shall count towards their second probationary period (as referenced under Section 4-C). Should the individual be returned to their regular part-time status, they shall be entitled to receive all benefits provided to that position as indicated in the positions job classification.
- 2) Hire: If a new person is hired temporarily to fill the full-time vacancy they shall only be entitled to the legally mandated benefits and holiday pay. If they are hired to the position as a full-time employee, then the time worked shall count towards their initial probationary period.

#### **D. Cost of Living Adjustment (COLA) / Merit Raises**

Any salary or wage adjustment based on COLA will commence on July 1, of each respective year.

Merit raises will be based on an employee's annual performance evaluation. Merit raises will be awarded as determined in writing by the Town Manager.

#### **E. Fire / Rescue Per-Call Stipend**

Fire and Rescue per-call "time" is not included in actual time calculations and is not included in overtime calculations.

#### **F. Travel Expenses**

##### 1. Local Travel Expenses

Employees required to drive personal vehicles for approved, ~~legitimate~~ municipal purposes shall be reimbursed by the Town at the current federal mileage rate. Other ~~reasonable-approved~~ expenses will also be reimbursed using a prorated Federal per-diem rate.

- a) ~~however, r~~Requests for local travel reimbursement must be approved by the employee's Department Head or the Town Manager, and must be accompanied by itemized receipts or submission of a travel expense form claiming prorated Federal per-diem reimbursement.

- b) Authorization for personal car use by employees for routine Town business will be at the discretion of the Town Manager. All employees must show proof of insurance and a valid driver's license.
- c) Authorization for personal car use by employees for a specific purpose and approved, in writing, in advance by the Town Manager.
- d) ~~All out-of-town travel expenses for employees must be authorized by the Town Manager, in writing, in advance of the use for which reimbursement is sought.~~
- e) Reimbursement for authorized personal car use shall be at a rate as determined by the Town Council, which will be no less than the Federal mileage rate.
- f) All vehicle travel mileage outside of Gray shall be calculated from City Hall, 24 Main Street, Gray, ME, and mileage calculations shall be documented by the employee and submitted along with the reimbursement request.
- g) When two or more persons travel together on official authorized trips, costs shall be paid to one employee based on the total mileage involved.
- h) Employees are prohibited from purchasing alcohol or intoxicants using Town funds.
- i) Travel expense reimbursements related to grant funded activities shall comply with the reporting requirements of the funder.

## 2. —Overnight Travel Expenses

Employees are occasionally required to travel overnight and/or out of town for meetings, events, and professional training and certification purposes.

- a. ~~All~~ Out-of-town travel expenses for employees must be authorized by the Town Manager or their designee, in writing, in advance of the use for which reimbursement is sought.
- b. Travel expenses will be reimbursed using either a submission of itemized travel expense receipts or an employee may elect to receive the Federal per-diem rate for lodging and meal expenses.
- c. All vehicle travel mileage outside of Gray shall be calculated from City Hall, 24 Main Street, Gray, ME, and mileage calculations shall be documented by the employee and submitted along with the reimbursement request.
- d. It is understood that travel to conferences and training events may require lodging at rates that exceed the Federal per-diem rate. Employees should make the best effort to balance travel goals, personal safety, and the cost of lodging, and submit documentation of the lodging expense and the Federal per-diem rate with their request to the Town Manager to deviate from the per-diem rate.

- e. Employees electing to use the Federal per-diem meal expense rate may request an advance on their expense report to help cover travel costs.
- f. Employees shall pro-rate total daily meal expenses by one third (1/3) for meals that are covered by the registration for an event, and for meals occurring before or after partial travel days, unless they receive written permission to deviate from this policy.
- g. Employees are prohibited from purchasing alcohol or intoxicants using Town funds.
- h. Travel expense reimbursements related to grant funded activities shall comply with the reporting requirements of the funder.

### 3. Managerial Authority

Town Department Heads will include anticipated professional development and training travel expenses for department staff in their annual budget proposal, including the purpose of the travel, a list of those travelling, the duration of travel, the estimated cost, and the source of funding. The Town Manager will review annual budget proposals before submitting them to the Town Council.

The Town Manager will include their own anticipated professional development and training expenses in their annual administrative budget proposal, including the purpose of the travel, the duration of travel, the estimated cost, and the source of funding. The travel schedule will be reviewed by Town Council as part of the Town's annual budget development.

Other training sessions and opportunities to participate in professional conferences may arise during the year. Town Department Heads will approve any unanticipated travel costs and time, provided the cost is within their department budget. Unbudgeted travel costs and time can be submitted to the Town Manager for review.

The Town Manager will submit their own unanticipated travel costs and time to the Town Council for review and approval prior to travel.

Town staff may participate in economic development activities that require use of Town funds for outreach events, meetings with prospective developers and business representatives, and campaigns to develop strategic business relationships.

- a. Expenses for economic development campaigns must be authorized by the Town Manager, in writing, in advance of the use for which reimbursement is sought.
- b. Economic development travel and expenses should follow the Town's local and overnight travel policies.
- b-c. The Town Manager has discretion in pre-approving use of Town funds for economic development purposes, including use for travel, lodging, meals, alcohol, and entertainment.

## **G. Outside Compensation**

Any employees receiving payment for services, from non-Town sources, rendered during their normal work day and for which work day Town compensation was given, shall turn the entire amount of that compensation over to the Town Treasurer. This provision does not apply to activities outside the workday or during periods of vacation.

## **Section 7 - Benefits**

### **A. Social Security**

The Town participates, jointly, with employees in Social Security payments. This is a federally mandated benefit and is dependent on current Federal Government standard reimbursements.

### **B. Health and Major Medical Insurance**

Employees in Groups I, II and III are eligible to participate in a Town-sponsored group health insurance plan, which includes hospitalization and Major Medical. The Town will contribute toward coverage for employees in Groups I, II and III as determined annually by the Municipal Budget. When employment ceases, the Town will terminate payment of this benefit and COBRA will be offered as mandated by federal law. COBRA is to be administered by the insurance company if possible. New employees shall not be eligible for health care benefits until the first day of the month following the first thirty (30) of employment after their start date.

### **C. Life Insurance**

Employees in Groups I, II and III may be eligible for Life Insurance at a rate of 1 times their annual salary. The Town will pay toward coverage for employees in Groups I, II and III as determined by the Town Council (according to the most updated Appendix).

### **D. Town Offered Optional Benefits**

Employees in Groups I, II and III may be eligible for other optional benefits at full cost to the employee. A list of Town offered optional benefits is available in the Appendix.

### **E. Retirement**

Employees in Groups I, II, and III are eligible to participate in the Town-established retirement plan. For Groups I and II, the Town will match up to an amount as determined by the Town Council (according to the most updated Appendix), should an employee elect to participate. All new employees shall not be eligible for retirement benefits for the first sixty (60) days of employment.

### **F. Sick Time**

The Town has established a sick time benefit to ensure that employees have a financial resource during periods of illness. The Town does not view sick time as additional

vacation or personal time to be utilized at the will of the employee. Sick time shall be used during periods of actual illness or at the written discretion of the Town Manager. Sick time may be utilized to care for an employee's immediate family as listed in the definitions portion of this Policy. The Town also recognizes employees' ability to use time consistent with Maine's Earned Paid Leave Law.

Employees in Groups I & II shall be entitled to one (1) day of sick time for each month while employed by the Town. For accrual purposes, one (1) sick day shall equal eight (8) work hours. They shall accrue 3.692 hours per bi-weekly pay period.

Employees in Group III shall earn sick time at an hourly rate of .04615 hours for every hour worked. This accrual rate is determined as follows:

$$3.692 \text{ hours per bi-weekly pay period} / 80 \text{ hours per pay period} = .04615 \text{ per hour}$$

For example, an employ working 20 hours per week (40 hours bi-weekly) would accrue 1.846 sick hours per pay period ( $40 \times .04615 = 1.846$ ).

For the purposes of sick accrual calculations, holiday and vacation time will be considered time actually worked. Sick time, personal time, discretionary time, FMLA and bereavement time will not be considered time actually worked.

The Town Manager may require a physician's certificate as a condition of an employee's utilization of sick time. Employees, who utilize three or more days of sick time consecutively, may be required to furnish a physician's certificate, explaining the employee's condition in direct relation to their ability to perform their job responsibilities in accordance with their job description. Persons drawing workers' compensation or absent on an FMLA absence will not accrue sick time.

All unauthorized use of sick time shall be considered as an unauthorized absence from work and as unpaid time. Unauthorized use of sick time shall be considered an action subject to discipline.

#### *Accrual Cap*

Accrual of sick time will not exceed 960 hours. Employees who have an excess of this cap as of January 1, 2023 will maintain their sick time hours until such time as the accrued hours may fall below 960 hours, at which time the cap will be in force.

#### *Sick Time Donation*

Regular full-time employees and regular part-time employees may choose to donate up to twenty-four (24) hours to another full- or part-time employee of the Town of Gray in a fiscal year.

#### *Payout for Accumulated Sick Time*

As of October 1, 2022, employees in Groups I & II, having achieved at least ten (10)

years of service to the Town of Gray will be entitled upon separation to pay equal to one half of that employee's accumulated sick time, not to exceed three hundred and sixty (360) hours.

As of October 1, 2022, employees in Groups I & II having achieved at least five (5) years of service will be entitled upon separation to pay equal to one half of that employee's accumulated sick time, up to two hundred (200) hours.

As of October 1, 2022, payout is not available to employees in Groups I & II having achieved less than five (5) years of service.

An employee who is not in good standing upon separation from employment for any reason will receive no payout of accumulated sick time.

### **G. Personal Time**

Any employee in Groups I or II will receive an annual personal time allocation of 16 hours. Personal time does not accrue year to year and is not subject to payout upon separation.

Whenever possible, personal time must be requested and approved in advance by the employee's work manager / Department Head. The Town also recognizes employees' ability to use time consistent with Maine's Earned Paid Leave Law.

### **H. Vacation Time**

Employees in Groups I & II shall be entitled to two (2) weeks (80 hours) of vacation time each year. Employees with five years of service shall be entitled to three (3) weeks (120 hours) of vacation time each year. Employees with ten (10) years of service shall be entitled to four (4) weeks (160 hours) of paid vacation time each year. For accrual purposes, one (1) vacation day shall equal eight (8) work hours. Vacation time shall be accrued to each eligible employee during each pay period at the following rates:

- a. Under five years of service-3.08 hours;
- b. Five-ten years of service-4.62 hours;
- c. Ten years of service and after-6.16 hours.

Employees in Group III shall earn vacation time at an hourly rate of .0385 hours for every hour worked. This accrual rate is determined as follows:

$$3.08 \text{ hours per bi-weekly pay period} / 80 \text{ hours per pay period} = .0385 \text{ per hour}$$

For example, an employ working 20 hours per week (40 hours bi-weekly) would accrue 1.54 vacation hours per pay period ( $40 \times .0385 = 1.54$ ).

Whenever possible, vacation time must be requested and approved in advance by the employee's work manager / Department Head. The Town also recognizes employees' ability to use time consistent with Maine's Earned Paid Leave Law.

Vacation time is not intended to be cumulative. Vacation time will cease accruing at the employee's individual limit as determined by their year's of service and their employment classification. Exceptions may be made at the written discretion of the Town Manager.

Exceptions may be made at the discretion of the Town Manager; provided however, with respect to the Town Manager's own annual time, they must, each year, advise the Town Council of the status of their annual time and, if applicable, request written permission from the Town Council to carry the same forward to the next year. Copies of the Town Manager's status report on their own annual time and the Town Councils written response shall be placed in the Town Manager's personnel file. Town employees and the Town Manager must take extended time within 180 days of the year earned.

#### **I. Discretionary Time**

Additional time off with pay may be granted in writing to any employee by the Town Manager at their discretion. Such time must be used within one (1) calendar year and is not payable to the employee upon separation from employment in good standing.

#### **J. Bereavement Time**

Special time with pay shall be granted to employees in Groups I, II & III for up to three (3) days for absence caused by the death of a member of the immediate family, as listed in the definitions portion of this Policy.

#### **K. Leave of Absence**

Other than FMLA, a leave of absence without compensation shall not exceed a length as determined in writing by the Town Manager and shall be based on the employee's past work performance.

A person on a leave of absence without pay shall not be entitled to holiday, sick or vacation pay. The Town Manager may permit holiday, sick and vacation pay on notice if extenuating circumstances exist and the leave of absence is less than thirty (30) days.

#### **L. Military Service Leave**

Employees in Groups I & II who are members of the organized military reserves and who are required to perform field service will be granted Military Service Leave in addition to the vacation leave, but not to exceed two (2) weeks in any calendar year. For any such periods of Military Service Leave, excluding weekend duty, the Town will pay the employee the balance between base pay and the employee's regular daily compensation; the total equaling their regular pay. The employee shall furnish the [Finance/Human Resources](#) Department with an official statement from military authorities indicating their rank, pay and allowances.

#### **M. Holidays**

Paid holidays for employees in Groups I & II and III shall be as follows:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Indigenous Peoples' Day
Presidents' Day	Veterans Day Thanksgiving Day
Patriots' Day Memorial Day	The Day after Thanksgiving
Juneteenth	Half Day before Christmas
Independence Day	Christmas Day
New Year's Day	Labor Day

Employees in Groups I, II shall be compensated for their normal regularly scheduled working hours on the date of the holiday or its observance date (as described below (a)). If a holiday falls on a date that is not a normal regularly scheduled working day for any employee in Groups I & II, the holiday shall be accrued as floating holiday time to be used within 6 months following the date of the accrual. If a holiday falls on a date that is not a normal regularly scheduled working day for any employee in Group III, the holiday shall be accrued as floating holiday time at a rate of one-half the average daily schedule for the employee, as worked for the previous three months, to be used within 6 months following the date of the accrual. Floating holiday time is not intended to be cumulative and is not included in overtime calculations.

The Department Head may request payment through payroll for employees for holiday hours which would normally be accrued as floating holiday(s) if the accrual of such floating holiday(s) will cause a loss of service to the public or potentially interfere with the productivity of a department. All such requests are subject to the written approval of the Town Manager. Floating holiday time paid instead of accrued is not included in overtime calculations.

- a. When a holiday falls on a Sunday, the following Monday shall be observed for all employees who are not regularly scheduled for Sunday. When a holiday falls on a Saturday, the preceding Friday shall be observed for all employees who are not regularly scheduled for Saturday.
- b. Because of the nature of the position, certain employees in Groups II & III may be required to work during a holiday. Should this occur, hourly paid employees will be paid time and a half for the hours worked on the holiday for all holidays except Thanksgiving and Christmas, for which they will be paid holiday pay plus two times their hourly rate for hours worked on the holidays.
- c. There is one standard exception to the holiday schedule. The Transfer Station will be closed on Easter Sunday and open on Patriots' Day without holiday compensation being paid for hours worked on Patriots' Day. Other exceptions to the holiday schedule may be necessary when considering the dates of the holiday (or their observance date) and the needs of the Town, or by a written request of the Department Head to the Town Manager. Any such exception(s) is/are subject to the approval of the Town Manager and must be determined with sufficient advance time to notify the public.

## **N. Jury Duty**

A Town employee called for jury duty will receive his or her regular pay check. They are required to forward any payments received for their jury duty service to the [Finance](#) [Human Resources](#) Department with the exception of mileage reimbursement. This procedure will compensate employees for any difference in pay. Employees excused from jury duty must report back to work if it is during their normal working hours.

## **O. Family Medical Leave Act**

See Appendix for details.

## **P. Earned Paid Leave**

See Appendix for details.

## **Q. Remote Work**

The purpose of this policy is to define the Town of Gray's rules for remote working or teleworking (i.e., when employees work any hours from a location other than Town facilities). The Town of Gray recognizes that, in some cases, telework arrangements can provide a mutually beneficial option for both the Town and its employees. This policy is intended to set expectations and ensure that work goals can be met, and it may be altered at any time as needed.

### *Eligibility*

The Town Manager will determine which positions are most suitable for remote work, depending on the Town's needs and the position's responsibilities.

Not all jobs can be performed from off-site locations. In general, positions requiring face-to-face interaction with customers and office personnel are not suitable for telecommuting arrangements.

While employees and work managers have the freedom to develop arrangements tailored to employee and departmental needs, the following basic requirements must be met:

- Employees must be able to carry out the same duties, assignments, and other work obligations at their remote workspace (or home office) as they do when working on Town premises. At a minimum, employees should maintain a remote workspace where they can attend remote meetings, participate in phone calls, and conduct their work assignments comfortably and without interruption.
- The IT Systems Administrator must confirm the suitability of workspace equipment, such as hardware, software, anti-virus protection, phone/fax, and Internet/data lines.
- Candidates for temporary telecommuting arrangements must demonstrate good time-management and organizational skills, and be self-motivated, self-reliant, and disciplined.

To request a remote work arrangement, employees must submit their request in writing to their supervisor. This request must outline a proposed work schedule, specific deliverables, and procedures to ensure continuity of business.

Eligibility determinations will be made thoughtfully and reviewed with the employee for any changes or updates at least annually.

All remote work must receive prior approval, and a Remote Work agreement prepared by Human Resources must be signed by the employee, department head, and Town Manager. Evaluation of remote employees' performance will focus as much on work output and completion of objectives as time-based performance. Employees and department heads should meet frequently to discuss progress and results.

The Town Manager reserves the right to revoke the eligibility of an employee for remote work at his/her discretion. Notice of revocation will be given as far in advance as possible, but shall not be required.

### *Hours and Availability*

Positions working remotely will be provided with the number of hours they are expected to work on site and/or remotely. The workweek should approximately mirror normal business hours on Town premises.

- Employees must be readily available to their work managers and co-workers during core work hours. There are two core periods each day. The first runs from 9:30 a.m. to 11 a.m. and the second from 1:30 p.m. to 3 p.m.
- Employees must be available to attend scheduled meetings and participate in other required office activities at the remote workspace as needed. Except for extraordinary circumstances, the Town normally provides at least 24 hours' notice for such events.
- Employees must arrange for flextime and/or other accommodations for childcare during their work hours as part of maintaining an uninterrupted remote workspace, particularly during core hours.

Employees will report their hours and activities to their supervisor.

- Those who are classified as non-exempt (Groups II-IV) must record all hours worked on a Time Card worksheet and provide this information to their supervisor. Time Card worksheets should be submitted on a weekly basis on Fridays by 12:00 p.m.
- Non-exempt employees who need to work outside of scheduled work hours will seek approval from their supervisor whenever possible, and will report any overtime to their supervisor and the [Finance](#)[Human Resources](#) Director.

### *Workspace & Equipment*

The employee will establish an appropriate work environment within his or her remote workspace for work purposes.

- Employees should seek a quiet and distraction-free working space, to the extent that such a space is possible.

- Employees are expected to maintain their workspace in a safe manner, free from safety hazards.
- Employees are required to notify the Town of any illness or injury incurred in the course and scope of performing work remotely.

As a general rule, the Town of Gray will not be responsible for costs associated with the setup of the employee's remote workspace, such as remodeling, furniture, or lighting, nor for repairs or modifications to the remote workspace. However, if an employee is in need of a reasonable accommodation in accordance with the Americans with Disabilities Act (ADA), an employee may submit such a request to Human Resources and such requests will be considered to the extent that a reasonable accommodation exists and would not create an undue hardship on the Town of Gray.

The Town of Gray will determine the equipment needs for each employee on a case-by-case basis. If the Town provides equipment used for remote work, it is to be used for Town business purposes only. Employees must keep it safe and avoid any misuse.

Consistent with the Town's expectations of information security for employees working at the office, employees working remotely will be expected to ensure the protection of proprietary Town and citizen information accessible from their remote workspace. Specifically, employees must:

- Keep their equipment password protected.
- Store equipment in a safe and clean space when not in use.
- Follow all data encryption, protection standards, and settings.
- Refrain from downloading suspicious, unauthorized, or illegal software.
- The Town discourages the use of an employee's home workspace for the conduct of in-person meetings or for visitation by coworkers or the public in connection with work being conducted remotely and shall not be liable for any damage or injury sustained by any person other than the employee authorized to work in such remote workspace.

#### *Town Records*

During remote work, employees shall be required to maintain all work product and records in a manner consistent with the Town's standard recordkeeping practices and in full compliance with the Maine Freedom of Access Act and Record Retention Rules established by the Maine State Archivist. Employees shall not delete or destroy any records that are otherwise required to be maintained by the Town per these laws and rules. It shall be the responsibility of the employee to ensure that he/she can satisfy these recordkeeping requirements while working remotely.

#### *Meeting Etiquette*

While distractions are often unavoidable, employees should strive to keep them to a minimum.

- No music or television in the background is permitted during meetings.
- Employees should remain muted during video or audio conferencing unless the employee is speaking.
- Turning on video is encouraged but not required.

- Employees should avoid eating food during a virtual meeting unless invited to do so by the meeting host.
- Smoking or vaping is not permitted during a video conference.
- Casual dress is acceptable; however, use discretion. Loungewear, pajamas, or other apparel considered inappropriate in a professional work setting are not permitted while an employee is working remotely.
- Avoid multi-tasking. Employees are expected to give their full attention to meetings as if the meetings were held in-person.

## **R. Emergency Telework**

In the event of an emergency such as a weather disaster or pandemic, the Town Manager may allow or require certain employees to temporarily work from home to ensure business continuity.

- These employees will be advised of such work requirements by the Town Manager or the employee's department head.
- These employees are required to follow the guidelines provided in the Remote Work Policy.

Preparations should be made by employees and department heads well in advance to allow remote work in emergency circumstances. The Communications & Information Department is available to review equipment needs and to provide support to employees in advance of emergency telework situations

## **Section 8 – Resignations**

An employee may resign from Town employment in good standing. Good standing (as defined in the definitions section of this policy) shall, in this instance, require the submittal of a written notice fourteen (14) working days in advance of the last day of work. Failure to comply with this rule may be cause for denying future employment with the Town and disqualify the employee from any payments that may have been issued to them for a resignation in good standing. The Town Manager may shorten the period of notice for extenuating circumstances.

## **Section 9- Disciplinary Procedures**

### **A. Just Cause**

The Town shall base disciplinary actions or measure on a "just cause" basis.

### **B. Disciplinary Actions**

The appointing authority shall have the right to impose disciplinary action, on any employee whose work performance or conduct, in the judgment of the appointing authority, justifies such action.

The steps of disciplinary action are as follows:

- 1) First written warning
- 2) Second written warning
- 3) Suspension (as defined below in C.)
- 4) Termination

All warnings must clearly identify each issue of discipline, as well as the appropriate corrective measures to be taken by the employee (including their time frame for completion) in order for the appointing authority to consider each issue as resolved.

There are certain types of employee problems that are serious enough to justify immediate suspension or termination. Notice of such action against an employee must be in writing and filed with the employee not later than the effective date of action. Such notice shall specify the penalty and contain a statement of the reason or reasons therefore. The employee shall have the right of appeal, as outlined in the grievance procedure.

### **C. Suspension**

As step 4 (four) in the disciplinary action process, suspension of any employee's employment may be done in writing at the discretion of the appointing authority, with special consideration to the following written conditions:

- 1) Suspension with or without pay;
- 2) Specific time frame;
- 3) Conditions for reinstatement.

### **D. Discharged Without Just Cause**

If it is determined that an employee has been discharged without just cause, he or she shall be reinstated to his or her former position with full pay for all time lost. In the event that a Department Head wants to discharge an employee, the action shall first be approved by the Town Manager.

### **E. Employee Termination**

Employment may be terminated for the following reasons:

- 1) Resignation -voluntary employment termination initiated by an employee;
- 2) Discharge -involuntary employment termination initiated by the Town;
- 3) Layoff -involuntary employment termination initiated by the Town for non-disciplinary reasons or
- 4) Retirement -voluntary employment termination initiated by the employee meeting age, length of service and any other criteria for retirement from the Town.

At the time of termination an exit interview may be scheduled. Employees will receive final pay in accordance with State law at the next regularly scheduled pay date.

Town Property: Employees must return all property belonging to the Town at the time of their termination or upon immediate request.

## **Section 10 – Grievance Procedure**

Grievances are limited to written disputes, claims or complaints of those issues which are related to aspects of the employer-employee relationship between the employee and the Town. The grievance in writing must include the following:

- A clear and concise statement of the facts giving rise to the grievance, including date, time and place of the alleged incident, if any, relating to the grievance, and characterizing each particular act or omission;
- A copy of any documents relating to the grievance (if any); and
- A statement setting forth the remedy sought.

To resolve the grievance the following course of action should be taken consecutively:

- 1) The grievance shall be filed in writing with the Department Head within five (5) working days of the alleged incident, particular act or omission. The Department Head shall issue a written decision within five (5) working days from the date received.
  - a. If the grievance arises from an alleged incident, particular act or omission on the part of the Department Head, the grievance shall be filed with the Town Manager within five (5) working days of the alleged incident, particular act or omission.
- 2) The individual may appeal the decision of the Department Head to the Town Manager within five (5) work days of the date of receipt of the Department Head's decision. The Town Manager shall issue a written decision within five (5) working days from the date the appeal is received. The Town Manager's decision shall be final.
  - b. If the grievance arises from an alleged incident, particular act or omission on the part of the Town Manager, other than a decision of the Town Manager on appeal of a grievance or disciplinary action, the

grievance shall be filed with the Town Council within ten (10) working days of the alleged incident, particular act or omission. The Town Council will hold a hearing, within fifteen (15) working days, in regard to said grievance and issue a decision. The decision of the Town Council shall be final.

## **Section 11 –Harassment**

It is the policy of the Town that all our employees should be able to work in an environment free from all forms of harassment. Harassment, as defined by this policy, is prohibited. All employees must avoid offensive and inappropriate or harassing behavior at work and are responsible for assuring that the workplace is free from hostile behavior at all times.

This policy refers not only to supervisor-subordinate actions but also actions between co-workers. Any complaints of harassment will be investigated promptly. There will be no intimidation, discrimination or retaliation against any employee who makes a report of harassment.

### **A. Sexual Harassment**

Sexual harassment is the attempt to control, influence or affect the career, salary, or job of an individual in exchange for sexual favors. Sexual harassment can also be conducted which creates a hostile or offensive work environment or unreasonably interferes with a person's ability to perform their job. Sexual harassment is an extremely serious matter. It is prohibited in the workplace by a person and in any form.

- 1) Specific conduct which is prohibited includes, but is not limited to:
  - a) Threats or insinuations, implicit, that any employee's refusal to submit to sexual advances will adversely affect the employee's retention, evaluation, wages, promotion, duties or any other condition of employment;
  - b) Unwelcome sexual flirtations, advances, or propositions;
  - c) Verbal or written abuse of a sexual nature;
  - d) Graphic verbal comments about an individual's body;
  - e) Sexually degrading words used to describe an individual, or
  - f) The display in the workplace of sexually suggestive objects, comments or pictures.

Any Department Head or employee who is found after appropriate investigation to have engaged in sexual harassment will be subject to discipline, up to and including discharge.

## **B. Harassment**

Derogatory or vulgar comments or actions regarding a person's sex, sexual orientation, religion, age, ethnic origins, race, physical appearance, or the distribution of written or graphic materials having such an effect, are prohibited. Any employee who believes he/she has been the subject of such harassment should report the alleged conduct to their Department Head or the Town Manager. Any Department Head or employee who is found, after appropriate investigation, to have engaged in any harassment will be subject to discipline, including discharge.

## **C. Reporting a Complaint**

Any employee who believes he/she has been the subject of harassment should report all alleged acts to their Department Head or the Town Manager. If the complaint involves an employee's direct supervisor or if the employee feels uncomfortable with reporting the matter to their direct supervisor, the complaint should be brought to the attention of the Town Manager. If the complaint concerns the town Manager then the employee should bring the matter to the attention of the Town Council Chairperson.

## **D. State Law**

Effective October 19, 1991, the Maine Legislature passed a new law regarding Sexual Harassment in the Workplace. In compliance with this law, the Town is also required to provide annual written notification to all employees regarding sexual harassment. The Town is also required to provide training to all new employees on sexual harassment before their first anniversary of employment. In addition, new supervisors must receive information on their responsibility to take immediate and corrective action in addressing sexual harassment complaints.

## **Section 12 – Political and Outside Activities**

Except as otherwise provided by law, no person who is an employee of the Town shall be eligible to hold any elective office in the Town government. No Town employee shall orally, by letter, or in any other manner, solicit or assist in soliciting any assessment, subscriptions or contributions for candidate for elective office in the Town government. This shall not prevent Town employees from becoming, or continuing to be, members of any political organization, from attending political functions, running for any Town, State or Federal elected position, or from voting with complete freedom in any election. The Town Manager shall endeavor to keep all municipal properties free of political or campaign literature and materials.

## **Section 13 – Safety**

The Town of Gray recognizes that an organized and systematic loss control program is important to our operational and administrative systems. The safety and health of employees and of the public and the protection from loss of the Town's physical facilities is both a moral and legal obligation.

It is intended that the Town of Gray will undertake initiatives to maintain safe and healthful

working conditions and facilities, develop safe operating procedures, and utilize its financial and personnel resources to achieve a loss free environment of our employee for our employees and for the public.

The responsibility for this undertaking is shared by the Manager, Supervisors and employees. Oversight of the loss control/safety program will be done by a Committee of various employees as approved by the Town Manager. However, all employees must work cooperatively to ensure that workplace safety is a matter of continual concern, equal in importance to all other operation considerations.

The Town requires all employees to complete mandatory safety training that complies with Federal (OSHA), State and local requirements. Each Department Head is required to ensure the proper training for each of their employees. Written proof, signed by the employee and Department Head/Certified Training Authority or a valid Certificate of course completion, shall be required for all training, and will be added to each employee's Personnel File. Employees are expected to abide by all safety rules and regulations, which shall be posted on bulletin boards, announced at staff meetings or otherwise communicated by the Town. An employee's failure to comply may result in disciplinary action and/or termination.

#### **A. Workers Compensation**

The Town participates in a federally mandated Workers Compensations Program. The following actions are required by all employees:

- 1) All accidents to personnel, no matter how minor, during the work schedule must be reported immediately to the Department Head or the Town Manager. The Town requires the first injury report to be filed with Workers Compensation within three (3) days of incident. A copy of the report will be forwarded to the [FinanceHuman Resources](#) Department so it can added to the employees confidential personnel file.
- 2) All employees suffering an on-the-job accident will be sent to the Town-specified doctor for examination at the Town's expense.
- 3) The employee, if eligible, will be entitled to utilize sick, vacation or personal time respectively for any regularly-scheduled time missed between the incident and the date that Workers Compensation benefits may begin.

#### **B. Infectious Disease**

See Appendix for the Infectious Disease Policy.

### **Section 14 – Severability**

If any provision of this Personnel Policy to any person or a circumstance(s) is held invalid, this invalidity does not affect other provisions or applications of the Personnel Policy which can be given effect without the invalid provision or application. For this purpose, the Personnel Policy is severable.

## **APPENDIX A - FAMILY MEDICAL LEAVE ACT**

The **Family & Medical Leave Act** (29 U.S.C. § 2601 et seq.) is a federal law guaranteeing unpaid time off for employees to deal with family and personal matters. In 2008, the FMLA was amended, through the National Defense Authorization Act of 2008 (PL 110-181), to provide new leave entitlements related to military service. In addition, comprehensive new regulations promulgated by the U.S. Department of Labor (DOL) in November, 2008 have clarified and revised some FMLA requirements, effective January 16, 2009.

**“Traditional” Non-Military FMLA Leave.** The law requires covered employers to grant up to **12 workweeks** of unpaid leave in a 12-month period to eligible employees for the following reasons:

- 1) the birth and care of the employee’s newborn child;
- 2) placement of a child with the employee for adoption or foster care;
- 3) to care for the employee’s spouse, son, daughter or parent, (but not parent-in-law) with a serious health condition; or
- 4) for the employee’s own serious health condition that makes him/her unable to perform the functions of his/her position.

*“Serious health condition”* is defined in detail in DOL regulations. See 2008 regulations [29 C.F.R. §§ 825.113; 825.115](#). *“Son or daughter”* means a biological, adopted, or foster child, stepchild, legal ward or in a loco parentis relationship who is either under age 18, or over 18 and incapable of self care due to a physical or mental disability. See 2008 regulation [29 C.F.R. § 825.122](#) for more details.

**Military FMLA Leave.** Two new leave entitlements were provided in 2008 to deal with military family leave issues.

(1) **Military Caregiver Leave.** Eligible employees may take up to **26 workweeks** of unpaid leave within a 12-month period for the purpose of caring for a “covered servicemember.” The employee must meet the basic FMLA eligibility requirements discussed below and must also be the spouse, son, daughter, parent or “next of kin” of a covered servicemember.

- *“Next of kin,”* for the purposes of Military Caregiver leave, is the nearest blood relative of that individual other than the servicemember’s spouse, parent, son or daughter according to list of priorities in the regulations at [29 C.F.R. § 825.127](#).
- *“Covered servicemember”* means a current member of the Armed Forces, including 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. The term *“serious injury or illness”* is defined (**only** for the purpose of deciding who is a “covered servicemember”), as an injury or illness incurred by the member in the line of duty on active duty in the Armed Forces that may render the member medically unfit to perform his/her military duties. See 2008 regulation [29 C.F.R. § 825.127](#).
- Unlike other FMLA leaves, Military Caregiver leave starts on the first day leave is taken and ends 12 calendar months from that date, regardless of the usual method the employer uses to calculate the 12 month period for other FMLA leaves. See discussion below.
- An employee is limited to a combined total of 26 workweeks of FMLA leave in one 12-month period, which includes all FMLA leave taken for any reason.

- An employee may take additional 26-week Military Caregiver leaves for a different service member or to care for the same servicemember with a subsequent injury or illness, provided that no more than 26 weeks of leave may be taken in one 12-month period.
- The Military Caregiver Leave entitlement became effective immediately upon passage on January 28, 2008.

(2) **Qualified Exigency Leave.** Eligible employees may take up to **12 workweeks** of unpaid FMLA leave in a 12-month period because of a “qualifying exigency” arising out of the fact that the employee’s spouse, son, daughter or parent is a “covered military member” who is on active duty, or call to active duty status, in support of a contingency operation.

- A “*qualified exigency*” is defined in the regulations to include a number of broad categories for which leave may be used. These include:

- o Short-notice deployment (used up to 7 days from notification date);
- o Military events and related activities;
- o Childcare and school activities;
- o Financial and legal arrangements;
- o Counseling (other than with a medical provider);
- o Rest and recuperation leave of up to 5 days;
- o Post-deployment activities (may be used up to 90 days from termination of active duty status); and
- o Additional activities not part of the categories listed above, but agreed to by employer and employee.

Additional detail and examples of each of the types of qualifying exigency are provided in the 2008 regulations at [29 C.F.R. § 825.126](#) and in the U.S. DOL [Fact Sheet on Military FMLA Leave](#).

- “*Covered military member*” as used for Exigency Leave is *not* the same as the term “covered servicemember” as used for Military Caregiver Leave. A “covered military member” includes members of the National Guard, the Reserve, or certain retired members of the Regular Armed Forces or retired Reserve. The Exigency Leave entitlement was **not** extended to family members of members of the Regular Armed Forces. In addition, the call to duty must be a federal call to active duty. State calls to active duty are not covered unless under certain orders of the United States President as listed in the regulations. See 2008 regulation [29 C.F.R. § 825.126\(b\)](#) for more detail. 29 C.F.R. § 825.126(b)

- An employer may request copies of the military member’s orders or other documentation from the military, and may request that the employee provide certification of the exigency. The DOL has created a form ([Form WH-384](#)) that employers may use for this purpose. Also see 2008 regulation [29 C.F.R. § 825.309](#) for more information. 29 C.F.R. § 825.309

**Employee Eligibility:**

In order to be eligible for any type of FMLA leave, an employee must work for a covered employer and meet the following criteria:

- The employee must have worked for the employer for at least 12 months (in total, and not consecutively). According to the 2008 FMLA regulations, employers do not need to count breaks in service of more than 7 years. Several exceptions to the 7 year limit are listed in 2008 regulation [29 C.F.R. § 825.110\(b\)](#);
- The employee must have worked at least 1,250 hours over the 12-month period immediately preceding commencement of the leave;
- The employee must work at a job site at which there are at least 50 employees or at least 50

employees must work within 75 miles of the work site.

All “public agencies” are covered employers under the federal FMLA. 29 C.F.R. § 825.108. This includes federal and state governments, municipalities, or government agencies. *Id.* However, even though a municipality is a “covered employer” under the FMLA, it may not be required to provide FMLA leave to its employees because the municipality may have no “eligible” employees. As noted above, in order to be eligible for FMLA leave, an employee must work at a worksite where there are at least 50 employees, or at least 50 employees must work within 75 miles of the employee’s worksite. Thus, in practice, a municipality must have at least 50 employees (within a 75-mile area) before it will be required to grant leave under the federal FMLA. See 2008 regulation [29 C.F.R. § 825.108\(d\)](#).

*Determining number of employees employed:* Before deciding if the 50-employee threshold has been met, one must determine which entity is the “public agency” or municipal employer. Generally, a municipality is considered a single employer for purposes of determining employee eligibility. See [29 C.F.R. § 825.108\(c\)](#). Often questions arise as to whether the “municipality” includes school, sewer, water or other municipal functions, or whether these are separate employers for purposes of the FMLA. DOL regulations indicate that this determination should be made on a case by case basis and that the U.S. Bureau of Census, *Census of Governments* may be used as one guiding factor on this issue. See [29 C.F.R. § 825.108\(c\)](#) and [www.census.gov/govs](http://www.census.gov/govs). Once the bounds of the municipal employer are determined, one must then determine how many “employees” that employer employs. The FMLA uses the same definition of “employee” used in the Fair Labor Standards Act. ([29 U.S.C. § 203](#)). Because there are numerous exceptions and qualifications applicable to the determination of the municipal employer and number of employees, municipalities are strongly encouraged to seek legal advice in determining if the 50-employee threshold has been met.

### **Counting the 12-month leave period:**

The law requires employers to provide 12 workweeks of leave within a “12-month period” for all types of FMLA leave except Military Caregiver leave. Employers may choose among 4 methods to calculate the 12-month leave period provided the method chosen is applied consistently and uniformly to all employees. See [29 C.F.R. § 825.200](#). These are:

- (1) a calendar year;
- (2) any fixed 12-month year, such as a fiscal year, or a year beginning on the employee’s anniversary date;
- (3) a 12-month period measured forward from the date any employee’s first FMLA leave begins; or
- (4) a rolling 12-month period measured backward from the date an employee uses FMLA leave.

Municipal employers that have eligible employees (i.e., over 50 employees within a 75-mile radius) are encouraged to adopt a policy that notifies employees of the method the employer has chosen to measure the 12-month period. If the employer does not designate a method of calculating the leave year in advance, the employer must allow employees to use whatever counting method that would be most beneficial to the employee. [29 C.F.R. § 825.200](#). When implementing (or changing) a method of calculating the leave year, the employer must give at least 60 days notice to all employees, and the transition must take place in such a way that the employees retain the full benefit of 12 weeks of leave under whichever method affords the greatest benefit to the employee. *Id.*

## **Certification:**

Employers may require that employees provide certification of the need for leave under the Military Exigency leave entitlement. The DOL has issued a form that may be used to certify this exigency. See [Certification of Qualifying Exigency for Military Family Leave \(Form WH-384\)](#).

Employers may require medical certification of the need for leave when leave is requested to care for the employee's family member, a covered servicemember or for the employee's own serious health condition. Generally, the employee must be allowed at least 15 days to obtain the certification. The DOL has published three new forms that may be used to obtain medical certification Individual forms were created to certify:

- (1) the employee's own serious health condition ([Form WH-380-E](#));
- (2) a family member's serious health condition ([Form WH-380-F](#));
- (3) and a covered service member's serious injury or illness ([Form-385](#)).

Second or third medical opinions are potentially available at employer expense. See the DOL's [Compliance Guide](#) for more information concerning medical certification and 2008 regulations at [29 C.F.R. § 825.305 – 825.313](#).

Recertification of the need for leave may be required generally no more often than every 30 days and only in connection with an absence. Additional guidelines and restrictions, including those relating to recertification of intermittent leave, are outlined in the regulations at [29 C.F.R. § 825.308](#) and [825.305](#).

*Fitness for Duty.* Pursuant to a uniformly applied policy, an employer may ask for medical certification of fitness to return to work upon completion of approved leave for the employee's own serious health condition. Any such inquiries must be consistently applied, and must be sought only in regard to the particular health condition that caused the need for leave. Under the 2008 FMLA regulations, an employer may require that the certification address the employee's ability to perform the essential functions of the job, *if* the employer provided a list of these essential functions no later than the time it provided the [Designation Notice \(Form WH-382\)](#) to the employee. In addition, the Designation Notice must have indicated that the Fitness for Duty Certification would be required to address these functions. No second or third opinions on a Fitness for Duty certification are allowed, although an employer may ask for clarification of the certification within specific limits in the regulations. See 2008 regulation, [29 C.F.R. § 825.312](#). For more information concerning certification requirements, see 2008 regulations at [29 C.F.R. §§ 825.305 – 825.313](#).

## **Intermittent Leave:**

If medically necessary, intermittent leave or a reduced work schedule must be allowed under the federal FMLA to care for a child, parent, or spouse or for the employee's own serious health condition. Intermittent leave may also be used to care for a covered servicemember with a serious injury or illness. In addition, only the amount of leave actually used while on an intermittent/reduced leave schedule may be charged against the employee's leave entitlement. Employers may not require an employee to use more time than necessary and must account for the intermittent leave, using the smallest time segments available in their timekeeping system (which must be an hour or less). Intermittent leave for the birth or placement of a child is only available with consent of the employer. See [29 C.F.R. § 825.202 - 825.205](#).

## Employer Notice Requirements:

- o All covered employers must post the DOL's **FMLA Poster/General Notice** ([Form WH-1420](#)) in a conspicuous location even if the employer has no eligible employees. (Note: the DOL has issued a new poster in conjunction with its 2008 regulations).
- o Employers with any eligible employees *must* provide the same information contained in the FMLA Poster/General Notice in any handbooks and/or any written policy materials. If the employer does not maintain policy manuals or written policy materials, the employer must provide general information on FMLA rights to new employees at the time of hire. Electronic distribution of the notice is allowed, if certain conditions are met. See new regulation [29 C.F.R. § 825.300](#).
- o Within five business days after a leave request is received, or the employer has been made aware of the employee's need for leave, the employer must give the employee a notice concerning his/her basic eligibility for leave (e.g. whether the employee has worked for the employer for 12 months, 1,250 hours and/or whether the 50 employee threshold has been met). At the same time, the employer must also furnish a notice outlining the employee's rights and responsibilities relating to FMLA leave. The notice must indicate any requirement to provide certification of the need for leave, whether military or non-military. Specific information which must be included in the notices includes: requirements relating to substitution of paid leave, key employee status, requirements for periodic reports, benefit premium payments, and several other items listed in new regulations at [29 C.F.R. § 825.300\(b\)](#). The notice of eligibility may be verbal or in writing. The DOL has created a sample form entitled,

**Notice of Eligibility & Rights and Responsibilities** ([Form WH-381](#)) which satisfies this employer obligation.

- Within five business days after the employer gains enough information to make a determination as to whether the requested leave qualifies as FMLA leave (e.g. medical certification has been received), the employer must provide a "**Designation Notice**" to the employee. The Designation Notice notifies the employee whether the leave will be designated as FMLA leave and counted against the employee's leave entitlement. If the employer plans to require a fitness for duty certification upon return to work, and/or if the employer will require that the certification address the essential functions of the employee's job, these requirements must be included in the Designation Notice, along with a list of those essential functions. A sample **Designation Notice** ([Form WH-382](#)) has been prepared by the DOL. See 2008 regulations, [29 C.F.R. § 825.301](#) for more details on Designation Notice requirements.
- The employer must notify the employee of the amount of leave counted against the employee's FMLA leave entitlement. If the amount of leave is known at the time the employer designates the leave as FMLA-qualifying, the employer must notify the employee of the number of hours, days, or weeks that will be counted against the employee's FMLA leave entitlement in the Designation Notice. If it is not possible to provide the information with the Designation Notice, the employer must provide notice of the amount of leave counted against the employee's FMLA leave entitlement upon the request by the employee, but no more often than once in a 30-day period and only if leave was taken in that period. The notice may be oral or in writing, but if oral notice is given, it must be confirmed in writing no later than the following payday. The written notice

may be in any form, including a notation on the employee's pay stub. See 2008 regulation 29 C.F.R. § 825.300(d)(6).

