

## LRB – FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 5, FILE 021508

MAY 30, 2003

ANGELYN WARD

File #021508 is a substitute ordinance relating to reimbursement for cellular telephone services to common council members.

### BACKGROUND AND DISCUSSION

1. This ordinance provides for a monthly reimbursement payment of \$75 for common council member cellular telephone services for members who elect to use personal cellular phones in lieu of those issued by the city. The reimbursement amount shall be adjusted annually on the basis of the cellular telephone services component of the consumer price index.
2. Common council members receive city-issued cell phones for use in carrying out their official duties. The actual expense for members' cellular phones for 2002 is \$16,223. This is about \$1,312 per month or approximately \$80 per month per member.
3. This ordinance permits the common council members to provide their own personal cellular phone in lieu of those issued by the city. In doing so, the council member shall be entitled to a monthly reimbursement payment of \$75.00 per month.
4. The City Clerk completed the fiscal analysis for this file prior to the Council size reduction from 17 to 15. If all 17 members decide to provide their own personal cellular phone, and are reimbursed \$75 per month, with calling patterns remaining the same, the annual savings could be \$923 per year. Other alternatives are:
  - The largest savings could be **\$5,194** if the 7 members who averaged more than \$75 per month provided their own personal cellular phones and were reimbursed at \$75 per month, for \$6,300, and the 10 members who averaged less than \$75 per month remain the same, thereby costing \$4,729 for a total of \$11,029. **The 12 month actual cost of \$16,223 - \$11,029 = \$5,194 savings.**
  - The largest increase could be **\$3,566** if the 10 members who averaged less than \$75 per month provided their own personal cellular phones and were reimbursed at \$75 per month for \$9,000 and the 7 members who averaged more than \$75 per month remain the same for \$10,789 for a total of \$19,789. **The 12 month actual cost of \$16,223 - \$19,789 = \$3,566 increase.**

### FISCAL IMPACT

1. If all 17 members (again, the analysis was done prior to the Council size reduction to 15) provided their own personal cellular phones, and are reimbursed \$75 per month, the projected annual savings would be \$923 per year.
2. The reimbursement amount shall be adjusted annually on the basis of the cellular telephone services component of the consumer price index.

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