



TOWN OF HIGHLAND BEACH AGENDA MEMORANDUM

MEETING TYPE: Town Commission Meeting

MEETING DATE 04/16/2024

SUBMITTED BY: Lanelda Gaskins, Town Clerk

SUBJECT: Discussion of the Highland Beach Community Post Office (CPO), a contractual service of the United States Postal Service

SUMMARY:

For over two decades, the Town has maintained a contract with the United States Postal Service (USPS) to provide postal services to the community through a Contract Postal Unit (CPU)/Community Post Office (CPO). This arrangement provided the community with accessible and efficient postal services. Annually, the Town receives \$25,000 from the USPS to help offset our annual budget of \$160,000 for these services.

We have been notified by the USPS that, effective April 15, 2024, they will remove all credit card machines utilized at the CPUs/CPOs. This unexpected change will affect our current operational model and necessitates an immediate review of our available options.

Upon receiving the notification, I called the official contact person with the USPS, about alternative payment options. USPS identified three primary options for the Town. Each option has implications for our service delivery, financial management, and community impact. They are as follows:

1. Acquire Our Own Credit Card Machine:

- **Description:** Acquire a credit card processing machine(s) for our CPO. This option allows us to continue accepting credit card payments but requires the Town to remit a daily check/money order for the day's credit card transactions.
 - **Financial Implication:** Additional cost for acquisition of the credit card machine, plus merchant fees, and staff processing time.
 - **Operational Impact:** Imposes a significant administrative challenge to process and remit a physical check to the USPS daily. It would impact the daily operations of the Town Clerk's Office, Finance Department, Town Manager's Office, and Town
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Commission as it relates to processing and signing a check on a daily basis pursuant to the Town Charter and established accounting procedure.

2. **Cash Only Method (Include Checks):**

- **Description:** Transition to a cash-only payment system (include checks.)
- **Financial Implication:** Eliminates the costs associated with credit card transaction fees and machine maintenance. However, this may potentially reduce sales due to the inconvenience to customers who prefer or need to pay by credit card.
- **Operational Impact:** Potentially require staff to keep a higher volume of currency on-site, increasing the demands on our cash handling processes. Also, simplifies transactions but may decrease accessibility and convenience for a portion of our customer base, potentially impacting service utilization. (Roughly 90% of all current transactions are via credit card.)

3. **Close the CPU:**

- **Description:** Cease operations of our Community Post Office.
- **Financial Implication:** Eliminates operational costs associated with running the CPO but also removes a service from our community.
- **Operational Impact:** Requires the town to give the USPS 120 day notice of our intent to terminate the contract.

Given the implication of these options, Town staff is seeking direction to determine the best course of action. We must consider not only the financial implications but also the operational administrative burden associated with credit card transactions and remittance a check to the USPS daily. It is important to note that the current Lead Postal Clerk is retiring effective May 15 after 24 years of service.)

FISCAL IMPACT:

\$160,000

ATTACHMENTS:

USPS Letter dated January 30, 2024

RECOMMENDATION:

Commission discretion.