

December 4, 2006

TO: City Council
FROM: Coleen J. Schmidt
RE: Proposed Policy re Paying Stipend for Use of Personal vs City-Issued Cell Phones

At the Legal and Finance Committee meeting of September 13, our office was instructed to research reimbursing employees for a portion of their personal cell phone bill use when they used their personal cell phone for City business.

We had previously surveyed department directors to determine how many employees would be interested in using their personal cell phones vs a City-issued phone. At that time we had seven affirmative responses of which four did not currently have a City-issued phone.

We also surveyed all first class cities in South Dakota to determine if they paid stipends or if they had a policy. The only positive response was from Watertown, and we have based our research assuming that Rapid City would adopt a similar policy.

The criteria to determine who would be eligible would include 1) projection of business use of phone to the best of our ability; 2) is such use routinely required; 3) the appropriate amount of the stipend. The individuals who would receive a stipend would be required to make their cell phone number public, and would be required to submit a copy of five months' detail of personal phone bills, with personal calls blacked out if they so wished, so a fair stipend amount could be determined.

After determining the criteria, we again surveyed department directors to determine how many employees would be interested in using their personal cell phones vs a City-issued phone. At that time we had one individual who is interested. That employee does not currently have a City-issued phone.

Therefore the additional annual cost to the City to provide a stipend to this individual would be whatever the Council determines would be a fair amount to provide. Our original discussion was \$20-\$25 per month paid on payroll. It appears unnecessary to enact a policy when there is only one individual in the City who is interested. However, if you wish to adopt a policy I will furnish you the one enacted in Watertown.

