Recommendation From
Boynton Beach Financial Advisory Committee

Subject/Topic: Cell Phone Allowances

Reviewed By: William Shulman

Recommendation- (Specific Action Recommended):
Strongly Recommend. Charge all City employees using City paid- for cell phones either 1) 20% of the monthly cell phone costs so as to reduce costs by approximately $ 25,000 per year or 2) require each employee to pay the City $10 per month for use of their cell phones which will reduce costs by approximately $35,000.

Pros of Recommendation: Charging employees for the use of city paid-for cell phones (especially since the employees use the phones for personal use) would reduce the cell phones by between $25,000 and $35,000 per year. This is not a perk that is normally found in private industry.

Cons of Recommendation: City employees might not like this recommendation because it is "give- back". But in times of budget deficits and austerity programs, everyone must contribute to try to ease the burdens on our taxpayers.

References - Staff, Documents, and Public): Staff analyses

Impact on 2011/2012 Budget: Will help reduce costs by between $25,000 to $35,000

Impact on Out Year Budgets: This program can and should continue in the future.

Impact on Citizens: Beneficial. Will help reduce the proposed increase in the property tax ratable.

Impact on Staff: Very little impact. Typing assistance and a one time set up to collect refunds from employees by a deduction from their payroll checks.

Committee Vote Results: For:___4__ Against:____3_

Memo

To: Kurt Bressner & Barry Atwood

From: William Shulman

Date: 3/29/2011

Re: Cell Phone Allowances

DISCUSSION:

The following statistics reflect the number and costs of cell phones for the fiscal year 2011:

CELL PHONE ALLOWANCES	No. of Cell Phones	Annual Costs		Average/Employee
Allowances	154	$65,252	*	$423.78
Assigned City Owned Phones	140	59,577	**	425.55
Totals	294	$124,829		$849.33

*Range from a high of $720 per year to a low of $120 per year.

** Reduced from $80,391 at June 2010

RECOMMENDATIONS:

1. All employees who have City paid for cell phones should reimburse the City for 20% of the cost of each phone used. This would increase revenues and thereby reduce costs by approximately $25,000. As an alternative, and probably better administratively, each employee using a City paid for cell phone should reimburse the City $10 per month for the use of the City paid cell phone. This would bring in approximately $35,000 annually.

2. Additional savings may result because if an employee has to pay 20% or $10 per month of their City paid cell phones such employee may opt out of the program , thereby saving the City 100%of such costs.

3. In addition, each City department should undertake a survey of City paid for cell phones , and determine the absolute necessity of City paid for cell phones ,charged to that department , in an attempt to reduce the number of cell phones to an absolute necessity

4. Furthermore, such strict controls will aid in avoiding City paid for cell phones from “mushrooming “out of control in the future.

5. These type of perks for employees which were promulgated during the financially good times of exceptional high revenues, must be reigned in during times of budgetary deficits.

Finally, it is recommended that the 20% or the $10 per month reimbursements, both of which are minimal amounts, (it would cost our Mayor about $ 189.20 per year) should start with the Mayor and City Commissioners, in order to set a good example of cutting the City’s costs.