

MINUTES OF REGULAR MEETING  
SUGAR CITY COUNCIL  
THURSDAY, MARCH 26, 2009

Presiding: Mayor Glenn W. Dalling  
Meeting Convened at 6:30 p.m.  
Prayer: Brad Orme  
Pledge of Allegiance

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Harold Harris, Bruce King, Brad Orme and Lamont Merrill; Brian Hawkes, Planning & Zoning; and Nathan Sunderland, *Standard Journal*.

**RESOLUTION NO. 2009-2 (Fair Housing):** Councilmember Orme and Councilmember King read Resolution No. 2009-2, which proclaims April as Fair Housing Month. This is both a federal and state requirement for all cities and counties working on economic development projects. It was moved by Councilmember Orme and seconded by Councilmember Harris to approve Resolution No. 2009-2. Thereupon, the Clerk called roll upon said motion.

Those voting aye: Councilmembers Harris, King, Orme and Merrill  
Those voting nay: none

Thereupon, the Mayor declared the motion passed. A copy of said resolution is attached hereto marked "Attachment 1."

**RESOLUTION NO. 2009-3 – Red Flag Policy (Identity Theft Prevention Program):** Councilmember Harris read Resolution No. 2009-3. Each councilmember had a copy of Resolution No. 2009-3 prior to the meeting. This resolution adopts a "Red Flag Policy" (Identity Theft Prevention Program). It was moved by Councilmember Merrill and seconded by Councilmember King to approve Resolution No. 2009-3. Thereupon, the Clerk called roll upon said motion.

Those voting aye: Councilmembers Harris, King, Orme and Merrill  
Those voting nay: none

Thereupon, the Mayor declared the motion passed. A copy of said resolution is attached hereto marked "Attachment 2."

The Mayor asked if there were any corrections to the minutes of the regular meeting held on March 12, 2009. Each councilmember had a copy of said minutes prior to the meeting. It was moved by Councilmember Merrill and seconded by Councilmember Orme to accept said minutes; motion carried.

**PLANNING & ZONING REPORT:** P&Z Chairman Brian Hawkes addressed the council.

**Report on Model Ordinances for Zoning and Subdivision:** Brian reported that P&Z discussed whether to rewrite titles 9 and 10, using the model ordinances recommended by the Association of Idaho Cities (AIC). Commissioners decided not to do so, since the new ordinances prepared by the commission are almost complete. Instead, they will review the model ordinances to ensure that the revised ordinances have not omitted anything important. Sharon was asked to wait to codify the revisions, because further changes will be made to them.

**Rezoning City:** Brian reported that P&Z feels the city should consider holding a public meeting rather than a public hearing to obtain input on rezoning the city, prior to taking the matter to public hearing.

**Information on Windmills:** Brian reported that Rocky Mountain Power says there are few windmills in the county. He said he heard there is a group installing a 300-foot tall windmill farm in the Moody Creek area. He recommends the city regulate windmills, but not ban them. Issues to consider are height, noise, electrical interference and aesthetics.

**MADISON COUNTY MULTI-JURISDICTIONAL ALL HAZARD MITIGATION PLAN:**

Councilmember Merrill presented an overview of the plan to the council. The plan contains information relative to the hazards and vulnerabilities facing Madison County, such as floods, droughts, winds, earthquakes, wildfires, pandemics and atomic bomb explosions. Jurisdictions participating in this plan include Madison County, Rexburg and Sugar City. The plan is basically a comprehensive risk assessment that provides information on what jurisdictions could do to mitigate the risk of natural and manmade disasters. The mayor expressed appreciation to Lamont for his good work.

**MOTION:** It was moved by Councilmember Merrill and seconded by Councilmember Harris to authorize the mayor to sign the Madison County Multi-Jurisdictional All Hazard Mitigation Plan as outlined; motion carried.

