

**TAB 12**

**POINT PAPER**  
**Cell Phone Policy**  
**June 1, 2009**

**Problem:** Our current cell phone policy should be revisited to determine if changes are needed to improve the effectiveness associated with administering the policy and to ensure compliance with the latest laws governing cell phone use.

**Background:**

- The City's current Cell Phone Policy 04-03 (see attachment A) was adopted in 2004. Our current policy requires department heads to approve all requests for city-issued cell phones. Our policy requires that all personal calls are to be identified by the employee and reimbursed to the city at a rate established by the City. Staff currently identifies personal calls and reimbursement is being made to the City for personal calls on a quarterly basis. The revised draft policy 09-05 (Attachment B) has been updated to further clarify items such as guidelines for issuing phones, responsibilities of the end user and department and reimbursement procedures.
- During the analysis staff also met with our existing provider Sprint/Nextel and Verizon to evaluate potential costs savings to the City. Based on the analysis of the current cell phone bills (see attachment C), the City could save between 30%-50% off the current cell phone bill depending on usage patterns by switching to Verizon. Verizon is on state contract and the phones are provided free of charge. Specific detail regarding the state contract are included in Attachment D.

**Alternatives:**

1. Motion to approve cell phone policy 09-05 and authorize staff to switch to Verizon as the cell phone provider of choice for City cell phone service.
2. Approve cell phone policy 09-05 and remain with Sprint/Nextel
3. Do not approve cell phone policy 09-05 or Verizon as the provider of choice.

**Recommendation:**

Staff recommends alternative #1

**Budget Impact:**

Staff estimates the annual savings could be 30%-50% based on usage patterns. There will be no costs associated with the cell phones as they are provided free per state contract. Cost for accessories may be minimal and will be offset by credits received for the return of existing cell phones.

**CITY COMMISSION  
ADMINISTRATIVE POLICY NO. 04-03**

**CELLULAR TELEPHONE POLICY**

**PURPOSE:**

The purpose of this policy is to establish efficient and consistent standards and procedures for the acquisition, use, and maintenance of cellular telephone technology, and to manage and control cost associated with acquiring and operating cellular telephones.

**POLICY:**

The City of Palmetto will acquire and place cellular telephones into service in those instances where such technology will ensure, or enhance, the ability of City employees to carry out the duties and responsibilities of their jobs.

**PROCEDURE:**

**A. Minimum standards:**

Department Heads may request the acquisition of cellular phones for the following personnel:

1. City employees and officials whose job duties and responsibilities require that they maintain contact with citizens and other City employees, and who spend their workday away from a conventional telephone.
2. City employees and officials who serve in public safety capacities and who, by job title and responsibility, routinely serve, or are subject to serve, in command or field coordinator roles for incidents and rehearsals for incidents that may threaten public safety and well-being.
3. City employees and officials with whom immediate and direct telephone communication is necessary in the performance of their job responsibilities and organizational duties.

**B. Justifying and requesting a cellular telephone:**

Department Heads that wish to acquire a cellular telephone for one of their personnel shall make a written request through the purchasing system justifying need and function.

**C. Reviewing and approval of cellular telephone requests:**

Requests will be reviewed for accuracy by the Department Head and a determination will be made as to whether cellular technology is the most appropriate communications technology for the situation then at hand.

**D. Acquisition method:**

Due to the evolving nature of cellular telephone technology, the most economically prudent method of acquiring cellular phones may be by purchase or lease. The City will periodically negotiate contractual terms to meet the cellular telephone needs of the City. As a result of such negotiations, the City will, from time-to-time, enter into contracts with successful vendors for the purchase or lease of cellular telephone equipment and service. All approved requests from City departments will be filled from such contracts, and appropriate charges will be assessed against respective departmental budgets.

When preparing annual budget requests, departments should request sufficient funding to cover the cost of approved and in-service cellular phones.

