

CITY OF GRANITE FALLS, WASHINGTON

RESOLUTION 2021-04

**A RESOLUTION OF THE CITY OF GRANITE FALLS, WASHINGTON, CREATING A SURPLUS
PROPERTY POLICY**

WHEREAS, the City of Granite Falls finds the need to dispose of property per RCW 35A.11.020 and 35.22.280(3); and

WHEREAS, the City wishes to establish procedures for disposition of property, other than real estate, which is surplus to the needs of the City; and

WHEREAS, the City Council understands that policies and procedures are working documents to assist City staff with their jobs.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANITE FALLS, WASHINGTON, does hereby resolve as follows:

Section 1. Purpose.

The City has the statutory authority to dispose of property under RCW 35A.11/020 and 35.22.280(3). This Policy establishes procedures for the disposition of property, other than real estate, which is surplus to the City's needs.

Section 2. Scope.

All employees of the City of Granite Falls.

Section 3. Definitions.

- **Surplus** - Surplus is defined as any tangible personal property owned by the City, which is not needed at present or for the foreseeable future or no longer of value or use to the City. Items included are those purchased, received as gifts, or found items.
- **Determination of Value** - A department wishing to dispose of a single item of surplus property, or a group of items, shall estimate the reasonable market value in "as is, where is" condition. This value can be determined through an estimate, an official appraisal, an offer from another agency, Kelly blue book value, or other sources available to the responsible department. If the department cannot make the estimate, the Department head shall determine the reasonable market value.
- **Eligible Purchaser** - Any public entity, a non-profit organization, private organization, or the general public can purchase surplus products unless otherwise noted in this

policy.

- **Finance Department (Finance)** - The Finance Department will be the City's Department responsible for tracking all surplus items within the City of Granite Falls.

Section 4. Policy.

Per RCW 63.21.070, City employees shall not directly or indirectly use, take, or dispose of City property or property in the City's possession other than as directed per their official duties. This prohibition includes but is not limited to articles of clothing, supplies, tools, and vehicles. Items (including apparel) owned by the City found to be unfit for further service on the job shall be turned in to a designated point within the department. According to the procedures contained herein, as the numbers of items turned in justifies, they will be declared surplus and sold, if applicable, according to the procedures contained herein. No City-owned item shall be turned over to an individual (employee or another person) for his/her personal use other than items purchased by employee clothing allotments.

Employees and employee associated organizations shall not request and will not receive any preferential treatment in the disposal or sale of City surplus material.

Certain City employees are excluded from purchasing City surplus items by Washington State law. These include those directly involved in declaring items surplus (i.e., elected officials, department heads, and those administering the sale), WAC 200-360-060.

Items found by City employees in the course of their duties and not falling into one of the following areas shall be turned in to the department head as a "lost and found" item and disposed of as surplus property. Items found and fitting into one of the following may be disposed of as is reasonable, under the circumstances:

- Perishable items;
- Items that would create a health, sanitary, or safety problem if stored;
- Items that would reasonably be considered garbage.

Section 5. Statutory Exceptions.

Items found in the course of their official duties by the Police Department are to be disposed of in accordance with Washington State Law regarding found or abandoned items by Police Departments.

Section 6. Procedure.

- A. **Surplus Item Identified:** The City department responsible for the property it wishes to declare surplus shall provide the City Finance Department with a detailed written description of the subject property, location, condition, and estimated value.
- B. **Reassignment of Assets:** When a City department decides that an asset is a surplus

to its needs, notification shall be made to the City Finance Department. Before bringing the item to the City Manager or City Council for a declaration of surplus, the first option will be to reassign the City's asset where it can be of use or value.

- C. **Minimum Requirements:** If the City cannot reassign the asset and the City Manager finds that such property is not needed at present or in the foreseeable future and is no longer of value or use to the City, the City Manager may authorize the sale or disposal of personal property, valued at or less than \$5,000. If the property has an estimated value greater than \$5,000, the City Council must approve any surplus or disposition action. The City Manager shall include in his annual budget report to the City Council a list of all surplus property that the City sold with a value of at least \$2,500 and of all vehicles sold from the City's fleet, regardless of value.
- D. **Council Determines Surplus:** Assets, valued over \$5,000 of the City that are no longer useable, are no longer of value to the City, or are surplus to the City's needs may not be removed from City ownership, sold, or in any other way disposed without a declaration by the City Council. The City Finance Department shall prepare a Resolution for Council approval identifying those City assets to be surplus.
- E. **Methods of Disposal:** Suppose the estimated value of the surplus property is \$5,000 or less. In that case, the City Manager may dispose of the property by informal procedures in any manner deemed to be in the City's best interests. This includes, but is not limited to, classified ad sales such as Craigslist, OfferUp, etc.

