

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, JANUARY 8, 2015

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

Present: Mayor Glenn W. Dalling; Clerk-Treasurer Wendy McLaughlin; Councilmen Bruce King, Lamont Merrill, Vaun Waddell, and Burch Drake; Dustin Orr of Northwest Farm Credit Services, Sugar City Postmaster Richard Miller, David Caleb Despain of the Standard Journal, Dana Izatt of Searle Hart and Associates, and Citizens Bruce Arnell and Harold Harris.

The mayor asked if there were any corrections to the minutes of the regular meeting held on December 11, 2014. Each councilman had a copy of the minutes prior to the meeting. It was moved by Councilman Drake and seconded by Councilman Merrill to accept the minutes; motion carried.

MAILBOXES IN SUGAR CITY: The agenda item began with Mayor Dalling expressing concern that curbside mailboxes may compromise sidewalks and utility lines, and create difficulty and liability for snow removal. Mr. Miller attended the council meeting to explain why the decision was made to expand home delivery.

Councilman Waddell gave information from research he obtained. No decision was made by the council. Mr. Miller's and Councilman Waddell's remarks are summarized in Attachment 1. See Attachment 2 for postal regulations excerpts.

NORTHWEST FARM CREDIT SERVICES GRANT ACCEPTANCE: Dustin Orr presented a \$1,000 grant check to Mayor Dalling. The city applied for the grant to help with a rest area in the Business Park along the walking path.

2014 CITY AUDIT REPORT: Dana Izatt presented the audit report for the 2014 fiscal year financial records. The report was positive, and the city is in a sound financial position. Dana went over the responsibilities of the auditor and the city and indicated that the city is fulfilling its financial responsibilities. The city accepted infrastructure of the Old Farm Estates development in August 2014, which was recorded on the financial records as increased capital assets:

Streets and Drainage -	\$819,000
Water System -	\$257,000
Sewer System -	<u>\$273,000</u>
Total	\$1,349,000

MOTION: It was moved by Councilman Waddell and seconded by Councilman Burch to accept the 2014 fiscal year audit report of September 30, 2014, as presented; motion carried.

ANIMAL ORDINANCE REVISION: No discussion. The council will put it on the agenda for the next council meeting.

SYRINGA AGREEMENT REPORT: Mayor Dalling reported that Syringa has agreed to continue renting tower space for their cell phone system but cannot provide phone service as needed by the city. The city's water pumps and lift stations are on an automated alarm system (SCADA), which requires data service and data coverage. The city has contracted with Verizon for their cell phones.

Syringa will increase their rent payments to \$800 a month on a month-by-month basis until July, at which time the company plans to enter a three-year contract with Sugar City that will also include an automatic yearly Consumer Price Index (CPI) increase instead of the 2% annual increase in the current contract.

RECONCILIATION REPORTS: Wendy presented the December reconciliation reports for the General Fund. It was moved by Councilman King and seconded by Councilman Merrill to accept the December reconciliation reports for the General Fund; motion carried. Wendy presented the December reconciliation reports for the Utility Fund. It was moved by Councilman Merrill and seconded by Councilman Drake to accept the December reconciliation reports for the Utility Fund; motion carried.

Wendy presented the current bills in the amount of \$36,218.37. It was moved by Councilman Waddell and seconded by Councilman King to pay the current bills, together with all regular January bills; motion carried. The council asked for more information on the Forsberg Law Office charge for prosecuting the Carter misdemeanor case for the city.

DEPARTMENT REPORTS:

COUNCILMAN MERRILL:

LEPC – Councilman Merrill reported that the LEPC was held, Wednesday, January 7, 2015. New officers were appointed. Additional Ebola virus information was presented.

COUNCILMAN WADDELL:

Moveable Soccer Goals: Councilman Waddell reported that the soccer goals are still in the engineering phase.

COUNCILMAN DRAKE:

Tree and Beautification Committee – Councilman Drake reported that the Tree and Beautification Committee will not meet again until March, but committee members are working on the Arbor Day and Tree USA event.

COUNCILMAN KING:

Extra Police Patrol: Councilman King reported that citizens are encouraged to lock their homes and vehicles when attending church meetings, etc. Several thefts have been reported of items taken from homes and cars during the three-hour meeting blocks of the Church of Jesus Christ of Latter-day Saints on Sundays. The city newsletter and website could also remind citizens to lock their homes and vehicles and to otherwise be cautious. Extra patrols on Sunday may also help deter thefts.

MAYOR'S BUSINESS:

Mayor Dalling's Resignation: Mayor Dalling submitted to the City Council a letter of resignation, after serving two consecutive terms and three years of a third four-year term. He also served as Sugar City's first elected mayor in 1968-1972. He has served a total of 15 years as the city's mayor.

The mayoral seat is up for election in November of this year. Council President Mont Merrill will serve as mayor until the council appoints an interim mayor to serve out Mayor Dalling's term. Meeting adjourned at 8:20 p.m.

