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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Ben Wilson - Chief Information Officer
Information Technology Services
REPORT BY: Gail Vandeburgt, Staff Services Analyst I, 707-259-8666
SUBJECT: Adoption of a Resolution regarding County policy on Cell Phone and Blackberry wireless PDA use

RECOMMENDATION

Chief Information Officer and County Executive Officer request adoption of a resolution amending the following sections of the Napa County Policy Manual concerning cell phone and Blackberry wireless PDA use, effective August 12, 2006, to end the practice of providing County-owned cell phones and Blackberry devices to management employees and establish a three tier cell phone allowance and a Blackberry allowance for management employees:

1. Part 1, Section 31B of the Policy Manual, Information Technology Use & Security Policy;
2. Part 1, Section 37C-1 of the Policy Manual, Management Compensation Plan - Management Classified;
3. Part 1, Section 37C-2 of the Policy Manual, Management Compensation Plan - Management Non-Classified; and
4. Part 1, Section 37C-3 of the Policy Manual, Management Compensation Plan - Management Non-Classified (Other).

EXECUTIVE SUMMARY

Currently, there is no formal County policy specifically governing the use of cellular (or cell) phones and Blackberry electronic data devices by County employees. The County has an Information Technology Use & Security Policy which governs all County-owned technology equipment, but does not deal with the various issues unique to cell phone and Blackberry usage. Additionally, the Management Compensation plans provide for a \$70 monthly cell phone allowance for designated management employees. Some management employees receive the cell phone allowance, others are provided a County-owned cell phone and/or County-owned Blackberry. Furthermore, some employees using their personal Blackberry for County business are reimbursed for the data line costs and some are not.

The requested action calls for the Board to adopt a new Cellular Phone/Blackberry Wireless PDA Policy as part of the Information Technology Use & Security Policy. The proposed Policy would:

- | End the practice of providing County-owned cell phones or Blackberry devices to management employees.
- | Provide that designated management employees, including department heads and elected officials, can receive a \$60 per month Blackberry allowance to cover the cost of using a Blackberry for County business.
- | Provide that designated management employees, including department heads and elected officials, can receive a cell phone allowance. The allowance is available at three Tier levels (depending on usage requirements) to cover the cost of using a cell phone for County business: \$35 per month; \$70 per month; and \$120 per month (this latter allowance would be limited to department heads and elected officials). If the employee also has a Blackberry, the cell phone allowance would be in addition to the Blackberry allowance.
- | Establish criteria for providing an allowance and certain rules related to using a cell phone on County business.

County staff believes that use of wireless technology offers a significant opportunity to increase employee efficiency, productivity and safety. Use of this equipment by managers is particularly cost effective, since they are expected to be accessible at all times and do not receive overtime pay. The new Policy is intended to provide a consistent and appropriate incentive to use wireless technology in the most productive way possible while simplifying the administrative costs involved through reducing the current variety of reimbursement methods.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Various departmental budgets have funding for County-owned cell phones or the cell phone allowance for specific management employees. It is not known whether the amounts currently included in the various budgets are more or less than cost of program changes proposed in this agenda item.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	<p>No comprehensive cellular phone or wireless PDA policy exists today. This recommended policy governs the acquisition, use, and allowance paid by the County for use of a personal cellular phone and personal Blackberry wireless PDA used by management employees including department heads and elected officials for County business purposes.</p> <p>The different dollar levels of the cellular phone and PDA allowances were chosen to reflect current costs of similar service and usage plans available on the market today.</p> <p>The intent of the proposed policy is to (1) simplify administration of the program; (2) tailor the program to reflect different payment levels for different usage needs, so that the County does not pay more than is necessary to meet the usage requirements of a particular employee, while providing an incentive to employees to use wireless technology in the most productive way possible; (3) establish criteria for different allowance levels and rules governing certain aspects of the program.</p>
Is the general fund affected?	Yes
Future fiscal impact:	Departments will continue to budget for communications needs on a yearly

basis. The net result of this policy will be that the cost of providing cell phone and Blackberry services for some County employees will increase and some will decrease. Because staff cannot know at this point how many management employees will receive what level of allowance, it is difficult to determine what the exact cost increase or savings will be.

Approximately 113 of the allocated 166 management positions currently are issued a County-owned cell phone or Blackberry or receive either an allowance or reimbursement for a cell phone or Blackberry. Cell phone allowances account for approximately \$70,000 per year in expenditures. The County currently spends over \$125,000 per year providing County-owned cell phones/Blackberry devices (to both management and non-management employees) of which management employees' share is approximately \$16,000. The County also spends approximately \$9,000 reimbursing management employees for their personal Blackberry used on County business. This combination of costs to provide access to cell phones and Blackberry devices to management employees is approximately \$95,000 annually. In addition, approximately 8 management employees currently use their personal Blackberry on County business but do not claim any reimbursement.