**DISCUSSION AND POSSIBLE DECISION ON DOOR-TO-DOOR SALES**

**ORDINANCES/RESOLUTIONS:** Discussion was had. It was the consensus of the council to inform Attorney Forsberg that the city will repeal Ordinance #151, so as to regulate not ban door-to-door sales. The mayor will talk with Attorney Forsberg about preparing an ordinance to properly regulate door-to-door sales, with a fee structure for certain occasions to be included.

**IDAHO STIMULUS PROJECTS – LOCAL HIGHWAY TECHNICAL ASSISTANCE**

**COUNCIL (LHTAC):** A letter from Brandon Harris of Forsgren Associates was presented. On behalf of Sugar City, Forsgren submitted a new application dated April 3 for stimulus funds. According to LHTAC rules, to qualify for these funds a proposed project must involve a major collector or arterial. Unfortunately, this excludes Sugar City. Councilmember King sent an e-mail note to Lance Holmstrom, LHTAC administrator, asking if there are any other funding channels through which Sugar City could apply for stimulus dollars for its roadways. But he hasn't heard back from him.

**DISCUSSION ON GRAIN SILO:** The mayor reported that Edstrom Construction promised a bid by today for demolition of the grain silo. Sharon spoke with representatives of the company this afternoon, who said they have been unable to obtain information from the powder company to complete the bid.

## **DEPARTMENT REPORTS:**

### **COUNCILMEMBER HARRIS:**

**Fireproof Vault:** Harold reported that the fire vault will be completed next week.

### **COUNCILMEMBER ORME:**

**Reservation Signs:** Brad asked permission for Marcie to contact a sign company to obtain reservation signs for the Heritage Park pavilion and Neibaur Park. Marcie said she will obtain two samples to show Brad.

**Discussion of Community Breakfast and Easter Egg Hunt:** These events are usually run by the councilmember over parks and recreation and by an Eagle Scout, but such events no longer qualify as Eagle Scout projects. Consequently, Brad presented four options: (1) no change to our current situation, where the councilmember takes over totally; (2) the council forms a volunteer committee to coordinate the breakfast and Easter Egg hunt; (3) create a paid position – “Community Event Organizer” – or (4) see if the Sugar City LDS Stake would be interested in coordinating the events each year by assigning them to different LDS wards, etc.

**Discussion on Community Breakfast Committee:** The mayor said if a committee was formed, it would be Brad’s committee. The breakfast takes considerable planning and organizing. He feels it should be our thing, rather than turn it over to anyone else. Brad feels the city should notify people in the monthly newsletter of the need for volunteers to form a breakfast committee.

**Arbor Day:** The mayor suggested Arbor Day be a Tree and Beautification Committee function.

### **COUNCILMEMBER KING:**

**Zoning Map:** Bruce reported that he and P&Z talked last week about asking Forsgren Associates for permission to use their land-use pdf file as the base map for city zoning. Then the city would have someone convert the finished zoning map to ArcGIS software. The mayor reported that Madison County’s GIS Department is working on a new city zoning map that will show current land-use classifications. He said if we are going to use an engineer, we should use City Engineer Dick Dyer. Sharon will send the map to Bruce and to P&Z as soon as she receives it from the Madison County GIS Department.

### **COUNCILMEMBER MERRILL:**

**Grand Teton Business Park and Storage (meters):** Lamont reported that, in his mind, the best option is to replace the business’s seven incompatible meters with correct ones and to stand the cost difference as a city. Our meter-reading equipment cannot read the meters currently installed. Lamont directed Public Works Director Zane Baler to replace the seven meters with readable ones. He said it is more expensive to install one 2-inch meter in lieu of seven ¾-inch meters. He said the city should charge Grand Teton for the water it uses. After discussion, it was the consensus of the council to charge the storage park one full base fee and six one-half base fees for the six apartment units.

**MOTION:** It was moved by Councilmember Orme and seconded by Councilmember Harris to charge Grand Teton Business Park and Storage four sewer base fees plus the cost of all water usage, contingent upon an okay by our lawyer; Councilmember King voted nay; motion carried.