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

Attested: Wendy McLaughlin
Wendy McLaughlin, Clerk-Treasurer

Mr. Miller's remarks are summarized below.

1. About 20 years ago, the postmaster decided that customers who did not want curbside delivery could have free post office (PO) boxes.
2. Now, about 330 PO boxes are in use and about 100 are free [provided without charge].
3. The United States Postal Service (USPS) has a ¼-mile rule applying to driveways. Some postmasters have "mistakenly" thought this rule referred to ¼-mile from the post office. It is USPS policy to grant home delivery requests if a resident qualifies. If so, then neighbors living on the new route of travel for the carrier no longer qualify for a free PO box.
4. I conducted an audit [an annual tracing of the routes of mail carriers] and realized that people on the route of travel were getting free PO boxes. About a year ago I sent out a letter to 50 or so customers on the red line [referring to a map showing routes of travel marked in red] that their PO boxes would no longer be free.
5. People have asked for delivery to their houses, saying they no longer want the free PO box. About 20 or 30 people asked, mostly young people moving in who had no experience with a PO box.
6. People gave their reason for requesting home delivery that they needed proof of address for utility companies and package delivery from non-USPS carriers.
7. USPS rules provide that a single approved extension of delivery cancels free PO boxes for everyone on the newly established line of travel.
8. In Sugar City, we will now go down every street both ways (in both directions) since "it is kind of a burden" for all customers on a street to place their boxes on one side of the street.
9. Customers are responsible to keep the area around their mailboxes clean and remove snow.
10. Mr. Waddell asked for an explanation of the distinction between "city delivery" and "rural delivery." Mr. Miller said that city delivery involved various forms of delivery, sometimes with the carrier on foot, and that rural delivery included outlying areas where sometimes customers were more than ½-mile from the next nearest customer.
11. Mr. Waddell asked if extending home delivery to all residents would increase costs to the USPS. Mr. Miller said city delivery is paid by the hour and home delivery is paid by the day. Mileage, which is the biggest expense for home delivery, is already figured into the expense budget. New delivery is down the road in one direction, because the intent of USPS is when we have new delivery [extension of a rural route] that the extension should travel only one side of the street.
12. Mr. Waddell asked if there was any formal procedure for requesting extension of rural delivery. Mr. Miller said there is no formal procedure for requesting extension of a rural route. They just call in and ask me.
13. Mr. Waddell referred to the letter from the postmaster in December stating that he could not refuse home delivery to those who requested it, and asked under what USPS rule the postmaster had decided to extend rural delivery to all of Sugar City. Mr. Miller said that he could not refuse the requests for home delivery because of the ½-mile rule, under which we "were obligated when they meet the qualifications."

A. USPS Report on PRC Rate and Service Inquiries for November 2009

Establishing Home Delivery - City Delivery may be established within the area to be served provided, among other criteria, the area has a population of at least **2,500** residents or **750** possible delivery points, and at least 50 percent of the building lots are improved with homes or businesses.

Rural Delivery is established through the determination of local postal managers. A rural route should serve an average of at least one residential or business delivery per mile. In addition, roads should be public and must be well-maintained and passable year round. Extensions of rural delivery service should also serve at least one family for each additional mile of travel, including retrace. The requirements for road conditions are the same as those for establishment of the route.

B. www.savethepostoffice.com/postal-service-delivers-last-mile-almost-changing-modes-delivery, accessed 6 Jan 2015

The average annual costs for city delivery are \$353 for door delivery, \$224 for curbside, and about \$160 for centralized. For rural delivery, the costs are \$278, \$176, and \$126, respectively.

C. Domestic Mail Manual (DMM)

- 508 Recipient Services
- 4.0 Post Office Box Service
- 4.1 Basic Information for PO Box Service
- 4.1.1 Purpose

Post Office Box (PO Box) service is a premium service offered for a fee (See Notice 123—Price List) to any customer and for no fee to **customers who are not eligible for carrier delivery** (also see 4.5.2). The service allows a customer to obtain mail during the hours the box lobby is open or access is otherwise available and is provided only through receptacles owned or operated by the USPS or its agents. PO Box service does not include alternate means of delivery established to replace or extend carrier delivery service. A postmaster (or designee) and a box customer may not make any agreement that contravenes the regulations on PO Box service or its fees. Competitive PO Box service (see 4.5.4) is available in designated postal locations and offers service enhancements for PO Box customers.

D. Postal Operations Manual (POM)

- 141 Post Office Box and Caller Services
- 141.41 General

Post Office box and caller services are premium services provided for the convenience of customers for a fee.