If the new policy is implemented with no changes made to employee usage, the cost would total approximately \$110,000. The increase is primarily due to an allowance for Blackberry devices for those employees who currently use their personal devices on County business but do not claim reimbursement (one reason employees may not claim reimbursement is that there is currently no policy that authorizes such reimbursement; if such a policy were implemented, costs under the current approach might rise). In fact, however, it is likely that these policy changes will result in some management employees receiving an allowance who are not currently receiving an allowance or a County-owned cell phone/Blackberry device. Furthermore, it is likely that some employees who now receive the \$70 allowance will receive a \$35 allowance instead. At this point, it is not possible to know what the net effect of implementation of the policy will be.

Consequences if not approved: County departments will continue to function without a formalized cellular phone and wireless PDA policy and treatment of employees will be inconsistent. The current monthly cell phone allowance will continue to be paid to some employees and some employees will still use County-owned equipment. In the absence of a new policy, the County will discontinue providing a reimbursement to management employees using their personal Blackberries for County business and some of them may be provided a County-owned Blackberry instead. Productivity could be less than optimum and administrative costs will be higher.

Additional Information: None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of

Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The rapidly changing world of wireless communications has provided an opportunity for County departments to enhance the efficiency, productivity and safety of County employees. Through use of cellular (or cell) phones and Blackberry devices, employees are available after hours and while in the field during the work day (Blackberry devices provide access to data services, such as internet and email). Use of this equipment by management employees is particularly cost-effective, since they are expected to be accessible at all times and do not receive overtime pay.

Currently, the County provides employees with cellular phone/Blackberry access by either purchasing the device for an employee or by providing a monthly allowance detailed as follows:

- | At the discretion of departments heads, any employee (management or non-management) may be authorized to use a County-owned cell phone or Blackberry device. In this situation, the County pays the cost of purchasing the equipment and the monthly service charge. There is no specific Cell/Phone Blackberry Policy which addresses such things as criteria concerning how department heads are to determine eligibility. Use of the County-owned equipment is governed by the County's Information Technology Use & Security Policy, which addresses such things as security, prohibited uses (such as other than incidental personal use), etc. Currently, approximately 300 employees (management and non-management) use County-owned cell phones and 13 use County-owned Blackberry devices.

- | The County Management Compensation Plans provide that, all department heads, and other management employees with the approval of their department heads, who are not issued a County-owned cell phone or Blackberry device, can receive a \$70 a month cell phone allowance, which can be used to offset the cost of using a personal cell phone for County business. There are no policies that set criteria for authorizing an allowance and no rules concerning use of a personnel cell phone for County business. Currently, approximately 80 management employees receive a cell phone allowance.

- | At the discretion of departments heads, some employees have been reimbursed for the cost of the data line charge on a personal Blackberry. There is no specific policy which authorizes this or addresses such things as criteria concerning how department heads are to determine eligibility. Currently, approximately 20 management employees use their personal Blackberry for County business, but only approximately 8 of those actually claim reimbursement for data line costs.

To recap, the County does not currently have a comprehensive cell phone/Blackberry device policy. As a result, employees have been treated inconsistently, including:

- | Providing allowances for personal cell phones intended to offset costs for use on County business
- | Providing allowances for personal cell phones and no allowance for personal Blackberry used on County business
- | Providing allowances for personal cell phones and reimbursement for data line on personal Blackberry used on County business

- | Providing allowances for personal cell phones and a County-owned Blackberry
- | Providing a County-owned cell phone
- | Providing a County-owned Blackberry
- | Reimbursement for personal Blackberry data line

At this point, the Chief Information Officer, together with the County Executive Officer, has determined that it would be appropriate to adopt a specific policy to address how management employees are provided access to cell phones and Blackberry devices for County business (a policy for non-management employees will be provided at a later date, following discussions with the relevant labor unions). The proposed policy is designed to accomplish three primary goals:

- | To simplify the administration of this program by eliminating the use of County-owned cell phones or Blackberry devices by management employees (except in certain limited circumstances) and allowing only for the payment of cell phone or Blackberry allowances to employees using their personal equipment for County business.
- | To tailor the allowance program to reflect different payment levels for different usage needs, so that the County does not pay more than is necessary to meet the usage requirements of a particular employee, while providing an appropriate incentive to use wireless technology in the most productive way possible.
- | To establish criteria for different allowance levels and rules governing certain aspects of the program, in part to insure that all employees are treated fairly and consistently.

This resolution would amend the Napa County Information Technology Use & Security Policy to add a Cellular Phone/Blackberry Wireless PDA Policy. This new policy states that the County will no longer provide County-owned cellular phone or Blackberry wireless PDA's to management employees, including elected officials and department heads. Instead, based on identified departmental needs, designated management employees will receive a monthly allowance when employees use their personal devices for County business purposes. This provides a more appropriate way to manage County costs for cell phone and Blackberry wireless PDA usage. Additionally, this allows an employee to carry a single device combining personal and business uses. The following dollar amounts for cell phone and Blackberry wireless PDA monthly allowances are proposed:

Cell Phones (for voice services):

- | Tier 1 allowance - \$35.00 per month based upon work duties that require incidental business use of a cell phone.
- | Tier 2 allowance - \$70.00 per month based upon work duties that require more than incidental business use of a cell phone.
- | Tier 3 allowance - \$120.00 per month for those whose work duties require that they be frequently out of the office and conduct County business throughout the day from remote locations (this allowance is limited to department heads and Board members and it is anticipated that it will only be used by a few employees).