As in the case of conventional telephone equipment and service, budget cost information for cellular telephones will be provided to City departments by the purchasing agent in advance of each budget preparation cycle.

**E. Selecting Brands, Models and Features:**

Inasmuch as cellular telephones are a contract commodity, brands will be limited to those under contract. Accordingly, upon notification of approval of a cellular telephone request, and based on information contained therein, the Purchasing Agent will work with the Department Head to select the appropriate model, features, etc.

**F. Installation and Training:**

The Department Head will coordinate and arrange the installation of and training for approved cellular telephones.

**G. Billing:**

The Department Head will conduct audits of the billing statements and distribute to the appropriate departmental staff for review. Once approved for payment by the appropriate Department Head, statements will be forwarded to the purchasing department for payment against appropriate accounts. Statements should be processed immediately upon receipt.

**H. Use of Cellular Telephones:**

Like all other City assets and resources, cellular telephones are acquired with public funds to enable City employees and officials to transact the public's business in the most efficient and cost-effective method possible.

Employees shall limit, to a minimum, calls that do not involve City business. This rule applies to both incoming and outgoing calls and to cellular and conventional telephones, but is particularly important in the case of cellular telephones, since airtime is a premium commodity for which substantial charges may be assessed. Employees who are also assigned a digital pager should receive all incoming calls on the pager. Whenever possible, calls can then be returned on a conventional telephone if one is available, thereby reducing unnecessary airtime charges.

All personal calls (non-City-related business) including any calls utilizing airtime made within a flat rate program and/or long distance and roaming shall be the financial responsibility of the employee. All personal calls that fall within a flat rate package or nights and weekends package are to be reimbursed at the rate established by the City based on current rates.

Other costs resulting from misuse, loss or inappropriate use of cellular telephones shall also be the responsibility of the employee.

I. **Monitoring Cellular Phone Usage:**

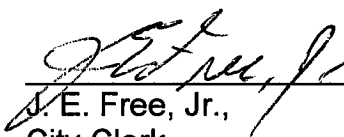
To ensure they are being used appropriately, the immediate Supervisors and Department Heads will monitor the use of cellular phones by reviewing monthly cellular phone activity.

Misuse of cellular telephones or equipment may be the basis for disciplinary action, up to and including termination of employment.

**APPLICABILITY:**

This Policy applies to all City of Palmetto employees under the leadership of the Mayor and auspices of the City Commission.

Approved by the City Commission: October 18, 2004.

  
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J. E. Free, Jr.,  
City Clerk



## **CELLULAR TELEPHONE POLICY**

### **Administrative Policy 09-05**

#### **Purpose:**

To identify the process for support and usage of cellular telephones for City of Palmetto business.

#### **Policy:**

City cellular telephones must be used properly and efficiently, for City business to ensure cost-effectiveness.

#### **Procedure:**

#### **Cell Phones and Other Wireless Communication Devices**

1 **Introduction** - Cellular telephones and other wireless communication devices have become common place and are often necessary for City staff to carry out the responsibilities of their positions in an effective and efficient manner. The cost of the business use of cell phones are subject to scrutiny by the Internal Revenue Service (IRS) and auditors who look for assurance that the costs incurred for cell phone use are only for official business. To support that calls are only for business use, the IRS requires that all calls be specifically and properly identified as to their purpose; business or personal. This policy provides guidance on guidelines associated with providing cell phone service and the responsibilities that cell phone users have regarding the appropriate use and record keeping of cell phone calls.

2 **Cell Phone Authorization Criteria:** Department Heads will authorize the use of a City cell phone based on an employee meeting one or more of the following criteria:

**Summary of Cell Phone Options** - Departments have the following options of how they provide for the business use of cell phones and other wireless communication devices:

- Works a significant amount of time (more than 50%) away from the office
- Supervises/oversees personnel in the field, away from the central office area
- Needs to travel frequently between City buildings
- The employee spends 35% or more of their time traveling to customer locations.
- Deemed "Critical" personnel if a City emergency is declared.
- Is assigned an after-hours customer service function. Needs to be on-call, taking customer (citizen or employee) calls after normal working hours.

