

RESOLUTION NO. 05-326**A RESOLUTION AUTHORIZING PAYMENTS TO CITY
EMPLOYEES AND CITY OFFICIALS FOR CELL PHONE
COST RELATED TO CITY OPERATIONS DURING
HURRICANE RITA**

WHEREAS, on January 20, 2004 the City Council approved Resolution 04-019 authorizing a cell phone allowance program for city employees and council members; and

WHEREAS, the program provides \$40 per month for employees and \$80 for council members to cover the cost of use of personal cell phones for city business; and

WHEREAS, during the Hurricane Rita evacuation and response, essential City staff utilized their personal cell phones to conduct the business of the City as operations were displaced.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
PORT ARTHUR:**

Section 1: The facts and opinions in the preamble are true and correct.

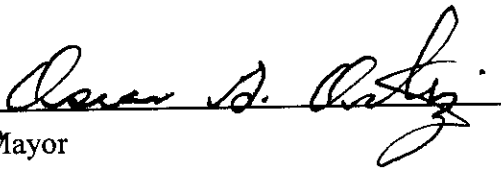
Section 2: The City Council authorizes the Finance Department to make reimbursement to City employees and City officials for cell phone charges on their personal accounts as follows:

- a. Calls made from September 21, 2005 through October 10, 2005.
- b. Calls related to the employees and City officials essential duties during that period of time.
- c. Personal phone bills will not be reimbursed for any adjustments or credits provided by the phone company related to the disaster period.
- d. Phone bill reimbursement requests will be reviewed for reasonableness and approved by the department heads and by the City Manager.

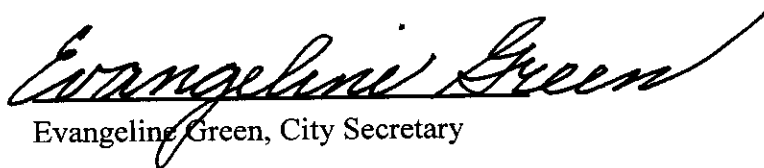
**READ, ADOPTED, AND APPROVED, this 8th day of November, 2005, AD, at a
Regular Meeting of the City Council of the City of Port Arthur, Texas by the following vote:**

AYES: Mayor: Oltz; Mayor Pro Tem Thompson;
Councilmembers: Barker, Henderson, Prince and
Sinegal.

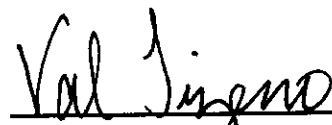
NOES: None.


Mayor

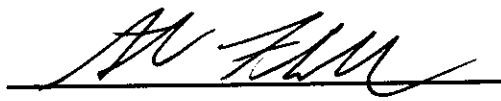
ATTEST:

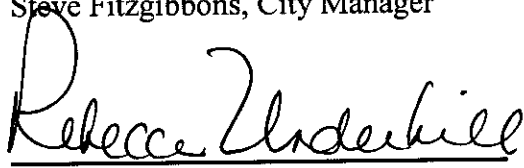

Evangeline Green, City Secretary

APPROVED AS TO FORM:


Mark Sokolow, City Attorney (on behalf of)

APPROVED FOR ADMINISTRATION:


Steve Fitzgibbons, City Manager


Rebecca Underhill, Finance Director

RESOLUTION NO. 04-019

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CELL PHONE ALLOWANCE PROGRAM FOR THE CITY EMPLOYEES AND COUNCIL.

WHEREAS, the City of Port Arthur currently spends over \$65,520.00 per year for cellular phone service with Nextel, Sprint and AT&T.

WHEREAS, the City Manager has reviewed the proposal of issuing a cell phone allowance to employees for City Business as way to control cost.

WHEREAS, the City Council must approve any exceptions or adjustments.

WHEREAS, after evaluation of the proposal, the City Council deems it is in the best interest of the City to approve a cellular phone allowance program; now therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR:

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That the City Council hereby authorizes the City Manager to execute a cell phone allowance program for City Employees and Council Members, as denoted in substantially the same form attached hereto as exhibit "A".

Section 3. That the City Council members shall have the option of accepting the allowance or to use the existing City Managed cellular phone program that is provided to them.

Section 4. That a copy of the caption of this Resolution shall be spread upon the Minutes of the City Council.