Blackberry wireless PDA (for data services):

- | Blackberry wireless PDA allowance - \$60.00 per month.

If it is determined that a management employee needs both voice and data services, then they would receive both the Blackberry allowance and the appropriate level of cell phone allowance.

The tiered allowance structure roughly reflects current market costs and usage patterns. As the Board is aware, there are many different cell phone cost plans available. In order to obtain a rough estimate of appropriate allowance rates at different usage levels, staff surveyed plans provided by various carriers. Based on that survey, staff is recommending a Tier 1 allowance that is between the cost of the pay per minute plan (including taxes, fees and the amortization cost of a phone) and the 450 anytime minutes per month plan (not including taxes, fees and the cost of a phone). The Tier 2 allowance is the current allowance. The Tier 3 allowance is between the cost of the 2000 anytime minutes per month plan (including taxes, fees and the amortization cost of a phone) or the 4000 anytime minutes per month plan (not including taxes, fees or the cost of a phone). Finally, the Blackberry allowance reflects the approximate monthly data service charge, plus the amortization of the cost of the Blackberry device. It should be noted that the net value of these allowances to employees is less than the amount paid because the allowance is considered taxable income. In addition, some employees, who are required to be available in emergencies, will also be required to purchase a special Wireless Priority Service feature, without any additional reimbursement.

The intent is not that the allowances would necessarily totally cover the cost of service in any particular case, or even the total cost of using a cell phone/Blackberry on County business, but that, generally speaking, the amounts would roughly compensate employees for the use of their personal equipment for County business. Actual monthly costs of plans chosen by employees (including costs for overages) may be higher or lower than their allowance. However, County costs will be capped based on the allowance tier approved by the department head.

Under the proposed Policy, department heads and elected officials would be able to determine whether they need a Blackberry and/or a cell phone and, in the case of a cell phone, what tier allowance is most appropriate. For other management employees, the department heads would make that determination.

Finally, if approved as proposed, the new Policy necessitates (and the proposed resolution provides for) amendments to the Management Compensation Plans that currently provide for cell phone allowances since the policies would conflict. Therefore, Information Technology Services, County Counsel and County Executive Officer request that the following Policy sections be amended to delete the following:

1. Part 1, Section 37C-1 of the Policy Manual, Management Compensation Plan - Management Classified: "II.A.12. A cell phone monthly allowance of \$70.00, effective January 1, 2005 if required by his or her Department Head to carry a cell phone while working but has not been provided County-owned equipment and a County paid service plan."
2. Part 1, Section 37C-2 of the Policy Manual, Management Compensation Plan - Management Non-Classified: "II.A.12. A cell phone monthly allowance of \$70.00 effective January 1, 2005 if not provided County-owned equipment and a County paid service plan." and,
3. Part 1, Section 37C-3 of the Policy Manual, Management Compensation Plan - Management Non-Classified (Other): "II.A.12. A cell phone monthly allowance of \$70.00, effective January 1, 2005 if required by his or her Department Head to carry a cell phone while working but has not been provided County-owned equipment and a County paid service plan."

Combined, the proposed changes to policy create a less confusing system and encourage the appropriate use of County resources. Experience to-date is that management employees put in many extra hours using cellular phones and blackberry devices, increasing productivity and efficiency and, ultimately, the quality of services provided to citizens. Staff believes that productivity could be further increased if more management employees utilized cell phones and, particularly, Blackberry devices for County business, assuming that sufficient flexibility is provided to limit costs to a reasonable level. The proposed approach provides the necessary flexibility, while also

simplifying the program and thus reducing the administrative overhead involved. Actual cost savings or increases from this policy are difficult to estimate, because it is not known how many additional employees might receive an allowance or how many current employees who receive a \$70 allowance, for example, might be switched to the \$35 allowance.

In developing this proposed policy, staff considered a number of alternatives, including doing away with the cell phone allowance and providing all management employees required to have a cell phone or a Blackberry with County-owned devices. Although this would achieve the goal of having a consistent policy for all employees, staff concluded that this was not the preferred option, in part because it required a higher level of administrative oversight (to ensure that County cell phones/Blackberries are not used for personal business and that usage plans are appropriate and to process the purchase of services and equipment) and/or could require employees to carry two separate cell phones or Blackberries (one for personal use and one for County business). In terms of cost, providing County-owned devices could be more or less costly than providing an allowance, depending on a number of factors. On the one hand, the County can potentially obtain equipment and service plans at a discounted rate through a State contract and the current average cost for County-owned cell phone plans is \$52 monthly, not including the cost of the phone (though the cost of some employees' plans range as high as \$150 a month). On the other hand, providing an allowance caps the costs, so that even if employee costs are higher than the cap (due to exceeding plan minutes, calling information, etc.) the County is held harmless. In addition, the employee is responsible for purchasing the phone or Blackberry device, even if one needs to be replaced within a year or less due to damage or loss.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Britt Ferguson