- Travels frequently outside of the City to conduct City business.

3 **City Provided Cell Phones** - Provide City owned cell phones to staff that have a demonstrated and documented need for such equipment and service. Departments must maintain documentation of the justification for the staff's need for the device as well as require a detailed record of all calls made and received (both business and personal). Calls should only be made or received for official City business except in the case of emergencies or special situations, which should be infrequent. Staff should reimburse the City for all personal calls made at the rate being charged to the City by the cell phone provider for the applicable period, plus any applicable long distance or roaming charges, up to the amount of the total monthly bill.

a. **Use of Cell Phones** - City provided cell phones should be used primarily for official business purposes. However, it is recognized that occasions may occur where personal calls may be unavoidable. On such occasions, personal use should be limited in duration and infrequent. To ensure the appropriate use of City provided cell phones, the staff should follow the procedures outlined in this policy. When City owned equipment is provided to staff it remains the property of the City and should be returned to the department head or designee whenever the equipment is no longer needed or if the staff member terminates employment with the City.

b. **Justification for Cell Phones** - When departments make requests for cell phones, departments should review their cellular telephone contracts relative to their choice of billing plans considering:

- i. The demonstrated need for the cell phone for each specific user;
- ii. The most economical billing plan for each specific user, and
- iii. That consistent personal use should not be used as a reason to force the use of higher value services.

c. **Review and Approval of Cell Phone Statements** - Cell phone statements showing a detail of cell phone usage are expected to be reconciled by the cell phone user and sent to the appropriate department cell phone billing designee on a quarterly basis. The department shall review the bills as follows:

- i. The department cell phone designee shall distribute the applicable portion of the statement, showing the detail of calls made to and from each cell phone user. The cell phone user shall indicate if the calls were business or personal (including detailed explanations as may be required by the department).
- ii. Once the employee has reconciled his/her cell phone log to the monthly statement it should be sent to the departmental billing designee for review. The Department designee shall review and approve the designation and collect any payments for charges resulting from incidental personal use.
- iii. The Cell Phone Statement of Use (see Attachment B) must be signed and submitted to the Department designee with the employee's cell phone invoice.

d. **Reimbursement for Personal Calls** - Staff must submit a check payable to the City of Palmetto for the total amount of reimbursable personal use and provide the reimbursement to the department's cell phone designee to be handled in accordance with City cash handling policies and procedures. Cell phone calls will be reimbursable at the rate being charged to the City by the cell phone provider for the applicable period, plus any



applicable long distance or roaming charges, up to the amount of the total monthly bill.

**4. Departmental Responsibility** - The department is responsible for the following:

- a. Determining whether the staff's position requires a cell phone based upon his or her job responsibilities and maintaining appropriate documentation to support this in the departmental files.
- b. If a City owned cell phone is provided, to ensure that appropriate detail documentation is maintained to support the business and personal use of all calls and in the event that personal calls are made, that appropriate reimbursement is obtained.
- c. City of Palmetto provided equipment remains the property of the City and must be turned into the department head or designee when the equipment or cell phone service is no longer needed or if the staff member terminates employment with the City.

**5. Cell Phone User Responsibility** – City cell phone users are responsible for the following.

- a. The staff member should also notify their department head when there has been a significant change in the need for the business use of a cell phone allowance.
- b. For City owned devices, ensuring that the device is used for City business only. The City recognizes that incidental use not initiated by the employee is possible but under any circumstances, it should be both infrequent and non-routine. The City also recognizes that there may be emergency or extenuating circumstances under which the phone is needed for personal use. Those occasions also must be infrequent and non-routine. Reimbursement for incidental personal use should be made when appropriate.
- d. Ensuring the physical protection of City owned cell phones from damage or unauthorized use.
- e. Ensuring that City owned cell phones are returned to the City when it is no longer needed or when the staff member terminates employment with the department.
- f. Providing the City department designee with the current contact phone number or address of the cell phone within five working days of activation.
- g. Notifying the department head immediately of inactivation of the device
- h. For City owned devices, use for commercial "for profit" activities is prohibited.
- i. For City owned devices, political use pursuant to current IRS rulings is prohibited.

