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MEMORANDUM

To: Mayor and City Council Members

Through: Ritchie Haynes, City Manager

From: Tanya Osborne, Human Resources Director

Re: Revision to the following City of Lincolnton Policies:
Personnel Policy Article II Section 11-Probationary Period of Employment
Personnel Policy Article VI Section 3-Vacation Leave (D)
Administrative Policy #22 Yearly Compression Adjustment (YCA)

Date: May 19, 2025

As part of the 2025/2026 budget workshop held in April, the Strategic Planning Committee for Employee Benefits asked the Council for direction regarding a potential change to the length of the new hire probationary period. Currently new hires who are classified as general employees have a six-month probationary period, while employees classified as public safety employees have a twelve-month probationary period.

The committee recommended all new hire employees, regardless of classification, have a twelve-month probationary period. This change would create consistency in the probationary period for all new hires and allow departments additional time to better assess job fit. In addition, some departments have seasonal-based job functions and in some instances are not able to observe a new hire employee's proficiency in all functions during a six-month period of time.

Changing to a twelve-month probationary period of time for new hires would require revision of several sections of policy. The following are the impacted policies with the recommended revisions:

Personnel Policy Article II Section 11-Probationary Period of Employment

All new employees shall serve a probationary period of twelve (12) months. ~~six (6) months (twelve (12) months for police and fire personnel).~~ This time period is to be considered a continuation of the selection process and should be used as such. This is the time when the employer determines if the employee is right for the position and the employee can determine if the position is right for them. It is a period of training and adjustment. It serves as a trial period

during which the employee must prove their ability to perform the work, to accept responsibility, to exhibit a desirable attitude, and to work well for the public and with their fellow employees. In extenuating circumstances, and with the approval of the City Manager, a probationary period can be extended for up to an additional three (3) months. However, only one extension period will be permitted. In such cases, the employee must be notified of the purpose of the extension, the conditions and performance expectations, and the length of time of the extension.

A new employee serving a probationary period may be dismissed at any time during the probationary period. A regular employee serving a probationary period following a promotion shall be demoted as provided in Section 14 of this article if unable to perform assigned duties of the new job satisfactorily.

Before the completion of the probationary period, the department head shall indicate in writing to the Manager that:

1. *They have discussed the new employee's progress, accomplishments, strength, failures, and weaknesses with the new employee, and*
2. *The new employee is performing satisfactory work, and*
3. *The new employee should be given regular status, or*
4. *The new employee should be discharged.*

New employees serving a probationary period shall receive all benefits provided in accordance with these policies with the following exceptions or as otherwise provided:

1. *The employee, if separated during the probationary period, shall not be eligible for terminal pay for accumulated vacation leave, nor shall they be entitled to exercise the right to appeal their separation.*

Personnel Policy Article VI Section 3-Vacation Leave (D. Manner of Taking Leave)

Vacation leave may be taken as earned by a regular employee subject to the approval of the supervisor. Employees should request vacation leave two weeks in advance, and supervisors are responsible for ensuring approved vacation leave does not hinder the effectiveness of normal operations of the City.

If an employee uses Vacation Leave for an event that is covered under the Family and Medical Leave Act (FMLA), the time that is charged to Vacation Leave and the FMLA entitlement will run concurrently (See Article VI Section 13 FMLA).

A new employee who leaves City employment before successfully completing twelve (12) months ~~six (6) months~~ of full-time employment is not eligible to be paid accrued vacation. A regular employee will forfeit accrued vacation pay if they fail to leave under other than satisfactory conditions. (See Article VII, Section 1A). If an employee separates from service, payment for accumulated vacation leave shall not exceed 240 hours.

For employees leaving the City's employment, other than retirement, the last day actually worked will be considered the last day of employment. An employee may not use Vacation

Leave or Sick Leave time to extend duty status at the end of the individual's employment with the City.

The estate of an employee who dies while employed by the City shall be entitled to payment of all the accumulated vacation leave credited to the employee's account not to exceed 240 hours.

Administrative Policy #22 Yearly Compression Adjustment (YCA)

Section I. Intent

The Yearly Compression Adjustment is designed to acknowledge employees will gain valuable experience in their position as they progress through their career. Each additional year in the position gives an opportunity for the employee to increase their knowledge and perform their job duties in a more efficient manner. As a method to recognize employees' growth and increased experience in their position, the City Council has approved a Yearly Compression Adjustment (YCA) of 2%.

Section II. Eligibility

All probationary and regular full-time employees are eligible to participate in the Yearly Compression Adjustment (YCA).

Section III. Administration

1. *The City operates on a fiscal year budget of July 1 through June 30. The YCA of 2% will normally be made on the second pay date in July of each fiscal year. The City Manager reserves the right to adjust the pay date if necessary.*
2. ~~*New hires for regular full-time positions must have successfully completed at least 6 months of a probationary period prior to July first of the fiscal year to be eligible for the 2% YCA.*~~

The City of Lincolnton Council reserves the right to review all city benefits as necessary, and may delete, modify, enhance or otherwise make changes to this administrative policy as in accordance with local, state and federal law. The continuation of this plan each year is contingent upon the availability of funds.

Action: Council Consideration

Request council consideration to approve the revision of the following policies with an effective date of July 1, 2025:

Personnel Policy Article II Section 11-Probationary Period of Employment
Personnel Policy Article VI Section 3-Vacation Leave (D)
Administrative Policy #22 Yearly Compression Adjustment (YCA)