### **Employee Notice Obligations:**

Generally, employees must provide at least 30 days notice of the need for leave that is foreseeable. See [29 C.F.R. § 825.302](#) for more detail. For unforeseeable leave, an employee or his/her spokesperson must provide notice to the employer as soon as practicable under the facts and circumstances of the particular case. The regulations provide that it generally should be practicable for the employee to provide notice of unforeseeable leave within the time prescribed by the employer's usual and customary notice requirements. See [29 C.F.R. § 825.303](#) for more detail.

### **Preservation of benefits:**

During an approved leave, the employer must maintain the employee's group health insurance on the same terms as if the employee continued to work.

The employer is not required to maintain other non-health insurance benefits (such as life insurance) during the leave. However, the FMLA does require employers to restore an employee returning from approved leave to the same benefits he/she had prior to the leave, with no penalty or waiting periods. Thus, if an employee fails to pay his/her benefit premiums during the leave, an employer may decide to continue such benefits at its own expense during the leave or should make sure that applicable benefit plans allow immediate resumption of benefits. See the [DOL Compliance Guide](#) and 2008 regulation [29 C.F.R. §§ 825.209 – 825.215](#) for more information.

### **Substitution of Paid Leave:**

FMLA leave is generally unpaid leave. However, employees may substitute available paid leave for otherwise unpaid FMLA leave. Employers may also require that an employee use available paid leave. Any paid leave time used by the employee does count toward the employee's FMLA leave entitlement. The 2008 regulations clarify that if an employee wants to substitute paid leave, he/she must comply with the employer's paid leave policies and procedures with respect to use of that paid leave. The employer must notify employees of any additional procedural requirements that apply to the use of paid leave in the **Notice of Rights and Responsibilities** (given to employees when leave is requested). See 2008 regulation [29 C.F.R. § 825.207](#) for more information.

### **Reinstatement:**

Upon return from an approved leave, the employee must be reinstated to the same or an equivalent position, with the same pay, benefits, and other terms and conditions. Certain exceptions apply for "key employees." See DOL [Compliance Guide](#) for more information on key employees.

**Education employees:**

Special rules apply to some employees of local educational agencies, including public elementary and secondary schools. “Instructional employees” are subject to special rules when taking leave (a) more than 5 weeks prior to the end of a term; (b) less than 5 weeks prior to the end of a term; and (c) less than 3 weeks from the end of a term. For more information see: [29 C.F.R. § § 825.600 – 825.604.](#)

**Discrimination:**

An employer may not interfere with, restrain or deny the exercise of FMLA rights. Employees may not be discharged or discriminated against for taking leave. Nor may the use of FMLA leave be used as a negative factor in a “no fault” attendance policy or in any employment action, including hiring, promotion or disciplinary actions. See 2008 regulation, [29 C.F.R. § 825.220.](#)

**Enforcement:**

The FMLA is enforced by the U.S. DOL’s Employment Standards Administration, Wage and Hour Division. The agency investigates complaints of violations, and is authorized to bring action in court to compel compliance. In addition, eligible employees may bring a private lawsuit against an employer for violations. An employee is not required to file a complaint with the Wage and Hour Division prior to bringing such action. See 2008 regulations at [29 C.F.R. § 825.400 – 825.404.](#)

## **APPENDIX B – MAINE FAMILY MEDICAL LEAVE ACT**

Maine has enacted its own Family Medical Leave Law (MFMLA) entitling eligible employees of certain employers to 10 workweeks of leave in any two-year period. (26 M.R.S.A. § 843 *et seq.*; PL 2007 c. 233) The MFMLA is modeled after the federal FMLA, but has some important differences. It is very possible that some employees could be covered under either the state or federal FMLA laws, or both. Thus, when presented with a leave request, an employer should analyze the eligibility requirements of each law separately.

### **Covered Employers:**

Maine’s FMLA applies to city, town and municipal agency employers with 25 or more employees. *See* 26 M.R.S.A. § 843(3). The law defines “employee” quite broadly, to include any person “permitted, required or directed by an employer in consideration of direct or indirect gain or profit to engage in any employment.” Employee does not include an independent contractor. 26 M.R.S.A. § 843(1).

### **Employee Eligibility:**

Employee eligibility under the MFMLA differs from the federal FMLA in three important ways:

- In order to be eligible for MFMLA leave, an employee must have worked for the same employer for at least 12 *consecutive* months (under federal law, the 12 month work requirement need not be consecutive).
- An employee must work at a permanent worksite with at least 15 employees.
- Under the MFMLA there is no 1,250 hour work requirement.

Thus, in some situations, an employee may not qualify for federal FMLA leave because the individual has not worked 1,250 hours in the previous year, but the individual may qualify for Maine FMLA leave because he/she has been employed for 12 consecutive months.

### **Leave Entitlement:**

Under the MFMLA, an eligible employee is entitled to up to 10 workweeks of leave in a two-year period for the following reasons. Effective September 20, 2007, the Legislature added “domestic partners” to the entitlement to leave, and added a new entitlement to leave for military deaths/injuries. Effective July 18, 2008, the MFMLA includes a right to leave for the purpose of caring for a sibling. (PL 2007 c. 519).

- (1) the birth of the employee’s child or the employee’s domestic partner’s child;
- (2) placement of a child 16 years of age or less with the employee or with the employee’s domestic partner in connection with the adoption of the child by the employee or the employee’s domestic partner;
- (3) A child, a domestic partner’s child, parent, domestic partner, sibling or spouse with a serious health condition;
- (4) The employee’s own serious health condition;
- (5) The donation of an organ of that employee for a human organ transplant;

(6) The death or serious health condition of the employee's spouse, domestic partner, parent, sibling or child if the spouse, domestic partner, parent, sibling or child as a member of the state military forces, as defined in 37-B M.R.S.A. §102, or the U.S. Armed Forces, including the National Guard and Reserves, dies or incurs a serious health condition while on active duty. PL 2007 c. 388; PL 2007 c. 261.

*Serious health condition* is defined in the law as an illness, injury, impairment or physical or mental condition that involves: (a) inpatient care in a hospital, hospice or residential medical care facility; or (b) continuing treatment by a health care provider. 26 M.R.S.A. § 843(6).

*Domestic partner* is defined as: the partner of an employee who:

- Is a mentally competent adult as is the employee;
  - o Has been legally domiciled with the employee for at least 12 months;
  - o Is not legally married to or legally separated from another individual;
  - o Is the sole partner of the employee and expects to remain so;
  - o Is not a sibling of the employee; and
  - o Is jointly responsible with the employee for each other's common welfare as evidenced by joint living arrangements, joint financial arrangements or joint ownership of real or personal property. PL 2007 c. 375.

*Sibling* is defined as "a sibling of an employee who is jointly responsible with the employee for each other's common welfare as evidenced by joint living arrangements and joint financial arrangements."

#### **Intermittent Leave:**

In response to a 2006 court decision that held that the MFMLA contained no requirement for intermittent leave, the Maine Legislature amended the law to allow intermittent leave in circumstances similar to the federal law. See *Brown v. Eastern Maine Medical Center*, 2006 U.S. Dist. LEXIS 50593 (D.Me. 2006); PL 2006 c. 233.

Effective September 20, 2007, the MFMLA requires covered employers to provide intermittent leave or a reduced work schedule, if medically necessary, for the employee's serious health condition, a parent, child, domestic partner or spouse with a serious health condition, or for organ donation. Intermittent leave for the birth, adoption or foster care placement of a child is available only by agreement of the employer and employee. PL 2006 c.233.

If intermittent leave is taken, the employer may temporarily transfer the employee to an available alternative position for which the employee is qualified and (1) which has equivalent pay and benefits and (2) better accommodates the intermittent leave schedule. PL 2006 c. 233.

#### **Employee Notice/Certification:**

An employee needing leave is required to give at least 30 days prior notice of the intended start and end of leave, unless prevented from giving notice by a medical emergency.

The employee may be required to provide medical certification from a physician to verify the amount of leave needed. Note that the law allows an employee that has "in good faith" relied on treatment by prayer or spiritual means, pursuant to the tenets of a recognized church or

religious denomination, to submit certification from an accredited practitioner of those healing methods. 26 M.R.S.A. § 844(1)(B).

Employers must post a poster concerning MFMLA, available from the Maine DOL.

**Preservation of Benefits:**

An employer must allow an employee on leave to maintain employee benefits at his/her expense. The parties may negotiate to maintain benefits at employer expense.

**Restoration:**

At the conclusion of an approved MFMLA leave, the employer must restore the employee to the same or an equivalent position with same seniority status, benefits, pay and other terms and conditions of employment. There is a limited exception to the employee's right to job restoration, if the employer can prove that the employee was not restored to the same or equivalent position due to conditions unrelated to the employees exercise of leave rights. 26 M.R.S.A. § 845.

**Discrimination:**

The use of leave may not result in the loss of any employee benefits accrued before the leave was taken. Nor may the leave result in loss of seniority or contract rights. In addition, an employer may not interfere with, restrain or deny the exercise of or the attempt to exercise any right provided under the MFMLA. Nor may an employer discharge, fine, suspend, expel, discipline or in any other manner discriminate against any employee for exercising any right under the Maine FMLA or for opposing any practice made illegal by the MFMLA. 26 M.R.S.A. § 846-7.

## APPENDIX C - ELECTRONIC COMMUNICATION POLICY

The Town of Gray (“the Town”), in an age of growing technology and electronic communication, is implementing a policy to clearly define employee expectations and responsibilities.

“**System**” means all telephones, computers, facsimile machines, voicemail, e-mail, and other electronic communication, copying or data storage systems or equipment leased, owned or in the possession of the Town, including, but not limited to, any computer, computer system, or any storage device or medium that the Town provides to an employee or that is physically or electronically connected to any other part of the System. “**Electronic Communication**” means all electronic communications, data, software, files, and other information created, modified, located upon, received or transmitted by, or stored upon, any part of the System, including, but not limited to e-mail, voicemail, and Internet usage.

**All parts of the System are owned by the Town and/or are provided solely for use in the Town’s business activities. All Electronic Communications are the Town’s property. The Town has the right and the ability to monitor and review all Electronic Communications at any time without notice to its employees or any other party and for any purpose whatsoever.**

Town employees may not use the System, or send, receive, create or store Electronic Communications upon the System, in a manner that is illegal, disruptive to others, or that interferes with the Town’s business activities. All Town employees are prohibited from using any part of the System to harass others, or to download, obtain, display, store, receive or transmit:

- a) Any information that is sexually explicit, obscene, or of a sexual nature, that contain libelous or defamatory material, or that would not be permitted on any bulletin located on Town property;
- b) Any ethnic, racial or religious slurs, or anything that is, or may be construed as, disparagement of others based on race, color, national origin, ancestry, gender, sexual orientation, age, disability, religious or political beliefs, or any other basis prohibited by law; or
- c) Any communications that are derogatory of fellow employees (except as may be required as part of the Town’s business activities). The System may also not be used to solicit anyone for any commercial, religious, charitable, or political causes, or for outside organizations. Except as otherwise provided below, the System may not be used for any purpose that is not related to Town business.

**E-mail** is used to transmit and receive messages internally and externally on matters of business connected to the Town. The occasional employee use of e-mail with permissible content for personal matters is not prohibited, but is discouraged.

**Voicemail** is used to leave messages for employees regarding matters of a business nature. Voicemail boxes will occasionally be emptied to free up System space.

**Internet Usage** is to be limited to matters of business connected to the Town. The occasional use of the Internet for otherwise permissible personal matters is not prohibited, but is discouraged. Any downloading of materials or loading of programs/software onto any part of the System without permission from Town technical staff is prohibited.

The workplace activities of Town employees reflect upon, and may create liability for, the Town. The person signing as an employee below acknowledges receiving a copy of this policy and understands that the Town may take disciplinary action, up to and including termination of employment, against any employee who violates the terms of this policy as those terms may be changed and/or supplemented from time to time by the Town.

## **APPENDIX D – EMPLOYER / EMPLOYEE CONTRIBUTION**

### **A. Retirement Contribution:**

Ordered the Gray Town Council will match the retirement contribution amount for the town employees at 6% and will increase the contribution at 7.5% for 10 years of service, 8% for 15 years of service, 8.5% for 20 years of service and a maximum of 9% for 25 years of service and that the increase to employees retirement plan will not exceed the employee's contribution.

## **APPENDIX E - OPTIONAL BENEFITS**

- A. Vision Plan
- B. Dental
- C. Income Protection
- D. Medical Reimbursement Plan
- E. All other Town Manager approved plans that are 100% Employee funded

## **APPENDIX F – INFECTIOUS DISEASE POLICY**

### A. Purpose

This is to establish the policy of the Town for managing infectious disease issues as they relate to employees and/or prospective employees including but not limited to the following diseases: AIDS, Chickenpox, Hepatitis A, Hepatitis B, Impetigo, Measles, Mumps, Pertussis, and Parasitic Infestations. Any employee or volunteer who could or does come into contact with bodily fluids while performing their job as a Town employee or volunteer, should immediately reference the Town Exposure Control Plan. Copies of the Exposure Control Plan are available in the Town Manager's office, as well as in the Police, Fire/Rescue, Public Works and Community Services Departments.

### B. Policy

1. It is the policy of the Town to assure to the extent possible a safe and beautiful work environment.
2. It is also the policy of the Town to ensure full compliance with state, federal, and local requirements dealing with infectious diseases.
3. Town procedures shall comply with the Center for Disease Control recommendations for specific infectious diseases. These recommendations will be available through the employee's Department Head.
4. It is the obligation of all Town employees to take all reasonable precautions to protect themselves, co-workers, clients and the public from infectious diseases.
5. The Town shall make available to all employees and volunteers who have occupational exposure the Hepatitis B vaccination series and post exposure evaluation and follow-up. Please reference the Town Exposure Control Plan for detailed information on necessary procedure to follow.

### C. Procedures

- 1) The Town will not discriminate against employees and/or prospective employees with infectious diseases who are otherwise qualified to perform their job functions with reasonable accommodation. Employees with infectious diseases will be treated under existing policies, state, federal, and local requirements, and collective bargaining agreements.
- 2) Where allowed by law, the Town retains the right to test employees for infectious diseases.
- 3) The Town must maintain confidentially regarding an employee's health status, and does not have a duty to inform other individual or organizations unless required by law.

- 4) Upon medical confirmation of an infectious disease that may be a threat to the public health, the affected employee has the responsibility to notify the Town's Personnel Administrator, and to carry out his or her assigned duties if reasonable accommodations can be made.
- 5) Upon notification by an employee that an infectious disease has been confirmed and is a threat to the public health, the Personnel Administrator will:
  - a) Secure, if possible, all appropriate releases for information from the employee and notify those individuals for whom those releases have been acquired.
  - b) Assist in the identification of reasonable accommodations to be made, if any.
  - c) Assist individual departments, if necessary, in complying with this policy.
  - d) The Town will treat all occupational infectious disease injuries or illnesses according to state law.
- 6) The Town will provide appropriate educational opportunities and current informational material on infectious disease issues, including prevention, protection, control measures, and treatment practices.
- 7) Individual departments have the right to develop protocols regarding infectious disease control provided that those protocols conform to this policy.
- 8) An employee cannot refuse to carry out his or her assigned duties when dealing with a co-worker or the public with an infectious disease unless that individual makes a threat of harm to the employee. Failure to adhere to this procedure will result in disciplinary action.

D. Accidental Needle Stick Procedure

Police, fire, rescue and solid waste personnel have the highest risk of exposure to needles and syringes. Exposure to a used, contaminated needle places an employee at risk for contracting an infectious disease. In the event of an accidental puncture with a contaminated needle, the procedure is as follows:

- 1) Wash the puncture site thoroughly with soap/disinfectant and water.
- 2) Report the incident to your supervisor.
- 3) Police, fire or rescue personnel must notify the medical facility receiving the patient of the incident.
- 4) Complete Incident and/or Workers Compensation forms.
- 5) Establish your potential exposure risk to infectious diseases.

6) Notify your Department Head to establish your:

- a) Tetanus status,
- b) Hepatitis B status, and
- c) HIV exposure.

7) Seek further medical attention if necessary.

#### E. Procedure for Exposure to AIDS infection

If a Town employee is exposed to the blood or body-fluid of a known or highly suspected AIDS infected person:

- 1) Wash the exposed areas thoroughly with soap and water. Clean any spills with one (1) part bleach to ten (10) parts water solution.
- 2) Report the incident to your supervisor.
- 3) Complete the Incident and Workers Compensation forms.
- 4) Notify your Department Head as soon as possible to schedule an appointment for a voluntary blood test.
- 5) The blood test will be drawn within two weeks of the incident, six months later, and nine months later. The blood test is sent to the Maine Public Health Division in Augusta. Results are received approximately one week later. You will be notified of the test results.
- 6) If all three specimens are negative, you are considered not to be infected.
- 7) Counseling occurs with each visit or when requested, and is also available to family members and co-workers.
- 8) Emotional counseling is available through a counselor of the employee's choice and to be provided by the Town.
- 9) Strict confidence will be maintained in all incidences unless appropriate medical and/or information releases have been obtained.

## **APPENDIX G – EARNED PAID LEAVE (Effective January 1, 2021)**

As defined by 26 MRSA Section 1043(11), The State of Maine’s Earned Paid Leave (EPL) Law requires employers with more than 10 employees to provide earned paid leave equal to or in excess of the Earned Paid Leave Law.

**Covered Employees:** Covered employees under the Earned Paid Leave Law include, but may not be limited to, full-time, part-time, temporary, on-call, call firefighters (under certain work events and unless excluded as outlined below), and per diem employees.

**Exclusions:** Employees determined to be seasonal employees by the Unemployment Insurance Commission will not accrue Earned Paid Leave during the seasonal period of June 15 – September 15. Employees, such as Election Workers and call firefighters, who are paid less than \$1,000 in a calendar year, are excluded from the Earned Paid Leave Law. Additionally, call firefighters who are only paid when they choose to respond to a fire or other emergency may also be excluded from the Earned Paid Leave Law.

**Regular Full-time and Part-time Employees:** The Town of Gray currently provides a benefit greater than this EPL law for its regular full-time and part-time employees through its paid vacation, sick, personal, and wellness policies. To comply with Maine’s Earned Paid Leave Law, regular full-time and part-time employees may utilize up to 40 hours of accrued vacation, sick, or personal time during the calendar year for any type of time off as needed. Employees in this classification should refer to the Town’s established paid leave policies and contact their supervisor or Human Resources for clarification.

**Accrual of Earned Paid Leave (EPL):** All Covered Employees, other than Regular Full-time and Regular Part-time Employees as outlined above, are entitled to earn one hour of paid leave for every 40 hours worked, up to 40 hours in one calendar year of employment. Accrual of this leave begins at the start of employment, but may only be used as set forth below. Unused EPL time will roll over and be available to the covered employee in their next year of employment. However, the maximum amount of EPL available to the covered employee will not exceed 40 hours in one calendar year.

**Use of Earned Paid Leave:** Once eligible employees, including probationary employees, have been employed for 120 calendar days, they may use earned paid leave in increments of a minimum of ½ hour (30 minutes) for any reason, such as illness, personal and family emergencies, personal time, and vacation. Per diem and on call employees, who sign up, accept shifts when available to work, or are called in to work, may utilize Earned Paid Leave if they need to arrive late or leave early for a shift or have signed up for a shift but are not able to make or work the shift for some unforeseen reason. Per diem and on call employees are not eligible to use EPL for days on which they have not been assigned to a shift.

**Notice Requirements:** Eligible employees must provide at least four weeks’ prior notice to their supervisor of their intent to use this leave, unless leave is for an emergency, illness, or other sudden necessity where advance notice may not be feasible, and then notice must be given as soon as practicable.

**Restrictions of use of Earned Paid Leave:** EPL may be denied or canceled by the Department Head during defined peak work periods where approval of such leave would inhibit the ability of the department to safely maintain adequate levels of service to the community.

Leave Accrual upon Separation: (1) Regular full-time and part-time employees: Any unused Earned Paid Leave will be paid to regular full-time and part-time employees at time of separation consistent with existing Town vacation, sick, and personal time policies. (2) Temporary, on-call, and per diem employees: Employees of this classification who are covered employees and not otherwise excluded from eligibility to accrue EPL will not be paid for any unused and accrued Earned Paid Leave upon separation of employment. If a temporary, on-call, or per diem employee returns to work within 365 days of their last date of employment, that employee is entitled to any unused balance of EPL.

**TOWN OF GRAY  
EMPLOYEE PAID TIME OFF**

**Accrual Rates**

Full-Time Employees (Groups I & II)		
Years of Employment	Vacation Time per Pay Period	Sick Leave per Pay Period
Less than 5 years of Service	3.08 hours per pay period	3.692 hours per pay period
5-10 Years of Service	4.62 hours per pay period	<i>See above</i>
10 Years of Service or More	6.16 hours per pay period	<i>See above</i>

Part-Time Employees (Group III)		
Years of Employment	Vacation Time per Pay Period	Sick Leave per Pay Period
Less than 5 years of Service	.0385 hours per hour worked	.04615 hours per hour worked
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

**Vacation Time Accrual Cap**

Full-Time and Part-Time Employees (Groups I-III)		
Years of Employment	Maximum Vacation Time	Notes
Less than 5 years of Service	Two weeks (80 hours)	Accrual ceases at employee's individual limit at left. Time paid out upon separation.
5-10 Years of Service	Three weeks (120 hours)	Accrual ceases at employee's individual limit at left. Time paid out upon separation.
10 Years of Service or More	Four weeks (160 hours)	Accrual ceases at employee's individual limit at left. Time paid out upon separation.

**Sick Time Accrual Cap**

Full-Time and Part-Time Employees (Groups I-III)		
Years of Employment	Maximum Sick Time	Notes
Less than 5 years of Service	960 hours	Employees who have an excess of this cap as of October 1, 2022 will maintain their sick time hours until the accrued hours may fall below 960 hours.
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

**Payout for Accumulated Sick Time**

Full-time Employees Only (Groups I & II)		
Years of Employment	Payout Amount	Notes
Less than 5 years of Service	0	No sick time paid out upon separation of employment.
5-10 Years of Service	50% of accrued sick time amount, 200 hours maximum	Employee must be in good standing with the Town.
10 Years of Service or More	50% of accrued sick time amount, 360 hours maximum	Employee must be in good standing with the Town.

**Personal Time**

Full-time Employees Only (Groups I & II)		
Years of Employment	Time Received each Year	Notes
Less than 5 years of Service	16 hours	Personal time does not accrue year to year and is not subject to payout upon separation.
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

**Bereavement Time**

Full-Time and Part-Time Employees (Groups I-III)		
Years of Employment	Bereavement Time	Notes
Less than 5 years of Service	Up to 3 days of absence caused by the death of a member of the immediate family	See definitions portion of the Personnel Policy.
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

**Earned Paid Leave**

Covered Employees	EPL Accrual and Utilization	Notes
Groups I-III (Full-Time and Part-Time Employees)	Up to 40 hours of accrued vacation, sick, or personal time may be used during the calendar year for any type of time off as needed.	Refer to the Town’s established paid leave policies for more information.
Group IV (All temporary, seasonal, and per diem employees)	Entitled to earn one hour of paid leave for every 40 hours worked, up to 40 hours in one year. After 120 days of employment, EPL time may be used in 30-min increments for any reason.	Accrual of this leave begins at the start of employment. Refer to EPL section above for requirements, exclusions, and restrictions.

## Digest of Amendments

**Originally Adopted March 1, 1979**

**Amended**

December 21, 1999

September 18, 2001

December 4, 2001

April 6, 2004

January 6, 2009

February 17, 2009

July 7, 2009

**February 2, 2010**

February 21, 2012

February 18, 2020

June 7, 2022

**Repealed and Replaced including Appendices**

**Acknowledgment**

*I acknowledge that I have received a copy of the Town Personnel Policy, and I do commit to read and follow these policies.*

*I am aware that if, at any time, I have questions regarding Town policies I should direct them to my Department Head or the FinanceHuman Resources Department.*

*I know that Town policies and other related documents do not form a contract of employment and are not a guarantee by Town of the conditions and benefits that are described within them. Nevertheless, the provisions of such Town policies are incorporated into the acknowledgment, and I agree that I shall abide by its provisions.*

*I also am aware that Town of Gray, at any time, may on reasonable notice, change, add to, or delete from the provisions of the Town policies for which I will be notified.*

\_\_\_\_\_  
*Employee's Printed Name*

\_\_\_\_\_  
*Position*

\_\_\_\_\_  
*Employee's Signature*

\_\_\_\_\_  
*Date*

# **FISCAL POLICY TOWN OF GRAY, MAINE**

*Revised February 15, 2022*

## **Fiscal Policy**

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a financially prudent, effective, efficient and desired level of services to the citizens of Gray.

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a Performance Management Program incorporating such tools and metrics to clearly and succinctly demonstrate to the citizens of Gray that their tax dollars are allocated, managed and deployed wisely

## Table of Contents

<b><i>FISCAL POLICY</i></b>	<b>3</b>
<b>BASE OPERATING BUDGET POLICY</b>	<b>3</b>
BASE BUDGET DEVELOPMENT POLICY	3
<b>USE OF, AND ACCOUNTABILITY FOR, DEPARTMENTAL CONTINGENCY FUNDS</b>	<b>3</b>
<b>CAPITAL INVESTMENT PLAN AND PROGRAM POLICY (CIP)</b>	<b>4</b>
CIP PROGRAM DEVELOPMENT POLICY	4
CIP DEPLOYMENT POLICY	4
<b>LONG TERM CAPITAL INVESTMENT AND DEBT POLICY</b>	<b>4</b>
<b>CASH MANAGEMENT POLICY</b>	<b>4</b>
<b><i>PERFORMANCE MANAGEMENT PROGRAM</i></b>	<b>5</b>
<b>KEY MEASURES</b>	<b>5</b>
WORKLOAD DATA	5
EFFECTIVENESS	5
EFFICIENCY	5
<b>GENERAL ADMINISTRATION</b>	<b>6</b>
TOWN MANAGER OFFICE	6
OFFICE OF THE TOWN CLERK	6
FINANCIAL ADMINISTRATION AND BUDGET PROGRAM	6
ACCOUNTING AND CONTROL	6
PURCHASING	6
REVENUE PROGRAM	6
WEBSITE PROGRAM	6
UTILITIES, TRAFFIC and TRANSPORTATION ENGINEERING	7
ASSESSING	7
<b>PLANNING and PLANNING SERVICES</b>	<b>11</b>
PLANNING	11
GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)	11
<b>CODE ENFORCEMENT SERVICES</b>	<b>14</b>
CODE ENFORCEMENT OFFICER	14
FIRE INSPECTOR	14
DOG OFFICER	14
<b>PARKS and RECREATION</b>	<b>16</b>
<b>PUBLIC SAFETY SERVICES</b>	<b>17</b>
<b>PUBLIC WORKS SERVICES</b>	<b>18</b>
MOTOR VEHICLE MAINTENANCE PROGRAM	18
<b>CAPITAL PROJECTS</b>	<b>21</b>
<b>RECYCLING</b>	<b>23</b>
<b>LIBRARY</b>	<b>24</b>
<b>BUILDINGS AND GROUNDS</b>	<b>25</b>
<b><i>DEPARTMENTAL CLASSIFICATIONS AND ACCOUNT CODES</i></b>	<b>26</b>

## **FISCAL POLICY**

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a financially prudent, effective, efficient and desired level of services to the citizens of Gray.

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a Performance Management Program incorporating such tools and metrics to clearly and succinctly demonstrate to the citizens of Gray that their tax dollars are allocated, managed and deployed wisely.

## **BASE OPERATING BUDGET POLICY**

The Town of Gray shall maintain a level of expenditure that shall provide for the public well-being and safety of the residents as the first level of priority.

Additional services and programs shall be reviewed in an order of priority that shall reflect both, the financial capacity of the taxpayer base to sustain such services, and the practical and intrinsic value of the offering to the community as a whole.

## **BASE BUDGET DEVELOPMENT POLICY**

An annual base operations budget shall be developed by verifying, through zero based budget development procedures, expenditures required for the forthcoming fiscal year. During the annual budget development process, the existing budget and work practices shall be thoroughly reviewed to determine and develop opportunities to improve service levels without additional cost or to reduce operating cost without reducing service levels. Additions and/or incremental adjustments of the base operating budget shall be supported by business case analysis.

## **USE OF, AND ACCOUNTABILITY FOR, DEPARTMENTAL CONTINGENCY FUNDS**

In addition to the annual base budget the Town Council may approve Contingency Funds during the budget process to provide for emergencies, urgencies, and other unexpected expenses that are not accounted for in line-item budget development. Contingency Funds should be limited to an amount that provides for community needs without overburdening the tax base.

During the regular conduct of Town business, the Town Council authorizes the Town Manager in his/her/their sole discretion to determine when use of a Contingency Fund is necessary and appropriate.

The Town Manager will require Department Heads to submit a written request along with justification for use of Contingency Funds prior to non-emergency expenditures being approved. In the event of an emergency expenditure where the Town Manager cannot be consulted in a timely manner, the Town Manager will require Department Heads to submit accounting and justification for the use of Contingency Funds.

## **CAPITAL INVESTMENT PLAN AND PROGRAM POLICY (CIP)**

The CIP shall provide for adequate design, construction, maintenance and replacement of the Town's infrastructure: including roads and bridges. The CIP shall also provide for repair and/or replacement of capital plant and equipment, including motor vehicles, building maintenance, and capital tools and equipment.

### **CIP PROGRAM DEVELOPMENT POLICY**

The Town shall project its needs for the next fifteen years and shall update this projection twice each year commensurate with the programmed property tax billing dates. From these projections, a maintenance and replacement schedule shall be developed and followed.

The Town shall maintain a diversified and stable revenue allocation system to mitigate short-term fluctuations in any one year. Annual revenues and revenue allocations to the CIP shall be estimated and adjusted using objective, analytical processes utilizing trend analysis, statistical analysis, and financial analysis tools as appropriate.

### **CIP DEPLOYMENT POLICY**

The Town shall deploy all capital projects based on highest and best use of associated capital funds. The Town shall review annually the five-year CIP projections for capital projects and improvements, and shall develop a lifecycle cost analysis that clearly articulates the financial benefit, funding sources, and project implementation schedule for each capital project proposal before it is submitted to the Town Council for approval. To ensure project completion within budget and established timelines, tracking of components of the CIP approved shall be implemented and the Town council updated monthly.

Emergency and unanticipated capital expenditures for maintenance and/or replacement shall be the rare exceptions and only considered where public health and/or safety are at risk.

A fixed asset system shall be maintained to identify all Town assets, their condition, historical cost, replacement value, and useful life.

## **LONG TERM CAPITAL INVESTMENT AND DEBT POLICY**

The Town of Gray shall confine long-term borrowing to specific capital improvements that cannot reasonably be funded from annualized tax allocations. The term structure of debt shall not exceed the anticipated useful life of the asset acquired.

Unexpended capital shall be invested to maximize return while preserving the liquidity of the investment base. All proceeds from these investments shall be retained in the Undesignated Fund Balance Account and shall be used to supplement annualized CIP funding requirements.

## **CASH MANAGEMENT POLICY**

The Town Treasurer shall semi-annually submit an investment plan to the Town Council for review and adoption. The plan shall clearly articulate investment strategies that maximize the overall rate of return for all town funds collected while preserving liquidity. The plan shall comply with all applicable laws and adopted investment policies. The Town Treasurer shall proactively direct the investment of Town cash funds in various investment vehicles such as

overnight deposits, money market accounts, CD's, bonds which are held by a trustee or other financial agent.

## **PERFORMANCE MANAGEMENT PROGRAM**

Overall, the Town Performance Measurement Program is designed to ensure consistent high quality, cost-effective services for the citizens of Gray.

The Town Manager's Office shall have the primary responsibility for implementing the Performance Management Program under the direct oversight of the Gray Town Council. Performance measurement is the assessment of how well the Town as a whole, and each department, performs when providing goods and services to the constituency. It is designed to reflect not only what is being done, but also how effectively and efficiently tasks are performed.

Gray's Town Manager shall be accountable for the proper use of tax dollars and for providing the services citizens demand. Performance measures provide our citizens with the information necessary to ensure accountability. Additionally, performance measures are a management tool that measures work performed and results achieved. The Town of Gray's Performance Measurement Program is intended to inform the Township by:

- Providing necessary information to enhance policy decision-making;
- Improving customer service feedback;
- Supporting strategic planning and goal-setting;
- Enabling effective use of resources; and
- Strengthening accountability.

The Town Manager's Office shall complete a comprehensive performance measures report each year. Copies of the report shall be distributed to program managers, department heads, the Town Council, Boards and Committees, the media, and the general public.

## **KEY MEASURES**

### **WORKLOAD DATA**

Purpose: To provide a direct reference of the basic units for tasks performed and/or services provided over a trend cycle that can clearly demonstrate variance in budget levels.

### **EFFECTIVENESS**

Purpose: To provide linkage for the various service offerings and their overall impact to the Town and/or citizen base as a whole.

### **EFFICIENCY**

Purpose: To provide a management tool that will highlight critical areas of potential process improvement and cost containment initiatives.

## **GENERAL ADMINISTRATION**

### **TOWN MANAGER OFFICE**

Purpose: To ensure sound overall management practices for the Town in general; that citizen interface with Town Administration is satisfactory; that reporting departments are managed to the overall satisfaction of the citizens and Town Council; that the Town's Operating Budget and Capital Investment Program are properly developed and implemented; to ensure the quality of life in Gray meets or exceeds the expectations of the citizens commensurate with taxpayer burden.

### **OFFICE OF THE TOWN CLERK**

Purpose: To provide thorough, timely, accurate, records, documents, and information to the citizens of Gray, the Town Council and Town boards and committees.

### **FINANCIAL ADMINISTRATION AND BUDGET PROGRAM**

Purpose: To ensure sound financial management by managing the investment of Town funds; managing the development and implementation of the Town's budget; preparing the City's Capital Improvements Program (CIP) and Fiscal Analysis; performing studies and analyses; and providing recommendations to support the Council's financial decisions and fiscal policy.

### **ACCOUNTING AND CONTROL**

Purpose: To ensure the accurate accounting, disbursement and safeguarding of the Town's funds by maintaining accounting and fixed asset records and issuing reports in conformance with generally accepted accounting principles; reviewing transactions to ensure compliance with applicable regulations, policies, and requirements; paying accounts receivable in an accurate and timely manner; managing the payroll process in an accurate and timely manner; and administering the financial component of employee retirement and benefit programs.

### **PURCHASING**

Purpose: To provide the Town with the means to obtain quality goods and services at the lowest possible cost while conforming to the Gray Town Charter, Town Council policy, the Town Administrative Code, as well as state and federal requirements for procurement. To cost effectively manage the storage and disposal of goods and/or services.

### **REVENUE PROGRAM**

Purpose: To ensure the timely, accurate and equitable collection of revenues and property taxes by monitoring billing, collection and receipt of taxes; managing the billing and collection of ancillary fees and charges.

### **WEBSITE PROGRAM**

Purpose: To increase citizen understanding and awareness of the Town by providing effective communication through Gray's website. To increase citizen understanding, awareness, and participation in Town government and to increase and facilitate information flow to users.

## **UTILITIES, TRAFFIC and TRANSPORTATION ENGINEERING**

Purpose: To provide a safe and efficient street and sidewalk system by ensuring that public streets and sidewalks are designed to town standards; planning roadway and traffic control improvements; operating and maintaining traffic signals, beacons and street lights; coordinating with other governments on traffic funding and planning.

## **ASSESSING**

Purpose: To ensure the timely, accurate and equitable development of the Property Tax basis for property tax revenues by maintaining accurate and timely records of new construction, monitoring trend rates for new construction, and by conducting periodic assessment reviews.

## GENERAL ADMINISTRATIVE DATA AND PERFORMANCE METRICS

### DATA

#### **GENERAL ADMINISTRATIVE BUDGET**

TOTAL TOWN BUDGET

#### **TOWN MANAGER OFFICE**

TOTAL TOWN EXPENDITURES PER CAPITA

#### **OFFICE OF TOWN CLERK**

NUMBER OF COUNCIL AND COMMITTEE MEETINGS ATTENDED

NUMBER OF DOCUMENTS PROCESSED

NUMBER OF PUBLIC HEARING NOTICES

NUMBER OF RECORDS PREPARED AND SENT TO STORAGE

#### **FINANCIAL ADMINISTRATION AND BUDGET PROGRAM**

AVERAGE DOLLAR VALUE OF FUNDS INVESTED

NUMBER OF DEBT ISSUANCES

DOLLAR AMOUNT OF DEBT

#### **ACCOUNTING AND CONTROL**

NUMBER OF ADJUSTING JOURNAL ENTRIES FROM AUDIT

NUMBER OF VENDOR CHECKS VOIDED DUE TO DEPARTMENT ERROR

NUMBER OF AUDIT INTERNAL CONTROL MEASURES REPORTED

#### **PURCHASING**

NUMBER OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED BY BID

NUMBER OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED BY BID  
EXCEPTION

DOLLAR AMOUNT OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED  
BY BID

DOLLAR AMOUNT OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED  
BY BID EXCEPTION

#### **REVENUE PROGRAM**

NUMBER OF REVENUE ACCOUNTS ADMINISTERED

NUMBER OF TAX BILLS ISSUED

NUMBER OF DELINQUENT ACCOUNTS BILLED

DOLLAR AMOUNT OF TOTAL REVENUE FORECAST

DOLLAR AMOUNT OF TOTAL REVENUE COLLECTED

NUMBER OF TAX DELINQUENT PROPERTIES

DOLLAR AMOUNT OF TAX DELINQUENT PROPERTIES

#### **WEBSITE PROGRAM**

OPERATING COST

NUMBER OF USER HITS

**UTILITIES AND TRAFFIC AND TRANSPORTATION ENGINEERING**

TOWN UTILITIES OPERATING BUDGET  
CENTER LINE MILES OF NEW STREET CONSTRUCTION  
CENTERLINE MILES OF STREET/ROAD REPAIR  
LINEAR FEET OF NEW TOWN SIDEWALKS  
NUMBER OF TRAFFIC SIGNALS MAINTAINED

**ASSESSING**

NUMBER OF SINGLE FAMILY PROPERTIES  
NUMBER OF MULTI FAMILY PROPERTIES  
NUMBER OF BUSINESS AND COMMERCIAL PROPERTIES  
NUMBER OF LAND ASSESSMENTS  
NUMBER OF SITE ANNUAL ASSESSMENT REVIEWS

PERFORMANCE METRICS

**GENERAL ADMINISTRATIVE**

PERCENT GENERAL ADMINISTRATIVE BUDGET TO TOTAL TOWN BUDGET  
PERCENT OF CITIZENS WHO STRONGLY AGREE OR AGREE THAT THEY RECEIVE  
GOOD VALUE FOR THE TAXES THEY PAY  
PERCENT OF CITIZENS RATING THE QUALITY OF LIFE IN GRAY AS EXCELLENT  
OR GOOD

**TOWN MANAGER OFFICE**

PERCENT OF CITIZENS RATING THE PERFORMANCE OF GENERAL  
ADMINISTRATION AS EXCELLENT OR GOOD  
PERCENT OF CITIZENS RATING THE PERFORMANCE OF GENERAL  
ADMINISTRATION AS EXCELLENT OR GOOD  
PERCENT OF CITIZENS RATING THE PERFORMANCE OF TOWN EMPLOYEES AS  
EXCELLENT OR GOOD IN THE FOLLOWING:  
KNOWLEDGE RESPONSIVENESS COURTESY FOLLOW-UP  
OVERALL IMPRESSION  
PERCENT OF TOWN EMPLOYEES RATING THE PERFORMANCE OF THE TOWN  
MANAGER AS EXCELLENT OR GOOD

**OFFICE OF TOWN CLERK**

PERCENT OF MINUTES PREPARED WITHIN 10 DAYS ACCURACY OF PUBLIC  
HEARING NOTICES ACCURACY OF OFFICIAL DOCUMENTS

**FINANCIAL ADMINISTRATION AND BUDGET PROGRAM**

PERCENT VARIANCE BETWEEN ACTUAL AND BUDGETED GENERAL FUND  
REVENUES  
PERCENT VARIANCE BETWEEN ACTUAL AND BUDGETED GENERAL FUND  
EXPENDITURES

**ACCOUNTING AND CONTROL**

PERCENT REDUCTION IN NUMBER OF ADJUSTING JOURNAL ENTRIES FROM  
AUDIT

PERCENT REDUCTION IN NUMBER OF VENDOR CHECKS VOIDED DUE TO DEPARTMENT ERROR  
PERCENT REDUCTION IN NUMBER OF AUDIT INTERNAL CONTROL MEASURES REPORTED

**PURCHASING**

PERCENT OF AWARDS OVER \$10,000 BY BID  
PERCENT OF AWARDS OVER \$10,000 BY BID WITHOUT PARTICIPANT PROTEST  
PERCENT OF PROTESTS SUSTAINED  
AVERAGE NUMBER OF BIDS RECEIVED PER SOLICITATION  
PERCENT VARIANCE BETWEEN BUDGETED (WARRANT) VALUE AND BID VALUE ACCEPTED [ **NOTE: FOR EACH CIP PROJECTED COMPONENT**]

**REVENUE PROGRAM**

PERCENT VARIANCE TOTAL ESTIMATED REVENUE TO ACTUAL COLLECTIONS  
PERCENT OF TAX BILLS PAID WITHIN DEADLINE  
PERCENT OF TAX DELINQUENT PROPERTIES YEAR OVER YEAR

**WEBSITE PROGRAM**

COST PER USER HIT  
PERCENT OF USERS WHO RATE THE WEBSITE AS EXCELLENT OR GOOD IN THE FOLLOWING:

- QUALITY OF INFORMATION
- QUALITY OF DESIGN
- ACCURACY OF DATA

RELIABILITY OF SITE ( PERCENT OF DOWN-TIME PER YEAR)  
PERCENT OF REGISTRATIONS FOR TOWN SPONSORED PROGRAMS COMPLETED ONLINE

**UTILITIES AND TRAFFIC AND TRANSPORTATION ENGINEERING**

AVERAGE COST OF TRAFFIC SIGNALS MAINTAINED AND OPERATED  
PERCENT OF VILLAGE CENTER WITH SIDEWALKS  
PERCENT OF TRAFFIC SIGNAL OUTAGES REPAIRED WITHIN:

- 4 HOURS
- 8 HOURS
- 24 HOURS
- 48 HOURS

PERCENT OF CITIZEN SAFETY RATING OF SIGNALIZED INTERSECTIONS AS EXCELLENT OR GOOD  
NUMBER OF INTERSECTIONS IDENTIFIED AS POORLY MANAGED

**ASSESSING**

NUMBER OF ASSESSMENT APPEALS  
NUMBER OF ASSESSMENT APPEALS SUSTAINED

## **PLANNING and PLANNING SERVICES**

### **PLANNING**

**Purpose:** To develop and oversee long range planning for the Town, including preparing and updating the master plan (Comprehensive Plan) zoning plans, and strategic planning documents. Maintain an up-to-date statistical database (GIS). Coordinate the implementation of the Gray Comprehensive Plan and other specialized plans and recommendations. Provide informed and accurate staff support to Town boards and committees. Develop policies and plans for Town Council review that enhance the development of new lots, blocks and/or units with final approval for location within target zoning areas. Advise Town council as to the effectiveness of Comprehensive Plan Implementation as it applies to zoning and business opportunities.