**8. Effective Date** - This policy was approved by City Commission on June xx, 2009 and will remain in effect until canceled or updated.

Approved by City Commission on May xx, 2009

## City of Palmetto Cell Phone Statement of Use

I \_\_\_\_\_ (print your name), an employee of the City of Palmetto, hereby claim that I have used a City owned cell phone for the period of \_\_\_\_\_ (print month and year of invoice), and that the phone was used:

**(Please check one)**

- Solely for the purpose of conducting City business. I claim that there was no personal use of this cell phone during the period stated above.
  
- Primarily for the purpose of conducting City business. I claim that there was limited personal use of this cell phone during the period stated above as allowed by the City Cellular Telephone Administrative Policy. Personal calls are highlighted on the attached invoice. I have attached a check to cover the cost of these personal calls at the rate stated in the policy so that there will be no taxable benefit reported on my W-2 statement at the end of the calendar year.

**This statement must be attached to the appropriate invoice each month and signed by the City employee who is assigned use of the City owned cell phone. By signing this Statement of Use and attaching it to the associated invoice, you are acknowledging that you have or have not used the phone for personal use, and you understand the appropriate IRS implications for personal use of the City cell phone. Failure to reimburse the City for personal calls will result in a taxable benefit reported on your W-2 for the calendar year.**

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

## Analysis of April Cell Phone Billing

	<b>Nextel Cost per Month</b>	<b>Nextel Annual Cost</b>	<b>Verizon Cost per Month</b>	<b>Verizon Annual Cost</b>	<b>Estimated Monthly Savings</b>	<b>Estimated Annual Savings</b>	<b>Estimated % Savings</b>
PD	\$ 466	\$ 5,592	\$ 184	\$ 2,212	\$ 282	\$ 3,380	60%
CH/PW	\$ 804	\$ 9,649	\$ 373	\$ 4,480	\$ 431	\$ 5,168	54%
<b>Total</b>	<b>\$ 1,270</b>	<b>\$ 15,241</b>	<b>\$ 558</b>	<b>\$ 6,693</b>	<b>\$ 712</b>	<b>\$ 8,548</b>	<b>56%</b>

## Verizon State Contract Summary Information

- **No monthly Access Fee (only pay .054 cents/minute) -- pay only for what you need and use (if a line of service only uses 10 minutes for the entire month --- your monthly cost for that line will be less than 60 cents) --> Keep extra phones for security & emergency purposes and pay for actual use only.**
- **No Contract End Dates + No Activation Fees -- No Termination fees! Cancel a line of service anytime without a penalty fee.**
- **Long Distance included**
- **Existing numbers may be kept and Ported over**
- **Unlimited Push-to-Talk for only \$10/month**
- **Handset "Contact phonebook" can be restricted** (eliminate personal calls if desired) ----> Moto V750
- **Free Motorola V750 handset with free car charger included** (Bluetooth & Voice Activated Dialing included on most phones)
- **Free Voice Mail, 3-way calling, Caller ID, & Call waiting**
- **Free "My Business" online account management tool**
- **Free Desk-Top computer Texting Tool to send blanket Emergency Notices or general announcements to handsets. Text packages available or pay for use.**
- **Free On-line Phonebook Maintenance Tool** (Back-up Assistant) to make over-the-air Contact List updates to handsets.
- **Free on-site Tech support to activate phone and install your custom Contact phonebook.**
- **Free training to help your Handset Administrator gain comfort with the on-line tools.**
- **15% Employee Discount available to employees on personal lines of service**