

**Montgomery City Council**  
**AGENDA REPORT**

<b>Meeting Date:</b> July 14, 2025	<b>Budgeted Amount:</b> N/A
<b>Department:</b> Administration	<b>Prepared By:</b> Ruby Beaven

**Subject**

Discussion on an amendment to the City of Montgomery Policies and Procedures Manual, Section V. Attendance, Leaves, and Absence, Reference Number 5.05, Subject: Vacation Leave as attached as Exhibit A.

**Recommendation**

Discussion on amending Section 5.05 of the Policies and Procedure Manual, as presented.

**Discussion**

On June 24, 2025, a Resolution was presented to Council for consideration to amend Section 5.05 of the Policies and Procedure Manual. The motion was to bring this item to the July 14 budget workshop for discussion and return the item on the July 22 regular meeting for a decision.

The City of Montgomery Policies and Procedures Manual sets forth policies and procedures for the employees of the City. It is the desire from staff to maintain the most up-to-date information in the City of Montgomery Policies and Procedures Manual. Staff is requesting to institute an update to the City of Montgomery Policies and Procedures Manual for its employees.

The current vacation policy for hour accumulation is structured on a monthly basis rather than being aligned with the payroll system's 26 pay periods, which may lead to discrepancies in accrual calculations. This approach simplifies tracking by calendar month and results in inconsistencies when pay periods do not perfectly align with calendar months. To ensure accuracy, it is recommended and beneficial to align the accrual policy with the pay periods.

The current policy limits city employees' vacation accruals with a maximum cap, preventing further accumulation once reached, which has led to employee dissatisfaction. The revised policy will eliminate this maximum accrual threshold, allowing employees to continue accruing vacation time, while establishing a cap on the maximum payout amount for accrued vacation upon employment separation, thereby addressing concerns and providing clearer limits on payout potential.

**Approved By**

City Administrator	Brent Walker	Date: 07/09/2025
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