

that is the same pay grade, there is no salary increase or decrease and the Employee will remain on the schedule for further pay increases.

Demotions: In accordance with budgetary, performance, and/or Staffing issues, demotions and/or reductions in salary may occur. In the event a demotion occurs, the Employee (who must meet the requirements of the lower position) shall be employed at the Employee's current rate of pay or the maximum salary for the lower position, whichever is lower. In the case of a voluntary demotion, the Employee's rate of pay will be adjusted so as not to create internal equity issues in the new position.

Reductions in Salary: In accordance with the documented diminished value of an Employee's service, an Employee's salary may be reduced. The Employee's salary may not be reduced below the minimum of the pay grade of the position.

Lump Sum Adjustments: Over the course of an Employee's tenure with the City, there may be times when it is appropriate for the Employee to receive a one-time lump-sum salary adjustment. Specific reasons for such adjustments must be documented and follow any applicable Laws and/or Statutes. These adjustments may also be given to Employees who have reached the maximum pay of their respective pay grade in lieu of a raise. All lump-sum adjustments will be made within the established personnel budget adopted by Council. If such an adjustment causes the personnel budget to be exceeded, then Council's prior approval must be received.

Cost of Living Adjustments: The Pay Grades and Salaries schedule may be adjusted automatically in October of each year in accordance with the change in the Consumer Price Index –All Urban Consumers, U.S. City Average for All Items as published by the U.S. Bureau of Labor Statistics. No Employees will see a direct increase from this automatic adjustment unless their current salary is below the minimum of the position's new respective pay grade.

The City Administrator may request that City Council authorize a general cost of living adjustment (COLA) to offset the effects of inflation on City Employee salaries. If granted, the adjustment will be applied to the salary ranges and step plans for all City Employees.

Other Salary Adjustments: This policy recognizes that other pay adjustments may be necessary at times to address issues of internal equity, competitive market forces or other relevant factors. The City Administrator and/or the City's Human Resources Official will meet as needed to consider such adjustments. The City Administrator (or designee) can authorize other salary adjustments as long as the total approved City personnel budget is not exceeded. If it is projected that such increases will cause the budget to be exceeded, then City Council will be consulted for approval.

Salary Schedules and Step Plans: The current salary schedule (pay plan) for general Employees and the step plans for police are available from Supervisors and the City's Human Resources Official.

Approvals Required: Any changes to Employee pay and/or classifications must be submitted on the appropriate form and approved by the Department Director, City Administrator and/or the City's Human Resources Official.

The City of Montgomery is an at-will employer. This policy, in whole or in part, does not constitute a contract and is not intended to alter the City's status as an at-will employer.