### **GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)**

**Purpose:** Develop and maintain a GIS infrastructure that will allow employees and the public easy access to the Geographic Information System (GIS), which will provide employees the tools to perform their work more efficiently and the public with easy access to geographical information over the Internet enhancing implementation of strategic Comprehensive Plan goals and objectives.

## PLANNING AND PLANNING SERVICES DATA AND PERFORMANCE METRICS

### DATA

TOTAL OPERATING BUDGET

#### **PLANNING**

NUMBER OF REQUESTS FOR PLANNING INFORMATION RECEIVED

NUMBER OF RESEARCH PROJECTS COMPLETED FOR COMMITTEES OR COUNCIL

NUMBER OF ZONING PLAN APPLICATIONS

NUMBER OF ZONING PLANS AND APPLICATIONS COMPLETED

NUMBER OF SUBDIVISIONS AND BUSINESSES WITHIN TARGET ZONING AREAS (COMP PLAN)

TOTAL NUMBER OF SUBDIVISIONS REVIEWS COMPLETED

TOTAL NUMBER OF NEW BUSINESSES TOTAL NUMBER OF HOUSES BUILT WITH C/O

NUMBER OF SUBDIVISIONS REVIEWS COMPLETED IN TARGET ZONES

NUMBER OF NEW BUSINESSES IN TARGET ZONES

NUMBER OF HOUSES BUILT WITH C/O IN TARGET ZONES

SQUARE FEET OF BUSINESS/COMMERCIAL DEVELOPMENT APPROVED

NUMBER OF MEETINGS ATTENDED:

- PLANNING BOARD
- CEDC
- COUNCIL
- ORC

#### **GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)**

NUMBER OF MAP LAYERS

TOTAL NUMBER OF DATA FIELDS

EMPLOYEES ASSIGNED TO GIS SYSTEM MANAGEMENT

### PERFORMANCE METRICS

#### **PLANNING**

PERCENT OF CITIZENS RATING THE PLANNING PROCESS AS EXCELLENT OR GOOD

PERCENT OF APPLICANTS RATING THE PLANNING BOARD PROCESS AS EXCELLENT OR GOOD

AVERAGE DAYS TO REVIEW AND ACT ON ZONING APPLICATIONS

- PERCENT COMPLETED IN 45 DAYS
- PERCENT COMPLETED IN 90 DAYS
- PERCENT COMPLETED IN 180 DAYS
- PERCENT COMPLETED IN 360 DAYS

COMPREHENSIVE PLAN EFFICIENCY TARGET ZONE SUBDIVISIONS  
COMPREHENSIVE PLAN EFFICIENCY TARGET ZONE NEW BUSINESS  
COMPREHENSIVE PLAN EFFICIENCY TARGET ZONE HOUSES WITH C/O

**GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)**

PERCENT OF TOWN DATA AVAILABLE ON GIS  
NUMBER OF ASSIGNED EMPLOYEES TRAINED IN GIS INPUT/MANAGEMENT GIS  
INFORMATION REQUESTS  
INTERNET/INTRANET GIS DATA HITS RECORDED IN SYSTEM GIS DATA BASE  
ACCURACY

## **CODE ENFORCEMENT SERVICES**

### **CODE ENFORCEMENT OFFICER**

**Purpose:** To ensure the safety and conformance of Gray's buildings to Building code requirements. To maintain the value of property and safety of the occupants by permitting and inspecting construction, enforcing the zoning ordinance, and enforcing town codes in a timely and consistent manner. Work with Town boards, committees and the citizens to effectively and efficiently provide clear, concise, accurate information for proposed construction projects.

### **FIRE INSPECTOR**

**Purpose:** To maintain the safety of Gray's buildings and respective occupants by inspecting construction and enforcing the Town's Fire code in a timely and consistent manner. Work with Town boards, committees and the citizens to effectively and efficiently provide clear, concise, accurate information for proposed construction projects.

### **DOG OFFICER**

**Purpose:** To preserve public order, protect lives and property, and reduce dog bites, cruelty to animals, dead dogs in the road, miscellaneous animal conflicts.

## CODE ENFORCEMENT SERVICES DATA AND PERFORMANCE METRICS

### DATA

OPERATING BUDGET  
CODE ENFORCEMENT HOURS (ANNUAL)  
FIRE MARSHAL/INSPECTORS HOURS (ANNUAL)

### **CODE ENFORCEMENT SERVICES**

#### **BUILDING PLANS REVIEWED:**

- RESIDENTIAL NEW CONSTRUCTION
- RESIDENTIAL RENOVATION/REMODEL
- COMMERCIAL NEW CONSTRUCTION
- COMMERCIAL RENOVATION/REMODEL
- BUILDING PERMITS ISSUED
- OCCUPANCY PERMITS ISSUED
- CONSTRUCTION RELATED INSPECTIONS

ZONING COMPLAINTS INVESTIGATED  
COMMERCIAL INSPECTIONS (LICENSE RELATED)  
COMPLAINTS INVESTIGATED  
VIOLATION NOTICES ISSUED  
ZBA ADMINISTRATIVE APPEALS

### **FIRE INSPECTOR**

FIRE CODE/PROTECTION SYSTEM PLANS REVIEWED

### **DOG OFFICER**

CALLS PER YEAR  
ANIMAL CONTROL CITATIONS ISSUED ANIMALS CAPTURED/RETRIEVED

### PERFORMANCE METRICS

#### **CODE OFFICER**

AVERAGE RESPONSE TIME (DAYS) FOR INSPECTION REQUEST  
AVERAGE DAYS TO RECTIFY ZONING VIOLATION  
TOTAL REVIEWS/INSPECTIONS PER (FTE)  
PERCENT ZBA ADMINISTRATIVE APPEALS AWARDED TO APPELLANT

#### **FIRE INSPECTOR**

AVERAGE RESPONSE TIME (DAYS) FOR INSPECTION REQUEST  
TOTAL REVIEWS/INSPECTIONS PER (FTE)

#### **DOG OFFICER**

CITATIONS PER CALL

## **PARKS and RECREATION**

**Purpose:** To meet the recreational needs of citizens by providing high quality Recreation programs. To provide high-quality, well-maintained facilities and programs for the general public and community by maintaining Town Parks and Recreation facilities; to provide contractual and in-house services for private and public meetings and performances; develop programs and opportunities that fully utilize facilities and grounds; promote public awareness of the Town's resources.

### **PARKS AND RECREATION DATA AND PERFORMANCE METRICS**

#### DATA

OPERATING BUDGET

PROGRAM REVENUE THROUGH FEES

NUMBER OF PROGRAMS:

- OFFERED
- EXECUTED

NUMBER OF PROGRAMS

- ADULT
- CHILDREN
- ADULT AND CHILDREN

NUMBER OF STAFF SUPERVISED

MUNBER OF VOLUNTEER HOURS CONTRIBUTED

#### PERFORMANCE METRICS

PERCENT OF PARTICIPANTS RATING THE QUALITY OF PROGRAMS AS  
EXCELLENT OR GOOD

PERCENT OF PARTICIPANTS WHO RATE THE QUALITY OF STAFF AS EXCELLENT  
OR GOOD

PERCENT OF COST RECOVERY

## **PUBLIC SAFETY SERVICES**

**Purpose:** To ensure the citizens of Gray are provided with an ongoing Fire-fighting and Rescue force, Fire and Rescue related infrastructure including buildings and equipment, training, fire prevention and inspection safeguards and information, and other Fire and Rescue and life safety services administered in an effective and efficient manner.

### **PUBLIC SAFETY SERVICES DATA AND PERFORMANCE METRICS**

#### DATA

FIRE AND RESCUE OPERATING BUDGET  
GRAY VALUATION AS OF JULY 1 /\$000  
RESIDENTIAL FIRE EVENTS  
BUSINESS-COMMERCIAL BUILDING FIRE EVENTS  
MOTOR VEHICLE FIRE EVENTS  
RESIDENTIAL RESCUE EVENS  
BUSINESS-COMMERCIAL RESCUE EVENTS  
MOTOR VEHICLE RESCUE EVENTS  
GRAY HOUSEHOLDS  
GRAY POPULATION

#### PERFORMANCE METRICS

OPERATING COST PER \$000 VALUATION  
OPERATING COST PER HOUSEHOLD  
OPERATING COST PER RESIDENT

## **PUBLIC WORKS SERVICES**

**Purpose:** To deliver Public Works engineering and operational services that provide the Town of Gray a reliable, safe, effective road system. To ensure a safe and clean environment for citizens and high quality infrastructure that meets Town, state and federal standards by inspecting all related capital improvement construction work and construction of infrastructure by developers who receive Town of Gray issued permits; and by managing in-house and contractual services for construction, maintenance and repair of infrastructure including roadways, streets, sidewalks and storm water management systems and facilities.

## **MOTOR VEHICLE MAINTENANCE PROGRAM**

**Purpose:** To ensure that the vehicles and equipment within the Town's fleet are always operational and well-maintained by providing an efficient, thorough and effective maintenance and repair program; managing vehicle acquisition and disposition; and managing fuel operations.

## PUBLIC WORKS SERVICES DATA AND PERFORMANCE METRICS

### DATA

TOTAL OPERATING BUDGET  
WINTER ROAD BUDGET  
WINTER PLOWING  
WINTER STORM EVENTS  
ANNUAL SNOWFALL  
WINTER TONS OF SAND DEPLOYED  
WINTER TONS OF SALT DEPLOYED  
SUMMER ROAD BUDGET  
CENTERLINE PAVED ROAD MILES  
REPORTABLE ACCIDENTS - GRAY  
WINTER ROAD CONDITION COMPLAINTS

### **MOTOR VEHICLE MAINTENANCE PROGRAM**

MOTOR VEHICLE OPERATING BUDGET  
MOTOR VEHICLES UNDER MANAGEMENT  
EQUIPMENT UNDER MANAGEMENT  
MECHANIC HOURS (ANNUAL)  
GALLONS OF FUEL CONSUMED:

- DEISEL
- GASOLINE

SCHEDULED MAINTENANCE WORK ORDERS  
NON-SCHEDULED REPAIR WORK ORDERS  
EQUIPMENT WORK ORDERS

### PERFORMANCE METRICS

OVERALL COST PER CENTERLINE MILE  
WINTER COST PER CENTERLINE MILE  
WINTER MANHOURS PER CENTERLINE MILE  
WINTER MANHOURS PER STORM EVENT  
WINTER TONS OF SALT PER CENTERLINE MILE  
WINTER TONS OF SAND PER CENTERLINE MILE  
WINTER COST PER STORM EVENT  
WINTER COST PER INCH SNOWFALL  
WINTER MANHOURS PER CENTERLINE MILE-INCH OF SNOWFALL

### **MOTOR VEHICLE MAINTENANCE PROGRAM**

PERCENT OF MECHANIC WORK HOURS SPENT ON PROGRAMMED REPAIRS  
PERCENT OF MECHANIC WORK HOURS SPENT ON NON- PROGRAMMED REPAIRS  
AVERAGE COST PER MAINTENANCE WORK ORDER:

- PROGRAMMED MAINTENANCE
- NON-PROGRAMMED MAINTENANCE

AVERAGE FUEL CONSUMED PER VEHICLE

- DEISEL
- GASOLINE

## **CAPITAL PROJECTS**

**Purpose:** To develop and maintain town roads, streets, sidewalks, parks and facilities in an attractive, safe, clean and accessible condition by planning, managing, and implementing CIP renovation projects.

To provide a safe and effective street and sidewalk system by ensuring that public streets and sidewalks are designed to town standards; planning roadway and traffic control improvements; operating and maintaining traffic signals, beacons and street lights; coordinating with adjacent towns on traffic coordination and planning.

To ensure that the vehicles and equipment within the town's fleet are always operational and well-maintained by providing an efficient, thorough and effective maintenance and repair program; managing vehicle acquisition and disposition.

To ensure sound financial management by managing the investment of Town funds; managing the development and implementation of the Town's budget; preparing the Town's Capital Improvements Program (CIP) and Fiscal Analysis; performing studies and analyses; and providing recommendations to support the Council's financial decisions and fiscal policy.

## CAPITAL PROJECTS DATA AND PERFORMANCE METRICS

### DATA

TOTAL DOLLAR AMOUNT OF CAPITAL PROJECTS FORECAST OVER NEXT 15 YEAR PERIOD

NUMBER OF CAPITAL PROJECTS FORECAST OVER NEXT 15 YEAR PERIOD

PRESENT VALUE CAPITAL PROJECTS FORECAST OVER NEXT 15 YEARS

ANNUALIZED PAYMENT PROGRAM TO FUND CAPITAL PROJECTS OVER THE NEXT 15 YEARS

COST OF CAPITAL AVERAGE PERCENT LAST 5 YEARS (INTEREST ACCRUAL RATE FOR INVESTED FUNDS)

COST OF DEBT AVERAGE PERCENT LAST 5 YEARS (INTEREST PAYOUT RATE FOR BORROWED FUNDS)

TOTAL DOLLAR AMOUNT OF CAPITAL PROJECTS CURRENT YEAR NUMBER OF CAPITAL PROJECTS CURRENT YEAR

### PERFORMANCE METRICS

AVERAGE NUMBER OF CAPITAL PROJECTS PER YEAR

AVERAGE DOLLAR AMOUNT OF CAPITAL PROJECTS PER YEAR BASED ON PRESENT VALUE OF PROJECTS

NUMBER VARIANCE (CAPITAL PROJECTS CURRENT YEAR FROM AVERAGE CAPITAL PROJECTS)

DOLLAR VARIANCE (CAPITAL PROJECTS CURRENT YEAR FROM AVERAGE CAPITAL PROJECTS)

PERCENT VARIANCE (ANNUALIZED PAYMENT PROGRAM TO FUND CAPITAL PROJECTS OVER THE NEXT 15 YEARS)

## **RECYCLING**

**Purpose:** To ensure that the Recycling engineering and operational services provide the Town of Gray with a reliable, safe, effective waste management and disposal system. To ensure a safe and clean environment for citizens and a high quality infrastructure that meets Town, state and federal recycling and waste management standards by managing contractual services for waste management, renovations, maintenance and repair of equipment and facilities.

### RECYCLING DATA AND PERFORMANCE METRICS

#### DATA

DEPARTMENTAL BUDGET  
HOUSEHOLDS - GRAY  
TONS OF TRASH  
TONS OF RECYCLABLES

#### PERFORMANCE METRICS

OPERATING COST PER HOUSEHOLD  
OPERATING COST PER TON OF TRASH

## **LIBRARY**

**Purpose:** To meet the needs of Gray's citizens by providing high quality programs delivered to maximize attendance and effectiveness. To provide a high-quality, well- maintained inventory of books, periodicals, and other media. To plan for maximum utilization of Library facilities.

### LIBRARY DATA AND PERFORMANCE METRICS

#### DATA

OPERATING BUDGET

OPERATING REVENUE

DAYS OF OPERATION PER YEAR

HOURS OF OPERATION PER YEAR

NUMBER OF PATRONS WITH LIBRARY CARDS

PROGRAMS OFFERED PER YEAR

- ADULT
- CHILDREN
- ADULT AND CHILDREN

NUMBER OF PROGRAMS:

OFFERED EXECUTED

NUMBER OF STAFF SUPERVISED

MUNBER OF VOLUNTEER HOURS CONTRIBUTED

NUMBER OF BOOK REQUESTS FROM INVENTORY

NUMBER OF BOOK REQUESTS FROM OTHER LIBRARY SOURCES

NUMBER OF COMPUTER TERMINALS

HOURS OF PATRON COMPUTER TERMINAL USAGE

## **BUILDINGS AND GROUNDS**

**Purpose:** To maintain town parks and facilities in an attractive, safe, clean and accessible condition by planning and conducting preventive maintenance; managing CIP renovation projects; conducting repairs; providing in-house and contractual cleaning services; managing ADA compliance, and performing safety inspections.

### **BUILDINGS AND GROUNDS DATA AND PERFORMANCE METRICS**

#### DATA

OPERATING BUDGET

NUMBER OF BUILDINGS MAINTAINED

SQUARE FEET OF BUILDINGS MAINTAINED

NUMBER OF PARKS, FIELDS, GROUNDS MAINTAINED

SQUARE FEET OF PARKS, FIELDS, GROUNDS MAINTAINED

NUMBER OF BUILDING WORK ORDERS PER YEAR

NUMBER OF PARKS, FIELDS, GROUNDS WORK ORDERS PER YEAR

NUMBER OF BUILDING WORK ORDERS COMPLETE

NUMBER OF PARKS, FIELDS, GROUNDS WORK ORDERS COMPLETE

#### PERFORMANCE METRICS

PERCENT OF CITIZENS RATING APPEARANCE OF TOWN BUILDINGS AS EXCELLENT OR GOOD

PERCENT OF CITIZENS RATING APPEARANCE OF TOWN PARKS, FIELDS, GROUNDS AS EXCELLENT OR GOOD

COST PER SQUARE FOOT OF BUILDING MAINTENANCE

COST PER SQUARE FOOT OF PARKS, FIELDS, GROUNDS

# DEPARTMENTAL CLASSIFICATIONS AND ACCOUNT CODES

## GENERAL DEPARTMENTAL CLASSIFICATIONS

CODE	DEPARTMENT	CURRENT YR		LAST YEAR		YR BEFORE	
		2005/06	% TOTAL	2004/05	% TOTAL	2003/04	% TOTAL
	<b>A SUB-TOTAL GENERAL ADMIN</b>	\$1,657,323	33.15%	\$1,468,382	31.74%	\$1,823,547	43.27%
	<b>B SUB-TOTAL PLANNING SERVICES</b>	\$75,519	1.51%	\$72,584	1.57%	\$60,607	1.44%
	<b>C SUB-TOTAL ENFORCEMENT SERVICES</b>	\$92,906	1.86%	\$82,625	1.79%	\$87,020	2.06%
	<b>D SUBTOTAL PARKS AND RECREATION</b>	\$85,303	1.71%	\$85,386	1.85%	\$85,796	2.04%
	<b>E SUB TOTAL PUBLIC SAFETY SERVICES</b>	\$505,306	10.11%	\$482,529	10.43%	\$424,303	10.07%
	<b>F SUB-TOTAL PUBLIC WORKS SERVICES</b>	\$647,222	12.95%	\$683,161	14.77%	\$822,368	19.51%
	1200 CAPITAL PROJECTS	\$981,400	19.63%	\$846,936	18.31%	\$93,764	2.22%
	2000 LIBRARY	\$173,053	3.46%	\$156,953	3.39%	\$140,061	3.32%
	5400 RECYCLING	\$676,426	13.53%	\$652,632	14.11%	\$582,823	13.83%
	5500 BUILDINGS AND GROUNDS	\$104,258	2.09%	\$94,466	2.04%	\$93,892	2.23%
	<b>TOTAL</b>	<b>\$4,998,716</b>		<b>\$4,625,654</b>		<b>\$4,214,181</b>	

## DETAIL

CODE	DEPARTMENT	CURRENT YR		LAST YEAR		YR BEFORE	
		2005/06	% TOTAL	2004/05	% TOTAL	2003/04	% TOTAL
	<b>A GENERAL ADMINISTRATION SERVICES</b>						
	100 ADMINISTRATION	\$293,845	5.88%	\$277,606	6.00%	\$262,480	6.23%
	300 ASSESSING	\$68,097	1.36%	\$62,085	1.34%	\$74,265	1.76%
	700 GENERAL ASSISTANCE	\$11,750	0.24%	\$15,165	0.33%	\$8,224	0.20%
	900 ELECTIONS	\$5,250	0.11%	\$6,694	0.14%	\$2,697	0.06%
	1000 DEBT SERVICE	\$226,199	4.53%	\$151,669	3.28%	\$246,355	5.85%
	1100 RESERVES	\$196,700	3.94%	\$184,807	4.00%	\$483,133	11.46%
	1300 EMPLOYEE BENEFITS	\$552,888	11.06%	\$483,132	10.44%	\$473,091	11.23%
	1400 GENERAL INSURANCE	\$120,600	2.41%	\$113,594	2.46%	\$102,245	2.43%
	4300 UTILITIES	\$127,223	2.55%	\$123,774	2.68%	\$124,552	2.96%
	6000 TOWN COUNCIL	\$16,560	0.33%	\$15,168	0.33%	\$14,270	0.34%
	6400 COMPREHENSIVE PLAN	\$100	0.00%	\$0	0.00%	\$1,540	0.04%
	6500 WEBSITE	\$3,300	0.07%	\$5,974	0.13%	\$3,450	0.08%
	6700 ECONOMIC DEVELOPMENT	\$725	0.01%	\$265	0.01%	\$490	0.01%
	7100 STIMSON HALL	\$3,000	0.06%	\$2,899	0.06%	\$2,905	0.07%
	8000 COMMUNITY SERVICES	\$31,086	0.62%	\$25,550	0.55%	\$23,850	0.57%
	<b>SUB-TOTAL GENERAL ADMIN</b>	<b>\$1,657,323</b>		<b>\$1,468,382</b>		<b>\$1,823,547</b>	
	<b>B TOWN PLANNING SERVICES</b>						
	200 PLANNING	\$60,287	1.21%	\$57,599	1.25%	\$54,997	1.31%
	600 GIS MAPPING	\$7,000	0.14%	\$6,418	0.14%	\$764	0.02%
	6300 PLANNING BOARD	\$6,852	0.14%	\$7,921	0.17%	\$3,716	0.09%
	6600 ORDINANCE REVIEW COMMITTEE	\$1,380	0.03%	\$646	0.01%	\$1,130	0.03%
	<b>SUB-TOTAL PLANNING SERVICES</b>	<b>\$75,519</b>		<b>\$72,584</b>		<b>\$60,607</b>	
	<b>C CODE ENFORCEMENT SERVICES</b>						
	400 CODE ENFORCEMENT	\$75,966	1.52%	\$64,809	1.40%	\$72,580	1.72%
	800 ANIMAL CONTROL	\$14,740	0.29%	\$13,083	0.28%	\$12,765	0.30%
	6100 ZBA	\$2,200	0.04%	\$4,733	0.10%	\$1,675	0.04%
	<b>SUB-TOTAL ENFORCEMENT SERVICES</b>	<b>\$92,906</b>		<b>\$82,625</b>		<b>\$87,020</b>	
	<b>D PARKS AND RECREATION</b>						
	2001 PARKS AND RECREATION	\$84,953	1.70%	\$85,386	1.85%	\$85,746	2.03%
	6200 RECREATION AND CONSERVATION	\$350	0.01%	\$0	0.00%	\$50	0.00%
	<b>SUBTOTAL PARKS AND RECREATION</b>	<b>\$85,303</b>		<b>\$85,386</b>		<b>\$85,796</b>	
	<b>E PUBLIC SAFETY SERVICES</b>						
	4000 PUBLIC SAFETY SERVICES	\$322,713	6.46%	\$306,631	6.63%	\$251,703	5.97%
	4100 RESCUE	\$32,325	0.65%	\$31,177	0.67%	\$34,393	0.82%
	4200 COMMUNICATIONS	\$150,268	3.01%	\$144,721	3.13%	\$138,207	3.28%
	<b>SUB TOTAL PUBLIC SAFETY SERVICES</b>	<b>\$505,306</b>		<b>\$482,529</b>		<b>\$424,303</b>	

## **DEBT MANAGEMENT POLICY**

Approved by the Town Council at the 10-20-15 Town Council Meeting

The Town may decide to borrow funds (incur debt) for short-term or long-term funding needs for a variety of reasons. Most often, debt is required for funding of the Capital Improvement Plan. Although the Capital Improvement Plan is scheduled and intended to be fully-funded at the scheduled time for each asset purchase, the Town may choose to borrow funds to finance its Capital Improvement Plan, and/or one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan and contingent upon a favorable vote of Town meeting.

(The Treasurer is required to provide a pre-determined, scheduled analysis to the Finance Committee and/or to the Town Council, detailing available funds for fulfillment of the long-term and short-term Capital Improvement Plan. Funds requested or required for one-time capital asset expenditures (i.e. land/building purchases) or economic development activities are analyzed and detailed in conjunction with the Capital Improvement Plan and/or separately as required/requested.)

Upon direction from the Town Council and/or the Finance Committee, the Treasurer will research all possible debt options available to the Town, to be reviewed by the Finance Committee for recommendation to the Town Council. The process and procedure for proposing debt, regardless of type and duration is outlined in this section for management and compliance purposes.

### **OVERVIEW**

The Town may not issue debt that is not supported by taxes.

The Town may not issue debt to fund current or ongoing operations of the Town except in the form of TANs when applicable, and only in compliance with current Maine State law and with applicable Internal Revenue Service (IRS) regulations.

The Town may not lend its borrowing capacity to any other entity. In limited circumstances, the Town may choose to guarantee the debt of another entity to which it is contractually affiliated (i.e. ecoMaine, Gray Water District, MSAD 15, any Public Private Partnership (as allowable by law)), providing that such contracts have been executed with the full consent of the Town Council and the voting authority of the Town.

### **DEBT DEFINITIONS**

Debt types are defined as the following:

- Bonds
  - General Obligation - is secured by the Town's pledge to use legally available resources to pay bond holders (aka Full Faith and Credit) and must have voter approval.
- Loans
  - Bond Anticipation Notes (BANs) – Temporary note(s) and renewal note(s) issued upon authorization of the Town Council in anticipation of bond sales, provided that the note

does “not exceed at any one time outstanding the authorized amount” (30A MRSA § 5772), “shall not exceed 3 years” (30A MRSA § 5772) and the time within which they are due “shall not be extended...beyond (1) the time fixed in the vote authorizing their issue; or (2) if no term is specified in that vote, beyond the term permitted by law” (30A MRSA § 5772)

- Tax Anticipation Notes (TANs) - “shall not exceed the total tax levy of the preceding municipal year” (30A MRSA § 5771), “must be paid within one month after the end of the municipal year in which they are made” (30A MRSA § 5771) and “must be paid out of the money raised by taxation” (30A MRSA § 5771)
- Lease

### **MANAGEMENT PROCESS/LIMITATIONS**

The Town will manage the debt which it proposes to incur in accordance with the following guidelines:

- 30A MRSA § § 5701, 5702
  - “A municipality cannot incur debt which would cause its total outstanding debt, exclusive of debt incurred for school, storm or sanitary sewer, energy facilities or municipal airports, to exceed 7.5% of its last full state valuation”
  - “A municipality may incur debt for schools to total an amount not exceeding 10% of its last full state evaluation, up to 7.5% for storm and sanitary sewers, and up to 3% for municipal airports, water districts and special purpose districts, combined”
  - In no event can the total debt exceed 15% of the municipality’s last full state valuation.
- The ability to achieve the lowest possible financing costs
- The measurement of the Town’s ability to pledge its full faith and credit to support the debt service (sometimes as determined by external influences such as rating institutions)

Proposed debt will be evaluated by the following:

1. Demand – the need for debt
  - a. Demand is measured by needs presented in the Capital Improvement Plan and/or one-time capital asset expenditures and economic development activities
2. Capacity – the maximum amount available to the Town for debt in consideration of:
  - a. Current and projected annual debt service levels, based on current projected and outstanding debt amortization schedules
  - b. Market conditions (ability to access the financing market, interest rates, etc.)
  - c. Economic conditions, including cost of construction
  - d. Opportunity for participation in low interest financing programs, debt service reimbursement, grant opportunities or other situations determined to be beneficial to the Town
3. Affordability – the analysis of the financial impact
  - a. Requires a projection of impact for the annual debt service, incorporating the elements of capacity. Annual debt service will be calculated/estimated as the annual amount

needed to satisfy principal and interest payments (according to a projected, estimated amortization schedule). Impact should be analyzed in consideration of budgetary and projected, estimated mil rate (as available) impact and with the following limitations:

- i. Annual debt service payments will not exceed 15% of the approved budgeted tax commitment
  - ii. Total outstanding debt must not exceed 5% of the Town's last full state valuation
4. Terms – length of debt maturity
  - a. Financing will be secured with the goal of paying back the debt over a term that is determined to be of the greatest benefit to the Town
  - b. Maturity of debt may not exceed the useful life of the capital asset or economic development being financed, or than the final maturity of refunded debt, which may not exceed 30 years from the date of issuance (30A MRSA § 5772)
5. Payment Structure – how payments are structured to be applied on the amortization schedule
  - a. If the question submitted for approval of a Town bond does not include this information specifically, the authority to determine payment structure and various other details is delegated to the municipal officers (30A MRSA § 5772)
  - b. Payments are to be structured with level principal amounts and declining interest over the life of the debt except in instances where debt service payments are structured to maximize economic benefit, such as for rate stabilization
6. Refunding – debt issuance, issued at a lower rate, the principal of which is used to pay off other outstanding debt
  - a. Refunding opportunities will be analyzed whenever issuing other applicable debt, in order to package issues
  - b. Refunding opportunities will be detailed in the scheduled available funds analysis to attempt to achieve future interest expense savings, which should be estimated to realize a present value saving of at least 2%.

#### **DEBT PRE-APPROVAL DISCLOSURES**

The Treasurer must provide the Town Council with a signed financial statement required to accompany any question submitted for approval of Town debt, which must include the following information:

1. The Town's total current outstanding debt including amounts authorized and unissued, and the current bond being requested for approval
2. An estimate and explanation of costs involved, including estimated interest rates, estimated cost of interest, total cost of interest and principal to be paid at maturity and any applicable information determined to be appropriate by the Treasurer
3. A statement that the validity of the debt and any subsequent voter approval of the debt may not be nullified by any errors in the estimations required to be provided and disclosed by the Treasurer

#### **BONDS**

## BOND RATINGS

Bond issuance is rated by external influences specializing in the analysis of an organization's ability to repay their debt obligations. The Town will be issued a rating for each bond issuance (which may exclude lease purchases), and at other pre-determined times based on the individual policies and procedures common to the external influence.

Is it the goal of the Town to maintain or improve its bond ratings, as it allows easy entry into the bond sale market and can help obtain favorable interest rates. Maintenance and compliance with/of the Fiscal Policy of the Town is crucial to overall favorable fiscal management and reliable reporting.

## BOND CONTINUING DISCLOSURE/RECORDS RETENTION COMPLIANCE

The Treasurer shall ensure compliance with all covenants made by the Town in the Bond documents, including, but not limited to, financial reporting, restrictions on the use and disposition of property, restrictions on the use and investment of Bond proceeds, and arbitrage and rebate compliance. For the purposes of this policy, the term "Bonds" means any obligations of the Town incurred for the purpose of borrowing money, including, without limitation, bonds, notes, and equipment lease-purchase agreements.

The Town will comply with any applicable continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time and the terms of any continuing disclosure agreement or certificate entered by the Town (each, a "Continuing Disclosure Agreement"), including the following:

1. The Town will provide the following information to the Municipal Securities Rulemaking Board (MSRB) or any successor thereto established under the Securities and Exchange Act of 1934, as amended not later than 270 days after the end of each fiscal year, annual financial information and operating data relating to the Town for the preceding fiscal year of the type presented in any Official Statement prepared in connection with the Bonds regarding:
  - a. revenues and expenditures of the Town relating to its operating budget
  - b. capital expenditures
  - c. fund balances
  - d. rate information
  - e. outstanding indebtedness and overlapping debt of the Town
  - f. pension obligations of the Town
  - g. any such other financial information and operating data as may be required to comply with the Rule
  - h. the audited financial statements of the Town, prepared in accordance with generally accepted accounting principles, promptly upon their public release.
2. The Town will provide in a timely manner not in excess of 9 business days after the occurrence of an event listed below to the MSRB or any successor thereto, notice of the occurrence of any of the following events with respect to the Bonds:
  - a. Principal and interest payment delinquencies

- b. Non-payment related defaults, if material
- c. Unscheduled draws on debt service reserves reflecting financial difficulties
- d. Unscheduled draws on credit enhancements reflecting financial difficulties
- e. Substitution of credit or liquidity providers, or their failure to perform
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
- g. Modifications to the rights of securities holders, if material
- h. Bond calls, if material, and tender offers
- i. Defeasances
- j. Release, substitution, or sale of property securing repayment of the bonds, if material
- k. Rating changes
- l. Bankruptcy, insolvency, receivership or similar event of the Town; for the purposes of the event identified in this clause (l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town
- m. The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material

The Town chooses to file the required information through the Electronic Municipal Market Access System (EMMA), provided by the MSRB.

The Town will comply with the terms of each arbitrage and use of proceeds certificate or tax compliance certificate (each, an "Arbitrage and Use of Proceeds Certificate") for each issue of Bonds issued by the Town and with the applicable provisions of federal tax law. Without limitation of the foregoing, the Town shall take the following actions:

1. Proper Use of Proceeds — The Treasurer shall ensure that bond proceeds are expended and allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any Arbitrage and Use of Proceeds Certificate or agreement related to each bond issue.

2. Investment of Bond Proceeds — The Treasurer shall ensure that bond proceeds are invested in investments that are permissible under the terms of Maine law, the bond documents, and applicable federal tax laws.
3. Arbitrage and Rebate — The Treasurer shall ensure that the Town complies with the arbitrage, rebate and yield restriction requirements of Section 148 of the Internal Revenue Code and the regulations promulgated pursuant thereto and that the Town completes all necessary arbitrage rebate calculations, payments and filings in a timely manner or confirms that the Bonds are exempt from rebate.
4. Administration of Direct Pay Bonds — The Treasurer shall ensure the proper administration of each issue of Bonds qualifying for the payment by the Federal government of a credit equal to a percentage of interest on such Bonds, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the Bonds for purposes of federal income taxation.
5. Use of Bond-Financed Facilities — The Treasurer shall consult with Bond Counsel for the Town before entering into any agreement or other arrangement for the sale, lease, management or use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, agreements granting special rights or entitlements to private parties or naming rights agreements. The Treasurer shall review such agreements for compliance with federal tax laws.
6. Post-Issuance Transactions — The Treasurer shall consult with Bond Counsel for the Town before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the Bonds; engaging in post-issuance credit enhancement transactions (i.e. bond insurance, letter of credit) or hedging transactions (i.e. interest rate swap, cap); terminating or appointing successor trustees; releasing any liens, or reissuing or refunding the Bonds.
7. Remedial Action — In the event that is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the Bonds, the Treasurer shall consult with the Town's Bond Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the Town to take with respect to such Bonds or bond-financed facilities. If the Town takes any action after the issuance of Bonds that causes the conditions of the private business tests or the private loan financing test to be met, then the Town shall take timely remedial actions in accordance with the federal Treasury Regulations section 1.141-12 as necessary in order to preserve the tax-exempt status of the Bonds.

The Town shall maintain all records relating to the issuance of Bonds and the requirements of the Internal Revenue Code and the representations, certifications and covenants set forth in the Arbitrage and Use of Proceeds Certificate relating to the issuance of Bonds until the date six years after the last outstanding Bonds have been retired. If any of the Bonds are refunded by tax-exempt obligations, the Town shall maintain all records required to be retained by this section until the later of the date six

years after the last outstanding Bonds have been retired or the date three years after the last refunding obligations have been retired.

The records that must be retained include, but are not limited to:

1. Basic records and documents relating to the Bonds (including any loan agreement, Arbitrage and Use of Proceeds Certificate and the opinion of Bond Counsel)
2. Documentation evidencing the expenditure of Bond proceeds
3. Documentation evidencing the use of the project(s) financed by the Bonds by public and private sources (i.e. copies of management contracts, research agreements, leases, etc.)
4. Documentation evidencing all sources of payment or security for the Bonds
5. Documentation pertaining to any investment of Bond proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations)

## **LEASE**

The Town may choose to enter into a lease agreement to fulfill its requirement for certain assets (i.e. Town vehicles and various equipment). A lease may be used when the Town wishes to use property without purchasing it outright. A lease is only considered for capital assets if it meets one or more of the following requirements:

- It transfers ownership of the leased property to the lessee with the lessor as the lienholder
- Contains a nominal purchase option
- Its terms equal 75% or more of the estimated economic life of the leased property
- The present values of the lease payment equals or exceeds 90% of the fair value of the property at the inception of the lease

The lease agreement must contain a clause stating that if the Town chooses not to or is unable to appropriate the necessary funds in any applicable budget year for the debt service payment owed to the Lessor, the Town may elect to terminate the lease without penalty and the Town will peaceably surrender the leased items to the Lessor, forfeiting its rights to ownership.

## **DEBT ISSUANCE**

In the past, the Town has relied on the sale of bonds (as well as BANs) for the majority of its financing needs. The sales are conducted through the use of a financial advisory firm and recognized bond counsel (the fees of both of which are expendable from the bond proceeds). This process allows the Town continued access to the bond market and ensures compliance with all Securities and Exchange Commission (SEC), MSRB and IRS regulations.

The Town may enter into lease agreements if the management process outlined above determines such an agreement to be in the best interest of the Town.

## **ANNUAL POLICY REVIEW/EDUCATION**

On an annual basis, or sooner if deemed necessary or appropriate by the Treasurer, the Treasurer shall review this policy and assess the Town's compliance with this Policy. The Treasurer shall make changes to this Policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of federal tax and securities law and any other applicable law. The Town will also implement a program, including appropriate instruction and education of personnel, for purposes of ensuring compliance with the terms of this Policy.

## **CAPITAL IMPROVEMENT PLAN POLICY/PROCEDURE**

Approved by the Town Council at the 10-20-15 Town Council Meeting

A Capital Improvement Plan (CIP) is a valuable and critical planning tool that is used to manage the continuing need to replace and add capital assets (as defined below). The purpose of this plan is to provide a method of planning that combines the needs of all the departments of the Town on both a short-term and a long-term basis.

This plan not only addresses the maintenance, improvement and replacement of existing assets, it also looks ahead for future needs, projects and one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan (or other similar guidelines provided by the official approval of the Town Council and/or the taxpayers) and contingent upon a favorable vote of Town meeting. The CIP is a guide to be used in preparing comprehensive annual budgets.

### **DESCRIPTION**

Capital improvement planning involves the scheduling of short-term and long-term capital expenditures of the Town. Capital expenditures include funds for buildings, land, major equipment, and other assets that are of significant value and have a useful life of several years. For the Town's purposes, a capital improvement will be defined as a capital expenditure that is more than \$5,000 and that will have an anticipated useful life of at least five years.

The CIP provides a framework for the following administrative functions:

1. Estimating capital requirements
2. Scheduling projects over fixed periods with appropriate planning and implementation
3. Prioritization of capital improvements
4. Developing a financial plan for the requirements as scheduled
5. Coordination of activities between departments for project planning
6. Monitoring and evaluating the progress of capital improvements
7. Informing the Finance Committee, Town Council and the public of projected capital improvements

### **BENEFITS**

The CIP provides a means of implementing the objectives and policies of the Comprehensive Plan and other similar guidelines provided by the official approval of the Town Council and/or the taxpayers. Considerable benefits may be derived from a systematic approach to the programming of capital projects. These benefits include:

1. Focusing attention on community goals, needs and capabilities
2. Achieving optimum use of the taxpayer's funds
3. Guiding future growth and development
4. Serving wider community interests over localized ones

5. More efficient government administration
6. Maintaining a sound and stable financial plan
7. Focusing attention on existing infrastructure conditions
8. Enhancing opportunities for participation in federal and state funding programs.

## **FIXED ASSET CAPITALIZATION**

### **ASSET CRITERIA**

Capital assets will meet the following minimum standards to be considered fixed assets and eligible to be included in the CIP schedules:

- Have a value of \$5,000 or more. This requirement can be for an individual item in excess of \$5,000 or for a collective project/class of assets (i.e. computer systems including software, and miscellaneous hardware items needed to be considered complete as a whole)
- Having an estimated useful life of at least five years or more
- Major asset categories are Road Resurfacing, Bridge Repair and Replacement, Fire and Public Safety, Public Works and Town Vehicles and Equipment, Sidewalks, Technology, Public Buildings, Land Acquisition and Miscellaneous
- For the purposes of this Policy, capital assets DO NOT include those properties acquired by the Town through the Tax Lien Foreclosure process as the handling of those assets are governed by the Tax Acquired Property Procedures Ordinance, until such time as a Tax Acquired Property is officially received and retained by Town as property that it does not intend to dispose of through the Ordinance

### **METHOD**

All capital assets will be recorded at historical cost as of the date acquired or constructed, except for infrastructure (as detailed below). If historical cost information is not available, assets will be recorded as estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index. The current financial auditing firm will maintain the fixed asset schedule for the purposes of recording and calculating the depreciation required for presentation on the annual financial statements.

### **ACQUISITIONS/DISPOSALS**

The Town will capitalize new assets that meet the asset criteria. Directly after a capital asset is acquired it will be specifically identified to the Treasurer for inclusion into the fixed asset schedule and the CIP, with such details that clearly identify the asset, as well as being added to the Town's insurance policy.

The Town will remove assets that have been disposed of in a manner consistent with the process outlined later in this section. Directly after a capital asset is disposed of it will be specifically identified to the Treasurer for removal from both the fixed asset schedule and the CIP, with such details that clearly identify the asset, as well as being removed from the Town's insurance policy.

## REPAIRS OR IMPROVEMENTS

The Town will capitalize expenditures that increase future benefits from an existing capital asset beyond its previously assessed value or condition.

## COLLECTIVE PROJECTS/CLASSES OF ASSETS

The Town will capitalize the items listed below as collections:

- Computers and associated technology or devices
- Personal protective equipment
- Radios
- Telephone systems
- Artwork and historical treasures
- Any other assets bought in a bulk purchase that meet the asset criteria

## INFRASTRUCTURE

The Town reports its infrastructure as an asset on its financial statements in accordance with GASB 34. The cost is recorded at historical cost (if purchased or constructed) or estimated fair value (if donated). The Town uses an estimated historical cost when the actual cost cannot be identified. Replacement costs for infrastructure assets are based on current year construction costs for similar assets or other information that approximates current replacement cost. The Town reports new acquisitions or constructs in the period during which they are expended. The Town uses existing sources of information to provide support for the initial cost estimates for its infrastructure assets, such as bond documents, engineering documents or budget expenditure records.

