



Town of Shallotte

ACTION AGENDA ITEM

2026

TO: Board of Alderman

FROM: Ashley White, Human Resources Manager
EXT. # 1012

ACTION ITEM #:

MEETING DATE: 08/04/2026

DATE SUBMITTED: 07/28/2026

ISSUE/ACTION REQUESTED:

PUBLIC HEARING:

☐ YES

☒ NO

Addition & Amendment of Personnel Policy

1. Article V. CONDITIONS OF EMPLOYMENT

- NEW Section 15. Artificial Intelligence (AI)
Driven Tools in the Workplace

2. Article VIII SEPARATION & REINSTATEMENT

- Section 2. Resignation

BACKGROUND/PURPOSE OF REQUEST:

To update the Personnel Policy by adding guidelines for AI use in the workplace and clarifying the resignation process to ensure consistency and transparency.

FISCAL IMPACT:

BUDGET AMENDMENT REQUIRED:

☐ YES

☒ NO

CAPITAL PROJECT ORDINANCE REQUIRED:

☐ YES

☒ NO

PRE-AUDIT CERTIFICATION REQUIRED:

☐ YES

☒ NO

REVIEWED BY DIRECTOR OF FISCAL OPERATIONS

☐ YES

☒ NO

CONTRACTS/AGREEMENTS:

REVIEWED BY TOWN ATTORNEY:

☐ YES

☒ NO

☐ N/A

ADVISORY BOARD RECOMMENDATION:

TOWN MANAGER'S RECOMMENDATION: - approval no

FINANCE RECOMMENDATION: N/A

ATTACHMENTS:

1. Drug and Alcohol Policy (highlighted areas reflect changes to be made)
- 2.
- 3.

ACTION OF THE BOARD OF ALDERMEN

APPROVED:

☐

ATTEST:

CLERK TO THE BOARD

DENIED:

☐

DEFERRED

UNTIL:

SIGNATURE

OTHER:

ARTICLE V. CONDITIONS OF EMPLOYMENT

Section 15. Artificial Intelligence (AI) Driven Tools in the Workplace

This policy establishes guidelines for the responsible, ethical, and secure use of Artificial Intelligence (AI) tools by employees of the Town of Shallotte. The intent is to support innovation and efficiency while ensuring compliance with applicable laws, protecting sensitive information, and maintaining public trust.

Purpose

The purpose of this policy is to establish guidelines for the appropriate use of artificial intelligence (AI) in the workplace, including the use of Generative AI (GAI) and Algorithmic (AAI) tools.

Scope

This policy applies to all Town of Shallotte employees who utilize AI tools to perform or assist in the performance of any job-related work activities without regard to the location of the AI user at the time they use the AI tools.

Definitions

- Algorithmic AI (AAI) – a technology that analyzes data with machine-learning algorithms and can make decisions or predictions based on the data.
- AI Tool – any application (app), software, or system that can independently change its own analytical methods and utilizes artificial intelligence (including Generative and Algorithmic AI), machine learning, or other advanced algorithms to perform tasks, analyze data, or make (or assist in making) decisions.
- Generative AI (GAI) – a technology that can create new content in response to prompts, including but not limited to text, speech, and images (e.g. ChatGPT, Copilot, and Bard)

Policy

The use of AI in the workplace should not be used as a substitute for human input and should never be the sole source for information. Employees should only use the AI tools in circumstances when they assist the employee in performing their job-related tasks by enhancing productivity, efficiency, and decision making. For example, AI tools can be helpful aids in sorting, ranking, and evaluating large quantities of documents and information.

- Employees should only utilize AI tools for work-related purposes.
- Employees should exercise sound judgment when selecting AI tools for work-related purposes and should consult their supervisor if they are unsure whether an AI tool is appropriate for a particular task.
- Employees shall not input or upload confidential, sensitive, or protected information.
- AI prompts, inputs, outputs, and related records created in the course of Town business may constitute public records and must be retained in accordance with applicable public records and records retention laws.
- Employees may be required to complete training on AI use and data security.
- Employees must comply with all Town personnel policies including those regarding discrimination, harassment, and other such policies when utilizing AI tools.

- AI tools should not be used blindly for decision making and/or for the creation of content and should never be relied upon for important inquiries. All AI responses must always be carefully verified by the employee.
- Employees must recognize the limitations of AI tools, avoid over-reliance on AI-generated information, and carefully review all output for accuracy, completeness, and potential bias before using or distributing it.
- Supervisors should not use AI tools to make final decisions regarding hiring, discipline, termination, or promotions.

Procedures

1. Employees are encouraged to report any violations of this policy to supervisors, Department Heads or Human Resources.
2. The Town reserves the right to take corrective action where necessary against employees who engage in prohibited or unlawful AI conduct, up to and including dismissal from employment.
3. When AI-generated content is published or distributed as an official Town document or public communication, employees should ensure the content has been thoroughly reviewed for accuracy and disclose AI assistance when required by law, regulation, or Town policy.

ARTICLE VIII. SEPARATION AND REINSTATEMENT

Section 2. Resignation

~~An employee may resign by submitting the reasons for resignation and the effective date in writing to the immediate supervisor as far in advance as possible.~~ Employees are expected to submit resignations in writing and include their intended last day of employment to their immediate supervisor as far in advance as possible. In all instances, the minimum notice requirement is two calendar weeks. Failure to provide minimum notice shall result in forfeit of payment for accumulated vacation unless the notification requirement is waived upon recommendation of the Department Head and approval by the Town Manager. Thirty days' notice is expected of Department Heads and the Town Manager.

Three consecutive days of absence without contacting the immediate supervisor or Department Head may be considered to be a voluntary resignation. Sick leave will only be approved during the final two weeks of a notice with a physician's certification or comparable documentation.

If an employee verbally resigns or abandons their position, the Department Head or Human Resources shall document the separation and provide written confirmation to the employee within three (3) business days.

Rescission of Resignation

An employee may not withdraw or rescind a resignation unless approved by the Town Manager. Any request to withdraw or rescind a resignation shall be subject to the sole discretion of the Town Manager.

Exit Meeting

Resigning employees may be offered a voluntary exit meeting. Departments are responsible for ensuring that all Town-issued property is returned prior to separation. Employees who fail to return any Town-issued property may be deemed ineligible for rehire and may be subject to appropriate legal action by the Town.

Forwarding address & Final Pay

Departing employees will be asked to confirm their forwarding address to ensure that benefits and tax information are received in a timely manner. Payment of accrued leave will be made in accordance with the Town's Personnel Policy and applicable North Carolina law.