

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Deborah S. Traffenstedt, Administrative Services Director/City Clerk *DST*

DATE: July 12, 2006 (CC Meeting of July 19, 2006)

SUBJECT: Consider Cancellation of Employee Computer Loan Program

BACKGROUND AND DISCUSSION

On January 20, 1999, the City Council approved an amended computer loan program for City employees (see attachment). Due to the many promotions offered by numerous retail establishments for sale of computers and related equipment, including attractive financing terms, staff is recommending discontinuation of a City computer loan program. The amount of staff time involved in assisting with purchasing and ordering equipment and/or software and preparing loan paperwork is another reason for discontinuing the program.

There are currently six loans with an outstanding balance of \$5,060.27 as of June 30, 2006, that would continue to be paid off by the participating employees, consistent with the January 1999 terms and conditions.

STAFF RECOMMENDATION

Cancel employee computer loan program.

Attachment: January 20, 1999 staff report

ITEM 11.J.CITY OF MOORPARK, CALIFORNIA
City Council Meetingof 1-20-99ACTION: Approved as
amendedBY: Sign Pope**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: John E. Nowak, Assistant City Manager *jen*

DATE: 06 January 1999 (Council Meeting of 01-20-99)

SUBJECT: Consider Modifications to the City's Employee
Computer Purchase Loan Program

BACKGROUND: In 1994 the City Council modified a loan program through which City employees could purchase computers for their personal use. Employees have requested the program to be modified to allow upgrades to the computer be purchased through the loan program as well.

DISCUSSION: In 1994 the City Council modified a loan program through which city employees could purchase computers for their personal use. The current maximum loan amount is \$3,000 with a maximum three-year repayment schedule through automatic payroll deduction. Interest is charged at the 30-year Treasury Note rate. The City holds the equipment purchased as collateral interest until the loan is repaid. \$15,000 was initially appropriated from the General Fund in January 1994 for the program with an additional \$15,000 appropriated in May 1994. From its inception 15 employees have received and paid their loans in full. An additional six employees have loans at this time with outstanding balances totaling \$8,625.28.

The purpose of the loan program was to encourage employees to purchase computers for their home use which would increase their skills in using the City's software programs and thereby their productivity at work. In the past year the City has changed its internal software program from WordPerfect and Lotus to Microsoft Office including Word

and Excel. The new software requires more RAM, speed and computer capacity to operate properly than the former software.

Employees have requested that the loan program be expanded and made available for them to upgrade the computers they have purchased to handle the new software programs. The cost for each computer would be less than \$500. The City would benefit from allowing employees to install the new software at home for it provides additional opportunities for them to learn the programs and applications for work projects. Also, a number of employees are taking additional training for the new software and having the programs at home gives them an additional opportunity to practice for their training classes.

The initial \$30,000 appropriation would be sufficient to allow the employees to purchase upgrades and still have funds available for new computer purchases. The key factor is that new computers now cost less than the \$3,000 limit initially established (a full system can now be purchased for around \$1,500).

Therefore the proposed modified employee computer purchase loan program would be as follows:

1. Eligibility: Any full-time regular employee with at least one (1) year of service with the City. The City manager may grant less service time if in the interest of the City.
2. Loan Amount: \$2,500 per employee for an initial purchase. \$500 per employee for upgrade hardware.
3. Interest: One-quarter percent (0.25%) above the most recent quarterly interest rate paid on City funds by the Local Agency Investment Fund (LAIF).
4. Maximum Term: 72 bi-weekly payroll installments for new purchase. 12 bi-weekly payroll installments for upgrades.

5. Eligible Purchase Items: DOS based computer (desk or laptop), monitor, keyboard, mouse, printer, modem, docking station, carry case, speakers, memory upgrades, processing chips, hard drives, CD drives.
6. Eligible Software: Microsoft Office, MS-DOS. Other associated business programs as approved by the City.

STAFF RECOMMENDATION: That the City Council approve the modifications to the employee computer purchase loan program as described in the staff report.