## REPLACEMENT CYCLE

Each capital asset will be scheduled on a replacement cycle based on the asset type and/or replacement schedules for similar asset types accepted by industry standards specific to that asset type. Each Department Head is required to review all of their capital assets during the annual needs assessment review and will take into careful consideration the replacement cycles for the asset types to recommend any changes that may be made to the type as a whole (based on performance over time) or individually (based on specific circumstances).

## ANNUAL PLAN PROPOSALS

The CIP is developed and presented for approval on an annual basis during the annual budget process, as detailed further below. A variety of internal and external factors influence the proposal and the decision:

1. Maintenance of existing assets – The Town has considerable investment in roads, bridges, buildings, grounds, etc. With limited financial resources available to the Town, the decision to acquire capital assets may be secondary to keeping existing assets in good working condition.

2. Current availability of federal and state funding – The decreasing availability of such revenues is cause for caution on becoming overly dependent on them for short-term or long-term CIP planning or decisions in general, and may indicate the need for prioritizing any projects for which the Town may be eligible for funding.
3. Federal and state requirements – Federal and state mandates may require the renovation or repair of existing facilities, in some cases even the construction of new facilities.
4. Unforeseen Circumstances – Even the best planning cannot anticipate future, unforeseen circumstances. Each circumstance will have its own consequences to the CIP, either positive or negative.

The CIP is proposed in both short-term and long-term schedules. Short-term is considered to be the subsequent five year period. Long-term is considered to be the ten year period after the short-term period.

#### CAPITAL NEEDS ASSESSMENTS

Capital assets, asset improvements and infrastructure needs and/or deficiencies are based on the recommendations of each Department Head, and/or may be brought to the attention of the Department Head by the public or the recommendation of the Town Council, applicable Committees, etc. Capital asset recommendations of Department Heads must include an estimated replacement value of each asset in as detailed a format as possible to ensure that every potential cost associated with that asset has been considered. Capital asset improvements must include an estimated cost of each improvement in as detailed a format as possible to ensure that every potential cost associated with that improvement has been considered. Infrastructure recommendations may be made or based on third-party information (i.e. a Pavement Management Study is relied on by the Road Commissioner and the Public Works Director to schedule roads for resurfacing or reconstruction based on industry-accepted criteria used to rate their condition), the expenditures which require pre-approval by the Town Council. All recommendations are to include a proposed timeline which will include the estimated start date and duration of project for Town employee and/or independent contractor planning purposes.

#### ANNUAL FINANCIAL PLAN PROPOSAL PROCEDURE

The Treasurer is responsible for annually compiling data and recommendations from Department Heads to update the CIP and schedule its financial plan. All data and recommendations from Department Heads are required annually during the budget preparation process (deadlines of which are set by the Treasurer to be consistent with the Town Charter requirements, Town Council budget workshops and/or other deadlines required to ensure proper completion of the CIP and its financial plan). The CIP generally requests appropriation of funds available in the Capital Reserve Fund. The decision to propose the financial plan to the public in the form of the annual Capital Reserve Fund appropriation is a responsibility of the Town Council. However, certain projects and/or one-time capital asset expenditures and/or economic development activities may be proposed to be appropriated from the General Fund based on the recommendation of the Finance Committee or the Town Council. Please refer to the Budgeting section of this policy for more details.

The annual CIP and its financial plan proposal are based solely on the replacement cycles and estimated costs/replacement values/expenditures provided by Department Heads and occasionally may include one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan (or other similar guidelines provided by the official approval of the Town Council and/or the taxpayers). Both the short-term and long-term schedules are compiled in their entirety and presented to the Town Council during the budget process. The focus of the Town Council is on the short-term schedule, but the long-term schedule is used to maintain a diversified and stable estimated revenue allocation into the Capital Reserve Fund to mitigate short-term fluctuations in any one year, while also properly anticipating longer-lived assets such as bridges and buildings.

#### ALTERNATIVE REVENUE(S)

The CIP's financial plan must be realistic as it relates to the Town's fiscal capacity. The financial plan is scheduled and intended to be fully-funded at the scheduled time for each asset expenditure. However, the Town may seek alternate methods of revenue sources to fund individual or multiple expenditures.

The Town may choose to borrow funds (incur debt) to finance its Capital Improvement Plan, and/or one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan (or similar guidelines provided by the official approval of the Town Council and/or taxpayers) and contingent upon a favorable vote of Town meeting, which may be proposed in the same manner as full-funding during the annual budget process. The financial plan may propose to incur debt to fund the CIP, but only in manners consistent with the Debt Management section of this policy, which describes in detail the procedure and process that is acceptable for the Town to incur debt. Debt service payments will be proposed in the annual Capital Reserve Fund appropriation in the manner consistent with the annual plan proposal previously detailed.

The Town annually proposes a warrant article to the taxpayers during the Town Meeting process which would allow all Town owned personal property (capital assets) revenue with a maximum set value (to be determined annually by the Town Council) or less to be received directly into the Capital Reserve Fund to be utilized for the annual plan proposal as available funds. The Town Council may, on a case-by-case basis, approve funds received from the disposal of personal property (capital assets) in excess of that amount to be received directly into the Capital Reserve Fund to be utilized for the annual plan proposal as available funds.

The Town may choose to utilize Special Revenue Funds (as further defined in the Internal Control section of Policy) as applicable/allowable to be included in the annual plan proposal as such.

The Town may choose to apply for and accept a Grant from Federal/State or private organizations. A Grant may only be applied for to finance the Capital Improvement Plan (more specifically a specific asset expenditure) with the prior approval of the Finance Committee as they are authorized to proceed by the Town Council. In some cases, more specifically for one-time capital asset expenditures specifically for economic development activities consistent with and in accordance with the Comprehensive Plan (or similar guidelines provided by the official approval of the Town Council and/or taxpayers) the Town Council may authorize the Director of Economic Development to apply for a Grant directly instead of

through the Finance Committee. In all cases, acceptance of any Grant awarded to the Town is required by official approval of the Town Council. If the Town Council accepts a Grant award, the funds may then be included as alternate revenue and included in the annual plan proposal as such.

The Town may choose to charge Special Assessment Fees to properties which would receive a direct benefit from a specific infrastructure project located on-site or nearby. The revenue generated from these fees are used to directly finance the project benefitting the property. Most often, Special Assessment Fees have been charged by the Town under the authority of the Zoning Ordinance and under the regulation of the Planning Board in connection with projects presented to them by applicants, but the Town may choose to utilize this method of alternate revenue concerning its own infrastructure with the recommendation of the Finance Committee and the approval of the Town Council.

The Town may choose to enter into an Inter-local agreement with another municipality to jointly provide assets (and thereby services) to each of their residents. The ability to combine resources may provide alternate revenue or a possible decrease in appropriation for a particular asset depending on the details of each Inter-local agreement. Any such agreement would require the approval of the Town Council and any proposed revenue or appropriation concerning the same would be included in the annual plan proposal.

The Town may choose to charge Impact Fees to new developments based on the need to either expand/construct infrastructure or capital facilities either on or off-site to serve the new development. Unlike Special Assessment Fees, Impact Fees would not have to directly finance the project benefitting the property, but they must be spent on the same type of infrastructure or capital facilities for which the new development was charged. Impact Fees would be charged by the Town under the authority of the Zoning Ordinance and would be recorded as revenue in a Special Revenue account which could be proposed as applicable/allowable to be included in the annual plan proposal.

The Town may choose to utilize funds from property taxes raised within a Tax Increment Financing (TIF) District as long as the project/expense is specifically allowable by the applicable TIF Plan (previously approved by the Town Council, the taxpayers and the State of Maine and within guidelines detailed further in the Tax Increment Financing Districts section of this Policy) and would be included in the annual plan proposal.

#### **ASSET DISPOSAL PROCEDURE**

Asset disposal will be determined by the manner which is considered to have the maximum benefit to the Town with consideration of the following:

1. Any monetary value the asset may still retain whether by sale or trade-in
2. Any need for which the Town may reallocate the asset
3. Any recommendation or request by the Town Manager and/or Department Head

Generally, the procedure for disposal will be recommended by the Treasurer to the Town Council for approval for each major asset categories in the following manner and the following order:

- Road Resurfacing – N/A
- Bridge Repair and Replacement – N/A
- Fire and Public Safety
  - Equipment or Vehicles
    - Reuse elsewhere in the Town
    - Trade-in value
    - Sale to another municipality
    - Sale by auction
    - Sale by bid
- Public Works and Town Vehicles and Equipment
  - Equipment or Vehicles
    - Reuse elsewhere in the Town
    - Trade-in value
    - Sale to another municipality
    - Sale by auction
    - Sale by bid
- Sidewalks – N/A
- Technology
  - Reuse elsewhere in the Town
  - Trade-in value
  - Sale to another municipality
  - Disposal in the waste stream for profit
- Public Buildings
  - Sale by auction/or private sale
  - Demolition
- Land Acquisition – N/A
- Miscellaneous
  - Reuse elsewhere in the Town
  - Trade-in value
  - Sale to another municipality
  - Disposal in the waste stream for profit

This general procedure may be revised as far as order is concerned upon the recommendation of the Treasurer as it relates to the each individual asset category, circumstance and any future needs of the Town which may be considered on a case-by-case basis.

# UNDESIGNATED FUND BALANCE POLICY TOWN OF GRAY MAINE

*As of February 17, 2004*

## SECTION I – PURPOSE

The purpose of the undesignated fund balance policy shall be to create a guideline to ensure the well being of the Town's financial administration in a manner that assists in providing for a positive cash flow, reducing short term borrowing costs and meeting the town's long term capital investment objectives while ensuring that year-to-year fluctuations do not allow accumulation of an excessive undesignated fund balance.

## SECTION II – OBJECTIVE

- A. In addition to the Crisis Fund established as one twelfth (1/12) of the approved appropriation for the municipal budget, the Town's portion of MSAD #15 local assessment, county and overlay, the Town, through proper administration of the Undesignated Fund Balance, can work to assure the fiscal integrity of the Town.
- B. The Town shall strive to maintain the level of the undesignated fund balance at an amount no greater than two twelfths (1/6) of the approved appropriation for the municipal budget, the Town's portion of MSAD #15 local assessment, county and overlay. This is in addition to the Crisis Fund.
- C. The Undesignated Fund Balance will be determined upon completion of the fiscal year end audit and compared to the budget, as approved at the last June Town Meeting for the next fiscal year. Any excess in the Undesignated Fund Balance identified in the Town's audited financial statements that exceeds the target level in B above shall be transferred to the Town's most current Capital investment Plan schedules and/or distributed to the various reserves, upon the recommendation of the Town Manager and the Town Council and the approval of the Town Meeting. Such a recommendation should include recognition of the timing of such transfers and accounts receivable as they relate to cash flow requirements as reported by the Controller.

The excess in the fund balance may be distributed for the following activities or reserve accounts:

1. Replacement of aging capital assets including rolling stock that demonstrate a high maintenance record and has a useful life of ten (10) years or more.
2. Asset schedules related to buildings, roads, and other infrastructure that require capital maintenance or capital repairs to prevent further deterioration that if not done would cost more than if the intermediary work was not done.
3. Utilization of funds to pay off short term notes related to the Capital Investment Plan that would help save the Town funds or set the funds in a specific capital reserve to enable the Town to avoid incurring debt to fund the investment.
4. The following are the reserve accounts established or retained by the Town:
  - a. Road Resurfacing
  - b. Bridge Repair and Replacement
  - c. Fire and Public Safety
  - d. Public Works and Town Vehicles and Equipment
  - e. Sidewalks
  - f. Technology
  - g. Public Buildings
  - h. Land Acquisition
5. The Town Council may vote to add or delete a reserve to this list and recommend those actions for approval at the next annual or special Town Meeting with documentation as to the justification and proposed disposition of funds.

## **INVESTMENT POLICY**

Approved by the Town Council at the 10-20-15 Town Council Meeting

All funds entrusted to the Town of Gray as directed by the Accounting Structure shall be invested in accordance with Title 30A MRSA § 5706, 5711-5719. Specifically the funds to be invested routinely may include but are not limited to:

- General fund (operating revenues received in advance of operational needs)
- Capital Reserve funds (funds allocated for future capital purchases, including proceeds of bonds or temporary notes issued in advance of the time for which payments for capital projects are required)
- Special Revenue funds
- Fiduciary and/or Permanent funds (in compliance with the Town's fiduciary capacity as trustee)

### **OBJECTIVES**

The Town's investment portfolio shall be designed with the objective of meeting all legal requirements set forth by Federal, State and applicable governing authorities.

The investment objectives are to invest the maximum amount possible, through the use of appropriately secure accounts. In investments, the Town places security/safety of funds as its first concern, maintenance of liquidity as a secondary concern and with rate of return as a tertiary concern.

To that end, the definitions for each concern are the following:

- 1) Security/Safety - Safety of principal and preservation of capital is the foremost objective. Capital losses (realized or unrealized) for all investment transactions made are unacceptable. The portfolio shall be diversified to insure that potential losses on the individual securities do not exceed the income generated from the remainder of the portfolio. The Treasurer will ensure the safety of invested funds by limiting interest rate, credit rate, deposit and custodial credit risks.
  - a. Interest Rate Risk - The risk that the market value of the portfolio securities will fall due to a change in general interest rates. Interest rate risk will be mitigated by:
    - i. Structuring the Town's portfolio so that securities mature to meet the Town's cash demands for ongoing operations, thereby precluding the need to sell securities on the open market prior to their maturity. (At all times the original principal investment must not fall below the Town's original cost basis for all invested funds. This includes realized and unrealized gains and losses).
    - ii. Investing primarily in shorter-term securities.
  - b. Credit Rate Risk - The risk of loss due to the failure of the security of the backer. Credit rate risk will be mitigated by:
    - i. Limiting investments to the types of securities authorized only by this policy
    - ii. Using financial institutions which have been pre-qualified by the Finance Committee according to pre-established standards common to the industry and clearly identified by the Committee.

- iii. Diversifying the investment portfolio to meet the Town's current and future cash flow needs.
    - c. Deposit Risk - The risk that, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposit risk will be mitigated by:
      - i. Complete collateralization/insurance of all deposited funds
        - 1. Primarily through depositing only with FDIC member institutions
        - 2. Validated custodial agreements with the depository institution
    - d. Custodial Credit Risk - The risk that, in the event of the failure of the financial institution, the Town will not be able to recover the value of its investments and/or collateral securities that are in the possession of an outside party. Custodial credit risk will be mitigated by:
      - i. Complete collateralization/insurance of all deposited funds
        - 1. Primarily through depositing only with FDIC member institutions
      - ii. Doing business with authorized institutions, depositories and broker/dealers
      - iii. Requirement to register all investments and/or collateral securities in the name of the Town only, not the financial institution
- 2) Maintenance of Liquidity-An adequate percentage of the portfolio shall be maintained in liquid short-term securities, which can be converted to cash to meet operating requirements. This portfolio should be structured so that securities mature in a ladder form.
- 3) Rate of Return-The objective of the portfolio should be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The Town's portfolio management approach is one which prohibits speculation based on anticipated interest rate movements. The Town's approach is to buy investments with the intention of holding them until maturity. All maturities in excess of one year shall be first approved by the Town Council after the formal recommendation of the Finance Committee. The formal recommendation shall be accompanied with a detailed review of those investments longer than one year. The Town shall not sell the securities prior to maturity unless:
- a. It will minimize real or unrealized loss of principal
  - b. A security swap would improve the yield in the portfolio which outweighs the possible fees associated with the act
  - c. Maintenance of Liquidity as unforeseen before the investment

#### **ETHICS AND CONFLICTS OF INTEREST**

The Finance Committee will avoid proposing or approving any transaction that might impair public confidence in the Town's ability to govern effectively. The Treasurer and the Finance Director (or their assigned designee) will refrain from business activity that could conflict with proper execution of the current investment program as approved by the Finance Committee or the Town Council, or which could impair their ability to make impartial investment proposals. The Finance Committee, Treasurer and Finance Director will disclose to the Town Council, any material financial interest in financial institutions

that conduct business within the Town and will further disclose any large personal financial/investment positions that could be considered related to the performance of the Town's portfolio. The Finance Committee, Treasurer and Finance Director will subordinate their personal investment transactions to those of the Town, particularly with regard to the time of purchase and sales. Any violation of this procedure will be reviewed by the Town Council. After such review, the Town Council, by majority vote, may take appropriate disciplinary action according to the Personnel Policy, up to and including termination of employment.

#### **DELEGATION OF AUTHORITY**

The ultimate responsibility for the investment program rests with the Town Council, who have delegated the majority of those responsibilities to the Finance Committee in the Town Council Rules, and with oversight and reporting requirements to be undertaken by the Treasurer and the Finance Director. The Treasurer and the Finance Director will be responsible for all transactions processed and have established a system of internal controls to regulate the activities of subordinated officers.

It is the responsibility of the Finance Committee to develop and review biannually, the investment policies of the Town, assuring that all assets of the Town have been properly protected and invested in compliance with Federal and State laws and regulations.

#### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Treasurer and the Finance Director, under the oversight of the Finance Committee, will conduct investment transactions with financial and investment securities approved by the Finance Committee, or the Town Council. In selecting financial institutions with which to conduct business, the Treasurer and the Finance Director will present an overview of the financial institution's credentials, audited financial statements, proof of National Association of Securities Dealers (NASD) certification (if necessary), membership in the Federal Deposit Insurance Company (FDIC) (if necessary), proof of State registration, and other details as deemed pertinent or required by industry standards and current regulations. Any Financial Institution with which the Town conducts business must certify, in writing, that it has read, understood and agreed to comply with the Town's Fiscal Policy (as applicable), specifically the Investment section of that document.

#### **COLLATERALIZATION**

Collateralization is required on all investments including repurchase agreements. The collateral must be in an amount equal to the excess deposit and interest earned and it may consist only of securities in which municipalities may invest. The Town or an independent third party with whom the Town has a current custodial agreement will always hold collateral.

## **INVESTMENT TRAINING**

The Treasurer and/or Finance Director may be expected to attend at least one applicable training session annually, to be paid for by the Town, or will continually educate themselves in a manner acceptable after a required review and approval of the Finance Committee. The training or education is required to include any State of Maine Legislative Action as applicable to this policy.

## **SUITABLE AND AUTHORIZED INVESTMENTS**

- United States government bonds and instrumentalities (bonds and other direct obligations of the United States)
- State bonds - “bonds and other direct obligations issued or guaranteed by any state or agency of the state, provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Banking” (30A, MRSA, Section 5712, 2)
- Maine State bonds – “bonds and other direct obligations issued or guaranteed by any state or agency of the state, or any political subdivision of the State that is not in default...” (30A, MRSA, Section 5712, 3)
- Dominion of Canada – “bonds and other direct obligations issued or guaranteed by the Dominion of Canada, any province, or political subdivision provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Banking and payable to the United States” (30A, MRSA, Section 5712, 4)
- Short-term obligations – prime bankers’ acceptances and prime commercial paper
- Corporate bonds – “bonds and other direct obligations of any United States or Canadian corporation, provided that the securities are rated within the 3 highest grades. Nor more than 2% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested of any one corporation” (30A, MRSA, Section 5713, 1)
- Maine corporate bonds – “bonds and other obligations of any Maine corporation, actually conducting business in this State, for a period of 3 successful fiscal years, has earned or received an average net income of not less than 2% times the interest in the obligations. Not more than 20% of the total assets of the permanent reserve fund, permanent trust fund may be invested in these securities and not more than 2% in any one corporation” (30A, MRSA, Section 5713, 2)
- Maine corporate stocks – “the stock of any Maine corporation, other than stock of a financial institution, conducting business in this State for at least 3 years and have received an average net income after taxes equivalent to at least 6% upon the entire outstanding issue of the stock. Not more than 10% of the deposits of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested may be invested under this section in stocks of Maine corporations and not more than 1% in any one corporation. The fund shall be invested in no more than 20% of the stock of any one corporation” (30A, MRSA, Section 5713, 3)

“The Town shall not acquire or hold stock and obligations described below in excess of 30% of the total assets of the reserve fund, permanent trust fund, or other permanent fund. The Town shall

not acquire or hold stock of any one bank in excess of 5%, nor shall any such fund be invested in stock in excess of 10% of the capital stock of any one bank” (30A, MRSA, Section 5714, 2)

- “Debentures of any financial institution authorized to do business in the State of Maine incorporated under the laws of this State or the US and of any financial institution holding company, provided that the holding company is registered under the United States Bank Holding Company Act of 1956 or the National Housing Act, Section 408” (30A, MRSA, Section 5714, 1A)
- Stock - “capital stock, preferred stock, debentures and acceptances of any insured bank not having an office in this State which has total capital reserves of at least \$50,000,000 and whose subsidiary banks have total capital reserves of a least 50,000,000 provided that it is registered under the United States Bank Holding Company Act of 1956. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund may be invested” (30A, MRSA, Section 5714, 1B)
- Capital Notes or Debentures – “issued by an municipalities chartered under the laws of any state, or of the United States, or of the Commonwealth of Puerto Rico, notwithstanding the fact that these notes or debentures may be subordinated to the claims of depositors or other creditors of the issuing institution. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested maybe be so invested” (30A, MRSA, Section 5714, 1C)
- Obligations – “issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the Inter-American Development Bank or the African Development Bank” (30A, MRSA, Section 5714, 1D)
- (Passbook) Savings Account – These accounts pay a low rate of interest, compounded daily on their balances. This account allows the transfer of money between the Town’s accounts and earn short-term on odd amounts of money that are not available for longer investments.
- Repurchase Agreements – These investments are an agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.
- Mutual Funds – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.
- Other stock investments – preferred stock of public utilities, bonds of nonprofit organizations, small business investment companies and Maine Capital Corporation.

## **DIVERSIFICATION**

The Town will diversify its investment portfolio to avoid incurring unreasonable and avoidable risks or loss resulting from over concentration of assets in a specific maturity, specific issuer, or a specific class of securities, with the exception of US Treasury Securities and other authorized pools. No more than 75% of the Town’s investment portfolio will be invested in a single security type or with a single investment institution.

## **INTERNAL CONTROL**

The Town's independent auditing auditors will annually review the Town's investment internal controls and procedures. The auditors will concentrate on control of collusion, separation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of all transactions, code of ethics and documentation of transactions.

## **PERFORMANCE STANDARDS**

The Town's investment portfolio will be designed with the objective of exceeding the average Federal Funds rate. The Treasurer's objective is to propose methods to the Finance Committee to maximize the Town's cash invested at all times.

## **REPORTING**

The Treasurer and the Finance Director will submit an investment report(s) to the Finance Committee for all funds invested on a mutually-agreed-upon schedule (not to exceed a six-month period). However, all investments will be recorded in to the Trial Balance and reconciled monthly by the Finance Director in the same manner as all other Town cash accounts.

The investment report(s) will including the following as necessary/applicable:

- Report period covered
- Type of investment(s)
- Investment(s) by institution
- Current market value (even though is it recognized that generally accepted accounting principles do not allow for the recording of market value as an account balance when taking into consideration collateralization and similar requirements of the Town)
- Purchases or cost of securities
- Date of maturity
- Rate of interest
- Realized and unrealized gains or losses (in consideration of current market value)

## **PORTFOLIO PERFORMANCE**

If the market value of the Town's investment portfolio for any fund drops below 5%, the investment company will immediately notify the Treasurer or the Finance Director by phone, if it cannot be done in writing, within 30 days of the date of occurrence. If the market value of the Town's investment portfolio falls below 10%, the investment company will immediately notify the Treasurer or the Finance Director in writing, within 30 days of the date of occurrence.

## **LEGISLATIVE/POLICY CHANGES**

The Treasurer and Finance Director will incorporate any State of Maine Legislative Actions that impact allowable investment type, maturities and percentage of allocations. Updates of the same to applicable sections of this policy, as necessary and/or required, will be presented to the Finance Committee for recommendation to the Town Council.



## TOWN OF GRAY

Henry Pennell Municipal Complex  
24 Main St, Gray Maine 04039  
www.graymaine.org

OFFICE OF THE TOWN MANAGER

*Nate Rudy, Town Manager*  
*nrudy@graymaine.org*  
*(207) 657-3339*

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December 1, 2022

Upon the resignation of the former Public Works Director, Foreman Tim Estes was elevated to the role of Interim Public Works Director and has offered to remain in that role while the Town decides on next steps for re-filling an administrative position.

I understand that Council has in the past considered plans to hire an engineer to fill the role of Public Works Director, which would improve the Town's ability to review plans, costs, and options for public works projects and provide other expertise to assist with Town planning and other functions.

I have reviewed the management structure of ten other comparably sized municipalities, in terms of population and tax base, and make the following observations and recommendations:

- Six of the ten municipalities have the same director over Public Works and Solid Waste and Recycling, and some also share an assistant to the director across departments.
- Three of the municipalities have a certified public engineer on staff.
- The Town of Yarmouth has a public engineer on staff, but also has a Public Works Director, Highway Superintendent, and Administrative Assistant. The other two municipalities with engineers have that person in a Director position over multiple departments.
- Yarmouth's engineer is in charge of their wastewater treatment plant, supports the planning department, handles most major construction projects, assists the planning department with road planning and bid specs, assists the Town Manager with capital planning for buildings and bridges, and manages stormwater compliance.
- Municipalities with an engineer rely on the Public Works superintendent to manage daily duties and prepare annual department budgets.
- Municipalities that have sewer departments are required to have a certified person on staff to oversee the sewer operation, and frequently that person is a public engineer.

I have spoken with Gray's Transfer Station Director, who advises that he may be considering retirement in a few years, and that there is currently not a person on staff who is fully trained to take over his duties and responsibilities. Although we are in no hurry to see his retirement day come, he has offered to allow a new Director to "job shadow" with him to learn how he manages operations and relationships with outside service providers to maintain the Transfer Station operations. There are also opportunities for more formal coordination between Public Works and Buildings & Grounds, in use of shared resources and collaboration on implementing building maintenance identified in the Town's facility study.

In the event that Gray implements sewer infrastructure, we will need a person on staff certified to maintain the sewer system, and a public engineer serving as Director of multiple departments could also oversee the sewer operation.

The benefits to having an engineer on staff include but are not limited to:

- Less reliance on contracted services for some engineering needs, such as plan review and driveway permit inspections.
- Increased understanding of road and infrastructure design and construction, and increased insight into potential cost- and time-saving alternatives.
- Insight on expected stormwater management planning requirements for Gray.
- Certification and experience with administering a municipal sewer service.
- Coordination on management of public infrastructure and other assets across departments, and potential cost savings from shared services and resources.

Updating the current Public Works Director position to a Town Engineer position or hiring a certified public engineer to serve in the Director capacity, will require that the Town also hire another light equipment operator to maintain winter plow truck routes, as the former PW Director also drove a truck and it is not likely that a typical Town Engineer job description would include that training. There have already been discussions in the Public Works and Buildings and Grounds Departments about requesting another driver position that might serve as a Buildings and Grounds staff member during the summer season.

This table shows an estimate of the change in wages from current staffing to the proposed staffing, not including benefits:

PW Dept Admin Positions	Current Admin	Wage	Proposed Admin and Staff	Proposed Wage
	Dir. Of PW	85,000	Dir. Of Public Services (P.E.)	105,000
	Foreman	57,000	Public Works Superintendent	71,000
	Assistant	11,000	Assistant	11,000
			Light Equipment Operator	46,400
Total		153,000	+80,400	233,400

This does not reflect any potential future cost reductions from potential changes in the administrative structure of other departments, or the benefits of reducing administrative duties from other staff in these departments.



## TOWN OF GRAY

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OFFICE OF THE TOWN MANAGER

*Nate Rudy, Town Manager*  
*nrudy@graymaine.org*  
*(207) 657-3339*

December 1, 2022

TO: Gray Town Council

RE: Proposed clarifications to the Town Travel Policy and the role of the Human Resources department in personnel matters

As the administrator of the Town Personnel Policy, I have attached my recommendation for revisions to the document to clarify the role of the new Human Resources Director position in personnel matters, and to clarify elements of the travel policy.

Gray seeks to attract and retain the best candidates in an increasingly competitive employment environment, in which public service jobs are not as attractive as they once were. Modern families are increasingly blended and/or multi-generational, and Maine, Cumberland County, and Gray are diversifying to include people of different ethnic and belief backgrounds. Maine's new discrimination by association laws require renewed discretion in how Gray requires employees to document their travel expenses, and the travel policy should not be used as an avenue to interpret expenses in a manner that discriminates against a particular employee, their health needs, their manner of lifestyle with respect to eating or lodging needs, or their familial/household associations to people in protected classes.

My policy recommendations clarify policy matters related to employee travel expenses, embody Gray's commitment to diversity and equity, and acknowledge that the cost of employee travel goes beyond just the cost of travel, lodging, and meals. Our travel documentation should not require employees to reveal personal information that could be used to discriminate against them, or could invite such accusations and legal challenges. The policy recommendations follow broadly accepted accounting standards, protect Gray from liabilities, and simplify the travel reporting process for the employee, work managers, and accounting. There will be negligible or no change in the cost to the Town between the per-diem and receipt reimbursement methods. The proposed policy

ties travel reimbursement rates to a broadly used standard that factors in cost differentials for different destinations and is regularly updated by the Federal government. It also explicitly states that Town funds will not be used to purchase alcohol or other intoxicants. It leaves discretion for the Town Manager to approve the purchase of alcoholic beverages related to business development purposes. It protects the Town from the risk of costly discrimination litigation.

The revision includes a provision for Town Department Heads and the Town Manager to communicate known travel dates and expenses as part of the annual budget setting process. It also identifies the Human Resources Director as the primary contact for questions related to the Personnel Policy, and corrects language related to the extension of probationary employment periods beyond the legally permitted duration of six months.

# Harassment & Discrimination

2022 Legal Update

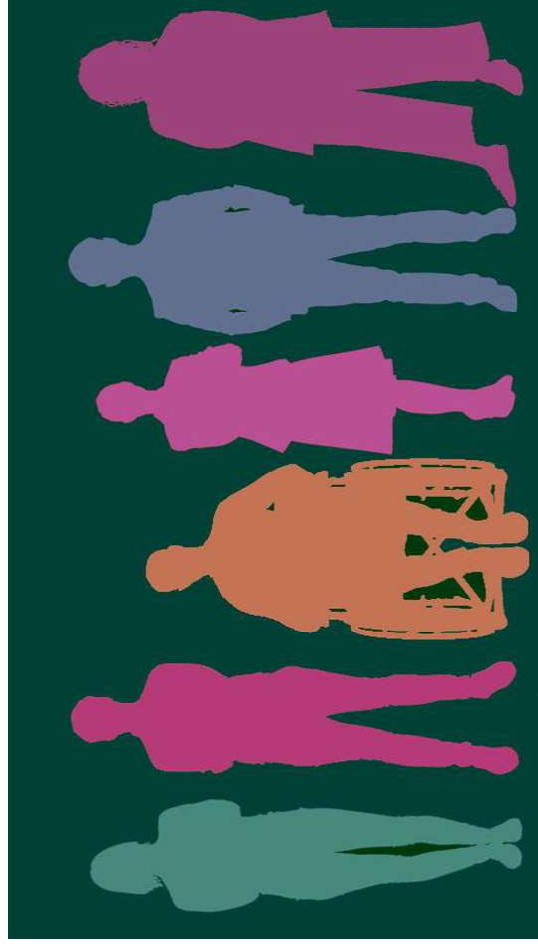
Maine Municipal Association Labor and Employment Law Seminar  
October 25, 2022

Tara A. Walker, Esq. (she/her/hers)  
Bernstein Shur  
Labor & Employment Practice Group

# Associational Discrimination

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- ADA- May not take certain actions against an individual who has a relationship or association with a disabled person because of that relationship/association.
- Title VII – May not take certain actions because of a relationship to a third party on the basis of a protected characteristic, i.e., one's sex, race, etc.
  - Specific contours are still being developed following Supreme Court's decision in *Bostock*.
- MHRA tracks the ADA and Title VII.



# Familial Status

## MHRA: Now includes “familial status” defined as:

- One or more individuals who have not attained 18 years of age and are living with a parent or another person having legal custody of the individual or individuals or the designee of the parent or other person having custody with the written permission of the parent or other person; or
- One or more individuals 18 years of age or older who lack the ability to meet essential requirements for physical health, safety or self-care because the individual or individuals are unable to receive and evaluate information or make or communicate decisions.
- The protections afforded against discrimination on the basis of familial status apply to any person who is pregnant or who is in the process of securing legal custody of any individual who has not attained 18 years of age.



# Familial Status Discrimination

- Tina, a human resources employee, has agreed to the Town's "remote work" agreement, which (for purposes of this hypothetical) specifies that "remote work is not a substitute for childcare" and that employees are required to obtain adequate childcare for all hours worked remotely.
- Two days in a row, Tina has not logged in during scheduled hours. Rather they have sent you responses to e-mails late into the night, at 9:00p and 10:00p.
  - **Can the Town counsel or discipline her?**
- Same facts, but now the employee is failing to respond in a timely way to e-mails. Last week, you asked Tina to review some documents for a project that is due on Thursday, but she did not respond until late Tuesday night, two days before the project is due. By that time, you had already reassigned the project to Tim, another employee.
  - **Can the Town counsel or discipline her?**

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# PERSONNEL POLICY

## Town of Gray

Adopted: February 2, 2010

Amended: February 21, 2012

Amended: February 18, 2020

Amended: June 7, 2022

[Amended: November 15, 2022](#)

# Table of Contents

Section 1 - Mission Statement.....	5
Section 2 - Definitions.....	5
Section 3 - Administration.....	6
Section 4 - Employment.....	7
A. Applications.....	7
B. Classifications.....	8
C. Probation.....	8
D. Conduct.....	9
E. Professional Dress Standards.....	10
F. Electronic Communications Policy.....	11
G. Telephone and Personal Cell Phone Usage.....	11
H. Smoking.....	11
I. Drug Free Workplace Act.....	11
J. Drugs.....	12
K. Alcohol.....	12
L. Personnel Files.....	12
M. Evaluations/Reviews.....	12
N. Outside Employment.....	12
O. Vital Information.....	13
P. Conflict of Interest.....	13
Q. Confidentiality.....	14
Section 5 – Hours of Work.....	14
A. Overtime.....	14
B. Compensatory Time.....	15
C. Absences.....	15
D. Call-In.....	16
E. Emergencies.....	16
Section 6 – Compensation.....	16
A. Pay Schedule.....	16
B. Pay Dates.....	16
C. Position Changes.....	16
D. Cost of Living Adjustment (COLA) / Merit Raises.....	17
E. Fire / Rescue Per-Call Stipend.....	17

F.	Travel Expenses .....	17
G.	Outside Compensation .....	18
Section 7 - Benefits .....		18
A.	Social Security .....	18
B.	Health and Major Medical Insurance.....	18
C.	Life Insurance .....	18
D.	Town Offered Optional Benefits .....	18
E.	Retirement.....	18
F.	Sick Time .....	19
G.	Personal Time .....	20
H.	Vacation Time.....	20
I.	Discretionary Time .....	21
J.	Bereavement Time.....	21
K.	Leave of Absence.....	21
L.	Military Service Leave.....	21
M.	Holidays .....	22
N.	Jury Duty.....	23
O.	Family Medical Leave Act.....	23
P.	Earned Paid Leave .....	23
Q.	Remote Work.....	23
R.	Emergency Telework.....	26
Section 8 – Resignations .....		26
Section 9 – Disciplinary Procedures.....		27
A.	Just Cause .....	27
B.	Disciplinary Actions .....	27
C.	Suspension .....	27
D.	Discharged Without Just Cause .....	27
E.	Employee Termination .....	27
Section 10 – Grievance Procedure .....		28
Section 11 –Harassment .....		29
A.	Sexual Harassment.....	29
B.	Harassment.....	30
C.	Reporting a Complaint.....	30
D.	State Law .....	30
Section 12 – Political and Outside Activities .....		30

Section 13 – Safety.....	30
A.    Workers Compensation.....	31
B.    Infectious Disease .....	31
Section 14 – Severability.....	31
APPENDIX A - FAMILY MEDICAL LEAVE ACT .....	32
APPENDIX B – MAINE FAMILY MEDICAL LEAVE ACT.....	39
APPENDIX C - ELECTRONIC COMMUNICATION POLICY .....	42
APPENDIX D – EMPLOYER / EMPLOYEE CONTRIBUTION.....	44
APPENDIX E - OPTIONAL BENEFITS .....	45
APPENDIX F – INFECTIOUS DISEASE POLICY.....	46
APPENDIX G – EARNED PAID LEAVE.....	49

Be it hereby resolved by the Gray Town Council of the Town, Maine:

## **Section 1 - Mission Statement**

The Town of Gray (hereafter “Town”) recognizes that employment within its government shall be based on merit. As an Equal Opportunity Employer, the Town shall employ and promote employees without discrimination as to race, creed, age, sex, sexual orientation, disability, national origin or political affiliation; the best qualified persons who are available at the salary level established for the position, with first preference being given to citizens of the Town, all other factors being equal.

The Personnel Policy that follows is designed to promote and maintain equal employment conditions for all Town employees. Positions have been classified, where necessary, to clarify policies which apply strictly to employees with similar duties, authority, compensation or responsibilities. This policy is adaptive in nature and may be amended to meet the Town's future needs. This policy shall be applicable to all employees as defined within and is not a contract of employment.

## **Section 2 - Definitions**

- 1) Appointing Authority: The Town Manager or the Town Council.
- 2) Employee: Denotes any person hired to a position by the Town Manager.
- 3) Regular, Full-Time: Employees who are not in a temporary, per-diem or probationary status and who are regularly scheduled to work the Town’s full-time schedule are, generally, eligible for the Town’s benefit package, subject to the terms, conditions and limitations of each benefit program. Reference Appendix for Employer / Employee Contributions.
- 4) Regular, Part-Time: Employees who are not assigned to a temporary, per-diem or probationary status and who are regularly scheduled to work less than a full-time schedule, but no less than 20 hours per week. These employees receive all legally mandated benefits and are eligible for the Town’s benefit package at full cost to the employee subject to the terms, conditions and limitations of each benefit program. Reference Appendix for Employer / Employee Contributions. If hours worked during a pay period drop under 20 hours per week, no vacation or sick time will be accrued for that pay period.
- 5) Probationary: Employees whose performance is being evaluated to determine whether further employment in a specific position or with the Town is appropriate. Employees who satisfactorily complete the probationary period will be notified of their new employment classifications.
- 6) Temporary: Employees who may or may not work a specified number of hours per week but who is employed on a ~~short-short~~ term basis at the discretion of the Town, usually for a specified term or project or are employed as part of seasonal operations, and whose employment will normally end at the conclusion of those seasonal operations during any given year.

Employment beyond any initially stated period does not; in any way imply a change in employment status. Temporary employees retain their status until they are legally notified of a change. A change to or from this category can be accomplished only with the written consent of the Town Manager. Although temporary employees receive legally mandated benefits they are ineligible for the Town's benefit package.

- 7) Per-diem: Employees who routinely work either a full-time or a part-time schedule and who accept additional compensation in lieu of participation in all but legally-mandated benefits. The Town offers this category in limited classifications and to a limited number of employees, such as Rescue EMTs. Service in this category cannot be credited in any way toward any benefit program, even if the employee is later assigned to a benefit-eligible classification. A change to or from this classification can be accomplished only with the written consent of the Town Manager.
- 8) FLSA: Fair Labor Standards Act.
- 9) Legally Mandated Benefits: Social Security and Workers Compensation Insurance.
- 10) Full-Time Schedule: For the purposes of determining benefits eligibility, a full-time schedule means a minimum of thirty-five (35) hours per week, based on a calendar year.
- 11) Good Standing: Employees who are not the subject of disciplinary action by the Town are considered in good standing.
- 12) Immediate Family: Includes parents, spouse/domestic partner, brother, sister, children (including step-children), grandparents, mother-in-law, father-in-law, sister-in-law, brother-in-law.
- 13) Hire Date: The date when an individual is notified of their employment with the Town of Gray. This date is not to be confused or used synonymously with an employee's start date which effects their benefit eligibility date.
- 14) Start Date: The date on which an employee actually commences work for the Town of Gray. This date is used to determine an employee's benefit eligibility date as applicable.

### **Section 3 - Administration**

The Town Manager shall be the Administrator of the Personnel Policy. It shall be their duty to:

- a) Encourage and exercise leadership in the development of sound personnel practices among the departments of the Town;
- b) Advise the Gray Town Council regarding manpower needs and utilization;
- c) Foster and develop programs for the improvement of employee effectiveness including training, safety, health, counseling and courtesy when dealing with the public and respectfulness of municipal property;

- d) Establish and maintain records of all Town employees in the public service, setting forth as to each employee: classification, title, salary or status, sick time, vacation time and any other relevant data;
- e) Ensure that at least one bulletin board shall be set up within easy access to each employee for the purpose of required Department of Labor posters, advertising job position openings, public notices, departmental regulations, etc.;
- f) Apply and perform any act, which may be necessary or desirable to carry out the purposes and provisions of the Personnel Policy.

## **Section 4 - Employment**

### **A. Applications**

- 1) Original hires to positions in Groups I, II, III and IV shall be announced by posting notices in the Town Office, Post Office and such other places within the Town as may be deemed appropriate by the Town Manager, including at least one newspaper of general circulation. The Town Manager shall have final hiring authority on all municipal hires.
- 2) Applications shall be made on forms provided by the Town. Such forms shall require information covering training, experience and other pertinent information. All applicants must sign their application forms. Any misrepresentations, falsifications or material omissions may result in an applicant's exclusion, or, if the person has been hired, termination.
- 3) Preference may be given to qualified applicants who are residents of the Town.
- 4) Vacancies in positions above the entrance level shall be filled by promotion whenever, in the judgment of the Town Manager, it is in the best interests of the Town to do so. In the case of promotion, appropriate consideration shall be given to the applicant's qualifications, record of performance or seniority.
- 5) A person responsible for the hiring of new employees within a department may not hire a relative. A relative is a "person connected with another by blood or affinity".
- 6) The Town is an Equal Opportunity Employer and is committed to complying fully with the Americans with Disabilities Act (ADA).
- 7) The Town complies with the Immigration Reform and Control Act of 1986. Each new employee must complete Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility the original to be kept on file with the ~~Finance~~Human Resources Department.
- 8) The Town will check references and needed licensure of qualified job applicants.

- 9) An offer of employment is conditional on the following where applicable: a medical examination, a psychological evaluation, a criminal background check, a drug and alcohol test and a driving record. It is the practice of the Town of Gray to initiate at least a criminal background check for all prospective employees, as well as necessary independent contractors and volunteers to ensure the welfare and safety of the citizens in the Town of Gray.

## **B. Classifications**

The Town Manager shall develop and recommend a classification plan for all positions in Groups I, II, III and IV. The classification plan shall consist of job descriptions specifying title, typical duties and responsibilities. The Town Manager shall assign the position a salary or wage range in accordance with the adopted pay schedule.

Before the classification plan, or any part thereof, shall become effective, it shall be approved, by order from the Gray Town Council.

The Town has established four (4) employment classifications.

- a) Group I: All full-time, salaried exempt employees.
- b) Group II: All full-time, hourly paid employees
- c) Group III: All regular part time employees.
- d) Group IV: All probationary, temporary, casual and per-diem employees. (This category **does not** include full-time hires in probationary status.)

## **C. Probation**

The probationary period is intended to give a new employee the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Town uses this period of time to evaluate an employee's capabilities, work habits, and over-all performance. Either the employee or the Town may end the employment relationship at will, during the probationary period, with or without cause or advance notice.