READ, ADOPTED, AND APPROVED, this 20th day of January, 2004, AD, at a

Regular Meeting of the City Council of the City of Port Arthur, Texas by the following Vote:

AYES: Mayor: Oltz; Mayor Pro Tem Hillam;

Council members: Hannah, Barker, Beard,
Sinegal and Chaisson.

NOES: None.

Don S. Oltz
Mayor



ATTEST:


Evangeline "Van" Green, City Secretary

APPROVED AS TO FORM:


Mark Sokolow, City Attorney

APPROVED FOR ADMINISTRATION:


Steve Fitzgibbons, City Manager

Rebecca Underhill, Director of Finance

APPROVED:


Joseph Broussard Jr., Purchasing Coordinator

EXHIBIT "A"

CITY OF PORT ARTHUR
PURCHASING DIVISION
MEMORANDUM

TO: STEPHEN FITZGIBBONS, CITY MANAGER
FROM: JOSEPH BROUSSARD, JR., PURCHASING COORDINATOR *JB*
SUBJECT: CURRENT USAGE FOR CELL PHONES
DATE: 01/13/04

We have 78 cell phones that I would recommend an allowance of \$40.00 per phone. This allowance is sufficient to purchase a plan with Verizon Corporate that will provide 600 minutes per month talk time.

21 phones average 200 minutes
22 phones average 400 minutes
29 phones average 500 minutes
2 phones average 600 minutes
4 phones average 1,000 minutes

We have 9 cell phones that I would recommend an allowance of \$80.00 per phone. This allowance is sufficient to purchase a plan with Verizon Cooperate that will provide 1600 minutes per month talk time. Only City Council members would be allowed this rate.

7 phones average 1600 minutes
1 phone averages 2000 minutes
1 phone averages 2500 minutes

The annual cost for this recommendation is \$48,000.00 and is \$17,520.30 less than we currently pay. This represents a 26.74% decrease in our cost. The only additional cost would be a one-time equipment payment of \$6,525.00 to purchase a phone for each employee initially. If employees choose to stay with our current providers AT&T and Nextel, perhaps they can be given the phone in lieu of the equipment payment. This recommendation to defray the cost of purchasing a cell phone is based on the current market rates to purchase a cell phone at an average of \$75.00 per phone.

Date	December 1, 2003			
Overview	To outline on-going operational procedures for the Cellular Phone Allowance Program, for service and equipment provided by employees to meet a department's business needs.			
Approved Allowance Levels And Payments	Level 1	CL1	\$40.00 monthly	
	Level 2	CL2	\$80.00 monthly	City Council only.
	One-Time Equipment Payment	CLQ	\$75.00	Payable once, at the start of an allowance. This is to help defray the cost of phone and accessory acquisition.
Procedure	To start a new allowance	<ul style="list-style-type: none"> NOTE: Cellular phone allowances will <u>not</u> automatically follow the employee from one position to another. The allowance is tied to a budgeted position and the allowance is paid to the person in that position, provided the appropriate documentation is submitted. Each change requires a review of appropriate cellular phone support and the <u>completion of authorizing paperwork to affect required changes.</u> Review 2-3 months of employee bills to evaluate changes in allowance amounts. The department's cellular phone SPOC (Single Point of Contact) must complete the Status and Wage form indicating the proposed allowance. The form <u>must</u> be signed by the department director. The department must forward the form to Finance for processing. 		
	To increase an allowance			
	To decrease an allowance			
	To stop an allowance			
Responsibility	Department SPOC Single Point of Contact	<ul style="list-style-type: none"> Maintain an accurate list of cellular phone allowance recipients and their cellular phone numbers. Review requests for changes in allowance levels if approved by director. Coordinate department approval process for changes in allowance levels. 		
	Department Director	<ul style="list-style-type: none"> Designate department's single point of contact (SPOC) for the cellular phone program coordination. Review requests for allowances, and approve as appropriate. Review requests for changes to allowance levels, and approve as appropriate. 		
	Finance Department	<ul style="list-style-type: none"> Periodically report to City Manager and Department Directors on cellular phone costs. 		