If the surplus property has an estimated value greater than \$5,000, the surplus property's disposition must be approved by City Council in a Surplus Resolution directing disposition through:

- Public auction;
- Solicitation of written bids;
- Negotiated sale to one or more designated buyers;
- Transfer to another agency of government at or below reasonable market value; or
- Such other method as authorized by City Council.

All sales shall be through the processes above, except for sale of scrap or sales to other government entities, which may be private. Scrap may be sold by private sale at prices established by current market conditions. Scrap is any equipment or material that cannot serve its original purpose. Trade-ins of old equipment to upgrade the equipment of the same or reasonably related kind are permitted when it is in the City's best interests (per RCW 39.33.010).

The City Council may transfer a surplus asset to another public agency upon written request and a determination to do so in the public interest. Such request shall

specify the asset and the inability of the agency to afford otherwise to buy it. The City Council may elect to trade assets, authorize the City Manager to negotiate payment or transfer it without compensation.

F. Public Notice: Where public sale is designated in the Resolution

- **Public Sale:** The notice of intent to sell surplus or scrap at a public sale shall be published once a week for two (2) consecutive weeks in the local newspaper immediately prior to the sale. The notice shall state the time and place of the sale.
- **Sealed Bid:** The notice of intent to sell surplus or scrap by sealed bid shall be published once a week for two (2) consecutive weeks in the local newspaper immediately prior to the sale. The notice shall state the items available, minimum bid (if any), specifics of required documents and bid closing date and time.

G. Inventoried Items: Any inventoried item that will be scrapped, surplus, or traded in will be signed off by the employee responsible and approved by the City Manager. Once an item has been declared surplus and the means by which it will be disposed of have been determined, the City Department must complete a Notice of Receipt or Transfer of Non-Expendable Property Form. The individual responsible for discarding, scrapping, or transferring the item shall sign and attest under penalty of perjury to the manner of disposition and forward the form to the City Manager for signature.

If the item is sold or transferred, the receiving individual or party must sign an "As-Is/Where-Is" Statement or Liability Waiver. Suppose the Department is responsible for the pickup or transfer of the item. In that case, it must obtain the signature of the individual or party receiving the item on the form and forward the form to Finance for its files.

If the item is sold, the proceeds will be deposited into the fund that accounts for the asset within 24 hours of the transaction. Checks for surplus items are to be made payable to the City of Granite Falls.

H. Vehicles: For vehicles being surplus, the requesting department shall attach to the surplus request form a printout from Kelly Blue Book with the vehicle's estimated value. If the item is being surplus on eBay, state surplus, publicsurplus.com, or propertyroom.com, Finance services will set the starting bid price at half of Kelly Blue Book value unless the department indicates otherwise. City logos and other markings identifying vehicles as city property shall be removed before sale.

I. Scrap Metal: A scrap metal worksheet's weight shall be submitted to Finance when the recycling company picks up the scrap load. Finance will match the worksheet to the weight slips provided by the recycling company after pickup.

- J. **Additional Requirements: Assets Over \$50,000; Utility Assets** - If the asset proposed as surplus is evidence released by the Court, seized assets, or unclaimed property, the City Manager shall review the appropriate statutes before asking the City Council to declare it surplus. If the asset's value is estimated to be more than \$50,000, and if the sale or conveyance is to another governmental entity, the provisions of RCW 39.33.020 shall apply. This includes several requirements, including a public hearing and specific notice provisions. If the asset was originally purchased for utility purposes, the provisions of RCW 35.94.040 shall apply. This includes several requirements, including a resolution and a public hearing.
- K. **Final Determination of Value:** When disposal is made to the general public through a sealed bid or auction, the final determination of value shall be the highest responsible bid or offer.
- L. **Prohibited Benefit:** It is recognized that Granite Falls City Councilmembers, City Manager, and City Staff are prohibited from benefitting from the disposal of public assets of the City of Granite Falls.


Section 7. Effective Date. This resolution shall take effect immediately upon passage by the City of Granite Falls City Council.

PASSED by the City Council of the City of City of Granite Falls this 17th day of March 2021.




Matthew Hartman, Mayor

ATTEST:



Darla Reese, MMC, City Clerk

APPROVED AS TO FORM:



Thomas H. Graafstra, City Attorney
Emily Guildner, City Attorney