All new or rehired employees shall work on a probationary basis for the first six months from their date of hire or a time as established in writing by the Town Manager. Probationary basis shall be consistent with regulations as established by the FLSA. ~~The Town Manager at their discretion may extend an employee's probationary status, but for no longer than an additional six (6) months.~~

During the initial probationary period, new employees are eligible for legally-mandated benefits. New employees shall not be eligible for health care benefits until the first day of the month following the first thirty (30) days of employment after their start date. New employees shall be eligible for other benefit programs at full cost to the employee. (A list of Town-offered optional benefits is available in Appendix E) Upon satisfactory completion of the initial probationary period, employees enter the established classifications.

An employee who is promoted or transferred within the Town may be required to complete a secondary probationary period with each reassignment to a new position. Any significant absence will automatically extend a probationary period by the length of the absence.

In cases of promotions or transfers within the Town, an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the secondary probationary period. If this occurs, the employee may be allowed to return to their former position or to a comparable position for which the employee is qualified, depending on the availability of such positions and the Town's needs.

Employment status is not changed until the end of the secondary probationary period that results from a promotion or transfer within the Town.

#### **D. Conduct**

All employees of the Town are expected to follow rules of conduct that will protect the interest and safety of all employees and the Town. Situations or conduct which would reflect negatively or bring discredit upon the Town are also unacceptable. It is not possible to list all forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions that may result in disciplinary action, up to and including termination of employment:

- a) Theft or inappropriate removal or possession of property;
- b) Falsification of time-keeping records;
- c) Working under the influence of alcohol or illegal drugs;
- d) Possession, distribution, sale, transfer or use of alcohol or illegal drugs in the workplace while on duty or while operating employer-owned vehicles and equipment;
- e) Fighting or threatening in the workplace;
- f) Boisterous or disruptive activity in the workplace;
- g) Negligence or improper conduct leading to damage of employer-owned or customer-owned property;
- h) Insubordination or other disrespectful conduct;
- i) Violation of safety or health rules;
- j) Smoking in prohibited areas;
- k) Sexual or other unlawful or unwelcome harassment;
- l) Possession of dangerous or unauthorized materials such as explosives/firearms in the workplace;
- m) Excessive absenteeism or any absence without notice;
- n) Unauthorized absence from the work station during the workday;
- o) Unauthorized use of Town owned equipment;
- p) Illegal or inappropriate activity engaged in while using Town-owned vehicles and equipment, including, but not limited to violation of federal/state law or local ordinance, including those governing cell phone usage and text messaging regulations.
- q) Violation of the Personnel Policy;

- r) Unsatisfactory performance or conduct.

(This list is not intended to be exclusive.)

## **E. Professional Dress Standards**

Appropriate professional attire ensures a safe, distraction-free work environment. Town of Gray employees, including volunteers, interns, and any other individual who would represent the Town, are expected to dress appropriately, and present a professional image while at work.

### *Professional Attire*

Professional attire is expected of all employees consistent with the work location and the nature of work. Employees are asked to use good judgment and present themselves at all times in a manner that best represents the Town. Inappropriate attire includes clothing that is too tight or revealing; clothing with rips, tears, holes, or frays; or any extreme style or fashion in dress, footwear, accessories, fragrances, or hair. Basic elements for appropriate attire include clothing that is in neat and clean condition.

Examples of appropriate Town Hall office and Gray Public Library attire include:

- **Shirts:** Shirts with collars, professional or business casual blouses or tops. Examples of inappropriate shirts include T-shirts, shirts with inappropriate slogans, tank tops, muscle shirts, camouflage, and crop tops.
- **Pants:** Dress slacks, trousers, and denim. Examples of inappropriate pants include shorts, camouflage, and pants worn below the waist or hip line.
- **Shoes:** Dress shoes, loafers, dress sandals. Examples of inappropriate footwear include flip-flops and construction or hunting boots.

Departments may elect to establish different standards based on job roles, safety / OSHA requirements, and level of interaction (or lack thereof) with members of the public. Departments with specific uniform practices in place should refer directly to department guidelines.

### *ID Badges*

Employees visiting or working in Town Hall and the Library must wear their Town-issued ID badge and display the badge where it can be easily read. Picture IDs should be clear and unmarked.

### *Procedures*

Department heads or those with supervising responsibilities are accountable for supporting and enforcing dress and appearance standards in their areas of responsibility. This includes coaching employees whose appearance is inappropriate. Employees who do not meet a professional standard may be sent home to change, and nonexempt employees will not be paid for that time. Repeated violations will lead to

disciplinary action as determined by the Personnel Policy. Questions about procedures should be referred to Human Resources or the Town Manager.

### *Accommodations*

Exceptions and reasonable accommodations will be made as needed. For instance, managers may make appropriate exceptions for special occasions or in the case of inclement weather, at which time employees will be notified in advance. An employee who is unsure of what is appropriate should check with his or her department head.

Additionally, the Town of Gray respects the religious beliefs of its employees and will make, upon request, an accommodation in terms of workplace attire when accommodation is available and does not create an undue hardship or safety issue for the Town. Requests for religious accommodation should be made in writing to the Town Manager.

## **F. Electronic Communications Policy**

See Appendix for current policy.

## **G. Telephone and Personal Cell Phone Usage**

Staff are expected to avoid making or receiving personal calls during work hours. Urgent calls to/from family members can be made/received and should be brief. Employees are expected to exercise the same discretion in using personal cell phones.

Employees contacted by creditors or collection agencies should immediately inform the caller of this policy and end the call. The employee should inform the agency in writing advising them not to contact them at work. Creditors failing to honor such a request can be reported to the Federal Trade Commission at [www.ftc.gov](http://www.ftc.gov).

## **H. Smoking**

Smoking is not allowed in any workplace. It is the policy of the Town to comply with all applicable federal/state laws, and local ordinance regarding no smoking in the workplace and in public places.

Excerpt from the Town of Gray “No Tobacco, Alcohol or Medical Marijuana Use” Ordinance:

“No person(s) shall use or partake of any form of tobacco, alcohol or medical marijuana on/in Town of Gray property, 365 days a year, 24 hours a day. There will be no designated areas to use or partake of any form of the same on/in Town of Gray property. No litter associated with tobacco, alcohol or medical marijuana may be discarded on/in Town of Gray property.”

## **I. Drug Free Workplace Act**

Under the Drug-Free Workplace Act, any employee who performs work for a

government contract or grant must notify the Town of a criminal conviction for drug-related activity occurring in the workplace. Employees concerned with substance dependency and abuse issues are encouraged to discuss these matters with their supervisor or the Town Manager.

## **J. Drugs**

No employee may use, possess, distribute, sell or be under the influence of drugs while on the job or representing the Town. Prescription drugs may be used only if they do not impair the employee's job performance. Violations will result in disciplinary action, which may include termination.

## **K. Alcohol**

No employee may use, possess, distribute, sell or be under the influence of alcohol while on the job and / or representing the Town at official Town proceedings or at Town-hosted events. Violations will result in disciplinary action, which may include termination.

## **L. Personnel Files**

The Town maintains a personnel file on each employee. Personnel files are confidential and are the property of the Town. Personnel files are to be kept locked and secured under the Town Manager's control. Title 26 M.R.S.A § 631 provides employees with access to their personnel records (including former employees and duly authorized representatives). However, a written request for such information must be submitted to the Town. File review and copying must take place at the location where the personnel files are maintained, during normal office hours unless, at the Town Managers discretion, a more convenient time and location for the employee is arranged. Employees are entitled to one free copy of their personnel file per calendar year upon written request.

## **M. Evaluations/Reviews**

Supervisors and employees are strongly encouraged to discuss job performance, goals and professionalism. Formal Written Performance Evaluations are to be completed every twelve months, on or about the anniversary of the date of hire. Employee evaluations shall be signed by the employee, Department Head and Town Manager. An employee may attach a written statement within ten (10) calendar days after any evaluation given to be included in their personnel file.

## **N. Outside Employment**

A Town employee may engage in outside employment. However, no employees may engage in outside employment which in any manner interferes with the proper and effective performance of the duties of their position, results in a conflict of interest, or if it is reasonable to anticipate that such employment may subject the Town to public criticism or embarrassment. Employees must inform their Department Head who shall inform the Town Manager of their outside employment. If the Town Manager determines that such outside employment is disadvantageous to the Town, they shall

notify the employee in writing that the outside employment must be terminated. Any employee who engages in employment outside their regular working hours shall be subject to perform their regular duties first.

## **O. Vital Information**

In order to comply with federal and state regulations as well as for insurance and payroll purposes, employees must notify the [FinanceHuman Resources](#) Director, in writing, of any of the following changes:

- a. Address and/or telephone number
- b. Change in marital status
- c. Change in dependent status
- d. Legal change in name or citizenship status
- e. Additional or relevant education or skills acquired since date of
- f. employment
- g. Person to be notified in case of emergency
- h. Change in military status or reserve requirements

## **P. Conflict of Interest**

No employee of the Town shall have any financial interest in or profit from any contract, purchase, sale or work performed by the Town unless otherwise provided for by the Town Council. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or immediate family as listed in the definitions portion of this Policy. Actual conflicts of interest, as well as incidents or situations which create the appearance of a conflict, must be avoided.

- 1) Purchasing - No Town employee who is authorized to make purchases shall have any interest, either directly or indirectly in any contract with the Town. No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence or transactions involving purchases, contracts or leases, it is imperative that they disclose this, as soon as possible, to an officer of the Town, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.
- 2) Gratuities - Compensation paid to the employee in accordance with the Pay Schedule, and reasonable expenses as approved by the Town Manager, shall constitute the sole remuneration for services rendered by an employee in the discharge of Town duties. No additional reward, gift or other form of remuneration shall be accepted by any employee for the discharge of their Town duties. Acceptance of nominal gifts, such as food and refreshments in the ordinary course of business, or unsolicited advertising or promotional materials such as pens, note pads, calendars, etc., is permitted.

Personal gains may result not only in cases where an employee or relative has a

significant ownership in a firm with which the Town does business, but also when an employee or relative receives any “kickbacks”, bribes, substantial gifts or special consideration, as a result of any transaction or business dealings involving the Town.

## **Q. Confidentiality**

During the course of their duties, employees of the Town are often privy to information about individuals, which is sensitive and should be kept confidential. Examples include, but are not limited to, labor relations, General Assistance and personnel actions. Employees are expected to respect the confidential nature of such information. Violations will result in disciplinary action, which may include termination.

## **Section 5 – Hours of Work**

The hours of work (starting times, quitting times, lunch times and overtime) will be established within each department subject to the Town Manager's approval.

The hours of work may be changed by mutual agreement of the Department Head and the department employees, subject to Town Manager's written approval.

### **A. Overtime**

Any time actually worked in excess of 40 hours in one work week shall be compensated by overtime pay at a rate of time and one-half, with the exception of employees in Group I. For those employees in Group I, it is understood that compensation is based on the job responsibility; and the person filling the position will be expected to accomplish the work assigned to the position regardless of hours required. For the purposes of overtime calculation, holiday and vacation time will be considered time actually worked, with the exception of floating holidays. Public Works and Maintenance employees will be paid overtime for time worked after their normal daily scheduled hours.

In accordance with FLSA, temporary summer Recreation employees are exempt from overtime.

In accordance with FLSA, Law Enforcement and Fire Protection Employees are entitled to overtime if they work in excess of 212 hours in a consecutive twenty-eight (28) day period.

Fire Protection personnel include firefighters, paramedics, emergency medical technicians, rescue workers, ambulance personnel, or hazardous materials workers who:

1. are trained in fire suppression;
2. have the legal authority and responsibility to engage in fire suppression;
3. are employed by a fire department of a municipality, county, fire district, or State; and
4. are engaged in the prevention, control and extinguishment of fires or response

to emergency situations where life, property, or the environment is at risk.

## **B. Compensatory Time**

Compensatory time is paid time that is earned and accrued by an employee in lieu of immediate cash payment for working overtime hours. Accrual of compensatory time in hours will equal 1.5 the overtime hours worked to correctly compensate the employee in regular hours. (see example below)

- a. Overtime hours worked 2.5 hours = 2.5 hours multiplied by 1.5= 3.75 compensatory time hours.

All compensatory time accrued must be used within six months of their accrual date. At such a time, expired compensatory time will be paid out at the current rate of pay for the employee in the regular hours as calculated, as the regular hours have already been calculated at the required 1.5 rate.

Unless otherwise indicated in writing, each employee will be paid for the overtime hours worked during the normal payroll process. Each Department Head may determine whether the needs of their department are better served by allowing compensatory time to accrue for their employees in lieu of immediate cash payment for overtime hours worked. An employee may submit a written request to their Department Head for accrual of compensatory time in lieu of immediate cash payment for working overtime hours in advance of the hours worked, which will be subject to the Department Head's advance approval.

## **C. Absences**

In the event of an absence due to illness or other personal cause, it is the responsibility of employees to notify their Department Head directly of the absence, as early as possible, but no later than fifteen (15) minutes after their scheduled starting time. If the Department Head is unavailable the employee should contact the Town Manager's Office. A signed Absence request form must be submitted to the [FinanceHuman Resources](#) Department within three working days for Payroll purposes if utilizing eligible time. Absenteesim and excessive tardiness may lead to disciplinary action and/or possible termination.

A completed Absence request form must be submitted by the employee to their Department Head to request utilization of eligible time available. Scheduled Absence requests must be submitted with sufficient time in advance of the requested time off. The Department Head will process an Absence request within a reasonable amount of time (not to exceed five business days unless otherwise indicated to the employee in writing within that time frame). Department Head approval of such requests should cause a minimum loss of service to the public and is subject to approval by the Town Manager. Department Head requests shall be submitted to the Town Manager.

## **D. Call-In**

Except as otherwise provided by law, any employee in Group II who is subject to

being called in to work during their normal off-duty hours shall be paid a minimum of three (3) hours pay for each such call-in. Should they be required to work less than two (2) of the three (3) hours, three (3) hours will be the maximum paid in lieu of overtime compensation. Should they be required to work more than two (2) of the three (3) hours, overtime pay will be calculated on actual time worked.

#### **E. Emergencies**

Emergencies requiring the closure of any of the Town's facilities will be announced on local radio and television stations. Employees should be notified no later than one hour prior to the normal opening of the Town's affected public facilities. Employees who scheduled to work will be paid their normally-scheduled hours during official closures. Emergency and essential staff may be asked to work during official closures and will receive regular pay.

### **Section 6 – Compensation**

#### **A. Pay Schedule**

The Town Manager shall prepare a pay schedule for all of the positions in the Town. The pay schedule shall reflect fairly the difference in duties and responsibilities and shall be related to compensation for comparable positions in other public and private employment.

The Town Manager shall submit the pay schedule to the Gray Town Council in the form of a resolution. The Council may adopt the pay schedule with or without amendment. Thereafter, no position shall be assigned a salary higher than the maximum provided for the position unless the pay schedule is amended in the same manner as herein provided for its adoption.

Any pay schedule amendments of position or re-assignment requests shall be brought to the attention of the Town Manager by the Department Heads. Changes will be made by the Town Manager in writing and will be based on employee merit.

#### **B. Pay Dates**

All employees are paid bi-weekly. If payday falls on a regularly scheduled holiday, employees will receive pay on the last day of work before the regularly scheduled payday. To receive pay before a scheduled vacation or to have pay direct-deposited to bank accounts, employees must submit a written request to the Finance Department. Any questions concerning payroll deductions may be addressed to the Finance Department.

#### **C. Positions Changes**

When an individual position is changed by reorganization, creation of a new position, or a change in duties and responsibilities, revisions of the pay schedule or possible job classification changes are necessary and the Town Manager shall recommend the necessary revisions to the Town Council for their approval.

When a regular employee is out for an extended period of time due to illness or injury, the Department Head must review the vacancy to determine if the operations can continue without the position being filled temporarily. The written analysis must include the cost benefits of using existing personnel, including any overtime incurred, versus the promotion or hiring to fill the vacancy. If it is determined that the position must be filled during this period the following shall apply:

- 1) Promotions: In those cases where a regular part-time employee is temporarily promoted to fill the full-time vacancy, the person promoted shall be entitled to receive, all benefits provided to that position as indicated in the positions job classification. The time served in the temporary position shall count towards their second probationary period (as referenced under Section 4-C). Should the individual be returned to their regular part-time status, they shall be entitled to receive all benefits provided to that position as indicated in the positions job classification.
- 2) Hire: If a new person is hired temporarily to fill the full-time vacancy they shall only be entitled to the legally mandated benefits and holiday pay. If they are hired to the position as a full-time employee, then the time worked shall count towards their initial probationary period.

#### **D. Cost of Living Adjustment (COLA) / Merit Raises**

Any salary or wage adjustment based on COLA will commence on July 1, of each respective year.

Merit raises will be based on an employee's annual performance evaluation. Merit raises will be awarded as determined in writing by the Town Manager.

#### **E. Fire / Rescue Per-Call Stipend**

Fire and Rescue per-call "time" is not included in actual time calculations and is not included in overtime calculations.

#### **F. Travel Expenses**

##### 1. Local Travel Expenses

Employees required to drive personal vehicles for approved, ~~legitimate~~ municipal purposes shall be reimbursed by the Town at the current federal mileage rate. Other ~~reasonable-approved~~ expenses will also be reimbursed using a prorated Federal per-diem rate.

- a) ~~however, r~~Requests for local travel reimbursement must be approved by the employee's Department Head or the Town Manager, and must be accompanied by itemized receipts or submission of a travel expense form claiming prorated Federal per-diem reimbursement.

- b) Authorization for personal car use by employees for routine Town business will be at the discretion of the Town Manager. All employees must show proof of insurance and a valid driver's license.
- c) Authorization for personal car use by employees for a specific purpose and approved, in writing, in advance by the Town Manager.
- d) ~~All out-of-town travel expenses for employees must be authorized by the Town Manager, in writing, in advance of the use for which reimbursement is sought.~~
- e) Reimbursement for authorized personal car use shall be at a rate as determined by the Town Council, which will be no less than the Federal mileage rate.
- f) All vehicle travel mileage outside of Gray shall be calculated from City Hall, 24 Main Street, Gray, ME, and mileage calculations shall be documented by the employee and submitted along with the reimbursement request.
- g) When two or more persons travel together on official authorized trips, costs shall be paid to one employee based on the total mileage involved.
- h) Employees are prohibited from purchasing alcohol or intoxicants using Town funds.
- i) Travel expense reimbursements related to grant funded activities shall comply with the reporting requirements of the funder.

## 2. —Overnight Travel Expenses

Employees are occasionally required to travel overnight and/or out of town for meetings, events, and professional training and certification purposes.

- a. ~~All~~ Out-of-town travel expenses for employees must be authorized by the Town Manager or their designee, in writing, in advance of the use for which reimbursement is sought.
- b. Travel expenses will be reimbursed using either a submission of itemized travel expense receipts or an employee may elect to receive the Federal per-diem rate for lodging and meal expenses.
- c. All vehicle travel mileage outside of Gray shall be calculated from City Hall, 24 Main Street, Gray, ME, and mileage calculations shall be documented by the employee and submitted along with the reimbursement request.
- d. It is understood that travel to conferences and training events may require lodging at rates that exceed the Federal per-diem rate. Employees should make the best effort to balance travel goals, personal safety, and the cost of lodging, and submit documentation of the lodging expense and the Federal per-diem rate with their request to the Town Manager to deviate from the per-diem rate.

- e. Employees electing to use the Federal per-diem meal expense rate may request an advance on their expense report to help cover travel costs.
- f. Employees shall pro-rate total daily meal expenses by one third (1/3) for meals that are covered by the registration for an event, and for meals occurring before or after partial travel days, unless they receive written permission to deviate from this policy.
- g. Employees are prohibited from purchasing alcohol or intoxicants using Town funds.
- h. Travel expense reimbursements related to grant funded activities shall comply with the reporting requirements of the funder.

### 3. Managerial Authority

Town Department Heads will include anticipated professional development and training travel expenses for department staff in their annual budget proposal, including the purpose of the travel, a list of those travelling, the duration of travel, the estimated cost, and the source of funding. The Town Manager will review annual budget proposals before submitting them to the Town Council.

The Town Manager will include their own anticipated professional development and training expenses in their annual administrative budget proposal, including the purpose of the travel, the duration of travel, the estimated cost, and the source of funding. The travel schedule will be reviewed by Town Council as part of the Town's annual budget development.

Other training sessions and opportunities to participate in professional conferences may arise during the year. Town Department Heads will approve any unanticipated travel costs and time, provided the cost is within their department budget. Unbudgeted travel costs and time can be submitted to the Town Manager for review.

The Town Manager will submit their own unanticipated travel costs and time to the Town Council for review and approval prior to travel.

Town staff may participate in economic development activities that require use of Town funds for outreach events, meetings with prospective developers and business representatives, and campaigns to develop strategic business relationships.

- a. Expenses for economic development campaigns must be authorized by the Town Manager, in writing, in advance of the use for which reimbursement is sought.
- b. Economic development travel and expenses should follow the Town's local and overnight travel policies.
- b-c. The Town Manager has discretion in pre-approving use of Town funds for economic development purposes, including use for travel, lodging, meals, alcohol, and entertainment.

## **G. Outside Compensation**

Any employees receiving payment for services, from non-Town sources, rendered during their normal work day and for which work day Town compensation was given, shall turn the entire amount of that compensation over to the Town Treasurer. This provision does not apply to activities outside the workday or during periods of vacation.

## **Section 7 - Benefits**

### **A. Social Security**

The Town participates, jointly, with employees in Social Security payments. This is a federally mandated benefit and is dependent on current Federal Government standard reimbursements.

### **B. Health and Major Medical Insurance**

Employees in Groups I, II and III are eligible to participate in a Town-sponsored group health insurance plan, which includes hospitalization and Major Medical. The Town will contribute toward coverage for employees in Groups I, II and III as determined annually by the Municipal Budget. When employment ceases, the Town will terminate payment of this benefit and COBRA will be offered as mandated by federal law. COBRA is to be administered by the insurance company if possible. New employees shall not be eligible for health care benefits until the first day of the month following the first thirty (30) of employment after their start date.

### **C. Life Insurance**

Employees in Groups I, II and III may be eligible for Life Insurance at a rate of 1 times their annual salary. The Town will pay toward coverage for employees in Groups I, II and III as determined by the Town Council (according to the most updated Appendix).

### **D. Town Offered Optional Benefits**

Employees in Groups I, II and III may be eligible for other optional benefits at full cost to the employee. A list of Town offered optional benefits is available in the Appendix.

### **E. Retirement**

Employees in Groups I, II, and III are eligible to participate in the Town-established retirement plan. For Groups I and II, the Town will match up to an amount as determined by the Town Council (according to the most updated Appendix), should an employee elect to participate. All new employees shall not be eligible for retirement benefits for the first sixty (60) days of employment.

### **F. Sick Time**

The Town has established a sick time benefit to ensure that employees have a financial resource during periods of illness. The Town does not view sick time as additional

vacation or personal time to be utilized at the will of the employee. Sick time shall be used during periods of actual illness or at the written discretion of the Town Manager. Sick time may be utilized to care for an employee's immediate family as listed in the definitions portion of this Policy. The Town also recognizes employees' ability to use time consistent with Maine's Earned Paid Leave Law.

Employees in Groups I & II shall be entitled to one (1) day of sick time for each month while employed by the Town. For accrual purposes, one (1) sick day shall equal eight (8) work hours. They shall accrue 3.692 hours per bi-weekly pay period.

Employees in Group III shall earn sick time at an hourly rate of .04615 hours for every hour worked. This accrual rate is determined as follows:

$$3.692 \text{ hours per bi-weekly pay period} / 80 \text{ hours per pay period} = .04615 \text{ per hour}$$

For example, an employ working 20 hours per week (40 hours bi-weekly) would accrue 1.846 sick hours per pay period ( $40 \times .04615 = 1.846$ ).

For the purposes of sick accrual calculations, holiday and vacation time will be considered time actually worked. Sick time, personal time, discretionary time, FMLA and bereavement time will not be considered time actually worked.

The Town Manager may require a physician's certificate as a condition of an employee's utilization of sick time. Employees, who utilize three or more days of sick time consecutively, may be required to furnish a physician's certificate, explaining the employee's condition in direct relation to their ability to perform their job responsibilities in accordance with their job description. Persons drawing workers' compensation or absent on an FMLA absence will not accrue sick time.

All unauthorized use of sick time shall be considered as an unauthorized absence from work and as unpaid time. Unauthorized use of sick time shall be considered an action subject to discipline.

#### *Accrual Cap*

Accrual of sick time will not exceed 960 hours. Employees who have an excess of this cap as of January 1, 2023 will maintain their sick time hours until such time as the accrued hours may fall below 960 hours, at which time the cap will be in force.

#### *Sick Time Donation*

Regular full-time employees and regular part-time employees may choose to donate up to twenty-four (24) hours to another full- or part-time employee of the Town of Gray in a fiscal year.

#### *Payout for Accumulated Sick Time*

As of October 1, 2022, employees in Groups I & II, having achieved at least ten (10)

years of service to the Town of Gray will be entitled upon separation to pay equal to one half of that employee's accumulated sick time, not to exceed three hundred and sixty (360) hours.

As of October 1, 2022, employees in Groups I & II having achieved at least five (5) years of service will be entitled upon separation to pay equal to one half of that employee's accumulated sick time, up to two hundred (200) hours.

As of October 1, 2022, payout is not available to employees in Groups I & II having achieved less than five (5) years of service.

An employee who is not in good standing upon separation from employment for any reason will receive no payout of accumulated sick time.

### **G. Personal Time**

Any employee in Groups I or II will receive an annual personal time allocation of 16 hours. Personal time does not accrue year to year and is not subject to payout upon separation.

Whenever possible, personal time must be requested and approved in advance by the employee's work manager / Department Head. The Town also recognizes employees' ability to use time consistent with Maine's Earned Paid Leave Law.

### **H. Vacation Time**

Employees in Groups I & II shall be entitled to two (2) weeks (80 hours) of vacation time each year. Employees with five years of service shall be entitled to three (3) weeks (120 hours) of vacation time each year. Employees with ten (10) years of service shall be entitled to four (4) weeks (160 hours) of paid vacation time each year. For accrual purposes, one (1) vacation day shall equal eight (8) work hours. Vacation time shall be accrued to each eligible employee during each pay period at the following rates:

- a. Under five years of service-3.08 hours;
- b. Five-ten years of service-4.62 hours;
- c. Ten years of service and after-6.16 hours.

Employees in Group III shall earn vacation time at an hourly rate of .0385 hours for every hour worked. This accrual rate is determined as follows:

$$3.08 \text{ hours per bi-weekly pay period} / 80 \text{ hours per pay period} = .0385 \text{ per hour}$$

For example, an employ working 20 hours per week (40 hours bi-weekly) would accrue 1.54 vacation hours per pay period ( $40 \times .0385 = 1.54$ ).

Whenever possible, vacation time must be requested and approved in advance by the employee's work manager / Department Head. The Town also recognizes employees' ability to use time consistent with Maine's Earned Paid Leave Law.

Vacation time is not intended to be cumulative. Vacation time will cease accruing at the employee's individual limit as determined by their year's of service and their employment classification. Exceptions may be made at the written discretion of the Town Manager.

Exceptions may be made at the discretion of the Town Manager; provided however, with respect to the Town Manager's own annual time, they must, each year, advise the Town Council of the status of their annual time and, if applicable, request written permission from the Town Council to carry the same forward to the next year. Copies of the Town Manager's status report on their own annual time and the Town Council's written response shall be placed in the Town Manager's personnel file. Town employees and the Town Manager must take extended time within 180 days of the year earned.

#### **I. Discretionary Time**

Additional time off with pay may be granted in writing to any employee by the Town Manager at their discretion. Such time must be used within one (1) calendar year and is not payable to the employee upon separation from employment in good standing.

#### **J. Bereavement Time**

Special time with pay shall be granted to employees in Groups I, II & III for up to three (3) days for absence caused by the death of a member of the immediate family, as listed in the definitions portion of this Policy.

#### **K. Leave of Absence**

Other than FMLA, a leave of absence without compensation shall not exceed a length as determined in writing by the Town Manager and shall be based on the employee's past work performance.

A person on a leave of absence without pay shall not be entitled to holiday, sick or vacation pay. The Town Manager may permit holiday, sick and vacation pay on notice if extenuating circumstances exist and the leave of absence is less than thirty (30) days.

#### **L. Military Service Leave**

Employees in Groups I & II who are members of the organized military reserves and who are required to perform field service will be granted Military Service Leave in addition to the vacation leave, but not to exceed two (2) weeks in any calendar year. For any such periods of Military Service Leave, excluding weekend duty, the Town will pay the employee the balance between base pay and the employee's regular daily compensation; the total equaling their regular pay. The employee shall furnish the [Finance/Human Resources](#) Department with an official statement from military authorities indicating their rank, pay and allowances.

#### **M. Holidays**

Paid holidays for employees in Groups I & II and III shall be as follows:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Indigenous Peoples' Day
Presidents' Day	Veterans Day Thanksgiving Day
Patriots' Day Memorial Day	The Day after Thanksgiving
Juneteenth	Half Day before Christmas
Independence Day	Christmas Day
New Year's Day	Labor Day

Employees in Groups I, II shall be compensated for their normal regularly scheduled working hours on the date of the holiday or its observance date (as described below (a)). If a holiday falls on a date that is not a normal regularly scheduled working day for any employee in Groups I & II, the holiday shall be accrued as floating holiday time to be used within 6 months following the date of the accrual. If a holiday falls on a date that is not a normal regularly scheduled working day for any employee in Group III, the holiday shall be accrued as floating holiday time at a rate of one-half the average daily schedule for the employee, as worked for the previous three months, to be used within 6 months following the date of the accrual. Floating holiday time is not intended to be cumulative and is not included in overtime calculations.

The Department Head may request payment through payroll for employees for holiday hours which would normally be accrued as floating holiday(s) if the accrual of such floating holiday(s) will cause a loss of service to the public or potentially interfere with the productivity of a department. All such requests are subject to the written approval of the Town Manager. Floating holiday time paid instead of accrued is not included in overtime calculations.

- a. When a holiday falls on a Sunday, the following Monday shall be observed for all employees who are not regularly scheduled for Sunday. When a holiday falls on a Saturday, the preceding Friday shall be observed for all employees who are not regularly scheduled for Saturday.
- b. Because of the nature of the position, certain employees in Groups II & III may be required to work during a holiday. Should this occur, hourly paid employees will be paid time and a half for the hours worked on the holiday for all holidays except Thanksgiving and Christmas, for which they will be paid holiday pay plus two times their hourly rate for hours worked on the holidays.
- c. There is one standard exception to the holiday schedule. The Transfer Station will be closed on Easter Sunday and open on Patriots' Day without holiday compensation being paid for hours worked on Patriots' Day. Other exceptions to the holiday schedule may be necessary when considering the dates of the holiday (or their observance date) and the needs of the Town, or by a written request of the Department Head to the Town Manager. Any such exception(s) is/are subject to the approval of the Town Manager and must be determined with sufficient advance time to notify the public.

## **N. Jury Duty**

A Town employee called for jury duty will receive his or her regular pay check. They are required to forward any payments received for their jury duty service to the [Finance/Human Resources](#) Department with the exception of mileage reimbursement. This procedure will compensate employees for any difference in pay. Employees excused from jury duty must report back to work if it is during their normal working hours.

## **O. Family Medical Leave Act**

See Appendix for details.

## **P. Earned Paid Leave**

See Appendix for details.

## **Q. Remote Work**

The purpose of this policy is to define the Town of Gray's rules for remote working or teleworking (i.e., when employees work any hours from a location other than Town facilities). The Town of Gray recognizes that, in some cases, telework arrangements can provide a mutually beneficial option for both the Town and its employees. This policy is intended to set expectations and ensure that work goals can be met, and it may be altered at any time as needed.

### *Eligibility*

The Town Manager will determine which positions are most suitable for remote work, depending on the Town's needs and the position's responsibilities.

Not all jobs can be performed from off-site locations. In general, positions requiring face-to-face interaction with customers and office personnel are not suitable for telecommuting arrangements.

While employees and work managers have the freedom to develop arrangements tailored to employee and departmental needs, the following basic requirements must be met:

- Employees must be able to carry out the same duties, assignments, and other work obligations at their remote workspace (or home office) as they do when working on Town premises. At a minimum, employees should maintain a remote workspace where they can attend remote meetings, participate in phone calls, and conduct their work assignments comfortably and without interruption.
- The IT Systems Administrator must confirm the suitability of workspace equipment, such as hardware, software, anti-virus protection, phone/fax, and Internet/data lines.
- Candidates for temporary telecommuting arrangements must demonstrate good time-management and organizational skills, and be self-motivated, self-reliant, and disciplined.

To request a remote work arrangement, employees must submit their request in writing to their supervisor. This request must outline a proposed work schedule, specific deliverables, and procedures to ensure continuity of business.

Eligibility determinations will be made thoughtfully and reviewed with the employee for any changes or updates at least annually.

All remote work must receive prior approval, and a Remote Work agreement prepared by Human Resources must be signed by the employee, department head, and Town Manager. Evaluation of remote employees' performance will focus as much on work output and completion of objectives as time-based performance. Employees and department heads should meet frequently to discuss progress and results.

The Town Manager reserves the right to revoke the eligibility of an employee for remote work at his/her discretion. Notice of revocation will be given as far in advance as possible, but shall not be required.

### *Hours and Availability*

Positions working remotely will be provided with the number of hours they are expected to work on site and/or remotely. The workweek should approximately mirror normal business hours on Town premises.

- Employees must be readily available to their work managers and co-workers during core work hours. There are two core periods each day. The first runs from 9:30 a.m. to 11 a.m. and the second from 1:30 p.m. to 3 p.m.
- Employees must be available to attend scheduled meetings and participate in other required office activities at the remote workspace as needed. Except for extraordinary circumstances, the Town normally provides at least 24 hours' notice for such events.
- Employees must arrange for flextime and/or other accommodations for childcare during their work hours as part of maintaining an uninterrupted remote workspace, particularly during core hours.

Employees will report their hours and activities to their supervisor.

- Those who are classified as non-exempt (Groups II-IV) must record all hours worked on a Time Card worksheet and provide this information to their supervisor. Time Card worksheets should be submitted on a weekly basis on Fridays by 12:00 p.m.
- Non-exempt employees who need to work outside of scheduled work hours will seek approval from their supervisor whenever possible, and will report any overtime to their supervisor and the [Finance/Human Resources](#) Director.

### *Workspace & Equipment*

The employee will establish an appropriate work environment within his or her remote workspace for work purposes.

- Employees should seek a quiet and distraction-free working space, to the extent that such a space is possible.

- Employees are expected to maintain their workspace in a safe manner, free from safety hazards.
- Employees are required to notify the Town of any illness or injury incurred in the course and scope of performing work remotely.

As a general rule, the Town of Gray will not be responsible for costs associated with the setup of the employee's remote workspace, such as remodeling, furniture, or lighting, nor for repairs or modifications to the remote workspace. However, if an employee is in need of a reasonable accommodation in accordance with the Americans with Disabilities Act (ADA), an employee may submit such a request to Human Resources and such requests will be considered to the extent that a reasonable accommodation exists and would not create an undue hardship on the Town of Gray.

The Town of Gray will determine the equipment needs for each employee on a case-by-case basis. If the Town provides equipment used for remote work, it is to be used for Town business purposes only. Employees must keep it safe and avoid any misuse.

Consistent with the Town's expectations of information security for employees working at the office, employees working remotely will be expected to ensure the protection of proprietary Town and citizen information accessible from their remote workspace. Specifically, employees must:

- Keep their equipment password protected.
- Store equipment in a safe and clean space when not in use.
- Follow all data encryption, protection standards, and settings.
- Refrain from downloading suspicious, unauthorized, or illegal software.
- The Town discourages the use of an employee's home workspace for the conduct of in-person meetings or for visitation by coworkers or the public in connection with work being conducted remotely and shall not be liable for any damage or injury sustained by any person other than the employee authorized to work in such remote workspace.

#### *Town Records*

During remote work, employees shall be required to maintain all work product and records in a manner consistent with the Town's standard recordkeeping practices and in full compliance with the Maine Freedom of Access Act and Record Retention Rules established by the Maine State Archivist. Employees shall not delete or destroy any records that are otherwise required to be maintained by the Town per these laws and rules. It shall be the responsibility of the employee to ensure that he/she can satisfy these recordkeeping requirements while working remotely.

#### *Meeting Etiquette*

While distractions are often unavoidable, employees should strive to keep them to a minimum.

- No music or television in the background is permitted during meetings.
- Employees should remain muted during video or audio conferencing unless the employee is speaking.
- Turning on video is encouraged but not required.

- Employees should avoid eating food during a virtual meeting unless invited to do so by the meeting host.
- Smoking or vaping is not permitted during a video conference.
- Casual dress is acceptable; however, use discretion. Loungewear, pajamas, or other apparel considered inappropriate in a professional work setting are not permitted while an employee is working remotely.
- Avoid multi-tasking. Employees are expected to give their full attention to meetings as if the meetings were held in-person.

## **R. Emergency Telework**

In the event of an emergency such as a weather disaster or pandemic, the Town Manager may allow or require certain employees to temporarily work from home to ensure business continuity.

- These employees will be advised of such work requirements by the Town Manager or the employee's department head.
- These employees are required to follow the guidelines provided in the Remote Work Policy.

Preparations should be made by employees and department heads well in advance to allow remote work in emergency circumstances. The Communications & Information Department is available to review equipment needs and to provide support to employees in advance of emergency telework situations.

## **Section 8 – Resignations**

An employee may resign from Town employment in good standing. Good standing (as defined in the definitions section of this policy) shall, in this instance, require the submittal of a written notice fourteen (14) working days in advance of the last day of work. Failure to comply with this rule may be cause for denying future employment with the Town and disqualify the employee from any payments that may have been issued to them for a resignation in good standing. The Town Manager may shorten the period of notice for extenuating circumstances.

## **Section 9- Disciplinary Procedures**

### **A. Just Cause**

The Town shall base disciplinary actions or measure on a "just cause" basis.

### **B. Disciplinary Actions**

The appointing authority shall have the right to impose disciplinary action, on any employee whose work performance or conduct, in the judgment of the appointing authority, justifies such action.

The steps of disciplinary action are as follows:

- 1) First written warning
- 2) Second written warning
- 3) Suspension (as defined below in C.)
- 4) Termination

All warnings must clearly identify each issue of discipline, as well as the appropriate corrective measures to be taken by the employee (including their time frame for completion) in order for the appointing authority to consider each issue as resolved.

There are certain types of employee problems that are serious enough to justify immediate suspension or termination. Notice of such action against an employee must be in writing and filed with the employee not later than the effective date of action. Such notice shall specify the penalty and contain a statement of the reason or reasons therefore. The employee shall have the right of appeal, as outlined in the grievance procedure.

### **C. Suspension**

As step 4 (four) in the disciplinary action process, suspension of any employee's employment may be done in writing at the discretion of the appointing authority, with special consideration to the following written conditions:

- 1) Suspension with or without pay;
- 2) Specific time frame;
- 3) Conditions for reinstatement.

### **D. Discharged Without Just Cause**

If it is determined that an employee has been discharged without just cause, he or she shall be reinstated to his or her former position with full pay for all time lost. In the event that a Department Head wants to discharge an employee, the action shall first be approved by the Town Manager.

### **E. Employee Termination**

Employment may be terminated for the following reasons:

- 1) Resignation -voluntary employment termination initiated by an employee;
- 2) Discharge -involuntary employment termination initiated by the Town;
- 3) Layoff -involuntary employment termination initiated by the Town for non-disciplinary reasons or
- 4) Retirement -voluntary employment termination initiated by the employee meeting age, length of service and any other criteria for retirement from the Town.

At the time of termination an exit interview may be scheduled. Employees will receive final pay in accordance with State law at the next regularly scheduled pay date.

Town Property: Employees must return all property belonging to the Town at the time of their termination or upon immediate request.

## **Section 10 – Grievance Procedure**

Grievances are limited to written disputes, claims or complaints of those issues which are related to aspects of the employer-employee relationship between the employee and the Town. The grievance in writing must include the following:

- A clear and concise statement of the facts giving rise to the grievance, including date, time and place of the alleged incident, if any, relating to the grievance, and characterizing each particular act or omission;
- A copy of any documents relating to the grievance (if any); and
- A statement setting forth the remedy sought.

To resolve the grievance the following course of action should be taken consecutively:

- 1) The grievance shall be filed in writing with the Department Head within five (5) working days of the alleged incident, particular act or omission. The Department Head shall issue a written decision within five (5) working days from the date received.
  - a. If the grievance arises from an alleged incident, particular act or omission on the part of the Department Head, the grievance shall be filed with the Town Manager within five (5) working days of the alleged incident, particular act or omission.
- 2) The individual may appeal the decision of the Department Head to the Town Manager within five (5) work days of the date of receipt of the Department Head's decision. The Town Manager shall issue a written decision within five (5) working days from the date the appeal is received. The Town Manager's decision shall be final.
  - b. If the grievance arises from an alleged incident, particular act or omission on the part of the Town Manager, other than a decision of the Town Manager on appeal of a grievance or disciplinary action, the

grievance shall be filed with the Town Council within ten (10) working days of the alleged incident, particular act or omission. The Town Council will hold a hearing, within fifteen (15) working days, in regard to said grievance and issue a decision. The decision of the Town Council shall be final.

## **Section 11 –Harassment**

It is the policy of the Town that all our employees should be able to work in an environment free from all forms of harassment. Harassment, as defined by this policy, is prohibited. All employees must avoid offensive and inappropriate or harassing behavior at work and are responsible for assuring that the workplace is free from hostile behavior at all times.

This policy refers not only to supervisor-subordinate actions but also actions between co-workers. Any complaints of harassment will be investigated promptly. There will be no intimidation, discrimination or retaliation against any employee who makes a report of harassment.

### **A. Sexual Harassment**

Sexual harassment is the attempt to control, influence or affect the career, salary, or job of an individual in exchange for sexual favors. Sexual harassment can also be conducted which creates a hostile or offensive work environment or unreasonably interferes with a person's ability to perform their job. Sexual harassment is an extremely serious matter. It is prohibited in the workplace by a person and in any form.

- 1) Specific conduct which is prohibited includes, but is not limited to:
  - a) Threats or insinuations, implicit, that any employee's refusal to submit to sexual advances will adversely affect the employee's retention, evaluation, wages, promotion, duties or any other condition of employment;
  - b) Unwelcome sexual flirtations, advances, or propositions;
  - c) Verbal or written abuse of a sexual nature;
  - d) Graphic verbal comments about an individual's body;
  - e) Sexually degrading words used to describe an individual, or
  - f) The display in the workplace of sexually suggestive objects, comments or pictures.

Any Department Head or employee who is found after appropriate investigation to have engaged in sexual harassment will be subject to discipline, up to and including discharge.

## **B. Harassment**

Derogatory or vulgar comments or actions regarding a person's sex, sexual orientation, religion, age, ethnic origins, race, physical appearance, or the distribution of written or graphic materials having such an effect, are prohibited. Any employee who believes he/she has been the subject of such harassment should report the alleged conduct to their Department Head or the Town Manager. Any Department Head or employee who is found, after appropriate investigation, to have engaged in any harassment will be subject to discipline, including discharge.