	City Manager	<ul style="list-style-type: none"> Review requests for reimbursement of significant excess expenses, and approve as appropriate.
	Employee Supervisor or Department Designee	<ul style="list-style-type: none"> Periodically verify that employee is available by cellular phone during times required by department. Periodically review job functions of employees in order to ensure that those receiving allowances have a continuing business need for cellular phone service. Periodically review allowances received by employees to determine if adjustment to allowances is appropriate. Terminate allowances if the business needs of a department no longer require the employee to maintain a cellular phone.
	Employee	<ul style="list-style-type: none"> Provide the department SPOC and supervisor with current cellular phone number. Notify SPOC and supervisor of any changes to the number OR of any suspension or termination of cellular service. Maintain dependable and regular cellular service and meet City and departmental expectations of employees who receive cellular phone allowances. An employee receiving a cellular phone allowance MUST have a cellular phone and maintain regular cellular service. Maintain cellular phone bills for at least twelve (12) billing cycles and provide them (upon request) to departmental SPOC and/or supervisor.
Definitions	"Significant"	<ul style="list-style-type: none"> Each department may determine what constitutes a "significant" overage and when reimbursement is justified; however, all reimbursements require the written approval of the City Manager (CM). As a rule, a significant overage would be at least 50% above an employee's normal usage.
	"Appropriate cellular phone allowance"	<ul style="list-style-type: none"> An amount that is fair to the City and to the employee.
Key Contacts	Purchasing	Joseph Broussard, Jr., Purchasing Coordinator (983-8162) Clifton Williams, Senior Purchasing Agent (983-8161)
	Department	Single point of contact (SPOC), as designated by the Department Director

Frequently Asked Questions

Date	Topic	Question	Reply
12/03/2003	Allowance levels	If an employee with a cell phone allowance requests a higher allowance rate, what are the steps to change the allowance?	The employee will submit to the departmental SPOC the request for a change in allowance amount, including a description of the business uses of phone, and provide bills for the last year, identifying business calls on the bills. The department will review the information and determine if the department will recommend a higher allowance. The department will then route the request to the Finance Department for review.
12/03/2003	Allowance levels	Per phone do we know current usage? Otherwise, how would I know appropriate allowance to recommend?	Yes, we have information from AT&T and Nextel on per phone usage.
12/03/2003	Allowance levels	How will the monthly phone allowance occur?	Employees who are eligible for an allowance will receive payment once a month.
12/03/2003	Allowance levels	If an employee with a cell phone allowance requests a higher allowance rate, and most of the calls are incoming calls (and thus can't readily be identified as business or personal), what are the steps to change the allowance ?	<p>The employee will submit to the departmental SPOC the request for a change in allowance amount, including a description of the business uses of phone. Provide bills for the last year, identifying business calls on the bills. If most calls are incoming calls, describe the types of calls received by the employee, and the business purpose of the calls. Attest to the estimated percentage of calls that are personal vs. business.</p> <p>The department will review the information and determine if the department will recommend a higher allowance. The department will then route the request to the Finance Department for review.</p>
12/03/2003	Condition of employment	If a position requires that an employee have a cell phone, how long will the employee have to get his or her own phone?	Individual departments will make this decision.
12/03/2003	Condition of employment	If an employee does not get a required cell phone, will he or she be terminated?	In cases where a cell phone is a requirement of a job, failure to meet the requirement may result in disciplinary action up to, and including, termination of employment.
12/03/2003	Condition of employment	Will the City make the acquisition of a personal call phone a condition for employment into some City positions?	Departments determine this requirement. For some positions, a cell phone may be a job requirement. For others, it may be a convenience for the department, not a job requirement.

