

Midway City Council
6 April 2021
Regular Meeting

Resolution 2021-07 /
Surplus Property



Memo

Date: 2 April 2021
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder
RE: Policy for Surplus Property

Attached is a draft policy regarding the disposal of surplus property. It replaces the existing policy (Attached) which does not work well for property of low value (Chairs, etc.).

The policy indicates that surplus property valued less than \$10,000 is disposed of as directed by the Mayor. Surplus property of greater value is disposed of as directed by the City Council. This is an arbitrary number and can be changed.

The current policy allows City employees to bid on surplus property before it is offered to the public. The proposed policy is silent on this issue. It does not grant preferential treatment for employees, but it also does not prohibit them from bidding with the public. This can be changed as the Council desires.

The policy requires that a City employee maintain all documentation regarding the disposal of surplus property. The Mayor and/or Council need to determine which employee will have this responsibility.

Please contact me if you have any questions.



RESOLUTION 2021-07

A RESOLUTION OF THE MIDWAY CITY COUNCIL AMENDING THE MIDWAY CITY POLICIES AND PROCEDURES REGARDING SURPLUS PROPERTY.

WHEREAS, the Midway City Council wants to insure the honest, ethical, and efficient operation of the City; and

WHEREAS, the City Council finds that amending the Midway City Policies and Procedures regarding surplus property will further these goals.

NOW THEREFORE, be it hereby **RESOLVED** by the City Council of Midway City, Utah, as follows:

Section 1: Section 7.1 (Surplus Property) is removed.

Section 2: The attached section (Exhibit A) is hereby adopted.

PASSED AND ADOPTED by the Midway City Council on the _____ day of _____ 2021.

MIDWAY CITY

Celeste Johnson, Mayor

ATTEST:

Brad Wilson, Recorder

(SEAL)

DRAFT

Exhibit A

DRAFT

5.1 Surplus Property

A. Purpose

This policy establishes the procedures for the transfer and disposition of surplus property, equipment, and materials. It also established the procedures for the scrapping, recycling, and disposing of scrap and recyclable surplus property, equipment, and materials.

B. Definitions

1. "Public agency" means the State of Utah or any of its agencies or subdivisions, any city, county, special district, or school district.
2. "Scrap" or "recyclables" means surplus property that may be reused "as is" or after repair or may be salvaged for its mineral value after treatment or processing.
3. "Scrapping" and "recycling" means transferring discarded surplus property, including scrap or recyclables, to a vendor for use, salvage, or resale.
4. "Surplus property" means any City property, equipment or material that is no longer needed or usable. This includes any scrap, recyclables, trash, and/or junk disposed, discarded, or abandoned on City premises, including all surplus property placed in storage or collection containers of any kind, including containers or facilities located on premises leased from the City.
5. "Trash" or "junk" means surplus property which has no practical salvage or recyclable value.

C. Procedures

1. Any property owned and possessed by a City employee, prior to being brought onto the City premises, or lawfully acquired by the employee while on City premises is considered the employee's personal property.
2. No one including employees shall transfer, sell, donate, scrap, recycle, or dispose of City property for personal gain or to benefit the interest of any person or party other than the City except as directed by the City Mayor or City Council.
3. No one including employees shall claim ownership of City property except as lawfully authorized by the City Mayor, City Council, or their designee.
4. All surplus property is disposed of "as is" and "where is," with no warranty, guarantee, or representation of any kind as to its condition, utility, or usability.
5. Property with an estimated market value less than \$10,000 may be designated as surplus property and disposed of as directed by the City Mayor.

6. Property with an estimated market value of \$10,000 or greater may be designated as surplus property and disposed of as directed by the City Council.
7. The City Council must designate and authorize the sale of surplus real estate regardless of its value.
8. The department head will recommend the estimated market value and the most fiscally advantageous method of disposal using tools such as Kelly Blue Book, classified advertisements, and local vendors with similar products available. The estimated market value will include the costs for the disposal of the surplus property.
9. Surplus property may be transferred or disposed of using the following methods:
 - a. Transfer to Another Department. Surplus property may be transferred between City Departments.
 - b. Trade-In. Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property.
 - c. Return to Manufacturer. Surplus property may, when possible, be returned to the manufacturer for buy-back credit.
 - d. Sealed Bids. Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
 - e. Auction. Surplus property may be sold at public auction. Auctions may be conducted by City staff, or the City may contract with a professional auctioneer or electronic auction site.
 - f. Selling for Scrap or Recyclables. Surplus property may be sold as scrap or recyclables if the City deems that the value of its parts exceeds the value of the surplus property as a whole. Scrap or recyclables may be sold through public auction or bids obtained from public agencies, organizations, or vendors including scrap dealers or recycling centers.
 - g. No Value item. If the City determines that the surplus property is of minimal value and the cost of disposal would exceed the recovery value, then it may dispose of it in a way deemed appropriate.

h. Surplus property may be donated to any other public agency or charitable organization exempt under Section 501(c)(3) of the Internal Revenue Code.

10. Notice of an auction or request for bids shall be posted in at least three locations in the City and on the City's website. Notice shall be posted no later than 10 days prior to the auction or the deadline to submit bids.

11. The City reserves the right to reject any and all bids. If all bids are rejected the surplus property may not be disposed of for a lesser value than the lowest rejected bid.

12. All proceeds from the transfer, sale, donation, recycling, and scrapping of City property, shall be made payable to the City, and shall be deposited into the appropriate fund.

13. Transfer of Ownership and Title. Delivery of the surplus property together with transfer of ownership and title passes upon receipt of the proceeds.

14. Documentation must be maintained regarding the transfer, sale, donation, recycling, and scrapping of City property and provided to the _____.

D. Disciplinary Action(s)

1. Violation of this policy may result in disciplinary action up to and including discharge.