## **C. Reporting a Complaint**

Any employee who believes he/she has been the subject of harassment should report all alleged acts to their Department Head or the Town Manager. If the complaint involves an employee's direct supervisor or if the employee feels uncomfortable with reporting the matter to their direct supervisor, the complaint should be brought to the attention of the Town Manager. If the complaint concerns the town Manager then the employee should bring the matter to the attention of the Town Council Chairperson.

## **D. State Law**

Effective October 19, 1991, the Maine Legislature passed a new law regarding Sexual Harassment in the Workplace. In compliance with this law, the Town is also required to provide annual written notification to all employees regarding sexual harassment. The Town is also required to provide training to all new employees on sexual harassment before their first anniversary of employment. In addition, new supervisors must receive information on their responsibility to take immediate and corrective action in addressing sexual harassment complaints.

## **Section 12 – Political and Outside Activities**

Except as otherwise provided by law, no person who is an employee of the Town shall be eligible to hold any elective office in the Town government. No Town employee shall orally, by letter, or in any other manner, solicit or assist in soliciting any assessment, subscriptions or contributions for candidate for elective office in the Town government. This shall not prevent Town employees from becoming, or continuing to be, members of any political organization, from attending political functions, running for any Town, State or Federal elected position, or from voting with complete freedom in any election. The Town Manager shall endeavor to keep all municipal properties free of political or campaign literature and materials.

## **Section 13 – Safety**

The Town of Gray recognizes that an organized and systematic loss control program is important to our operational and administrative systems. The safety and health of employees and of the public and the protection from loss of the Town's physical facilities is both a moral and legal obligation.

It is intended that the Town of Gray will undertake initiatives to maintain safe and healthful

working conditions and facilities, develop safe operating procedures, and utilize its financial and personnel resources to achieve a loss free environment of our employee for our employees and for the public.

The responsibility for this undertaking is shared by the Manager, Supervisors and employees. Oversight of the loss control/safety program will be done by a Committee of various employees as approved by the Town Manager. However, all employees must work cooperatively to ensure that workplace safety is a matter of continual concern, equal in importance to all other operation considerations.

The Town requires all employees to complete mandatory safety training that complies with Federal (OSHA), State and local requirements. Each Department Head is required to ensure the proper training for each of their employees. Written proof, signed by the employee and Department Head/Certified Training Authority or a valid Certificate of course completion, shall be required for all training, and will be added to each employee's Personnel File. Employees are expected to abide by all safety rules and regulations, which shall be posted on bulletin boards, announced at staff meetings or otherwise communicated by the Town. An employee's failure to comply may result in disciplinary action and/or termination.

#### **A. Workers Compensation**

The Town participates in a federally mandated Workers Compensations Program. The following actions are required by all employees:

- 1) All accidents to personnel, no matter how minor, during the work schedule must be reported immediately to the Department Head or the Town Manager. The Town requires the first injury report to be filed with Workers Compensation within three (3) days of incident. A copy of the report will be forwarded to the [Finance/Human Resources](#) Department so it can be added to the employee's confidential personnel file.
- 2) All employees suffering an on-the-job accident will be sent to the Town-specified doctor for examination at the Town's expense.
- 3) The employee, if eligible, will be entitled to utilize sick, vacation or personal time respectively for any regularly-scheduled time missed between the incident and the date that Workers Compensation benefits may begin.

#### **B. Infectious Disease**

See Appendix for the Infectious Disease Policy.

### **Section 14 – Severability**

If any provision of this Personnel Policy to any person or a circumstance(s) is held invalid, this invalidity does not affect other provisions or applications of the Personnel Policy which can be given effect without the invalid provision or application. For this purpose, the Personnel Policy is severable.

## **APPENDIX A - FAMILY MEDICAL LEAVE ACT**

The **Family & Medical Leave Act** (29 U.S.C. § 2601 et seq.) is a federal law guaranteeing unpaid time off for employees to deal with family and personal matters. In 2008, the FMLA was amended, through the National Defense Authorization Act of 2008 (PL 110-181), to provide new leave entitlements related to military service. In addition, comprehensive new regulations promulgated by the U.S. Department of Labor (DOL) in November, 2008 have clarified and revised some FMLA requirements, effective January 16, 2009.

**“Traditional” Non-Military FMLA Leave.** The law requires covered employers to grant up to **12 workweeks** of unpaid leave in a 12-month period to eligible employees for the following reasons:

- 1) the birth and care of the employee’s newborn child;
- 2) placement of a child with the employee for adoption or foster care;
- 3) to care for the employee’s spouse, son, daughter or parent, (but not parent-in-law) with a serious health condition; or
- 4) for the employee’s own serious health condition that makes him/her unable to perform the functions of his/her position.

“*Serious health condition*” is defined in detail in DOL regulations. See 2008 regulations [29 C.F.R. §§ 825.113; 825.115](#). “*Son or daughter*” means a biological, adopted, or foster child, stepchild, legal ward or in a loco parentis relationship who is either under age 18, or over 18 and incapable of self care due to a physical or mental disability. See 2008 regulation [29 C.F.R. § 825.122](#) for more details.

**Military FMLA Leave.** Two new leave entitlements were provided in 2008 to deal with military family leave issues.

(1) **Military Caregiver Leave.** Eligible employees may take up to **26 workweeks** of unpaid leave within a 12-month period for the purpose of caring for a “covered servicemember.” The employee must meet the basic FMLA eligibility requirements discussed below and must also be the spouse, son, daughter, parent or “next of kin” of a covered servicemember.

- “*Next of kin,*” for the purposes of Military Caregiver leave, is the nearest blood relative of that individual other than the servicemember’s spouse, parent, son or daughter according to list of priorities in the regulations at [29 C.F.R. § 825.127](#).
- “*Covered servicemember*” means a current member of the Armed Forces, including 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. The term “*serious injury or illness*” is defined (**only** for the purpose of deciding who is a “covered servicemember”), as an injury or illness incurred by the member in the line of duty on active duty in the Armed Forces that may render the member medically unfit to perform his/her military duties. See 2008 regulation [29 C.F.R. § 825.127](#).
- Unlike other FMLA leaves, Military Caregiver leave starts on the first day leave is taken and ends 12 calendar months from that date, regardless of the usual method the employer uses to calculate the 12 month period for other FMLA leaves. See discussion below.
- An employee is limited to a combined total of 26 workweeks of FMLA leave in one 12-month period, which includes all FMLA leave taken for any reason.

- An employee may take additional 26-week Military Caregiver leaves for a different service member or to care for the same servicemember with a subsequent injury or illness, provided that no more than 26 weeks of leave may be taken in one 12-month period.
- The Military Caregiver Leave entitlement became effective immediately upon passage on January 28, 2008.

(2) **Qualified Exigency Leave.** Eligible employees may take up to **12 workweeks** of unpaid FMLA leave in a 12-month period because of a “qualifying exigency” arising out of the fact that the employee’s spouse, son, daughter or parent is a “covered military member” who is on active duty, or call to active duty status, in support of a contingency operation.

• A “*qualified exigency*” is defined in the regulations to include a number of broad categories for which leave may be used. These include:

- o Short-notice deployment (used up to 7 days from notification date);
- o Military events and related activities;
- o Childcare and school activities;
- o Financial and legal arrangements;
- o Counseling (other than with a medical provider);
- o Rest and recuperation leave of up to 5 days;
- o Post-deployment activities (may be used up to 90 days from termination of active duty status); and
- o Additional activities not part of the categories listed above, but agreed to by employer and employee.

Additional detail and examples of each of the types of qualifying exigency are provided in the 2008 regulations at [29 C.F.R. § 825.126](#) and in the U.S. DOL [Fact Sheet on Military FMLA Leave](#).

• “*Covered military member*” as used for Exigency Leave is *not* the same as the term “covered servicemember” as used for Military Caregiver Leave. A “covered military member” includes members of the National Guard, the Reserve, or certain retired members of the Regular Armed Forces or retired Reserve. The Exigency Leave entitlement was **not** extended to family members of members of the Regular Armed Forces. In addition, the call to duty must be a federal call to active duty. State calls to active duty are not covered unless under certain orders of the United States President as listed in the regulations. See 2008 regulation [29 C.F.R. § 825.126\(b\)](#) for more detail. 29 C.F.R. § 825.126(b)

• An employer may request copies of the military member’s orders or other documentation from the military, and may request that the employee provide certification of the exigency. The DOL has created a form ([Form WH-384](#)) that employers may use for this purpose. Also see 2008 regulation [29 C.F.R. § 825.309](#) for more information. 29 C.F.R. § 825.309

### **Employee Eligibility:**

In order to be eligible for any type of FMLA leave, an employee must work for a covered employer and meet the following criteria:

- The employee must have worked for the employer for at least 12 months (in total, and not consecutively). According to the 2008 FMLA regulations, employers do not need to count breaks in service of more than 7 years. Several exceptions to the 7 year limit are listed in 2008 regulation [29 C.F.R. § 825.110\(b\)](#);
- The employee must have worked at least 1,250 hours over the 12-month period immediately preceding commencement of the leave;
- The employee must work at a job site at which there are at least 50 employees or at least 50

employees must work within 75 miles of the work site.

All “public agencies” are covered employers under the federal FMLA. 29 C.F.R. § 825.108. This includes federal and state governments, municipalities, or government agencies. *Id.* However, even though a municipality is a “covered employer” under the FMLA, it may not be required to provide FMLA leave to its employees because the municipality may have no “eligible” employees. As noted above, in order to be eligible for FMLA leave, an employee must work at a worksite where there are at least 50 employees, or at least 50 employees must work within 75 miles of the employee’s worksite. Thus, in practice, a municipality must have at least 50 employees (within a 75-mile area) before it will be required to grant leave under the federal FMLA. See 2008 regulation [29 C.F.R. § 825.108\(d\)](#).

*Determining number of employees employed:* Before deciding if the 50-employee threshold has been met, one must determine which entity is the “public agency” or municipal employer. Generally, a municipality is considered a single employer for purposes of determining employee eligibility. See [29 C.F.R. § 825.108\(c\)](#). Often questions arise as to whether the “municipality” includes school, sewer, water or other municipal functions, or whether these are separate employers for purposes of the FMLA. DOL regulations indicate that this determination should be made on a case by case basis and that the U.S. Bureau of Census, *Census of Governments* may be used as one guiding factor on this issue. See [29 C.F.R. § 825.108\(c\)](#) and [www.census.gov/govs](http://www.census.gov/govs). Once the bounds of the municipal employer are determined, one must then determine how many “employees” that employer employs. The FMLA uses the same definition of “employee” used in the Fair Labor Standards Act. ([29 U.S.C. § 203](#)). Because there are numerous exceptions and qualifications applicable to the determination of the municipal employer and number of employees, municipalities are strongly encouraged to seek legal advice in determining if the 50-employee threshold has been met.

### **Counting the 12-month leave period:**

The law requires employers to provide 12 workweeks of leave within a “12-month period” for all types of FMLA leave except Military Caregiver leave. Employers may choose among 4 methods to calculate the 12-month leave period provided the method chosen is applied consistently and uniformly to all employees. See [29 C.F.R. § 825.200](#). These are:

- (1) a calendar year;
- (2) any fixed 12-month year, such as a fiscal year, or a year beginning on the employee’s anniversary date;
- (3) a 12-month period measured forward from the date any employee’s first FMLA leave begins; or
- (4) a rolling 12-month period measured backward from the date an employee uses FMLA leave.

Municipal employers that have eligible employees (i.e., over 50 employees within a 75-mile radius) are encouraged to adopt a policy that notifies employees of the method the employer has chosen to measure the 12-month period. If the employer does not designate a method of calculating the leave year in advance, the employer must allow employees to use whatever counting method that would be most beneficial to the employee. [29 C.F.R. § 825.200](#). When implementing (or changing) a method of calculating the leave year, the employer must give at least 60 days notice to all employees, and the transition must take place in such a way that the employees retain the full benefit of 12 weeks of leave under whichever method affords the greatest benefit to the employee. *Id.*

## **Certification:**

Employers may require that employees provide certification of the need for leave under the Military Exigency leave entitlement. The DOL has issued a form that may be used to certify this exigency. See [Certification of Qualifying Exigency for Military Family Leave \(Form WH-384\)](#).

Employers may require medical certification of the need for leave when leave is requested to care for the employee's family member, a covered servicemember or for the employee's own serious health condition. Generally, the employee must be allowed at least 15 days to obtain the certification. The DOL has published three new forms that may be used to obtain medical certification Individual forms were created to certify:

- (1) the employee's own serious health condition ([Form WH-380-E](#));
- (2) a family member's serious health condition ([Form WH-380-F](#));
- (3) and a covered service member's serious injury or illness ([Form-385](#)).

Second or third medical opinions are potentially available at employer expense. See the DOL's [Compliance Guide](#) for more information concerning medical certification and 2008 regulations at [29 C.F.R. § 825.305 – 825.313](#).

Recertification of the need for leave may be required generally no more often than every 30 days and only in connection with an absence. Additional guidelines and restrictions, including those relating to recertification of intermittent leave, are outlined in the regulations at [29 C.F.R. § 825.308](#) and [825.305](#).

*Fitness for Duty.* Pursuant to a uniformly applied policy, an employer may ask for medical certification of fitness to return to work upon completion of approved leave for the employee's own serious health condition. Any such inquiries must be consistently applied, and must be sought only in regard to the particular health condition that caused the need for leave. Under the 2008 FMLA regulations, an employer may require that the certification address the employee's ability to perform the essential functions of the job, *if* the employer provided a list of these essential functions no later than the time it provided the [Designation Notice \(Form WH-382\)](#) to the employee. In addition, the Designation Notice must have indicated that the Fitness for Duty Certification would be required to address these functions. No second or third opinions on a Fitness for Duty certification are allowed, although an employer may ask for clarification of the certification within specific limits in the regulations. See 2008 regulation, [29 C.F.R. § 825.312](#). For more information concerning certification requirements, see 2008 regulations at [29 C.F.R. §§ 825.305 – 825.313](#).

## **Intermittent Leave:**

If medically necessary, intermittent leave or a reduced work schedule must be allowed under the federal FMLA to care for a child, parent, or spouse or for the employee's own serious health condition. Intermittent leave may also be used to care for a covered servicemember with a serious injury or illness. In addition, only the amount of leave actually used while on an intermittent/reduced leave schedule may be charged against the employee's leave entitlement. Employers may not require an employee to use more time than necessary and must account for the intermittent leave, using the smallest time segments available in their timekeeping system (which must be an hour or less). Intermittent leave for the birth or placement of a child is only available with consent of the employer. See [29 C.F.R. § 825.202 - 825.205](#).

## Employer Notice Requirements:

- o All covered employers must post the DOL's **FMLA Poster/General Notice** ([Form WH-1420](#)) in a conspicuous location even if the employer has no eligible employees. (Note: the DOL has issued a new poster in conjunction with its 2008 regulations).
- o Employers with any eligible employees *must* provide the same information contained in the FMLA Poster/General Notice in any handbooks and/or any written policy materials. If the employer does not maintain policy manuals or written policy materials, the employer must provide general information on FMLA rights to new employees at the time of hire. Electronic distribution of the notice is allowed, if certain conditions are met. See new regulation [29 C.F.R. § 825.300](#).
- o Within five business days after a leave request is received, or the employer has been made aware of the employee's need for leave, the employer must give the employee a notice concerning his/her basic eligibility for leave (e.g. whether the employee has worked for the employer for 12 months, 1,250 hours and/or whether the 50 employee threshold has been met). At the same time, the employer must also furnish a notice outlining the employee's rights and responsibilities relating to FMLA leave. The notice must indicate any requirement to provide certification of the need for leave, whether military or non-military. Specific information which must be included in the notices includes: requirements relating to substitution of paid leave, key employee status, requirements for periodic reports, benefit premium payments, and several other items listed in new regulations at [29 C.F.R. § 825.300\(b\)](#). The notice of eligibility may be verbal or in writing. The DOL has created a sample form entitled,

**Notice of Eligibility & Rights and Responsibilities** ([Form WH-381](#)) which satisfies this employer obligation.

- Within five business days after the employer gains enough information to make a determination as to whether the requested leave qualifies as FMLA leave (e.g. medical certification has been received), the employer must provide a "**Designation Notice**" to the employee. The Designation Notice notifies the employee whether the leave will be designated as FMLA leave and counted against the employee's leave entitlement. If the employer plans to require a fitness for duty certification upon return to work, and/or if the employer will require that the certification address the essential functions of the employee's job, these requirements must be included in the Designation Notice, along with a list of those essential functions. A sample **Designation Notice** ([Form WH-382](#)) has been prepared by the DOL. See 2008 regulations, [29 C.F.R. § 825.301](#) for more details on Designation Notice requirements.
- The employer must notify the employee of the amount of leave counted against the employee's FMLA leave entitlement. If the amount of leave is known at the time the employer designates the leave as FMLA-qualifying, the employer must notify the employee of the number of hours, days, or weeks that will be counted against the employee's FMLA leave entitlement in the Designation Notice. If it is not possible to provide the information with the Designation Notice, the employer must provide notice of the amount of leave counted against the employee's FMLA leave entitlement upon the request by the employee, but no more often than once in a 30-day period and only if leave was taken in that period. The notice may be oral or in writing, but if oral notice is given, it must be confirmed in writing no later than the following payday. The written notice

may be in any form, including a notation on the employee's pay stub. See 2008 regulation 29 C.F.R. § 825.300(d)(6).

### **Employee Notice Obligations:**

Generally, employees must provide at least 30 days notice of the need for leave that is foreseeable. See [29 C.F.R. § 825.302](#) for more detail. For unforeseeable leave, an employee or his/her spokesperson must provide notice to the employer as soon as practicable under the facts and circumstances of the particular case. The regulations provide that it generally should be practicable for the employee to provide notice of unforeseeable leave within the time prescribed by the employer's usual and customary notice requirements. See [29 C.F.R. § 825.303](#) for more detail.

### **Preservation of benefits:**

During an approved leave, the employer must maintain the employee's group health insurance on the same terms as if the employee continued to work.

The employer is not required to maintain other non-health insurance benefits (such as life insurance) during the leave. However, the FMLA does require employers to restore an employee returning from approved leave to the same benefits he/she had prior to the leave, with no penalty or waiting periods. Thus, if an employee fails to pay his/her benefit premiums during the leave, an employer may decide to continue such benefits at its own expense during the leave or should make sure that applicable benefit plans allow immediate resumption of benefits. See the [DOL Compliance Guide](#) and 2008 regulation [29 C.F.R. §§ 825.209 – 825.215](#) for more information.

### **Substitution of Paid Leave:**

FMLA leave is generally unpaid leave. However, employees may substitute available paid leave for otherwise unpaid FMLA leave. Employers may also require that an employee use available paid leave. Any paid leave time used by the employee does count toward the employee's FMLA leave entitlement. The 2008 regulations clarify that if an employee wants to substitute paid leave, he/she must comply with the employer's paid leave policies and procedures with respect to use of that paid leave. The employer must notify employees of any additional procedural requirements that apply to the use of paid leave in the **Notice of Rights and Responsibilities** (given to employees when leave is requested). See 2008 regulation [29 C.F.R. § 825.207](#) for more information.

### **Reinstatement:**

Upon return from an approved leave, the employee must be reinstated to the same or an equivalent position, with the same pay, benefits, and other terms and conditions. Certain exceptions apply for "key employees." See DOL [Compliance Guide](#) for more information on key employees.

**Education employees:**

Special rules apply to some employees of local educational agencies, including public elementary and secondary schools. “Instructional employees” are subject to special rules when taking leave (a) more than 5 weeks prior to the end of a term; (b) less than 5 weeks prior to the end of a term; and (c) less than 3 weeks from the end of a term. For more information see: [29 C.F.R. § § 825.600 – 825.604.](#)

**Discrimination:**

An employer may not interfere with, restrain or deny the exercise of FMLA rights. Employees may not be discharged or discriminated against for taking leave. Nor may the use of FMLA leave be used as a negative factor in a “no fault” attendance policy or in any employment action, including hiring, promotion or disciplinary actions. See 2008 regulation, [29 C.F.R. § 825.220.](#)

**Enforcement:**

The FMLA is enforced by the U.S. DOL’s Employment Standards Administration, Wage and Hour Division. The agency investigates complaints of violations, and is authorized to bring action in court to compel compliance. In addition, eligible employees may bring a private lawsuit against an employer for violations. An employee is not required to file a complaint with the Wage and Hour Division prior to bringing such action. See 2008 regulations at [29 C.F.R. § 825.400 – 825.404.](#)

## **APPENDIX B – MAINE FAMILY MEDICAL LEAVE ACT**

Maine has enacted its own Family Medical Leave Law (MFMLA) entitling eligible employees of certain employers to 10 workweeks of leave in any two-year period. (26 M.R.S.A. § 843 *et seq.*; PL 2007 c. 233) The MFMLA is modeled after the federal FMLA, but has some important differences. It is very possible that some employees could be covered under either the state or federal FMLA laws, or both. Thus, when presented with a leave request, an employer should analyze the eligibility requirements of each law separately.

### **Covered Employers:**

Maine's FMLA applies to city, town and municipal agency employers with 25 or more employees. *See* 26 M.R.S.A. § 843(3). The law defines "employee" quite broadly, to include any person "permitted, required or directed by an employer in consideration of direct or indirect gain or profit to engage in any employment." Employee does not include an independent contractor. 26 M.R.S.A. § 843(1).

### **Employee Eligibility:**

Employee eligibility under the MFMLA differs from the federal FMLA in three important ways:

- In order to be eligible for MFMLA leave, an employee must have worked for the same employer for at least 12 *consecutive* months (under federal law, the 12 month work requirement need not be consecutive).
- An employee must work at a permanent worksite with at least 15 employees.
- Under the MFMLA there is no 1,250 hour work requirement.

Thus, in some situations, an employee may not qualify for federal FMLA leave because the individual has not worked 1,250 hours in the previous year, but the individual may qualify for Maine FMLA leave because he/she has been employed for 12 consecutive months.

### **Leave Entitlement:**

Under the MFMLA, an eligible employee is entitled to up to 10 workweeks of leave in a two-year period for the following reasons. Effective September 20, 2007, the Legislature added "domestic partners" to the entitlement to leave, and added a new entitlement to leave for military deaths/injuries. Effective July 18, 2008, the MFMLA includes a right to leave for the purpose of caring for a sibling. (PL 2007 c. 519).

- (1) the birth of the employee's child or the employee's domestic partner's child;
- (2) placement of a child 16 years of age or less with the employee or with the employee's domestic partner in connection with the adoption of the child by the employee or the employee's domestic partner;
- (3) A child, a domestic partner's child, parent, domestic partner, sibling or spouse with a serious health condition;
- (4) The employee's own serious health condition;
- (5) The donation of an organ of that employee for a human organ transplant;

(6) The death or serious health condition of the employee's spouse, domestic partner, parent, sibling or child if the spouse, domestic partner, parent, sibling or child as a member of the state military forces, as defined in 37-B M.R.S.A. §102, or the U.S. Armed Forces, including the National Guard and Reserves, dies or incurs a serious health condition while on active duty. PL 2007 c. 388; PL 2007 c. 261.

*Serious health condition* is defined in the law as an illness, injury, impairment or physical or mental condition that involves: (a) inpatient care in a hospital, hospice or residential medical care facility; or (b) continuing treatment by a health care provider. 26 M.R.S.A. § 843(6).

*Domestic partner* is defined as: the partner of an employee who:

- Is a mentally competent adult as is the employee;
  - o Has been legally domiciled with the employee for at least 12 months;
  - o Is not legally married to or legally separated from another individual;
  - o Is the sole partner of the employee and expects to remain so;
  - o Is not a sibling of the employee; and
  - o Is jointly responsible with the employee for each other's common welfare as evidenced by joint living arrangements, joint financial arrangements or joint ownership of real or personal property. PL 2007 c. 375.

*Sibling* is defined as "a sibling of an employee who is jointly responsible with the employee for each other's common welfare as evidenced by joint living arrangements and joint financial arrangements."

#### **Intermittent Leave:**

In response to a 2006 court decision that held that the MFMLA contained no requirement for intermittent leave, the Maine Legislature amended the law to allow intermittent leave in circumstances similar to the federal law. See *Brown v. Eastern Maine Medical Center*, 2006 U.S. Dist. LEXIS 50593 (D.Me. 2006); PL 2006 c. 233.

Effective September 20, 2007, the MFMLA requires covered employers to provide intermittent leave or a reduced work schedule, if medically necessary, for the employee's serious health condition, a parent, child, domestic partner or spouse with a serious health condition, or for organ donation. Intermittent leave for the birth, adoption or foster care placement of a child is available only by agreement of the employer and employee. PL 2006 c.233.

If intermittent leave is taken, the employer may temporarily transfer the employee to an available alternative position for which the employee is qualified and (1) which has equivalent pay and benefits and (2) better accommodates the intermittent leave schedule. PL 2006 c. 233.

#### **Employee Notice/Certification:**

An employee needing leave is required to give at least 30 days prior notice of the intended start and end of leave, unless prevented from giving notice by a medical emergency.

The employee may be required to provide medical certification from a physician to verify the amount of leave needed. Note that the law allows an employee that has "in good faith" relied on treatment by prayer or spiritual means, pursuant to the tenets of a recognized church or

religious denomination, to submit certification from an accredited practitioner of those healing methods. 26 M.R.S.A. § 844(1)(B).

Employers must post a poster concerning MFMLA, available from the Maine DOL.

**Preservation of Benefits:**

An employer must allow an employee on leave to maintain employee benefits at his/her expense. The parties may negotiate to maintain benefits at employer expense.

**Restoration:**

At the conclusion of an approved MFMLA leave, the employer must restore the employee to the same or an equivalent position with same seniority status, benefits, pay and other terms and conditions of employment. There is a limited exception to the employee's right to job restoration, if the employer can prove that the employee was not restored to the same or equivalent position due to conditions unrelated to the employees exercise of leave rights. 26 M.R.S.A. § 845.

**Discrimination:**

The use of leave may not result in the loss of any employee benefits accrued before the leave was taken. Nor may the leave result in loss of seniority or contract rights. In addition, an employer may not interfere with, restrain or deny the exercise of or the attempt to exercise any right provided under the MFMLA. Nor may an employer discharge, fine, suspend, expel, discipline or in any other manner discriminate against any employee for exercising any right under the Maine FMLA or for opposing any practice made illegal by the MFMLA. 26 M.R.S.A. § 846-7.

## APPENDIX C - ELECTRONIC COMMUNICATION POLICY

The Town of Gray (“the Town”), in an age of growing technology and electronic communication, is implementing a policy to clearly define employee expectations and responsibilities.

“**System**” means all telephones, computers, facsimile machines, voicemail, e-mail, and other electronic communication, copying or data storage systems or equipment leased, owned or in the possession of the Town, including, but not limited to, any computer, computer system, or any storage device or medium that the Town provides to an employee or that is physically or electronically connected to any other part of the System. “**Electronic Communication**” means all electronic communications, data, software, files, and other information created, modified, located upon, received or transmitted by, or stored upon, any part of the System, including, but not limited to e-mail, voicemail, and Internet usage.

**All parts of the System are owned by the Town and/or are provided solely for use in the Town’s business activities. All Electronic Communications are the Town’s property. The Town has the right and the ability to monitor and review all Electronic Communications at any time without notice to its employees or any other party and for any purpose whatsoever.**

Town employees may not use the System, or send, receive, create or store Electronic Communications upon the System, in a manner that is illegal, disruptive to others, or that interferes with the Town’s business activities. All Town employees are prohibited from using any part of the System to harass others, or to download, obtain, display, store, receive or transmit:

- a) Any information that is sexually explicit, obscene, or of a sexual nature, that contain libelous or defamatory material, or that would not be permitted on any bulletin located on Town property;
- b) Any ethnic, racial or religious slurs, or anything that is, or may be construed as, disparagement of others based on race, color, national origin, ancestry, gender, sexual orientation, age, disability, religious or political beliefs, or any other basis prohibited by law; or
- c) Any communications that are derogatory of fellow employees (except as may be required as part of the Town’s business activities). The System may also not be used to solicit anyone for any commercial, religious, charitable, or political causes, or for outside organizations. Except as otherwise provided below, the System may not be used for any purpose that is not related to Town business.

**E-mail** is used to transmit and receive messages internally and externally on matters of business connected to the Town. The occasional employee use of e-mail with permissible content for personal matters is not prohibited, but is discouraged.

**Voicemail** is used to leave messages for employees regarding matters of a business nature. Voicemail boxes will occasionally be emptied to free up System space.

**Internet Usage** is to be limited to matters of business connected to the Town. The occasional use of the Internet for otherwise permissible personal matters is not prohibited, but is discouraged. Any downloading of materials or loading of programs/software onto any part of the System without permission from Town technical staff is prohibited.

The workplace activities of Town employees reflect upon, and may create liability for, the Town. The person signing as an employee below acknowledges receiving a copy of this policy and understands that the Town may take disciplinary action, up to and including termination of employment, against any employee who violates the terms of this policy as those terms may be changed and/or supplemented from time to time by the Town.

## **APPENDIX D – EMPLOYER / EMPLOYEE CONTRIBUTION**

### **A. Retirement Contribution:**

Ordered the Gray Town Council will match the retirement contribution amount for the town employees at 6% and will increase the contribution at 7.5% for 10 years of service, 8% for 15 years of service, 8.5% for 20 years of service and a maximum of 9% for 25 years of service and that the increase to employees retirement plan will not exceed the employee's contribution.

## **APPENDIX E - OPTIONAL BENEFITS**

- A. Vision Plan
- B. Dental
- C. Income Protection
- D. Medical Reimbursement Plan
- E. All other Town Manager approved plans that are 100% Employee funded

## **APPENDIX F – INFECTIOUS DISEASE POLICY**

### A. Purpose

This is to establish the policy of the Town for managing infectious disease issues as they relate to employees and/or prospective employees including but not limited to the following diseases: AIDS, Chickenpox, Hepatitis A, Hepatitis B, Impetigo, Measles, Mumps, Pertussis, and Parasitic Infestations. Any employee or volunteer who could or does come into contact with bodily fluids while performing their job as a Town employee or volunteer, should immediately reference the Town Exposure Control Plan. Copies of the Exposure Control Plan are available in the Town Manager's office, as well as in the Police, Fire/Rescue, Public Works and Community Services Departments.

### B. Policy

1. It is the policy of the Town to assure to the extent possible a safe and beautiful work environment.
2. It is also the policy of the Town to ensure full compliance with state, federal, and local requirements dealing with infectious diseases.
3. Town procedures shall comply with the Center for Disease Control recommendations for specific infectious diseases. These recommendations will be available through the employee's Department Head.
4. It is the obligation of all Town employees to take all reasonable precautions to protect themselves, co-workers, clients and the public from infectious diseases.
5. The Town shall make available to all employees and volunteers who have occupational exposure the Hepatitis B vaccination series and post exposure evaluation and follow-up. Please reference the Town Exposure Control Plan for detailed information on necessary procedure to follow.

### C. Procedures

- 1) The Town will not discriminate against employees and/or prospective employees with infectious diseases who are otherwise qualified to perform their job functions with reasonable accommodation. Employees with infectious diseases will be treated under existing policies, state, federal, and local requirements, and collective bargaining agreements.
- 2) Where allowed by law, the Town retains the right to test employees for infectious diseases.
- 3) The Town must maintain confidentially regarding an employee's health status, and does not have a duty to inform other individual or organizations unless required by law.

- 4) Upon medical confirmation of an infectious disease that may be a threat to the public health, the affected employee has the responsibility to notify the Town's Personnel Administrator, and to carry out his or her assigned duties if reasonable accommodations can be made.
- 5) Upon notification by an employee that an infectious disease has been confirmed and is a threat to the public health, the Personnel Administrator will:
  - a) Secure, if possible, all appropriate releases for information from the employee and notify those individuals for whom those releases have been acquired.
  - b) Assist in the identification of reasonable accommodations to be made, if any.
  - c) Assist individual departments, if necessary, in complying with this policy.
  - d) The Town will treat all occupational infectious disease injuries or illnesses according to state law.
- 6) The Town will provide appropriate educational opportunities and current informational material on infectious disease issues, including prevention, protection, control measures, and treatment practices.
- 7) Individual departments have the right to develop protocols regarding infectious disease control provided that those protocols conform to this policy.
- 8) An employee cannot refuse to carry out his or her assigned duties when dealing with a co-worker or the public with an infectious disease unless that individual makes a threat of harm to the employee. Failure to adhere to this procedure will result in disciplinary action.

D. Accidental Needle Stick Procedure

Police, fire, rescue and solid waste personnel have the highest risk of exposure to needles and syringes. Exposure to a used, contaminated needle places an employee at risk for contracting an infectious disease. In the event of an accidental puncture with a contaminated needle, the procedure is as follows:

- 1) Wash the puncture site thoroughly with soap/disinfectant and water.
- 2) Report the incident to your supervisor.
- 3) Police, fire or rescue personnel must notify the medical facility receiving the patient of the incident.
- 4) Complete Incident and/or Workers Compensation forms.
- 5) Establish your potential exposure risk to infectious diseases.

6) Notify your Department Head to establish your:

- a) Tetanus status,
- b) Hepatitis B status, and
- c) HIV exposure.

7) Seek further medical attention if necessary.

#### E. Procedure for Exposure to AIDS infection

If a Town employee is exposed to the blood or body-fluid of a known or highly suspected AIDS infected person:

- 1) Wash the exposed areas thoroughly with soap and water. Clean any spills with one (1) part bleach to ten (10) parts water solution.
- 2) Report the incident to your supervisor.
- 3) Complete the Incident and Workers Compensation forms.
- 4) Notify your Department Head as soon as possible to schedule an appointment for a voluntary blood test.
- 5) The blood test will be drawn within two weeks of the incident, six months later, and nine months later. The blood test is sent to the Maine Public Health Division in Augusta. Results are received approximately one week later. You will be notified of the test results.
- 6) If all three specimens are negative, you are considered not to be infected.
- 7) Counseling occurs with each visit or when requested, and is also available to family members and co-workers.
- 8) Emotional counseling is available through a counselor of the employee's choice and to be provided by the Town.
- 9) Strict confidence will be maintained in all incidences unless appropriate medical and/or information releases have been obtained.

## **APPENDIX G – EARNED PAID LEAVE (Effective January 1, 2021)**

As defined by 26 MRSA Section 1043(11), The State of Maine’s Earned Paid Leave (EPL) Law requires employers with more than 10 employees to provide earned paid leave equal to or in excess of the Earned Paid Leave Law.

Covered Employees: Covered employees under the Earned Paid Leave Law include, but may not be limited to, full-time, part-time, temporary, on-call, call firefighters (under certain work events and unless excluded as outlined below), and per diem employees.

Exclusions: Employees determined to be seasonal employees by the Unemployment Insurance Commission will not accrue Earned Paid Leave during the seasonal period of June 15 – September 15. Employees, such as Election Workers and call firefighters, who are paid less than \$1,000 in a calendar year, are excluded from the Earned Paid Leave Law. Additionally, call firefighters who are only paid when they choose to respond to a fire or other emergency may also be excluded from the Earned Paid Leave Law.

Regular Full-time and Part-time Employees: The Town of Gray currently provides a benefit greater than this EPL law for its regular full-time and part-time employees through its paid vacation, sick, personal, and wellness policies. To comply with Maine’s Earned Paid Leave Law, regular full-time and part-time employees may utilize up to 40 hours of accrued vacation, sick, or personal time during the calendar year for any type of time off as needed. Employees in this classification should refer to the Town’s established paid leave policies and contact their supervisor or Human Resources for clarification.

Accrual of Earned Paid Leave (EPL): All Covered Employees, other than Regular Full-time and Regular Part-time Employees as outlined above, are entitled to earn one hour of paid leave for every 40 hours worked, up to 40 hours in one calendar year of employment. Accrual of this leave begins at the start of employment, but may only be used as set forth below. Unused EPL time will roll over and be available to the covered employee in their next year of employment. However, the maximum amount of EPL available to the covered employee will not exceed 40 hours in one calendar year.

Use of Earned Paid Leave: Once eligible employees, including probationary employees, have been employed for 120 calendar days, they may use earned paid leave in increments of a minimum of ½ hour (30 minutes) for any reason, such as illness, personal and family emergencies, personal time, and vacation. Per diem and on call employees, who sign up, accept shifts when available to work, or are called in to work, may utilize Earned Paid Leave if they need to arrive late or leave early for a shift or have signed up for a shift but are not able to make or work the shift for some unforeseen reason. Per diem and on call employees are not eligible to use EPL for days on which they have not been assigned to a shift.

Notice Requirements: Eligible employees must provide at least four weeks’ prior notice to their supervisor of their intent to use this leave, unless leave is for an emergency, illness, or other sudden necessity where advance notice may not be feasible, and then notice must be given as soon as practicable.

Restrictions of use of Earned Paid Leave: EPL may be denied or canceled by the Department Head during defined peak work periods where approval of such leave would inhibit the ability of the department to safely maintain adequate levels of service to the community.

Leave Accrual upon Separation: (1) Regular full-time and part-time employees: Any unused Earned Paid Leave will be paid to regular full-time and part-time employees at time of separation consistent with existing Town vacation, sick, and personal time policies. (2) Temporary, on-call, and per diem employees: Employees of this classification who are covered employees and not otherwise excluded from eligibility to accrue EPL will not be paid for any unused and accrued Earned Paid Leave upon separation of employment. If a temporary, on-call, or per diem employee returns to work within 365 days of their last date of employment, that employee is entitled to any unused balance of EPL.

**TOWN OF GRAY  
EMPLOYEE PAID TIME OFF**

**Accrual Rates**

Full-Time Employees (Groups I & II)		
Years of Employment	Vacation Time per Pay Period	Sick Leave per Pay Period
Less than 5 years of Service	3.08 hours per pay period	3.692 hours per pay period
5-10 Years of Service	4.62 hours per pay period	<i>See above</i>
10 Years of Service or More	6.16 hours per pay period	<i>See above</i>

Part-Time Employees (Group III)		
Years of Employment	Vacation Time per Pay Period	Sick Leave per Pay Period
Less than 5 years of Service	.0385 hours per hour worked	.04615 hours per hour worked
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

**Vacation Time Accrual Cap**

Full-Time and Part-Time Employees (Groups I-III)		
Years of Employment	Maximum Vacation Time	Notes
Less than 5 years of Service	Two weeks (80 hours)	Accrual ceases at employee's individual limit at left. Time paid out upon separation.
5-10 Years of Service	Three weeks (120 hours)	Accrual ceases at employee's individual limit at left. Time paid out upon separation.
10 Years of Service or More	Four weeks (160 hours)	Accrual ceases at employee's individual limit at left. Time paid out upon separation.

**Sick Time Accrual Cap**

Full-Time and Part-Time Employees (Groups I-III)		
Years of Employment	Maximum Sick Time	Notes
Less than 5 years of Service	960 hours	Employees who have an excess of this cap as of October 1, 2022 will maintain their sick time hours until the accrued hours may fall below 960 hours.
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

### Payout for Accumulated Sick Time

Full-time Employees Only (Groups I & II)		
Years of Employment	Payout Amount	Notes
Less than 5 years of Service	0	No sick time paid out upon separation of employment.
5-10 Years of Service	50% of accrued sick time amount, 200 hours maximum	Employee must be in good standing with the Town.
10 Years of Service or More	50% of accrued sick time amount, 360 hours maximum	Employee must be in good standing with the Town.

### Personal Time

Full-time Employees Only (Groups I & II)		
Years of Employment	Time Received each Year	Notes
Less than 5 years of Service	16 hours	Personal time does not accrue year to year and is not subject to payout upon separation.
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

### Bereavement Time

Full-Time and Part-Time Employees (Groups I-III)		
Years of Employment	Bereavement Time	Notes
Less than 5 years of Service	Up to 3 days of absence caused by the death of a member of the immediate family	See definitions portion of the Personnel Policy.
5-10 Years of Service	<i>See above</i>	<i>See above</i>
10 Years of Service or More	<i>See above</i>	<i>See above</i>

### Earned Paid Leave

Covered Employees	EPL Accrual and Utilization	Notes
Groups I-III (Full-Time and Part-Time Employees)	Up to 40 hours of accrued vacation, sick, or personal time may be used during the calendar year for any type of time off as needed.	Refer to the Town's established paid leave policies for more information.
Group IV (All temporary, seasonal, and per diem employees)	Entitled to earn one hour of paid leave for every 40 hours worked, up to 40 hours in one year. After 120 days of employment, EPL time may be used in 30-min increments for any reason.	Accrual of this leave begins at the start of employment. Refer to EPL section above for requirements, exclusions, and restrictions.

## Digest of Amendments

**Originally Adopted March 1, 1979**

**Amended**

December 21, 1999

September 18, 2001

December 4, 2001

April 6, 2004

January 6, 2009

February 17, 2009

July 7, 2009

**February 2, 2010**

February 21, 2012

February 18, 2020

June 7, 2022

**Repealed and Replaced including Appendices**

**Acknowledgment**

*I acknowledge that I have received a copy of the Town Personnel Policy, and I do commit to read and follow these policies.*

*I am aware that if, at any time, I have questions regarding Town policies I should direct them to my Department Head or the FinanceHuman Resources Department.*

*I know that Town policies and other related documents do not form a contract of employment and are not a guarantee by Town of the conditions and benefits that are described within them. Nevertheless, the provisions of such Town policies are incorporated into the acknowledgment, and I agree that I shall abide by its provisions.*

*I also am aware that Town of Gray, at any time, may on reasonable notice, change, add to, or delete from the provisions of the Town policies for which I will be notified.*

\_\_\_\_\_  
*Employee's Printed Name*

\_\_\_\_\_  
*Position*

\_\_\_\_\_  
*Employee's Signature*

\_\_\_\_\_  
*Date*

# **FISCAL POLICY TOWN OF GRAY, MAINE**

*Revised February 15, 2022*

## **Fiscal Policy**

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a financially prudent, effective, efficient and desired level of services to the citizens of Gray.

