

## 6. REIMBURSEMENT OF CELL PHONE CHARGES INCURRED BY ELECTED MEMBERS

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The purpose of this report is to seek the establishment of a policy covering claims lodged by elected members for the reimbursement of Council or Community Board-related cell phone line rentals and/or call charges.

### BACKGROUND

At present, the Christchurch City Council has no set policy covering the reimbursement of such claims. Currently, some Committee Chairs, Councillors and Community Board Chairs claim either full or part reimbursement of cell phone line rentals and/or call charges.

With the growing use of cell phones for day-to-day communication by elected members, it is desirable that the Council establishes a firm policy in this area.

### REMUNERATION AUTHORITY

In its proposed remuneration framework document of 12 April 2002 the Remuneration Authority said that a logical approach regarding cell phones would be to reimburse 50% of the monthly rental to a maximum of \$25 per month plus any relevant Council-related call costs, subject to at least 50% of free calls within the fixed rental having been used to offset the Council chargeable calls, ie if the call plan had 40 minutes worth of free calls, it would be reasonable for the Council to reimburse 50% of the plan costs, to benefit from at least 20 free minutes per month.

### POLICIES ADOPTED BY SOME OTHER COUNCILS

#### Auckland City Council

Provides Councillors with two options, ie:

- (a) Councillors are supplied with a Council cell phone, and reimburse the Council for all personal calls; or
- (b) Councillors use their own phone, and get a reimbursement of \$30 per month for the phone rental, plus a maximum reimbursement of \$100 per month for call charges (in the case of Committee Chairs) and \$50 per month for other Councillors.

#### Wellington City Council

1. All Councillors are entitled to a cell phone for Council-related business.
2. As part of the Council's preferred supplier arrangements with Telecom, cell phones are made available to Councillors free of charge. The connection fee is waived when signing onto the Council approved rate plan for a minimum of 12 months.
3. Where a Councillor chooses to use his or her personal cell phone, she or he can claim reimbursement for the monthly rental charge and reasonable Council business-related calls. This is subject to the personal cell phone plan having comparable rates to that offered by the Telecom Business Zone Plan.
4. Cell phone accounts are in the name of the Councillor and monthly statements are sent directly to him or her for payment.
5. On receipt of an expense claim with the appropriate documentation attached, the Council reimburses the Councillor for:
  - the full monthly rental charge
  - all reasonable Council business-related calls

Reasonable use is deemed to be in the order of \$60 per month for the total claim including the monthly rental charge. Where claims exceed \$60 per month the City Secretary is required to obtain an explanation and the Chief Executive may be required to sign-off on the claim.

6. All personal calls are paid for by the Councillor.

7. To avoid excessive cost to the Council:
  - A landline is to be used to call a landline, where possible
  - A cell phone is to be used to call a cell phone, where possible
  - Desk and home phones should not be continuously diverted to a mobile phone.
8. Cell phones provided to Councillors by the Council should not be used for electioneering purposes.
9. The City Secretary is responsible for monitoring mobile phone expense claims.
10. All cell phone expense claims are subject to audit.

### **Wellington Regional Council**

Elected members who can be contacted on a mobile telephone are entitled to an allowance of \$20 per month. This allowance is based on half the cost of the monthly rental plus a contribution towards the cost of calls relating to Council business. It is assumed that a key benefit of a mobile phone is for incoming calls where the cost is met by the caller, and that elected members will make most outgoing calls from landlines.

Elected members provide their own phone at their expense.

### **Canterbury Regional Council**

Provides a Council cell phone to those rural members who have to spend a long time travelling to ECan Council and Committee meetings.

ECan pays the full monthly rental and the charges for all official calls, with the charges for private calls being charged to the members concerned. Only two members have been provided with Council cell phones under this policy, on the basis that they spend in excess of two hours travelling to Christchurch, and two hours return.

### **CONCLUSION**

Cell phones are becoming an integral part of communications, both for rural and urban Councillors. There are, however, innumerable cell phone rental and call charge plans available from an increasing number of suppliers.

The Remuneration Authority has previously noted the wide variety of practices adopted by individual councils in relation to the reimbursement of mobile telephone rental and call costs.

I suggest that the Council adopt a policy providing for the payment of a flat monthly allowance for the monthly rental charge, and part of the call charges. In recognition of their differing responsibilities, a higher allowance could be set for Committee Chairs, with a reduced allowance applying in the case of Councillors and Community Board Chairs. In view of the similarity in the size of both Councils, and the responsibilities of their elected members, the allowances proposed in the following recommendation are based on those paid by the Auckland City Council.

Following the October 2004 elections the Council will be required to devise a new elected member payments regime under the pool established by the Remuneration Authority, and then seek the Remuneration Authority's approval to the payments proposed, and the associated rules proposed for the reimbursement of elected member expenses, including the reimbursement of cell phone charges. Thus, should the policy proposed be adopted and applied for the balance of the current triennium, it will be subject to review by the Remuneration Authority following the October 2004 elections.

### **STAFF RECOMMENDATION**

1. That the Council adopt a policy providing for the payment of the following monthly cell phone allowances:

Committee Chairs: Reimbursement of \$30 per month for the phone rental, plus a maximum reimbursement of \$100 per month for Council or Community Board-related call charges.

Councillors and Community Board Chairs: Reimbursement of \$30 per month for the phone rental, plus a maximum reimbursement of \$50 per month for Council or Community Board-related call charges.

2. That when submitting claims for reimbursement under the foregoing policy, members be required to submit the applicable monthly account to the Council Secretary, with the Council or Community Board-related and personal call charges separately identified in each case.

The Committee considered that it would be reasonable for Councillors and Community Board Chairs to be reimbursed, up to a maximum of \$30 per month, for cell phone rental charges. However, to encourage greater use of landlines it was unanimously agreed that elected members should not be reimbursed for call charges.

- Recommendation:**
1. That Councillors and Community Board Chairs be reimbursed up to a maximum of \$30 per month for cell phone rentals.
  2. That there be no reimbursement for call charges.