631.6 Conversion of Mode of Delivery

In this section, *conversion* refers to changing existing mail delivery to a more economical and efficient mode. The key to converting existing deliveries is identifying those deliveries that are most costly to the Postal Service. Delivery managers can go into any delivery territory where delivery has been established for over 1 year and solicit to convert the mode of delivery **if it would be cost beneficial to the Postal Service**.

Postmasters should not establish a mixed delivery area where the carrier must zigzag from the door to the curb when previously the carrier took obvious shortcuts to effect delivery. **Postmasters must weigh the advantages and disadvantages of converting less than 100 percent of the deliveries.**

Customer signatures must be obtained prior to any conversion. In single-family housing

areas (including manufactured housing and mobile homes) where the residences and lots are owned, each owner must agree to the conversion in writing. **Owners who do not agree must be allowed to retain their current mode of delivery.**

When a residence is sold, the mode of delivery cannot be arbitrarily changed prior to the new resident moving in. The existing mode of delivery must be retained. If an owners' association represents the community, it can direct the mode of delivery for the community. In rental areas, such as apartment complexes and mobile home parks, the owner or manager can approve the conversion in writing. **Owners who do not agree must be allowed to retain their current mode of delivery.**

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644 Conversions

644.1 Definition

In this section, *conversion* refers to replacement of city delivery service with rural delivery service. **Any conversion of city delivery territory must be approved by the district manager.** (Jim Wolf in SLC.)

644.2 Conversion of City Delivery Service to Rural Delivery Service

As a general rule, conversions from city delivery to rural delivery service shall be considered only for the following reasons:

- a. To establish clear-cut boundaries between city, rural, and highway contract delivery territory and eliminate overlapping and commingling of service.
- b. To restore reasonable operating efficiency where pockets of delivery area become separated due to some physical change that is expected to be permanent (e.g., construction of a dam or limited access highway, elimination of a bridge, etc.).
- c. To accommodate municipal or community identity preferences where the Post Office gaining the delivery territory does not have city delivery service and the carrier casing and delivery workload to be transferred is less than the minimum scheduling requirement for an auxiliary city route.

653 Extensions

653.1 Definition

In this section, *extension* refers to the expansion of rural delivery service into any areas **not presently receiving delivery service**, but within the delivery limits of a Post Office for which rural delivery has already been established. See 631 for authorized modes of delivery.

Note: Provide carrier service to persons who erect approved boxes on the **line of travel** of the rural carrier, and to persons for whom approved neighborhood delivery and collection boxes and parcel lockers are erected and maintained by the Postal Service on the carrier's line of travel, but no rural carrier service may be extended to persons residing within the boundary formed by existing city delivery service.

653.2 Eligibility

At noncity delivery Post Offices of the first-, second-, and third-class, **rural delivery may be extended to families who reside outside a 1/4-mile radius** (1/2-mile radius for fourth-class

Post Offices) of the Post Office if such service is requested and the other requirements in this section are met. **Customers residing within the 1/4-mile radius may erect a box along the carrier's established line of travel.**

653.3 Requests

Customers may request extension of rural delivery service using Form 4027.

653.4 Customer Density

Extensions must serve a minimum of one customer per mile of additional travel, including retrace.

653.7 Submission and Approval

District managers or their designees approve extensions of rural delivery. Postmasters who have demonstrated expertise in rural delivery may be authorized to approve extensions. Refer to sections 443 and 450 of Handbook M-38, *Management of Rural Delivery Services*, for instructions.

E. Handbook M-38, Management of Rural Delivery Services

211 General

Managers at postal facilities with rural delivery service must be familiar with all regulations and policies pertaining to rural delivery operations. They must manage or supervise rural operations efficiently and effectively and in conformance with regulations and policy guidelines.

Chapter 4: Extensions of Rural Routes

410 General

- a. Customers at city delivery offices who reside outside of a 0.25 mile radius of a postal facility* and outside of city delivery service boundaries if such service is requested and the other requirements are met.
- b. **Customers at non-city delivery offices who reside outside of a 0.25 mile radius of a postal facility* if such service is requested and the other requirements are met.**

*CAG L offices outside a .50 mile radius.

440 Extensions

441 General

An extension should provide service to the driveway entrance for all customers making requests, provided each customer meets the average mileage requirement. Customers who do not qualify under present requirements may place boxes on **the regular line of travel of a rural route and receive service.**

443 Request for Extension

443.1 Customers' Request

Customers requesting an extension of rural delivery service should complete **Form 4027, Petition for Change in Rural Delivery** (Exhibit 443. 1), in accordance with the instructions on the form and submit to the postmaster. **A separate Form 4027 must be submitted for each extension requested.**

443.2 Management's Responsibility

.21 **Upon receipt of Form 4027, management will complete the reverse side of Form 4027, prepare Form 4003, Official Rural Route Description, and a sketch of the area.**

450 Processing Requests for Extensions

451 **Postmasters Delegated Authority to Approve Extensions**

452 **Postmasters not Delegated Authority to Approve Extensions**