Councilmember King said he believes the council should charge the storage park the standard base fee per apartment, but only at the time the apartment is rented.

**RANDY JOHNSON (FORSGREN ASSOCIATES) – WATER SYSTEM ANALYSIS:** This item was canceled until next meeting.

**MAYOR'S BUSINESS:**

**Sale of Business Park Lots:** The mayor reported on a discussion with Attorney Forsberg about selling the business lots. Before the attorney draws up the resolution for the sale, he has to have the restrictive covenants for the park and to know who will handle the sales. The mayor has given him the two documents requested and everything is in order. He would like to set April 9 as the date for passing the resolution and April 23 as the date for the sale. The sale would be at 6 p.m. in city hall.

The meeting adjourned at 8:45 p.m.

Signed: \_\_\_\_\_  
Glenn W. Dalling, Mayor

Attested: \_\_\_\_\_  
Sharon L. Bell, Clerk

**RESOLUTION 2009-2**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SUGAR CITY, IDAHO, THAT:**

WHEREAS, April 2009 marks the 41<sup>st</sup> anniversary of the passage of Title VIII of the Civil Rights Act of 1968, commonly known as the Federal Fair Housing Act; and

WHEREAS, the Idaho Human Rights Commission Act has prohibited discrimination in housing since 1969; and

WHEREAS, equal opportunity for all – regardless of race, color, religion, sex, disability, familial status or national origin – is a fundamental goal of our nation, state and city; and

WHEREAS, equal access to housing is an important component of this goal – as fundamental as the right to equal education and employment; and

WHEREAS, housing is a critical component of family and community health and stability; and

WHEREAS, housing choice impacts our children's access to education, our ability to seek and retain employment options, the cultural benefits we enjoy, the extent of our exposure to crime and drugs, and the quality of health care we receive in emergencies; and

WHEREAS, the laws of this nation and our state seek to ensure such equality of choice for all transactions involving housing; and

WHEREAS, ongoing education, outreach and monitoring are key to raising awareness of fair housing principles, practices, rights and responsibilities; and

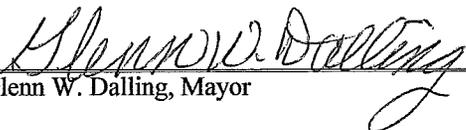
WHEREAS, only through continued cooperation, commitment and support of all Idahoans can barriers to fair housing be removed.

NOW, THEREFORE, I, Glenn W. Dalling, Mayor of the City of Sugar City, do hereby proclaim April 2009 to be

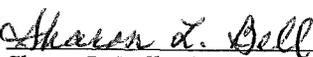
**FAIR HOUSING MONTH**

in the City of Sugar City, Madison County, State of Idaho.

UNANIMOUSLY APPROVED AND PASSED BY THE CITY COUNCIL AND MAYOR THIS 26<sup>TH</sup> DAY OF MARCH 2009.

  
\_\_\_\_\_  
Glenn W. Dalling, Mayor

ATTEST:

  
\_\_\_\_\_  
Sharon L. Bell, City Clerk

(SEAL)

**Resolution No. 2009-3**

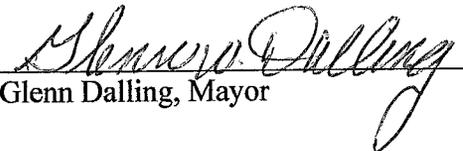
**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SUGAR CITY, IDAHO, ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM**

WHEREAS, Section 114 of the Fair and Accurate Transaction Act of 2003 (FACTA) and 12 CFR 41.90 and 41.91 require the City of Sugar City as a utility provider that provides utility services to customers on a credit basis to adopt an Identity Theft Prevention Program to protect its customers.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Sugar City, Idaho that the City hereby adopts the IDENTITY THEFT PREVENTION PROGRAM attached as Exhibit "A."

The administrative staff of the City is authorized to take all necessary steps to carry out the Identity Theft Prevention Program provided by this Resolution.