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a Performance Management Program incorporating such tools and metrics to clearly and succinctly demonstrate to the citizens of Gray that their tax dollars are allocated, managed and deployed wisely

## Table of Contents

<b><i>FISCAL POLICY</i></b>	<b>3</b>
<b>BASE OPERATING BUDGET POLICY</b>	<b>3</b>
BASE BUDGET DEVELOPMENT POLICY	3
<b>USE OF, AND ACCOUNTABILITY FOR, DEPARTMENTAL CONTINGENCY FUNDS</b>	<b>3</b>
<b>CAPITAL INVESTMENT PLAN AND PROGRAM POLICY (CIP)</b>	<b>4</b>
CIP PROGRAM DEVELOPMENT POLICY	4
CIP DEPLOYMENT POLICY	4
<b>LONG TERM CAPITAL INVESTMENT AND DEBT POLICY</b>	<b>4</b>
<b>CASH MANAGEMENT POLICY</b>	<b>4</b>
<b><i>PERFORMANCE MANAGEMENT PROGRAM</i></b>	<b>5</b>
<b>KEY MEASURES</b>	<b>5</b>
WORKLOAD DATA	5
EFFECTIVENESS	5
EFFICIENCY	5
<b>GENERAL ADMINISTRATION</b>	<b>6</b>
TOWN MANAGER OFFICE	6
OFFICE OF THE TOWN CLERK	6
FINANCIAL ADMINISTRATION AND BUDGET PROGRAM	6
ACCOUNTING AND CONTROL	6
PURCHASING	6
REVENUE PROGRAM	6
WEBSITE PROGRAM	6
UTILITIES, TRAFFIC and TRANSPORTATION ENGINEERING	7
ASSESSING	7
<b>PLANNING and PLANNING SERVICES</b>	<b>11</b>
PLANNING	11
GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)	11
<b>CODE ENFORCEMENT SERVICES</b>	<b>14</b>
CODE ENFORCEMENT OFFICER	14
FIRE INSPECTOR	14
DOG OFFICER	14
<b>PARKS and RECREATION</b>	<b>16</b>
<b>PUBLIC SAFETY SERVICES</b>	<b>17</b>
<b>PUBLIC WORKS SERVICES</b>	<b>18</b>
MOTOR VEHICLE MAINTENANCE PROGRAM	18
<b>CAPITAL PROJECTS</b>	<b>21</b>
<b>RECYCLING</b>	<b>23</b>
<b>LIBRARY</b>	<b>24</b>
<b>BUILDINGS AND GROUNDS</b>	<b>25</b>
<b><i>DEPARTMENTAL CLASSIFICATIONS AND ACCOUNT CODES</i></b>	<b>26</b>

## **FISCAL POLICY**

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a financially prudent, effective, efficient and desired level of services to the citizens of Gray.

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a Performance Management Program incorporating such tools and metrics to clearly and succinctly demonstrate to the citizens of Gray that their tax dollars are allocated, managed and deployed wisely.

## **BASE OPERATING BUDGET POLICY**

The Town of Gray shall maintain a level of expenditure that shall provide for the public well-being and safety of the residents as the first level of priority.

Additional services and programs shall be reviewed in an order of priority that shall reflect both, the financial capacity of the taxpayer base to sustain such services, and the practical and intrinsic value of the offering to the community as a whole.

## **BASE BUDGET DEVELOPMENT POLICY**

An annual base operations budget shall be developed by verifying, through zero based budget development procedures, expenditures required for the forthcoming fiscal year. During the annual budget development process, the existing budget and work practices shall be thoroughly reviewed to determine and develop opportunities to improve service levels without additional cost or to reduce operating cost without reducing service levels. Additions and/or incremental adjustments of the base operating budget shall be supported by business case analysis.

## **USE OF, AND ACCOUNTABILITY FOR, DEPARTMENTAL CONTINGENCY FUNDS**

In addition to the annual base budget the Town Council may approve Contingency Funds during the budget process to provide for emergencies, urgencies, and other unexpected expenses that are not accounted for in line-item budget development. Contingency Funds should be limited to an amount that provides for community needs without overburdening the tax base.

During the regular conduct of Town business, the Town Council authorizes the Town Manager in his/her/their sole discretion to determine when use of a Contingency Fund is necessary and appropriate.

The Town Manager will require Department Heads to submit a written request along with justification for use of Contingency Funds prior to non-emergency expenditures being approved. In the event of an emergency expenditure where the Town Manager cannot be consulted in a timely manner, the Town Manager will require Department Heads to submit accounting and justification for the use of Contingency Funds.

## **CAPITAL INVESTMENT PLAN AND PROGRAM POLICY (CIP)**

The CIP shall provide for adequate design, construction, maintenance and replacement of the Town's infrastructure: including roads and bridges. The CIP shall also provide for repair and/or replacement of capital plant and equipment, including motor vehicles, building maintenance, and capital tools and equipment.

### **CIP PROGRAM DEVELOPMENT POLICY**

The Town shall project its needs for the next fifteen years and shall update this projection twice each year commensurate with the programmed property tax billing dates. From these projections, a maintenance and replacement schedule shall be developed and followed.

The Town shall maintain a diversified and stable revenue allocation system to mitigate short-term fluctuations in any one year. Annual revenues and revenue allocations to the CIP shall be estimated and adjusted using objective, analytical processes utilizing trend analysis, statistical analysis, and financial analysis tools as appropriate.

### **CIP DEPLOYMENT POLICY**

The Town shall deploy all capital projects based on highest and best use of associated capital funds. The Town shall review annually the five-year CIP projections for capital projects and improvements, and shall develop a lifecycle cost analysis that clearly articulates the financial benefit, funding sources, and project implementation schedule for each capital project proposal before it is submitted to the Town Council for approval. To ensure project completion within budget and established timelines, tracking of components of the CIP approved shall be implemented and the Town council updated monthly.

Emergency and unanticipated capital expenditures for maintenance and/or replacement shall be the rare exceptions and only considered where public health and/or safety are at risk.

A fixed asset system shall be maintained to identify all Town assets, their condition, historical cost, replacement value, and useful life.

## **LONG TERM CAPITAL INVESTMENT AND DEBT POLICY**

The Town of Gray shall confine long-term borrowing to specific capital improvements that cannot reasonably be funded from annualized tax allocations. The term structure of debt shall not exceed the anticipated useful life of the asset acquired.

Unexpended capital shall be invested to maximize return while preserving the liquidity of the investment base. All proceeds from these investments shall be retained in the Undesignated Fund Balance Account and shall be used to supplement annualized CIP funding requirements.

## **CASH MANAGEMENT POLICY**

The Town Treasurer shall semi-annually submit an investment plan to the Town Council for review and adoption. The plan shall clearly articulate investment strategies that maximize the overall rate of return for all town funds collected while preserving liquidity. The plan shall comply with all applicable laws and adopted investment policies. The Town Treasurer shall proactively direct the investment of Town cash funds in various investment vehicles such as

overnight deposits, money market accounts, CD's, bonds which are held by a trustee or other financial agent.

## **PERFORMANCE MANAGEMENT PROGRAM**

Overall, the Town Performance Measurement Program is designed to ensure consistent high quality, cost-effective services for the citizens of Gray.

The Town Manager's Office shall have the primary responsibility for implementing the Performance Management Program under the direct oversight of the Gray Town Council. Performance measurement is the assessment of how well the Town as a whole, and each department, performs when providing goods and services to the constituency. It is designed to reflect not only what is being done, but also how effectively and efficiently tasks are performed.

Gray's Town Manager shall be accountable for the proper use of tax dollars and for providing the services citizens demand. Performance measures provide our citizens with the information necessary to ensure accountability. Additionally, performance measures are a management tool that measures work performed and results achieved. The Town of Gray's Performance Measurement Program is intended to inform the Township by:

- Providing necessary information to enhance policy decision-making;
- Improving customer service feedback;
- Supporting strategic planning and goal-setting;
- Enabling effective use of resources; and
- Strengthening accountability.

The Town Manager's Office shall complete a comprehensive performance measures report each year. Copies of the report shall be distributed to program managers, department heads, the Town Council, Boards and Committees, the media, and the general public.

## **KEY MEASURES**

### **WORKLOAD DATA**

Purpose: To provide a direct reference of the basic units for tasks performed and/or services provided over a trend cycle that can clearly demonstrate variance in budget levels.

### **EFFECTIVENESS**

Purpose: To provide linkage for the various service offerings and their overall impact to the Town and/or citizen base as a whole.

### **EFFICIENCY**

Purpose: To provide a management tool that will highlight critical areas of potential process improvement and cost containment initiatives.

## **GENERAL ADMINISTRATION**

### **TOWN MANAGER OFFICE**

Purpose: To ensure sound overall management practices for the Town in general; that citizen interface with Town Administration is satisfactory; that reporting departments are managed to the overall satisfaction of the citizens and Town Council; that the Town's Operating Budget and Capital Investment Program are properly developed and implemented; to ensure the quality of life in Gray meets or exceeds the expectations of the citizens commensurate with taxpayer burden.

### **OFFICE OF THE TOWN CLERK**

Purpose: To provide thorough, timely, accurate, records, documents, and information to the citizens of Gray, the Town Council and Town boards and committees.

### **FINANCIAL ADMINISTRATION AND BUDGET PROGRAM**

Purpose: To ensure sound financial management by managing the investment of Town funds; managing the development and implementation of the Town's budget; preparing the City's Capital Improvements Program (CIP) and Fiscal Analysis; performing studies and analyses; and providing recommendations to support the Council's financial decisions and fiscal policy.

### **ACCOUNTING AND CONTROL**

Purpose: To ensure the accurate accounting, disbursement and safeguarding of the Town's funds by maintaining accounting and fixed asset records and issuing reports in conformance with generally accepted accounting principles; reviewing transactions to ensure compliance with applicable regulations, policies, and requirements; paying accounts receivable in an accurate and timely manner; managing the payroll process in an accurate and timely manner; and administering the financial component of employee retirement and benefit programs.

### **PURCHASING**

Purpose: To provide the Town with the means to obtain quality goods and services at the lowest possible cost while conforming to the Gray Town Charter, Town Council policy, the Town Administrative Code, as well as state and federal requirements for procurement. To cost effectively manage the storage and disposal of goods and/or services.

### **REVENUE PROGRAM**

Purpose: To ensure the timely, accurate and equitable collection of revenues and property taxes by monitoring billing, collection and receipt of taxes; managing the billing and collection of ancillary fees and charges.

### **WEBSITE PROGRAM**

Purpose: To increase citizen understanding and awareness of the Town by providing effective communication through Gray's website. To increase citizen understanding, awareness, and participation in Town government and to increase and facilitate information flow to users.

## **UTILITIES, TRAFFIC and TRANSPORTATION ENGINEERING**

Purpose: To provide a safe and efficient street and sidewalk system by ensuring that public streets and sidewalks are designed to town standards; planning roadway and traffic control improvements; operating and maintaining traffic signals, beacons and street lights; coordinating with other governments on traffic funding and planning.

## **ASSESSING**

Purpose: To ensure the timely, accurate and equitable development of the Property Tax basis for property tax revenues by maintaining accurate and timely records of new construction, monitoring trend rates for new construction, and by conducting periodic assessment reviews.

## GENERAL ADMINISTRATIVE DATA AND PERFORMANCE METRICS

### DATA

#### **GENERAL ADMINISTRATIVE BUDGET**

TOTAL TOWN BUDGET

#### **TOWN MANAGER OFFICE**

TOTAL TOWN EXPENDITURES PER CAPITA

#### **OFFICE OF TOWN CLERK**

NUMBER OF COUNCIL AND COMMITTEE MEETINGS ATTENDED

NUMBER OF DOCUMENTS PROCESSED

NUMBER OF PUBLIC HEARING NOTICES

NUMBER OF RECORDS PREPARED AND SENT TO STORAGE

#### **FINANCIAL ADMINISTRATION AND BUDGET PROGRAM**

AVERAGE DOLLAR VALUE OF FUNDS INVESTED

NUMBER OF DEBT ISSUANCES

DOLLAR AMOUNT OF DEBT

#### **ACCOUNTING AND CONTROL**

NUMBER OF ADJUSTING JOURNAL ENTRIES FROM AUDIT

NUMBER OF VENDOR CHECKS VOIDED DUE TO DEPARTMENT ERROR

NUMBER OF AUDIT INTERNAL CONTROL MEASURES REPORTED

#### **PURCHASING**

NUMBER OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED BY BID

NUMBER OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED BY BID  
EXCEPTION

DOLLAR AMOUNT OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED  
BY BID

DOLLAR AMOUNT OF PROCUREMENTS AND CONTRACTS OVER \$10,000 AWARDED  
BY BID EXCEPTION

#### **REVENUE PROGRAM**

NUMBER OF REVENUE ACCOUNTS ADMINISTERED

NUMBER OF TAX BILLS ISSUED

NUMBER OF DELINQUENT ACCOUNTS BILLED

DOLLAR AMOUNT OF TOTAL REVENUE FORECAST

DOLLAR AMOUNT OF TOTAL REVENUE COLLECTED

NUMBER OF TAX DELINQUENT PROPERTIES

DOLLAR AMOUNT OF TAX DELINQUENT PROPERTIES

#### **WEBSITE PROGRAM**

OPERATING COST

NUMBER OF USER HITS

**UTILITIES AND TRAFFIC AND TRANSPORTATION ENGINEERING**

TOWN UTILITIES OPERATING BUDGET

CENTER LINE MILES OF NEW STREET CONSTRUCTION

CENTERLINE MILES OF STREET/ROAD REPAIR

LINEAR FEET OF NEW TOWN SIDEWALKS

NUMBER OF TRAFFIC SIGNALS MAINTAINED

**ASSESSING**

NUMBER OF SINGLE FAMILY PROPERTIES

NUMBER OF MULTI FAMILY PROPERTIES

NUMBER OF BUSINESS AND COMMERCIAL PROPERTIES

NUMBER OF LAND ASSESSMENTS

NUMBER OF SITE ANNUAL ASSESSMENT REVIEWS

PERFORMANCE METRICS

**GENERAL ADMINISTRATIVE**

PERCENT GENERAL ADMINISTRATIVE BUDGET TO TOTAL TOWN BUDGET

PERCENT OF CITIZENS WHO STRONGLY AGREE OR AGREE THAT THEY RECEIVE GOOD VALUE FOR THE TAXES THEY PAY

PERCENT OF CITIZENS RATING THE QUALITY OF LIFE IN GRAY AS EXCELLENT OR GOOD

**TOWN MANAGER OFFICE**

PERCENT OF CITIZENS RATING THE PERFORMANCE OF GENERAL ADMINISTRATION AS EXCELLENT OR GOOD

PERCENT OF CITIZENS RATING THE PERFORMANCE OF GENERAL ADMINISTRATION AS EXCELLENT OR GOOD

PERCENT OF CITIZENS RATING THE PERFORMANCE OF TOWN EMPLOYEES AS EXCELLENT OR GOOD IN THE FOLLOWING:

KNOWLEDGE RESPONSIVENESS COURTESY FOLLOW-UP

OVERALL IMPRESSION

PERCENT OF TOWN EMPLOYEES RATING THE PERFORMANCE OF THE TOWN MANAGER AS EXCELLENT OR GOOD

**OFFICE OF TOWN CLERK**

PERCENT OF MINUTES PREPARED WITHIN 10 DAYS ACCURACY OF PUBLIC HEARING NOTICES ACCURACY OF OFFICIAL DOCUMENTS

**FINANCIAL ADMINISTRATION AND BUDGET PROGRAM**

PERCENT VARIANCE BETWEEN ACTUAL AND BUDGETED GENERAL FUND REVENUES

PERCENT VARIANCE BETWEEN ACTUAL AND BUDGETED GENERAL FUND EXPENDITURES

**ACCOUNTING AND CONTROL**

PERCENT REDUCTION IN NUMBER OF ADJUSTING JOURNAL ENTRIES FROM AUDIT

PERCENT REDUCTION IN NUMBER OF VENDOR CHECKS VOIDED DUE TO DEPARTMENT ERROR  
PERCENT REDUCTION IN NUMBER OF AUDIT INTERNAL CONTROL MEASURES REPORTED

**PURCHASING**

PERCENT OF AWARDS OVER \$10,000 BY BID  
PERCENT OF AWARDS OVER \$10,000 BY BID WITHOUT PARTICIPANT PROTEST  
PERCENT OF PROTESTS SUSTAINED  
AVERAGE NUMBER OF BIDS RECEIVED PER SOLICITATION  
PERCENT VARIANCE BETWEEN BUDGETED (WARRANT) VALUE AND BID VALUE ACCEPTED [ **NOTE: FOR EACH CIP PROJECTED COMPONENT**]

**REVENUE PROGRAM**

PERCENT VARIANCE TOTAL ESTIMATED REVENUE TO ACTUAL COLLECTIONS  
PERCENT OF TAX BILLS PAID WITHIN DEADLINE  
PERCENT OF TAX DELINQUENT PROPERTIES YEAR OVER YEAR

**WEBSITE PROGRAM**

COST PER USER HIT  
PERCENT OF USERS WHO RATE THE WEBSITE AS EXCELLENT OR GOOD IN THE FOLLOWING:

- QUALITY OF INFORMATION
- QUALITY OF DESIGN
- ACCURACY OF DATA

RELIABILITY OF SITE ( PERCENT OF DOWN-TIME PER YEAR)  
PERCENT OF REGISTRATIONS FOR TOWN SPONSORED PROGRAMS COMPLETED ONLINE

**UTILITIES AND TRAFFIC AND TRANSPORTATION ENGINEERING**

AVERAGE COST OF TRAFFIC SIGNALS MAINTAINED AND OPERATED  
PERCENT OF VILLAGE CENTER WITH SIDEWALKS  
PERCENT OF TRAFFIC SIGNAL OUTAGES REPAIRED WITHIN:

- 4 HOURS
- 8 HOURS
- 24 HOURS
- 48 HOURS

PERCENT OF CITIZEN SAFETY RATING OF SIGNALIZED INTERSECTIONS AS EXCELLENT OR GOOD  
NUMBER OF INTERSECTIONS IDENTIFIED AS POORLY MANAGED

**ASSESSING**

NUMBER OF ASSESSMENT APPEALS  
NUMBER OF ASSESSMENT APPEALS SUSTAINED

## **PLANNING and PLANNING SERVICES**

### **PLANNING**

**Purpose:** To develop and oversee long range planning for the Town, including preparing and updating the master plan (Comprehensive Plan) zoning plans, and strategic planning documents. Maintain an up-to-date statistical database (GIS). Coordinate the implementation of the Gray Comprehensive Plan and other specialized plans and recommendations. Provide informed and accurate staff support to Town boards and committees. Develop policies and plans for Town Council review that enhance the development of new lots, blocks and/or units with final approval for location within target zoning areas. Advise Town council as to the effectiveness of Comprehensive Plan Implementation as it applies to zoning and business opportunities.

### **GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)**

**Purpose:** Develop and maintain a GIS infrastructure that will allow employees and the public easy access to the Geographic Information System (GIS), which will provide employees the tools to perform their work more efficiently and the public with easy access to geographical information over the Internet enhancing implementation of strategic Comprehensive Plan goals and objectives.

## PLANNING AND PLANNING SERVICES DATA AND PERFORMANCE METRICS

### DATA

TOTAL OPERATING BUDGET

#### **PLANNING**

NUMBER OF REQUESTS FOR PLANNING INFORMATION RECEIVED

NUMBER OF RESEARCH PROJECTS COMPLETED FOR COMMITTEES OR COUNCIL

NUMBER OF ZONING PLAN APPLICATIONS

NUMBER OF ZONING PLANS AND APPLICATIONS COMPLETED

NUMBER OF SUBDIVISIONS AND BUSINESSES WITHIN TARGET ZONING AREAS (COMP PLAN)

TOTAL NUMBER OF SUBDIVISIONS REVIEWS COMPLETED

TOTAL NUMBER OF NEW BUSINESSES TOTAL NUMBER OF HOUSES BUILT WITH C/O

NUMBER OF SUBDIVISIONS REVIEWS COMPLETED IN TARGET ZONES

NUMBER OF NEW BUSINESSES IN TARGET ZONES

NUMBER OF HOUSES BUILT WITH C/O IN TARGET ZONES

SQUARE FEET OF BUSINESS/COMMERCIAL DEVELOPMENT APPROVED

NUMBER OF MEETINGS ATTENDED:

- PLANNING BOARD
- CEDC
- COUNCIL
- ORC

#### **GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)**

NUMBER OF MAP LAYERS

TOTAL NUMBER OF DATA FIELDS

EMPLOYEES ASSIGNED TO GIS SYSTEM MANAGEMENT

### PERFORMANCE METRICS

#### **PLANNING**

PERCENT OF CITIZENS RATING THE PLANNING PROCESS AS EXCELLENT OR GOOD

PERCENT OF APPLICANTS RATING THE PLANNING BOARD PROCESS AS EXCELLENT OR GOOD

AVERAGE DAYS TO REVIEW AND ACT ON ZONING APPLICATIONS

- PERCENT COMPLETED IN 45 DAYS
- PERCENT COMPLETED IN 90 DAYS
- PERCENT COMPLETED IN 180 DAYS
- PERCENT COMPLETED IN 360 DAYS

COMPREHENSIVE PLAN EFFICIENCY TARGET ZONE SUBDIVISIONS  
COMPREHENSIVE PLAN EFFICIENCY TARGET ZONE NEW BUSINESS  
COMPREHENSIVE PLAN EFFICIENCY TARGET ZONE HOUSES WITH C/O

**GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)**

PERCENT OF TOWN DATA AVAILABLE ON GIS  
NUMBER OF ASSIGNED EMPLOYEES TRAINED IN GIS INPUT/MANAGEMENT GIS  
INFORMATION REQUESTS  
INTERNET/INTRANET GIS DATA HITS RECORDED IN SYSTEM GIS DATA BASE  
ACCURACY

## **CODE ENFORCEMENT SERVICES**

### **CODE ENFORCEMENT OFFICER**

**Purpose:** To ensure the safety and conformance of Gray's buildings to Building code requirements. To maintain the value of property and safety of the occupants by permitting and inspecting construction, enforcing the zoning ordinance, and enforcing town codes in a timely and consistent manner. Work with Town boards, committees and the citizens to effectively and efficiently provide clear, concise, accurate information for proposed construction projects.

### **FIRE INSPECTOR**

**Purpose:** To maintain the safety of Gray's buildings and respective occupants by inspecting construction and enforcing the Town's Fire code in a timely and consistent manner. Work with Town boards, committees and the citizens to effectively and efficiently provide clear, concise, accurate information for proposed construction projects.

### **DOG OFFICER**

**Purpose:** To preserve public order, protect lives and property, and reduce dog bites, cruelty to animals, dead dogs in the road, miscellaneous animal conflicts.

## CODE ENFORCEMENT SERVICES DATA AND PERFORMANCE METRICS

### DATA

OPERATING BUDGET

CODE ENFORCEMENT HOURS (ANNUAL)

FIRE MARSHAL/INSPECTORS HOURS (ANNUAL)

### **CODE ENFORCEMENT SERVICES**

BUILDING PLANS REVIEWED:

- RESIDENTIAL NEW CONSTRUCTION
- RESIDENTIAL RENOVATION/REMODEL
- COMMERCIAL NEW CONSTRUCTION
- COMMERCIAL RENOVATION/REMODEL
- BUILDING PERMITS ISSUED
- OCCUPANCY PERMITS ISSUED
- CONSTRUCTION RELATED INSPECTIONS

ZONING COMPLAINTS INVESTIGATED

COMMERCIAL INSPECTIONS (LICENSE RELATED)

COMPLAINTS INVESTIGATED

VIOLATION NOTICES ISSUED

ZBA ADMINISTRATIVE APPEALS

### **FIRE INSPECTOR**

FIRE CODE/PROTECTION SYSTEM PLANS REVIEWED

### **DOG OFFICER**

CALLS PER YEAR

ANIMAL CONTROL CITATIONS ISSUED ANIMALS CAPTURED/RETRIEVED

### PERFORMANCE METRICS

#### **CODE OFFICER**

AVERAGE RESPONSE TIME (DAYS) FOR INSPECTION REQUEST

AVERAGE DAYS TO RECTIFY ZONING VIOLATION

TOTAL REVIEWS/INSPECTIONS PER (FTE)

PERCENT ZBA ADMINISTRATIVE APPEALS AWARDED TO APPELLANT

#### **FIRE INSPECTOR**

AVERAGE RESPONSE TIME (DAYS) FOR INSPECTION REQUEST

TOTAL REVIEWS/INSPECTIONS PER (FTE)

#### **DOG OFFICER**

CITATIONS PER CALL

## **PARKS and RECREATION**

**Purpose:** To meet the recreational needs of citizens by providing high quality Recreation programs. To provide high-quality, well-maintained facilities and programs for the general public and community by maintaining Town Parks and Recreation facilities; to provide contractual and in-house services for private and public meetings and performances; develop programs and opportunities that fully utilize facilities and grounds; promote public awareness of the Town's resources.

### **PARKS AND RECREATION DATA AND PERFORMANCE METRICS**

#### DATA

OPERATING BUDGET

PROGRAM REVENUE THROUGH FEES

NUMBER OF PROGRAMS:

- OFFERED
- EXECUTED

NUMBER OF PROGRAMS

- ADULT
- CHILDREN
- ADULT AND CHILDREN

NUMBER OF STAFF SUPERVISED

MUNBER OF VOLUNTEER HOURS CONTRIBUTED

#### PERFORMANCE METRICS

PERCENT OF PARTICIPANTS RATING THE QUALITY OF PROGRAMS AS  
EXCELLENT OR GOOD

PERCENT OF PARTICIPANTS WHO RATE THE QUALITY OF STAFF AS EXCELLENT  
OR GOOD

PERCENT OF COST RECOVERY

## **PUBLIC SAFETY SERVICES**

**Purpose:** To ensure the citizens of Gray are provided with an ongoing Fire-fighting and Rescue force, Fire and Rescue related infrastructure including buildings and equipment, training, fire prevention and inspection safeguards and information, and other Fire and Rescue and life safety services administered in an effective and efficient manner.

### **PUBLIC SAFETY SERVICES DATA AND PERFORMANCE METRICS**

#### DATA

FIRE AND RESCUE OPERATING BUDGET  
GRAY VALUATION AS OF JULY 1 /\$000  
RESIDENTIAL FIRE EVENTS  
BUSINESS-COMMERCIAL BUILDING FIRE EVENTS  
MOTOR VEHICLE FIRE EVENTS  
RESIDENTIAL RESCUE EVENS  
BUSINESS-COMMERCIAL RESCUE EVENTS  
MOTOR VEHICLE RESCUE EVENTS  
GRAY HOUSEHOLDS  
GRAY POPULATION

#### PERFORMANCE METRICS

OPERATING COST PER \$000 VALUATION  
OPERATING COST PER HOUSEHOLD  
OPERATING COST PER RESIDENT

## **PUBLIC WORKS SERVICES**

**Purpose:** To deliver Public Works engineering and operational services that provide the Town of Gray a reliable, safe, effective road system. To ensure a safe and clean environment for citizens and high quality infrastructure that meets Town, state and federal standards by inspecting all related capital improvement construction work and construction of infrastructure by developers who receive Town of Gray issued permits; and by managing in-house and contractual services for construction, maintenance and repair of infrastructure including roadways, streets, sidewalks and storm water management systems and facilities.

## **MOTOR VEHICLE MAINTENANCE PROGRAM**

**Purpose:** To ensure that the vehicles and equipment within the Town's fleet are always operational and well-maintained by providing an efficient, thorough and effective maintenance and repair program; managing vehicle acquisition and disposition; and managing fuel operations.

## PUBLIC WORKS SERVICES DATA AND PERFORMANCE METRICS

### DATA

TOTAL OPERATING BUDGET  
WINTER ROAD BUDGET  
WINTER PLOWING  
WINTER STORM EVENTS  
ANNUAL SNOWFALL  
WINTER TONS OF SAND DEPLOYED  
WINTER TONS OF SALT DEPLOYED  
SUMMER ROAD BUDGET  
CENTERLINE PAVED ROAD MILES  
REPORTABLE ACCIDENTS - GRAY  
WINTER ROAD CONDITION COMPLAINTS

### **MOTOR VEHICLE MAINTENANCE PROGRAM**

MOTOR VEHICLE OPERATING BUDGET  
MOTOR VEHICLES UNDER MANAGEMENT  
EQUIPMENT UNDER MANAGEMENT  
MECHANIC HOURS (ANNUAL)  
GALLONS OF FUEL CONSUMED:

- DEISEL
- GASOLINE

SCHEDULED MAINTENANCE WORK ORDERS  
NON-SCHEDULED REPAIR WORK ORDERS  
EQUIPMENT WORK ORDERS

### PERFORMANCE METRICS

OVERALL COST PER CENTERLINE MILE  
WINTER COST PER CENTERLINE MILE  
WINTER MANHOURS PER CENTERLINE MILE  
WINTER MANHOURS PER STORM EVENT  
WINTER TONS OF SALT PER CENTERLINE MILE  
WINTER TONS OF SAND PER CENTERLINE MILE  
WINTER COST PER STORM EVENT  
WINTER COST PER INCH SNOWFALL  
WINTER MANHOURS PER CENTERLINE MILE-INCH OF SNOWFALL

### **MOTOR VEHICLE MAINTENANCE PROGRAM**

PERCENT OF MECHANIC WORK HOURS SPENT ON PROGRAMMED REPAIRS  
PERCENT OF MECHANIC WORK HOURS SPENT ON NON- PROGRAMMED REPAIRS  
AVERAGE COST PER MAINTENANCE WORK ORDER:

- PROGRAMMED MAINTENANCE
- NON-PROGRAMMED MAINTENANCE

AVERAGE FUEL CONSUMED PER VEHICLE

- DEISEL
- GASOLINE

## **CAPITAL PROJECTS**

**Purpose:** To develop and maintain town roads, streets, sidewalks, parks and facilities in an attractive, safe, clean and accessible condition by planning, managing, and implementing CIP renovation projects.

To provide a safe and effective street and sidewalk system by ensuring that public streets and sidewalks are designed to town standards; planning roadway and traffic control improvements; operating and maintaining traffic signals, beacons and street lights; coordinating with adjacent towns on traffic coordination and planning.

To ensure that the vehicles and equipment within the town's fleet are always operational and well-maintained by providing an efficient, thorough and effective maintenance and repair program; managing vehicle acquisition and disposition.

To ensure sound financial management by managing the investment of Town funds; managing the development and implementation of the Town's budget; preparing the Town's Capital Improvements Program (CIP) and Fiscal Analysis; performing studies and analyses; and providing recommendations to support the Council's financial decisions and fiscal policy.

## CAPITAL PROJECTS DATA AND PERFORMANCE METRICS

### DATA

TOTAL DOLLAR AMOUNT OF CAPITAL PROJECTS FORECAST OVER NEXT 15 YEAR PERIOD

NUMBER OF CAPITAL PROJECTS FORECAST OVER NEXT 15 YEAR PERIOD

PRESENT VALUE CAPITAL PROJECTS FORECAST OVER NEXT 15 YEARS

ANNUALIZED PAYMENT PROGRAM TO FUND CAPITAL PROJECTS OVER THE NEXT 15 YEARS

COST OF CAPITAL AVERAGE PERCENT LAST 5 YEARS (INTEREST ACCRUAL RATE FOR INVESTED FUNDS)

COST OF DEBT AVERAGE PERCENT LAST 5 YEARS (INTEREST PAYOUT RATE FOR BORROWED FUNDS)

TOTAL DOLLAR AMOUNT OF CAPITAL PROJECTS CURRENT YEAR NUMBER OF CAPITAL PROJECTS CURRENT YEAR

### PERFORMANCE METRICS

AVERAGE NUMBER OF CAPITAL PROJECTS PER YEAR

AVERAGE DOLLAR AMOUNT OF CAPITAL PROJECTS PER YEAR BASED ON PRESENT VALUE OF PROJECTS

NUMBER VARIANCE (CAPITAL PROJECTS CURRENT YEAR FROM AVERAGE CAPITAL PROJECTS)

DOLLAR VARIANCE (CAPITAL PROJECTS CURRENT YEAR FROM AVERAGE CAPITAL PROJECTS)

PERCENT VARIANCE (ANNUALIZED PAYMENT PROGRAM TO FUND CAPITAL PROJECTS OVER THE NEXT 15 YEARS)

## **RECYCLING**

**Purpose:** To ensure that the Recycling engineering and operational services provide the Town of Gray with a reliable, safe, effective waste management and disposal system. To ensure a safe and clean environment for citizens and a high quality infrastructure that meets Town, state and federal recycling and waste management standards by managing contractual services for waste management, renovations, maintenance and repair of equipment and facilities.

### RECYCLING DATA AND PERFORMANCE METRICS

#### DATA

DEPARTMENTAL BUDGET  
HOUSEHOLDS - GRAY  
TONS OF TRASH  
TONS OF RECYCLABLES

#### PERFORMANCE METRICS

OPERATING COST PER HOUSEHOLD  
OPERATING COST PER TON OF TRASH

## **LIBRARY**

**Purpose:** To meet the needs of Gray's citizens by providing high quality programs delivered to maximize attendance and effectiveness. To provide a high-quality, well- maintained inventory of books, periodicals, and other media. To plan for maximum utilization of Library facilities.

### LIBRARY DATA AND PERFORMANCE METRICS

#### DATA

OPERATING BUDGET

OPERATING REVENUE

DAYS OF OPERATION PER YEAR

HOURS OF OPERATION PER YEAR

NUMBER OF PATRONS WITH LIBRARY CARDS

PROGRAMS OFFERED PER YEAR

- ADULT
- CHILDREN
- ADULT AND CHILDREN

NUMBER OF PROGRAMS:

OFFERED EXECUTED

NUMBER OF STAFF SUPERVISED

MUNBER OF VOLUNTEER HOURS CONTRIBUTED

NUMBER OF BOOK REQUESTS FROM INVENTORY

NUMBER OF BOOK REQUESTS FROM OTHER LIBRARY SOURCES

NUMBER OF COMPUTER TERMINALS

HOURS OF PATRON COMPUTER TERMINAL USAGE

## **BUILDINGS AND GROUNDS**

**Purpose:** To maintain town parks and facilities in an attractive, safe, clean and accessible condition by planning and conducting preventive maintenance; managing CIP renovation projects; conducting repairs; providing in-house and contractual cleaning services; managing ADA compliance, and performing safety inspections.

### **BUILDINGS AND GROUNDS DATA AND PERFORMANCE METRICS**

#### DATA

OPERATING BUDGET

NUMBER OF BUILDINGS MAINTAINED

SQUARE FEET OF BUILDINGS MAINTAINED

NUMBER OF PARKS, FIELDS, GROUNDS MAINTAINED

SQUARE FEET OF PARKS, FIELDS, GROUNDS MAINTAINED

NUMBER OF BUILDING WORK ORDERS PER YEAR

NUMBER OF PARKS, FIELDS, GROUNDS WORK ORDERS PER YEAR

NUMBER OF BUILDING WORK ORDERS COMPLETE

NUMBER OF PARKS, FIELDS, GROUNDS WORK ORDERS COMPLETE

#### PERFORMANCE METRICS

PERCENT OF CITIZENS RATING APPEARANCE OF TOWN BUILDINGS AS  
EXCELLENT OR GOOD

PERCENT OF CITIZENS RATING APPEARANCE OF TOWN PARKS, FIELDS, GROUNDS  
AS EXCELLENT OR GOOD

COST PER SQUARE FOOT OF BUILDING MAINTENANCE

COST PER SQUARE FOOT OF PARKS, FIELDS, GROUNDS

# DEPARTMENTAL CLASSIFICATIONS AND ACCOUNT CODES

## GENERAL DEPARTMENTAL CLASSIFICATIONS

CODE	DEPARTMENT	CURRENT YR		LAST YEAR		YR BEFORE	
		2005/06	% TOTAL	2004/05	% TOTAL	2003/04	% TOTAL
	<b>A SUB-TOTAL GENERAL ADMIN</b>	\$1,657,323	33.15%	\$1,468,382	31.74%	\$1,823,547	43.27%
	<b>B SUB-TOTAL PLANNING SERVICES</b>	\$75,519	1.51%	\$72,584	1.57%	\$60,607	1.44%
	<b>C SUB-TOTAL ENFORCEMENT SERVICES</b>	\$92,906	1.86%	\$82,625	1.79%	\$87,020	2.06%
	<b>D SUBTOTAL PARKS AND RECREATION</b>	\$85,303	1.71%	\$85,386	1.85%	\$85,796	2.04%
	<b>E SUB TOTAL PUBLIC SAFETY SERVICES</b>	\$505,306	10.11%	\$482,529	10.43%	\$424,303	10.07%
	<b>F SUB-TOTAL PUBLIC WORKS SERVICES</b>	\$647,222	12.95%	\$683,161	14.77%	\$822,368	19.51%
	1200 CAPITAL PROJECTS	\$981,400	19.63%	\$846,936	18.31%	\$93,764	2.22%
	2000 LIBRARY	\$173,053	3.46%	\$156,953	3.39%	\$140,061	3.32%
	5400 RECYCLING	\$676,426	13.53%	\$652,632	14.11%	\$582,823	13.83%
	5500 BUILDINGS AND GROUNDS	\$104,258	2.09%	\$94,466	2.04%	\$93,892	2.23%
	<b>TOTAL</b>	<b>\$4,998,716</b>		<b>\$4,625,654</b>		<b>\$4,214,181</b>	

## DETAIL

CODE	DEPARTMENT	CURRENT YR		LAST YEAR		YR BEFORE	
		2005/06	% TOTAL	2004/05	% TOTAL	2003/04	% TOTAL
	<b>A GENERAL ADMINISTRATION SERVICES</b>						
	100 ADMINISTRATION	\$293,845	5.88%	\$277,606	6.00%	\$262,480	6.23%
	300 ASSESSING	\$68,097	1.36%	\$62,085	1.34%	\$74,265	1.76%
	700 GENERAL ASSISTANCE	\$11,750	0.24%	\$15,165	0.33%	\$8,224	0.20%
	900 ELECTIONS	\$5,250	0.11%	\$6,694	0.14%	\$2,697	0.06%
	1000 DEBT SERVICE	\$226,199	4.53%	\$151,669	3.28%	\$246,355	5.85%
	1100 RESERVES	\$196,700	3.94%	\$184,807	4.00%	\$483,133	11.46%
	1300 EMPLOYEE BENEFITS	\$552,888	11.06%	\$483,132	10.44%	\$473,091	11.23%
	1400 GENERAL INSURANCE	\$120,600	2.41%	\$113,594	2.46%	\$102,245	2.43%
	4300 UTILITIES	\$127,223	2.55%	\$123,774	2.68%	\$124,552	2.96%
	6000 TOWN COUNCIL	\$16,560	0.33%	\$15,168	0.33%	\$14,270	0.34%
	6400 COMPREHENSIVE PLAN	\$100	0.00%	\$0	0.00%	\$1,540	0.04%
	6500 WEBSITE	\$3,300	0.07%	\$5,974	0.13%	\$3,450	0.08%
	6700 ECONOMIC DEVELOPMENT	\$725	0.01%	\$265	0.01%	\$490	0.01%
	7100 STIMSON HALL	\$3,000	0.06%	\$2,899	0.06%	\$2,905	0.07%
	8000 COMMUNITY SERVICES	\$31,086	0.62%	\$25,550	0.55%	\$23,850	0.57%
	<b>SUB-TOTAL GENERAL ADMIN</b>	<b>\$1,657,323</b>		<b>\$1,468,382</b>		<b>\$1,823,547</b>	
	<b>B TOWN PLANNING SERVICES</b>						
	200 PLANNING	\$60,287	1.21%	\$57,599	1.25%	\$54,997	1.31%
	600 GIS MAPPING	\$7,000	0.14%	\$6,418	0.14%	\$764	0.02%
	6300 PLANNING BOARD	\$6,852	0.14%	\$7,921	0.17%	\$3,716	0.09%
	6600 ORDINANCE REVIEW COMMITTEE	\$1,380	0.03%	\$646	0.01%	\$1,130	0.03%
	<b>SUB-TOTAL PLANNING SERVICES</b>	<b>\$75,519</b>		<b>\$72,584</b>		<b>\$60,607</b>	
	<b>C CODE ENFORCEMENT SERVICES</b>						
	400 CODE ENFORCEMENT	\$75,966	1.52%	\$64,809	1.40%	\$72,580	1.72%
	800 ANIMAL CONTROL	\$14,740	0.29%	\$13,083	0.28%	\$12,765	0.30%
	6100 ZBA	\$2,200	0.04%	\$4,733	0.10%	\$1,675	0.04%
	<b>SUB-TOTAL ENFORCEMENT SERVICES</b>	<b>\$92,906</b>		<b>\$82,625</b>		<b>\$87,020</b>	
	<b>D PARKS AND RECREATION</b>						
	2001 PARKS AND RECREATION	\$84,953	1.70%	\$85,386	1.85%	\$85,746	2.03%
	6200 RECREATION AND CONSERVATION	\$350	0.01%	\$0	0.00%	\$50	0.00%
	<b>SUBTOTAL PARKS AND RECREATION</b>	<b>\$85,303</b>		<b>\$85,386</b>		<b>\$85,796</b>	
	<b>E PUBLIC SAFETY SERVICES</b>						
	4000 PUBLIC SAFETY SERVICES	\$322,713	6.46%	\$306,631	6.63%	\$251,703	5.97%
	4100 RESCUE	\$32,325	0.65%	\$31,177	0.67%	\$34,393	0.82%
	4200 COMMUNICATIONS	\$150,268	3.01%	\$144,721	3.13%	\$138,207	3.28%
	<b>SUB TOTAL PUBLIC SAFETY SERVICES</b>	<b>\$505,306</b>		<b>\$482,529</b>		<b>\$424,303</b>	

## **DEBT MANAGEMENT POLICY**

Approved by the Town Council at the 10-20-15 Town Council Meeting

The Town may decide to borrow funds (incur debt) for short-term or long-term funding needs for a variety of reasons. Most often, debt is required for funding of the Capital Improvement Plan. Although the Capital Improvement Plan is scheduled and intended to be fully-funded at the scheduled time for each asset purchase, the Town may choose to borrow funds to finance its Capital Improvement Plan, and/or one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan and contingent upon a favorable vote of Town meeting.

(The Treasurer is required to provide a pre-determined, scheduled analysis to the Finance Committee and/or to the Town Council, detailing available funds for fulfillment of the long-term and short-term Capital Improvement Plan. Funds requested or required for one-time capital asset expenditures (i.e. land/building purchases) or economic development activities are analyzed and detailed in conjunction with the Capital Improvement Plan and/or separately as required/requested.)

Upon direction from the Town Council and/or the Finance Committee, the Treasurer will research all possible debt options available to the Town, to be reviewed by the Finance Committee for recommendation to the Town Council. The process and procedure for proposing debt, regardless of type and duration is outlined in this section for management and compliance purposes.

### **OVERVIEW**

The Town may not issue debt that is not supported by taxes.

The Town may not issue debt to fund current or ongoing operations of the Town except in the form of TANs when applicable, and only in compliance with current Maine State law and with applicable Internal Revenue Service (IRS) regulations.

The Town may not lend its borrowing capacity to any other entity. In limited circumstances, the Town may choose to guarantee the debt of another entity to which it is contractually affiliated (i.e. ecoMaine, Gray Water District, MSAD 15, any Public Private Partnership (as allowable by law)), providing that such contracts have been executed with the full consent of the Town Council and the voting authority of the Town.