12/03/2003	Condition of employment	Some staff are concerned that they don't have a desire to have a personal cell phone, but may be required to get one under the proposed program. They may end up paying the difference (after allowance) out of their own pocket for something they didn't really want.	Individual departments may make acquisition and maintenance of a cell phone a condition of employment. Guidelines under the new program have been established to ensure that employees who are required to have a cell phone receive an adequate allowance to avoid out-of-pocket expenses for City business.
12/03/2003	Credit issues	What if an employee is not eligible to get a cell phone contract (e.g., bad credit rating)?	Many cellular service providers have special plans for customers with poor credit. These plans include those that limit usage to a certain dollar amount per month and pre-paid plans that require that the user pay for cellular service in advance. City can work with employees and company.
12/03/2003	Eligibility	Am I eligible for a cell phone allowance?	Each department determines which positions are eligible for a phone allowance, based on the requirements of the job.
12/03/2003	Keeping current phones	Will people who currently have cell phones be able to keep the phones and convert them to personal use? If they have to pay, how would that be determined?	Yes. Subject to department approval, an employee may purchase his cell phone from the City. If the cell phone is at least 6 months old, the cost to the employee will be \$20. If the phone is newer than 6 months old, the cost to the employee will be what the City originally paid for the phone.
12/03/2003	Maintenance	How will lost phones or misuse of phones be addressed?	The cell phone will be the personal property of the employee, and if lost, will need to be replaced at the expense of the employee. The employee may wish to consider buying cell phone insurance from his service provider. Misuse of cell phones can be addressed through current personnel policies and procedures.
12/03/2003	Maintenance	Will there be a policy for misuse like cell phones on city time to conduct personal business, or accidents in city vehicle while on cell phone?	Current City personnel policies should address these issues.
12/03/2003	Open records	Will the new program waive the open records requirements? I don't know how the open records obligations will ever go away regardless of how employees are assigned cell phones since the calls still pertain to City business.	The records are now the employee's personal records, not the City's public records.
12/03/2003	Pagers	What about getting pager/phone/radio combination devices instead of just cell phones under this new policy?	At this time, only phones are being considered. Pagers are provided through the City because the City requires specific functionality for the pagers. Cell phone technology does not have the functionality provided by pagers (examples: group paging; direct connect to the transmitter); and, these devices (and the services they provide) are extremely costly.
12/03/2003	Personal use	Will employees be able to use the cell phones for personal phone calls? Do these calls need to be documented?	The purpose of the phone is to conduct business for the City. The employee may also make personal calls on the phone. The calls do not need to be documented. If the employee requests an increase in the phone allowance, the employee must provide twelve months of bills, with business calls identified.

12/03/2003	Phone records	What kinds of records will employees need to maintain? Do they need to turn them in each month in order to get the monthly phone allowance?	The employee should keep up to twelve months of records on hand. The employee must turn in these records if the employee requests an increase in the allowance.
12/03/2003	Program details	When does the policy go into effect?	Upon approval by the City Manager and Council.
12/03/2003	Program details	What is the overall concept of using a stipend or allowance approach to handle cell phones? What benefits are anticipated?	The allowance approach minimizes the level of administrative effort required for administering the program and reduce the overall cost for the City.
12/03/2003	Program details	This will certainly save administrative time. Staff spends more time than they should trying to get employees with City cell phones to highlight and pay for personal calls.	Agreed. This savings will allow staff to focus on other tasks.
12/03/2003	Surplus phones	What does the City plan to do with all the phones? I heard about a program where inactive, but working, phones could be donated to the Battered Women's Center who gives them to their clients. They don't have to be on any calling plan to be able to dial "911".	Any phones remaining with the City will be auctioned off along with other surplus items owned by the City.
12/03/2003	Tax Effects	As an allowance, will employees have to pay taxes on it since it will be additional income? Does this mean that the amount the employee receives is discounted by the taxes they must pay (assuming that many of the employees take the standard deduction).	Yes, this is taxable income to the employee. At the same time, the employee has use of the phone for both business and personal use.
12/03/2003	Tax Effects	Has the City considered the tax effects on the value of the allowance in paying the actual phone bill?	Yes. The City has provided, in each allowance level, an additional amount of money (in excess of most market rate plans) to address the issue of taxes being added to cell phone bills.
12/03/2003	Termination of service	If an employee is required to have a cell phone as part of his job, what happens when he moves to another position - is he/she stuck with the remainder of the contract?	No. The phone service is a personal obligation. If the employee moves to a new job, or if he/she terminates employment with the City, the employee may decide to keep the service or to terminate. If the employee does have time left on his or her service contract, and must pay an early service termination fee, he/she may present that documentation and request reimbursement for the remaining portion up to \$10 per month for up to 12 months. The employee has 60 days after the termination or job change to document the early service termination fee.
12/03/2003	Termination of service	What if an employee quits mid-month? Or, what if an employee's cell phone is disconnected? Will the employee get paid for the full month or a <i>pro rata</i> portion?	Since the allowance is paid monthly, the allowance would terminate with the employee's termination or when the department completes an Employee Status and Wage form.