Passed by the Sugar City City Council the 26<sup>th</sup> day of March, 2009 and approved by the Mayor on the 26 day of March, 2009.

  
\_\_\_\_\_  
Glenn Dalling, Mayor

ATTEST:

  
\_\_\_\_\_  
Sharon L. Bell, City Clerk

## IDENTITY THEFT PREVENTION PROGRAM

In order to help combat identity theft, Congress enacted section 114 of the Fair and Accurate Transaction Act of 2003 (FACTA). In accordance with the Rules adopted by the Federal Trade Commission to implement FACTA, the City, as a utility provider that allows its customers to pay for utility services after the services have been received, is required to adopt an Identity Theft Prevention Program to protect its utility customers.

The following policies and procedures are for the purpose of detecting, preventing and mitigating identity theft. The policies and procedures take into account the size and complexity of the City's utility operations and account systems, and the nature and scope of the City's utility activities.

For the purpose of this Program, the following definitions will apply:

"Covered Account" -

1. Any account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the City offers or maintains for which there is a reasonable foreseeable risk to customers or to the safety and soundness of the City from Identity Theft.

"Identifying Information" -

Any name or number that may be used alone, or in conjunction with any other information, to identify a specific person, including: name, address, telephone number, social security number, date of birth, government-issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer's Internet Protocol address, or routing number.

### **I. IDENTIFYING RED FLAGS:**

The following are identified as Red Flags, which are potential indicators of fraud. Any time a red flag, or a situation closely resembling a red flag, is apparent, it should be investigated for verification.

**Alerts, Notifications or Warnings from a Consumer Reporting Agency, including but not limited to the following examples:**

1. A fraud or active duty alert included with a consumer report;
2. A notice of credit freeze from a consumer reporting agency in response to a request by the City for consumer report;
4. A notice of address discrepancy from a consumer reporting agency as defined in §334.82(b) of the Fairness and Accuracy in Credit Transactions Act.
5. A consumer report that indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as:
  - a. A recent and significant increase in the volume of inquiries;
  - b. An unusual number of recently established credit relationships;
  - c. A material change in the use of credit, especially with respect to recently established credit relationships; or
  - d. An account that was closed for cause or identified for abuse of account privileges by a creditor.

### **Suspicious Documents**

1. Documents provided for identification appear to have been altered or forged.
2. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.
3. Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.
4. Other information on the identification is not consistent with readily accessible information that is on file with the City, such as a signature card or recent check.
5. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

### **Suspicious Personal Identifying Information**

1. Personal identifying information provided is inconsistent when compared against external information sources used by the City. For example:
  - a. The address does not match any address in the consumer report; or
  - b. The Social Security Number (SSN) has not been issued, or the number is listed on the Social Security Administration's Death Master File.
2. Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, there is a lack of correlation between the SSN range and date of birth.
3. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the City. For example:
  - a. The address on an application is fictitious, a mail drop, or a prison; or
  - b. The phone number is invalid, or is associated with a pager or answering service.

4. The SSN provided is the same as that submitted by other persons opening an account or other customers.
5. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers.
6. The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
7. Personal identifying information provided is not consistent with personal identifying information that is on file with the City.
8. The person opening the covered account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report in the event that the City elects to include as part of the account application the requirement for the applicant to provide the answer to a challenge question to be used to verify the identity of the customer when asking for information.

#### **Unusual Use of, or Suspicious Activity Related to, the Covered Account**

1. A new account is used in a manner commonly associated with known fraud patterns. For example:
  - a. The customer fails to make the first payment or makes an initial payment but no subsequent payments.
2. The City is notified that the customer is not receiving paper account statements.

#### **Notice from Customers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection With Covered Accounts Held by the Creditor**

1. The City is notified by a customer, a victim of identity theft, a law enforcement authority, or any other person that the City has opened a fraudulent account for a person engaged in identity theft.