### **DEBT DEFINITIONS**

Debt types are defined as the following:

- Bonds
  - General Obligation - is secured by the Town's pledge to use legally available resources to pay bond holders (aka Full Faith and Credit) and must have voter approval.
- Loans
  - Bond Anticipation Notes (BANs) – Temporary note(s) and renewal note(s) issued upon authorization of the Town Council in anticipation of bond sales, provided that the note

does “not exceed at any one time outstanding the authorized amount” (30A MRSA § 5772), “shall not exceed 3 years” (30A MRSA § 5772) and the time within which they are due “shall not be extended...beyond (1) the time fixed in the vote authorizing their issue; or (2) if no term is specified in that vote, beyond the term permitted by law” (30A MRSA § 5772)

- Tax Anticipation Notes (TANs) - “shall not exceed the total tax levy of the preceding municipal year” (30A MRSA § 5771), “must be paid within one month after the end of the municipal year in which they are made” (30A MRSA § 5771) and “must be paid out of the money raised by taxation” (30A MRSA § 5771)
- Lease

### **MANAGEMENT PROCESS/LIMITATIONS**

The Town will manage the debt which it proposes to incur in accordance with the following guidelines:

- 30A MRSA § § 5701, 5702
  - “A municipality cannot incur debt which would cause its total outstanding debt, exclusive of debt incurred for school, storm or sanitary sewer, energy facilities or municipal airports, to exceed 7.5% of its last full state valuation”
  - “A municipality may incur debt for schools to total an amount not exceeding 10% of its last full state evaluation, up to 7.5% for storm and sanitary sewers, and up to 3% for municipal airports, water districts and special purpose districts, combined”
  - In no event can the total debt exceed 15% of the municipality’s last full state valuation.
- The ability to achieve the lowest possible financing costs
- The measurement of the Town’s ability to pledge its full faith and credit to support the debt service (sometimes as determined by external influences such as rating institutions)

Proposed debt will be evaluated by the following:

1. Demand – the need for debt
  - a. Demand is measured by needs presented in the Capital Improvement Plan and/or one-time capital asset expenditures and economic development activities
2. Capacity – the maximum amount available to the Town for debt in consideration of:
  - a. Current and projected annual debt service levels, based on current projected and outstanding debt amortization schedules
  - b. Market conditions (ability to access the financing market, interest rates, etc.)
  - c. Economic conditions, including cost of construction
  - d. Opportunity for participation in low interest financing programs, debt service reimbursement, grant opportunities or other situations determined to be beneficial to the Town
3. Affordability – the analysis of the financial impact
  - a. Requires a projection of impact for the annual debt service, incorporating the elements of capacity. Annual debt service will be calculated/estimated as the annual amount

needed to satisfy principal and interest payments (according to a projected, estimated amortization schedule). Impact should be analyzed in consideration of budgetary and projected, estimated mil rate (as available) impact and with the following limitations:

- i. Annual debt service payments will not exceed 15% of the approved budgeted tax commitment
  - ii. Total outstanding debt must not exceed 5% of the Town's last full state valuation
4. Terms – length of debt maturity
  - a. Financing will be secured with the goal of paying back the debt over a term that is determined to be of the greatest benefit to the Town
  - b. Maturity of debt may not exceed the useful life of the capital asset or economic development being financed, or than the final maturity of refunded debt, which may not exceed 30 years from the date of issuance (30A MRSA § 5772)
5. Payment Structure – how payments are structured to be applied on the amortization schedule
  - a. If the question submitted for approval of a Town bond does not include this information specifically, the authority to determine payment structure and various other details is delegated to the municipal officers (30A MRSA § 5772)
  - b. Payments are to be structured with level principal amounts and declining interest over the life of the debt except in instances where debt service payments are structured to maximize economic benefit, such as for rate stabilization
6. Refunding – debt issuance, issued at a lower rate, the principal of which is used to pay off other outstanding debt
  - a. Refunding opportunities will be analyzed whenever issuing other applicable debt, in order to package issues
  - b. Refunding opportunities will be detailed in the scheduled available funds analysis to attempt to achieve future interest expense savings, which should be estimated to realize a present value saving of at least 2%.

#### **DEBT PRE-APPROVAL DISCLOSURES**

The Treasurer must provide the Town Council with a signed financial statement required to accompany any question submitted for approval of Town debt, which must include the following information:

1. The Town's total current outstanding debt including amounts authorized and unissued, and the current bond being requested for approval
2. An estimate and explanation of costs involved, including estimated interest rates, estimated cost of interest, total cost of interest and principal to be paid at maturity and any applicable information determined to be appropriate by the Treasurer
3. A statement that the validity of the debt and any subsequent voter approval of the debt may not be nullified by any errors in the estimations required to be provided and disclosed by the Treasurer

#### **BONDS**

## BOND RATINGS

Bond issuance is rated by external influences specializing in the analysis of an organization's ability to repay their debt obligations. The Town will be issued a rating for each bond issuance (which may exclude lease purchases), and at other pre-determined times based on the individual policies and procedures common to the external influence.

Is it the goal of the Town to maintain or improve its bond ratings, as it allows easy entry into the bond sale market and can help obtain favorable interest rates. Maintenance and compliance with/of the Fiscal Policy of the Town is crucial to overall favorable fiscal management and reliable reporting.

## BOND CONTINUING DISCLOSURE/RECORDS RETENTION COMPLIANCE

The Treasurer shall ensure compliance with all covenants made by the Town in the Bond documents, including, but not limited to, financial reporting, restrictions on the use and disposition of property, restrictions on the use and investment of Bond proceeds, and arbitrage and rebate compliance. For the purposes of this policy, the term "Bonds" means any obligations of the Town incurred for the purpose of borrowing money, including, without limitation, bonds, notes, and equipment lease-purchase agreements.

The Town will comply with any applicable continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time and the terms of any continuing disclosure agreement or certificate entered by the Town (each, a "Continuing Disclosure Agreement"), including the following:

1. The Town will provide the following information to the Municipal Securities Rulemaking Board (MSRB) or any successor thereto established under the Securities and Exchange Act of 1934, as amended not later than 270 days after the end of each fiscal year, annual financial information and operating data relating to the Town for the preceding fiscal year of the type presented in any Official Statement prepared in connection with the Bonds regarding:
  - a. revenues and expenditures of the Town relating to its operating budget
  - b. capital expenditures
  - c. fund balances
  - d. rate information
  - e. outstanding indebtedness and overlapping debt of the Town
  - f. pension obligations of the Town
  - g. any such other financial information and operating data as may be required to comply with the Rule
  - h. the audited financial statements of the Town, prepared in accordance with generally accepted accounting principles, promptly upon their public release.
2. The Town will provide in a timely manner not in excess of 9 business days after the occurrence of an event listed below to the MSRB or any successor thereto, notice of the occurrence of any of the following events with respect to the Bonds:
  - a. Principal and interest payment delinquencies

- b. Non-payment related defaults, if material
- c. Unscheduled draws on debt service reserves reflecting financial difficulties
- d. Unscheduled draws on credit enhancements reflecting financial difficulties
- e. Substitution of credit or liquidity providers, or their failure to perform
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
- g. Modifications to the rights of securities holders, if material
- h. Bond calls, if material, and tender offers
- i. Defeasances
- j. Release, substitution, or sale of property securing repayment of the bonds, if material
- k. Rating changes
- l. Bankruptcy, insolvency, receivership or similar event of the Town; for the purposes of the event identified in this clause (l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town
- m. The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material

The Town chooses to file the required information through the Electronic Municipal Market Access System (EMMA), provided by the MSRB.

The Town will comply with the terms of each arbitrage and use of proceeds certificate or tax compliance certificate (each, an "Arbitrage and Use of Proceeds Certificate") for each issue of Bonds issued by the Town and with the applicable provisions of federal tax law. Without limitation of the foregoing, the Town shall take the following actions:

1. Proper Use of Proceeds — The Treasurer shall ensure that bond proceeds are expended and allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any Arbitrage and Use of Proceeds Certificate or agreement related to each bond issue.

2. Investment of Bond Proceeds — The Treasurer shall ensure that bond proceeds are invested in investments that are permissible under the terms of Maine law, the bond documents, and applicable federal tax laws.
3. Arbitrage and Rebate — The Treasurer shall ensure that the Town complies with the arbitrage, rebate and yield restriction requirements of Section 148 of the Internal Revenue Code and the regulations promulgated pursuant thereto and that the Town completes all necessary arbitrage rebate calculations, payments and filings in a timely manner or confirms that the Bonds are exempt from rebate.
4. Administration of Direct Pay Bonds — The Treasurer shall ensure the proper administration of each issue of Bonds qualifying for the payment by the Federal government of a credit equal to a percentage of interest on such Bonds, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the Bonds for purposes of federal income taxation.
5. Use of Bond-Financed Facilities — The Treasurer shall consult with Bond Counsel for the Town before entering into any agreement or other arrangement for the sale, lease, management or use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, agreements granting special rights or entitlements to private parties or naming rights agreements. The Treasurer shall review such agreements for compliance with federal tax laws.
6. Post-Issuance Transactions — The Treasurer shall consult with Bond Counsel for the Town before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the Bonds; engaging in post-issuance credit enhancement transactions (i.e. bond insurance, letter of credit) or hedging transactions (i.e. interest rate swap, cap); terminating or appointing successor trustees; releasing any liens, or reissuing or refunding the Bonds.
7. Remedial Action — In the event that is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the Bonds, the Treasurer shall consult with the Town's Bond Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the Town to take with respect to such Bonds or bond-financed facilities. If the Town takes any action after the issuance of Bonds that causes the conditions of the private business tests or the private loan financing test to be met, then the Town shall take timely remedial actions in accordance with the federal Treasury Regulations section 1.141-12 as necessary in order to preserve the tax-exempt status of the Bonds.

The Town shall maintain all records relating to the issuance of Bonds and the requirements of the Internal Revenue Code and the representations, certifications and covenants set forth in the Arbitrage and Use of Proceeds Certificate relating to the issuance of Bonds until the date six years after the last outstanding Bonds have been retired. If any of the Bonds are refunded by tax-exempt obligations, the Town shall maintain all records required to be retained by this section until the later of the date six

years after the last outstanding Bonds have been retired or the date three years after the last refunding obligations have been retired.

The records that must be retained include, but are not limited to:

1. Basic records and documents relating to the Bonds (including any loan agreement, Arbitrage and Use of Proceeds Certificate and the opinion of Bond Counsel)
2. Documentation evidencing the expenditure of Bond proceeds
3. Documentation evidencing the use of the project(s) financed by the Bonds by public and private sources (i.e. copies of management contracts, research agreements, leases, etc.)
4. Documentation evidencing all sources of payment or security for the Bonds
5. Documentation pertaining to any investment of Bond proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations)

## **LEASE**

The Town may choose to enter into a lease agreement to fulfill its requirement for certain assets (i.e. Town vehicles and various equipment). A lease may be used when the Town wishes to use property without purchasing it outright. A lease is only considered for capital assets if it meets one or more of the following requirements:

- It transfers ownership of the leased property to the lessee with the lessor as the lienholder
- Contains a nominal purchase option
- Its terms equal 75% or more of the estimated economic life of the leased property
- The present values of the lease payment equals or exceeds 90% of the fair value of the property at the inception of the lease

The lease agreement must contain a clause stating that if the Town chooses not to or is unable to appropriate the necessary funds in any applicable budget year for the debt service payment owed to the Lessor, the Town may elect to terminate the lease without penalty and the Town will peaceably surrender the leased items to the Lessor, forfeiting its rights to ownership.

## **DEBT ISSUANCE**

In the past, the Town has relied on the sale of bonds (as well as BANs) for the majority of its financing needs. The sales are conducted through the use of a financial advisory firm and recognized bond counsel (the fees of both of which are expendable from the bond proceeds). This process allows the Town continued access to the bond market and ensures compliance with all Securities and Exchange Commission (SEC), MSRB and IRS regulations.

The Town may enter into lease agreements if the management process outlined above determines such an agreement to be in the best interest of the Town.

## **ANNUAL POLICY REVIEW/EDUCATION**

On an annual basis, or sooner if deemed necessary or appropriate by the Treasurer, the Treasurer shall review this policy and assess the Town's compliance with this Policy. The Treasurer shall make changes to this Policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of federal tax and securities law and any other applicable law. The Town will also implement a program, including appropriate instruction and education of personnel, for purposes of ensuring compliance with the terms of this Policy.

## **CAPITAL IMPROVEMENT PLAN POLICY/PROCEDURE**

Approved by the Town Council at the 10-20-15 Town Council Meeting

A Capital Improvement Plan (CIP) is a valuable and critical planning tool that is used to manage the continuing need to replace and add capital assets (as defined below). The purpose of this plan is to provide a method of planning that combines the needs of all the departments of the Town on both a short-term and a long-term basis.

This plan not only addresses the maintenance, improvement and replacement of existing assets, it also looks ahead for future needs, projects and one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan (or other similar guidelines provided by the official approval of the Town Council and/or the taxpayers) and contingent upon a favorable vote of Town meeting. The CIP is a guide to be used in preparing comprehensive annual budgets.

### **DESCRIPTION**

Capital improvement planning involves the scheduling of short-term and long-term capital expenditures of the Town. Capital expenditures include funds for buildings, land, major equipment, and other assets that are of significant value and have a useful life of several years. For the Town's purposes, a capital improvement will be defined as a capital expenditure that is more than \$5,000 and that will have an anticipated useful life of at least five years.

The CIP provides a framework for the following administrative functions:

1. Estimating capital requirements
2. Scheduling projects over fixed periods with appropriate planning and implementation
3. Prioritization of capital improvements
4. Developing a financial plan for the requirements as scheduled
5. Coordination of activities between departments for project planning
6. Monitoring and evaluating the progress of capital improvements
7. Informing the Finance Committee, Town Council and the public of projected capital improvements

### **BENEFITS**

The CIP provides a means of implementing the objectives and policies of the Comprehensive Plan and other similar guidelines provided by the official approval of the Town Council and/or the taxpayers. Considerable benefits may be derived from a systematic approach to the programming of capital projects. These benefits include:

1. Focusing attention on community goals, needs and capabilities
2. Achieving optimum use of the taxpayer's funds
3. Guiding future growth and development
4. Serving wider community interests over localized ones

5. More efficient government administration
6. Maintaining a sound and stable financial plan
7. Focusing attention on existing infrastructure conditions
8. Enhancing opportunities for participation in federal and state funding programs.

## **FIXED ASSET CAPITALIZATION**

### **ASSET CRITERIA**

Capital assets will meet the following minimum standards to be considered fixed assets and eligible to be included in the CIP schedules:

- Have a value of \$5,000 or more. This requirement can be for an individual item in excess of \$5,000 or for a collective project/class of assets (i.e. computer systems including software, and miscellaneous hardware items needed to be considered complete as a whole)
- Having an estimated useful life of at least five years or more
- Major asset categories are Road Resurfacing, Bridge Repair and Replacement, Fire and Public Safety, Public Works and Town Vehicles and Equipment, Sidewalks, Technology, Public Buildings, Land Acquisition and Miscellaneous
- For the purposes of this Policy, capital assets DO NOT include those properties acquired by the Town through the Tax Lien Foreclosure process as the handling of those assets are governed by the Tax Acquired Property Procedures Ordinance, until such time as a Tax Acquired Property is officially received and retained by Town as property that it does not intend to dispose of through the Ordinance

### **METHOD**

All capital assets will be recorded at historical cost as of the date acquired or constructed, except for infrastructure (as detailed below). If historical cost information is not available, assets will be recorded as estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index. The current financial auditing firm will maintain the fixed asset schedule for the purposes of recording and calculating the depreciation required for presentation on the annual financial statements.

### **ACQUISITIONS/DISPOSALS**

The Town will capitalize new assets that meet the asset criteria. Directly after a capital asset is acquired it will be specifically identified to the Treasurer for inclusion into the fixed asset schedule and the CIP, with such details that clearly identify the asset, as well as being added to the Town's insurance policy.

The Town will remove assets that have been disposed of in a manner consistent with the process outlined later in this section. Directly after a capital asset is disposed of it will be specifically identified to the Treasurer for removal from both the fixed asset schedule and the CIP, with such details that clearly identify the asset, as well as being removed from the Town's insurance policy.

## REPAIRS OR IMPROVEMENTS

The Town will capitalize expenditures that increase future benefits from an existing capital asset beyond its previously assessed value or condition.

## COLLECTIVE PROJECTS/CLASSES OF ASSETS

The Town will capitalize the items listed below as collections:

- Computers and associated technology or devices
- Personal protective equipment
- Radios
- Telephone systems
- Artwork and historical treasures
- Any other assets bought in a bulk purchase that meet the asset criteria

## INFRASTRUCTURE

The Town reports its infrastructure as an asset on its financial statements in accordance with GASB 34. The cost is recorded at historical cost (if purchased or constructed) or estimated fair value (if donated). The Town uses an estimated historical cost when the actual cost cannot be identified. Replacement costs for infrastructure assets are based on current year construction costs for similar assets or other information that approximates current replacement cost. The Town reports new acquisitions or constructs in the period during which they are expended. The Town uses existing sources of information to provide support for the initial cost estimates for its infrastructure assets, such as bond documents, engineering documents or budget expenditure records.

## REPLACEMENT CYCLE

Each capital asset will be scheduled on a replacement cycle based on the asset type and/or replacement schedules for similar asset types accepted by industry standards specific to that asset type. Each Department Head is required to review all of their capital assets during the annual needs assessment review and will take into careful consideration the replacement cycles for the asset types to recommend any changes that may be made to the type as a whole (based on performance over time) or individually (based on specific circumstances).

## ANNUAL PLAN PROPOSALS

The CIP is developed and presented for approval on an annual basis during the annual budget process, as detailed further below. A variety of internal and external factors influence the proposal and the decision:

1. Maintenance of existing assets – The Town has considerable investment in roads, bridges, buildings, grounds, etc. With limited financial resources available to the Town, the decision to acquire capital assets may be secondary to keeping existing assets in good working condition.

2. Current availability of federal and state funding – The decreasing availability of such revenues is cause for caution on becoming overly dependent on them for short-term or long-term CIP planning or decisions in general, and may indicate the need for prioritizing any projects for which the Town may be eligible for funding.
3. Federal and state requirements – Federal and state mandates may require the renovation or repair of existing facilities, in some cases even the construction of new facilities.
4. Unforeseen Circumstances – Even the best planning cannot anticipate future, unforeseen circumstances. Each circumstance will have its own consequences to the CIP, either positive or negative.

The CIP is proposed in both short-term and long-term schedules. Short-term is considered to be the subsequent five year period. Long-term is considered to be the ten year period after the short-term period.

#### CAPITAL NEEDS ASSESSMENTS

Capital assets, asset improvements and infrastructure needs and/or deficiencies are based on the recommendations of each Department Head, and/or may be brought to the attention of the Department Head by the public or the recommendation of the Town Council, applicable Committees, etc. Capital asset recommendations of Department Heads must include an estimated replacement value of each asset in as detailed a format as possible to ensure that every potential cost associated with that asset has been considered. Capital asset improvements must include an estimated cost of each improvement in as detailed a format as possible to ensure that every potential cost associated with that improvement has been considered. Infrastructure recommendations may be made or based on third-party information (i.e. a Pavement Management Study is relied on by the Road Commissioner and the Public Works Director to schedule roads for resurfacing or reconstruction based on industry-accepted criteria used to rate their condition), the expenditures which require pre-approval by the Town Council. All recommendations are to include a proposed timeline which will include the estimated start date and duration of project for Town employee and/or independent contractor planning purposes.

#### ANNUAL FINANCIAL PLAN PROPOSAL PROCEDURE

The Treasurer is responsible for annually compiling data and recommendations from Department Heads to update the CIP and schedule its financial plan. All data and recommendations from Department Heads are required annually during the budget preparation process (deadlines of which are set by the Treasurer to be consistent with the Town Charter requirements, Town Council budget workshops and/or other deadlines required to ensure proper completion of the CIP and its financial plan). The CIP generally requests appropriation of funds available in the Capital Reserve Fund. The decision to propose the financial plan to the public in the form of the annual Capital Reserve Fund appropriation is a responsibility of the Town Council. However, certain projects and/or one-time capital asset expenditures and/or economic development activities may be proposed to be appropriated from the General Fund based on the recommendation of the Finance Committee or the Town Council. Please refer to the Budgeting section of this policy for more details.

The annual CIP and its financial plan proposal are based solely on the replacement cycles and estimated costs/replacement values/expenditures provided by Department Heads and occasionally may include one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan (or other similar guidelines provided by the official approval of the Town Council and/or the taxpayers). Both the short-term and long-term schedules are compiled in their entirety and presented to the Town Council during the budget process. The focus of the Town Council is on the short-term schedule, but the long-term schedule is used to maintain a diversified and stable estimated revenue allocation into the Capital Reserve Fund to mitigate short-term fluctuations in any one year, while also properly anticipating longer-lived assets such as bridges and buildings.

#### ALTERNATIVE REVENUE(S)

The CIP's financial plan must be realistic as it relates to the Town's fiscal capacity. The financial plan is scheduled and intended to be fully-funded at the scheduled time for each asset expenditure. However, the Town may seek alternate methods of revenue sources to fund individual or multiple expenditures.

The Town may choose to borrow funds (incur debt) to finance its Capital Improvement Plan, and/or one-time capital asset expenditures and economic development activities consistent with and in accordance with the Comprehensive Plan (or similar guidelines provided by the official approval of the Town Council and/or taxpayers) and contingent upon a favorable vote of Town meeting, which may be proposed in the same manner as full-funding during the annual budget process. The financial plan may propose to incur debt to fund the CIP, but only in manners consistent with the Debt Management section of this policy, which describes in detail the procedure and process that is acceptable for the Town to incur debt. Debt service payments will be proposed in the annual Capital Reserve Fund appropriation in the manner consistent with the annual plan proposal previously detailed.

The Town annually proposes a warrant article to the taxpayers during the Town Meeting process which would allow all Town owned personal property (capital assets) revenue with a maximum set value (to be determined annually by the Town Council) or less to be received directly into the Capital Reserve Fund to be utilized for the annual plan proposal as available funds. The Town Council may, on a case-by-case basis, approve funds received from the disposal of personal property (capital assets) in excess of that amount to be received directly into the Capital Reserve Fund to be utilized for the annual plan proposal as available funds.

The Town may choose to utilize Special Revenue Funds (as further defined in the Internal Control section of Policy) as applicable/allowable to be included in the annual plan proposal as such.

The Town may choose to apply for and accept a Grant from Federal/State or private organizations. A Grant may only be applied for to finance the Capital Improvement Plan (more specifically a specific asset expenditure) with the prior approval of the Finance Committee as they are authorized to proceed by the Town Council. In some cases, more specifically for one-time capital asset expenditures specifically for economic development activities consistent with and in accordance with the Comprehensive Plan (or similar guidelines provided by the official approval of the Town Council and/or taxpayers) the Town Council may authorize the Director of Economic Development to apply for a Grant directly instead of

through the Finance Committee. In all cases, acceptance of any Grant awarded to the Town is required by official approval of the Town Council. If the Town Council accepts a Grant award, the funds may then be included as alternate revenue and included in the annual plan proposal as such.

The Town may choose to charge Special Assessment Fees to properties which would receive a direct benefit from a specific infrastructure project located on-site or nearby. The revenue generated from these fees are used to directly finance the project benefitting the property. Most often, Special Assessment Fees have been charged by the Town under the authority of the Zoning Ordinance and under the regulation of the Planning Board in connection with projects presented to them by applicants, but the Town may choose to utilize this method of alternate revenue concerning its own infrastructure with the recommendation of the Finance Committee and the approval of the Town Council.

The Town may choose to enter into an Inter-local agreement with another municipality to jointly provide assets (and thereby services) to each of their residents. The ability to combine resources may provide alternate revenue or a possible decrease in appropriation for a particular asset depending on the details of each Inter-local agreement. Any such agreement would require the approval of the Town Council and any proposed revenue or appropriation concerning the same would be included in the annual plan proposal.

The Town may choose to charge Impact Fees to new developments based on the need to either expand/construct infrastructure or capital facilities either on or off-site to serve the new development. Unlike Special Assessment Fees, Impact Fees would not have to directly finance the project benefitting the property, but they must be spent on the same type of infrastructure or capital facilities for which the new development was charged. Impact Fees would be charged by the Town under the authority of the Zoning Ordinance and would be recorded as revenue in a Special Revenue account which could be proposed as applicable/allowable to be included in the annual plan proposal.

The Town may choose to utilize funds from property taxes raised within a Tax Increment Financing (TIF) District as long as the project/expense is specifically allowable by the applicable TIF Plan (previously approved by the Town Council, the taxpayers and the State of Maine and within guidelines detailed further in the Tax Increment Financing Districts section of this Policy) and would be included in the annual plan proposal.

#### **ASSET DISPOSAL PROCEDURE**

Asset disposal will be determined by the manner which is considered to have the maximum benefit to the Town with consideration of the following:

1. Any monetary value the asset may still retain whether by sale or trade-in
2. Any need for which the Town may reallocate the asset
3. Any recommendation or request by the Town Manager and/or Department Head

Generally, the procedure for disposal will be recommended by the Treasurer to the Town Council for approval for each major asset categories in the following manner and the following order:

- Road Resurfacing – N/A
- Bridge Repair and Replacement – N/A
- Fire and Public Safety
  - Equipment or Vehicles
    - Reuse elsewhere in the Town
    - Trade-in value
    - Sale to another municipality
    - Sale by auction
    - Sale by bid
- Public Works and Town Vehicles and Equipment
  - Equipment or Vehicles
    - Reuse elsewhere in the Town
    - Trade-in value
    - Sale to another municipality
    - Sale by auction
    - Sale by bid
- Sidewalks – N/A
- Technology
  - Reuse elsewhere in the Town
  - Trade-in value
  - Sale to another municipality
  - Disposal in the waste stream for profit
- Public Buildings
  - Sale by auction/or private sale
  - Demolition
- Land Acquisition – N/A
- Miscellaneous
  - Reuse elsewhere in the Town
  - Trade-in value
  - Sale to another municipality
  - Disposal in the waste stream for profit

This general procedure may be revised as far as order is concerned upon the recommendation of the Treasurer as it relates to the each individual asset category, circumstance and any future needs of the Town which may be considered on a case-by-case basis.

# UNDESIGNATED FUND BALANCE POLICY TOWN OF GRAY MAINE

*As of February 17, 2004*

## SECTION I – PURPOSE

The purpose of the undesignated fund balance policy shall be to create a guideline to ensure the well being of the Town's financial administration in a manner that assists in providing for a positive cash flow, reducing short term borrowing costs and meeting the town's long term capital investment objectives while ensuring that year-to-year fluctuations do not allow accumulation of an excessive undesignated fund balance.

## SECTION II – OBJECTIVE

- A. In addition to the Crisis Fund established as one twelfth (1/12) of the approved appropriation for the municipal budget, the Town's portion of MSAD #15 local assessment, county and overlay, the Town, through proper administration of the Undesignated Fund Balance, can work to assure the fiscal integrity of the Town.
- B. The Town shall strive to maintain the level of the undesignated fund balance at an amount no greater than two twelfths (1/6) of the approved appropriation for the municipal budget, the Town's portion of MSAD #15 local assessment, county and overlay. This is in addition to the Crisis Fund.
- C. The Undesignated Fund Balance will be determined upon completion of the fiscal year end audit and compared to the budget, as approved at the last June Town Meeting for the next fiscal year. Any excess in the Undesignated Fund Balance identified in the Town's audited financial statements that exceeds the target level in B above shall be transferred to the Town's most current Capital investment Plan schedules and/or distributed to the various reserves, upon the recommendation of the Town Manager and the Town Council and the approval of the Town Meeting. Such a recommendation should include recognition of the timing of such transfers and accounts receivable as they relate to cash flow requirements as reported by the Controller.

The excess in the fund balance may be distributed for the following activities or reserve accounts:

1. Replacement of aging capital assets including rolling stock that demonstrate a high maintenance record and has a useful life of ten (10) years or more.
2. Asset schedules related to buildings, roads, and other infrastructure that require capital maintenance or capital repairs to prevent further deterioration that if not done would cost more than if the intermediary work was not done.
3. Utilization of funds to pay off short term notes related to the Capital Investment Plan that would help save the Town funds or set the funds in a specific capital reserve to enable the Town to avoid incurring debt to fund the investment.
4. The following are the reserve accounts established or retained by the Town:
  - a. Road Resurfacing
  - b. Bridge Repair and Replacement
  - c. Fire and Public Safety
  - d. Public Works and Town Vehicles and Equipment
  - e. Sidewalks
  - f. Technology
  - g. Public Buildings
  - h. Land Acquisition
5. The Town Council may vote to add or delete a reserve to this list and recommend those actions for approval at the next annual or special Town Meeting with documentation as to the justification and proposed disposition of funds.

## INVESTMENT POLICY

Approved by the Town Council at the 10-20-15 Town Council Meeting

All funds entrusted to the Town of Gray as directed by the Accounting Structure shall be invested in accordance with Title 30A MRSA § 5706, 5711-5719. Specifically the funds to be invested routinely may include but are not limited to:

- General fund (operating revenues received in advance of operational needs)
- Capital Reserve funds (funds allocated for future capital purchases, including proceeds of bonds or temporary notes issued in advance of the time for which payments for capital projects are required)
- Special Revenue funds
- Fiduciary and/or Permanent funds (in compliance with the Town's fiduciary capacity as trustee)

### OBJECTIVES

The Town's investment portfolio shall be designed with the objective of meeting all legal requirements set forth by Federal, State and applicable governing authorities.

The investment objectives are to invest the maximum amount possible, through the use of appropriately secure accounts. In investments, the Town places security/safety of funds as its first concern, maintenance of liquidity as a secondary concern and with rate of return as a tertiary concern.

To that end, the definitions for each concern are the following:

- 1) Security/Safety - Safety of principal and preservation of capital is the foremost objective. Capital losses (realized or unrealized) for all investment transactions made are unacceptable. The portfolio shall be diversified to insure that potential losses on the individual securities do not exceed the income generated from the remainder of the portfolio. The Treasurer will ensure the safety of invested funds by limiting interest rate, credit rate, deposit and custodial credit risks.
  - a. Interest Rate Risk - The risk that the market value of the portfolio securities will fall due to a change in general interest rates. Interest rate risk will be mitigated by:
    - i. Structuring the Town's portfolio so that securities mature to meet the Town's cash demands for ongoing operations, thereby precluding the need to sell securities on the open market prior to their maturity. (At all times the original principal investment must not fall below the Town's original cost basis for all invested funds. This includes realized and unrealized gains and losses).
    - ii. Investing primarily in shorter-term securities.
  - b. Credit Rate Risk - The risk of loss due to the failure of the security of the backer. Credit rate risk will be mitigated by:
    - i. Limiting investments to the types of securities authorized only by this policy
    - ii. Using financial institutions which have been pre-qualified by the Finance Committee according to pre-established standards common to the industry and clearly identified by the Committee.

- iii. Diversifying the investment portfolio to meet the Town's current and future cash flow needs.
    - c. Deposit Risk - The risk that, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposit risk will be mitigated by:
      - i. Complete collateralization/insurance of all deposited funds
        - 1. Primarily through depositing only with FDIC member institutions
        - 2. Validated custodial agreements with the depository institution
    - d. Custodial Credit Risk - The risk that, in the event of the failure of the financial institution, the Town will not be able to recover the value of its investments and/or collateral securities that are in the possession of an outside party. Custodial credit risk will be mitigated by:
      - i. Complete collateralization/insurance of all deposited funds
        - 1. Primarily through depositing only with FDIC member institutions
      - ii. Doing business with authorized institutions, depositories and broker/dealers
      - iii. Requirement to register all investments and/or collateral securities in the name of the Town only, not the financial institution
- 2) Maintenance of Liquidity-An adequate percentage of the portfolio shall be maintained in liquid short-term securities, which can be converted to cash to meet operating requirements. This portfolio should be structured so that securities mature in a ladder form.
- 3) Rate of Return-The objective of the portfolio should be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The Town's portfolio management approach is one which prohibits speculation based on anticipated interest rate movements. The Town's approach is to buy investments with the intention of holding them until maturity. All maturities in excess of one year shall be first approved by the Town Council after the formal recommendation of the Finance Committee. The formal recommendation shall be accompanied with a detailed review of those investments longer than one year. The Town shall not sell the securities prior to maturity unless:
- a. It will minimize real or unrealized loss of principal
  - b. A security swap would improve the yield in the portfolio which outweighs the possible fees associated with the act
  - c. Maintenance of Liquidity as unforeseen before the investment

#### **ETHICS AND CONFLICTS OF INTEREST**

The Finance Committee will avoid proposing or approving any transaction that might impair public confidence in the Town's ability to govern effectively. The Treasurer and the Finance Director (or their assigned designee) will refrain from business activity that could conflict with proper execution of the current investment program as approved by the Finance Committee or the Town Council, or which could impair their ability to make impartial investment proposals. The Finance Committee, Treasurer and Finance Director will disclose to the Town Council, any material financial interest in financial institutions

that conduct business within the Town and will further disclose any large personal financial/investment positions that could be considered related to the performance of the Town's portfolio. The Finance Committee, Treasurer and Finance Director will subordinate their personal investment transactions to those of the Town, particularly with regard to the time of purchase and sales. Any violation of this procedure will be reviewed by the Town Council. After such review, the Town Council, by majority vote, may take appropriate disciplinary action according to the Personnel Policy, up to and including termination of employment.

#### **DELEGATION OF AUTHORITY**

The ultimate responsibility for the investment program rests with the Town Council, who have delegated the majority of those responsibilities to the Finance Committee in the Town Council Rules, and with oversight and reporting requirements to be undertaken by the Treasurer and the Finance Director. The Treasurer and the Finance Director will be responsible for all transactions processed and have established a system of internal controls to regulate the activities of subordinated officers.

It is the responsibility of the Finance Committee to develop and review biannually, the investment policies of the Town, assuring that all assets of the Town have been properly protected and invested in compliance with Federal and State laws and regulations.

#### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Treasurer and the Finance Director, under the oversight of the Finance Committee, will conduct investment transactions with financial and investment securities approved by the Finance Committee, or the Town Council. In selecting financial institutions with which to conduct business, the Treasurer and the Finance Director will present an overview of the financial institution's credentials, audited financial statements, proof of National Association of Securities Dealers (NASD) certification (if necessary), membership in the Federal Deposit Insurance Company (FDIC) (if necessary), proof of State registration, and other details as deemed pertinent or required by industry standards and current regulations. Any Financial Institution with which the Town conducts business must certify, in writing, that it has read, understood and agreed to comply with the Town's Fiscal Policy (as applicable), specifically the Investment section of that document.

#### **COLLATERALIZATION**

Collateralization is required on all investments including repurchase agreements. The collateral must be in an amount equal to the excess deposit and interest earned and it may consist only of securities in which municipalities may invest. The Town or an independent third party with whom the Town has a current custodial agreement will always hold collateral.

## INVESTMENT TRAINING

The Treasurer and/or Finance Director may be expected to attend at least one applicable training session annually, to be paid for by the Town, or will continually educate themselves in a manner acceptable after a required review and approval of the Finance Committee. The training or education is required to include any State of Maine Legislative Action as applicable to this policy.

## SUITABLE AND AUTHORIZED INVESTMENTS

- United States government bonds and instrumentalities (bonds and other direct obligations of the United States)
- State bonds - “bonds and other direct obligations issued or guaranteed by any state or agency of the state, provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Banking” (30A, MRSA, Section 5712, 2)
- Maine State bonds – “bonds and other direct obligations issued or guaranteed by any state or agency of the state, or any political subdivision of the State that is not in default...” (30A, MRSA, Section 5712, 3)
- Dominion of Canada – “bonds and other direct obligations issued or guaranteed by the Dominion of Canada, any province, or political subdivision provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Banking and payable to the United States” (30A, MRSA, Section 5712, 4)
- Short-term obligations – prime bankers’ acceptances and prime commercial paper
- Corporate bonds – “bonds and other direct obligations of any United States or Canadian corporation, provided that the securities are rated within the 3 highest grades. Nor more than 2% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested of any one corporation” (30A, MRSA, Section 5713, 1)
- Maine corporate bonds – “bonds and other obligations of any Maine corporation, actually conducting business in this State, for a period of 3 successful fiscal years, has earned or received an average net income of not less than 2% times the interest in the obligations. Not more than 20% of the total assets of the permanent reserve fund, permanent trust fund may be invested in these securities and not more than 2% in any one corporation” (30A, MRSA, Section 5713, 2)
- Maine corporate stocks – “the stock of any Maine corporation, other than stock of a financial institution, conducting business in this State for at least 3 years and have received an average net income after taxes equivalent to at least 6% upon the entire outstanding issue of the stock. Not more than 10% of the deposits of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested may be invested under this section in stocks of Maine corporations and not more than 1% in any one corporation. The fund shall be invested in no more than 20% of the stock of any one corporation” (30A, MRSA, Section 5713, 3)

“The Town shall not acquire or hold stock and obligations described below in excess of 30% of the total assets of the reserve fund, permanent trust fund, or other permanent fund. The Town shall

not acquire or hold stock of any one bank in excess of 5%, nor shall any such fund be invested in stock in excess of 10% of the capital stock of any one bank” (30A, MRSA, Section 5714, 2)

- “Debentures of any financial institution authorized to do business in the State of Maine incorporated under the laws of this State or the US and of any financial institution holding company, provided that the holding company is registered under the United States Bank Holding Company Act of 1956 or the National Housing Act, Section 408” (30A, MRSA, Section 5714, 1A)
- Stock - “capital stock, preferred stock, debentures and acceptances of any insured bank not having an office in this State which has total capital reserves of at least \$50,000,000 and whose subsidiary banks have total capital reserves of a least 50,000,000 provided that it is registered under the United States Bank Holding Company Act of 1956. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund may be invested” (30A, MRSA, Section 5714, 1B)
- Capital Notes or Debentures – “issued by an municipalities chartered under the laws of any state, or of the United States, or of the Commonwealth of Puerto Rico, notwithstanding the fact that these notes or debentures may be subordinated to the claims of depositors or other creditors of the issuing institution. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested maybe be so invested” (30A, MRSA, Section 5714, 1C)
- Obligations – “issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the Inter-American Development Bank or the African Development Bank” (30A, MRSA, Section 5714, 1D)
- (Passbook) Savings Account – These accounts pay a low rate of interest, compounded daily on their balances. This account allows the transfer of money between the Town’s accounts and earn short-term on odd amounts of money that are not available for longer investments.
- Repurchase Agreements – These investments are an agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.
- Mutual Funds – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.
- Other stock investments – preferred stock of public utilities, bonds of nonprofit organizations, small business investment companies and Maine Capital Corporation.

## **DIVERSIFICATION**

The Town will diversify its investment portfolio to avoid incurring unreasonable and avoidable risks or loss resulting from over concentration of assets in a specific maturity, specific issuer, or a specific class of securities, with the exception of US Treasury Securities and other authorized pools. No more than 75% of the Town’s investment portfolio will be invested in a single security type or with a single investment institution.

## **INTERNAL CONTROL**

The Town's independent auditing auditors will annually review the Town's investment internal controls and procedures. The auditors will concentrate on control of collusion, separation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of all transactions, code of ethics and documentation of transactions.

## **PERFORMANCE STANDARDS**

The Town's investment portfolio will be designed with the objective of exceeding the average Federal Funds rate. The Treasurer's objective is to propose methods to the Finance Committee to maximize the Town's cash invested at all times.

## **REPORTING**

The Treasurer and the Finance Director will submit an investment report(s) to the Finance Committee for all funds invested on a mutually-agreed-upon schedule (not to exceed a six-month period). However, all investments will be recorded in to the Trial Balance and reconciled monthly by the Finance Director in the same manner as all other Town cash accounts.

The investment report(s) will including the following as necessary/applicable:

- Report period covered
- Type of investment(s)
- Investment(s) by institution
- Current market value (even though is it recognized that generally accepted accounting principles do not allow for the recording of market value as an account balance when taking into consideration collateralization and similar requirements of the Town)
- Purchases or cost of securities
- Date of maturity
- Rate of interest
- Realized and unrealized gains or losses (in consideration of current market value)

## **PORTFOLIO PERFORMANCE**

If the market value of the Town's investment portfolio for any fund drops below 5%, the investment company will immediately notify the Treasurer or the Finance Director by phone, if it cannot be done in writing, within 30 days of the date of occurrence. If the market value of the Town's investment portfolio falls below 10%, the investment company will immediately notify the Treasurer or the Finance Director in writing, within 30 days of the date of occurrence.

## **LEGISLATIVE/POLICY CHANGES**

The Treasurer and Finance Director will incorporate any State of Maine Legislative Actions that impact allowable investment type, maturities and percentage of allocations. Updates of the same to applicable sections of this policy, as necessary and/or required, will be presented to the Finance Committee for recommendation to the Town Council.



## TOWN OF GRAY

Henry Pennell Municipal Complex  
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www.graymaine.org

OFFICE OF THE TOWN MANAGER

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December 1, 2022

Upon the resignation of the former Public Works Director, Foreman Tim Estes was elevated to the role of Interim Public Works Director and has offered to remain in that role while the Town decides on next steps for re-filling an administrative position.

I understand that Council has in the past considered plans to hire an engineer to fill the role of Public Works Director, which would improve the Town's ability to review plans, costs, and options for public works projects and provide other expertise to assist with Town planning and other functions.

I have reviewed the management structure of ten other comparably sized municipalities, in terms of population and tax base, and make the following observations and recommendations:

- Six of the ten municipalities have the same director over Public Works and Solid Waste and Recycling, and some also share an assistant to the director across departments.
- Three of the municipalities have a certified public engineer on staff.
- The Town of Yarmouth has a public engineer on staff, but also has a Public Works Director, Highway Superintendent, and Administrative Assistant. The other two municipalities with engineers have that person in a Director position over multiple departments.
- Yarmouth's engineer is in charge of their wastewater treatment plant, supports the planning department, handles most major construction projects, assists the planning department with road planning and bid specs, assists the Town Manager with capital planning for buildings and bridges, and manages stormwater compliance.
- Municipalities with an engineer rely on the Public Works superintendent to manage daily duties and prepare annual department budgets.
- Municipalities that have sewer departments are required to have a certified person on staff to oversee the sewer operation, and frequently that person is a public engineer.

I have spoken with Gray's Transfer Station Director, who advises that he may be considering retirement in a few years, and that there is currently not a person on staff who is fully trained to take over his duties and responsibilities. Although we are in no hurry to see his retirement day come, he has offered to allow a new Director to "job shadow" with him to learn how he manages operations and relationships with outside service providers to maintain the Transfer Station operations. There are also opportunities for more formal coordination between Public Works and Buildings & Grounds, in use of shared resources and collaboration on implementing building maintenance identified in the Town's facility study.

In the event that Gray implements sewer infrastructure, we will need a person on staff certified to maintain the sewer system, and a public engineer serving as Director of multiple departments could also oversee the sewer operation.

The benefits to having an engineer on staff include but are not limited to:

- Less reliance on contracted services for some engineering needs, such as plan review and driveway permit inspections.
- Increased understanding of road and infrastructure design and construction, and increased insight into potential cost- and time-saving alternatives.
- Insight on expected stormwater management planning requirements for Gray.
- Certification and experience with administering a municipal sewer service.
- Coordination on management of public infrastructure and other assets across departments, and potential cost savings from shared services and resources.

Updating the current Public Works Director position to a Town Engineer position or hiring a certified public engineer to serve in the Director capacity, will require that the Town also hire another light equipment operator to maintain winter plow truck routes, as the former PW Director also drove a truck and it is not likely that a typical Town Engineer job description would include that training. There have already been discussions in the Public Works and Buildings and Grounds Departments about requesting another driver position that might serve as a Buildings and Grounds staff member during the summer season.

This table shows an estimate of the change in wages from current staffing to the proposed staffing, not including benefits:

PW Dept Admin Positions	Current Admin	Wage	Proposed Admin and Staff	Proposed Wage
	Dir. Of PW	85,000	Dir. Of Public Services (P.E.)	105,000
	Foreman	57,000	Public Works Superintendent	71,000
	Assistant	11,000	Assistant	11,000
			Light Equipment Operator	46,400
Total		153,000	+80,400	233,400

This does not reflect any potential future cost reductions from potential changes in the administrative structure of other departments, or the benefits of reducing administrative duties from other staff in these departments.