#### **Incidents of identity theft that the City has experienced**

1. The customer's behavior, or the information provided by the customer, is consistent or similar to that of other customers that the City has experienced as having been relating to incidents of identity theft.
2. Other patterns of behavior that the City experiences from time-to-time that have been used in identity theft.

## **II. PROCEDURES TO DETECT RED FLAGS**

## **Verify identity**

1. Utility customers will be required to provide sufficient information to identify them as the owner of the property for which the utility services are to be provided.
2. Utility accounts will not be transferred into the name of a new customer without obtaining the same verification as required for the initial service request.
3. Utility accounts must be in the name of the property owner and not in the name of the tenant, unless allowed by City ordinance and there is a written agreement signed by both the tenant and the property owner that the property owner will be jointly responsible for payment of the account.
4. If the mailing address for the account is not the same address as the property receiving the services, the customer must provide verification that the mailing address is valid.

### **III. PROCEDURES TO PREVENT AND MITIGATE IDENTITY THEFT**

1. Any time a Red Flag is identified relating to a covered account, the information will be provided to the persons assigned to administer this Program (Program Administrator). The Program Administrator will review the information and determine, in consultation with the City Attorney when appropriate, which of the following steps shall be followed:
  - a. Continued monitoring of the account for evidence of identity theft;
  - b. Contact the customer at the address where the services are being received to verify the information and/or identity of the customer;
  - c. Change any passwords or other security devices, if any are used by the City, that would permit access to accounts;
  - d. Refuse to establish the account in the name of the person requesting the account be opened or the name on the account be changed;
  - e. Close an existing account;
  - f. Reopen an account with a new number;
  - g. Notify law enforcement; or
  - h. Determine that no response is warranted under the particular circumstances.

### **IV. PROGRAM ADMINISTRATION**

#### **Program Administrator**

The City Treasurer, or the Treasurer's designee, shall serve as the Program Administrator.

#### **Duties of Program Administrator**

The Program Administrator shall have the following duties:

1. Developing, implementing and updating this Program;
2. Administration of this Program;
3. Ensuring that the City's utility staff are appropriately trained;
4. Reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft;
5. Determining the steps or prevention and mitigation should be taken in particular circumstances; and
6. Considering period changes to the Program.

### **Staff Training and Reports**

1. City utility staff responsible for implementing this Program shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags and the responsive steps to be taken when a Red Flag is detected.
2. Staff should prepare a report at least annually for the Program Administrator, including but not limited to the following:
  - a. An evaluation of the effectiveness of the Program with respect to opening accounts;
  - b. An evaluation of existing covered accounts;
  - c. An evaluation of service provider arrangements;
  - d. Significant incidents involving identity theft and response; and
  - e. Recommendations for changes to the Program.

### **Service Provider Arrangements**

In the event that the City engages a service provider to perform an activity in connection with one or more accounts, the City will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies designed to detect, prevent, and mitigate the risk of identity theft.

1. Require, by contract, the service provider to have such policies and procedures in place; and
2. Require, by contract, the service provider review this Program and report any Red Flags to the Program Administrator.

## **V. PERIODIC UPDATING OF THE PROGRAM**

This Program will be reviewed by the Program Administrator at least annually to determine if the Program needs to be amended to reflect changes in risks to customers and to determine the soundness of the Program to protect City covered accounts from identity theft. The review shall include at least the following:

1. Additions or modifications to the Red Flags, based on the following:

- a. The City's experience with identity theft;
  - b. New information regarding Red Flags from other sources, including but not limited to, credit reporting agencies and law enforcement.
2. Changes in methods of identity theft.
  3. Changes in methods to detect, prevent and mitigate identity theft.
  4. Changes in business arrangements.
  5. Changes in types of accounts offered.
  6. Changes in the City's utility business arrangements with other entities.

If the Program Administrator determines that updates to this Program are warranted, the Program Administrator will make recommendations for changes to the City Council. The City Council may accept, modify or reject those recommended changes to this Program.