

# SULTAN CITY COUNCIL

## AGENDA ITEM COVER SHEET

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**ITEM NO:** C - 7

**DATE:** October 18, 2007

**SUBJECT:** Resolution 07-25  
Surplus of Public Works Equipment

**CONTACT PERSON:** Public Works Director Dunn 

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### **ISSUES:**

Authorize Staff to surplus equipment that is no longer usable for service in the Sultan Public Works Department.

### **STAFF RECOMMENDATION:**

The staff recommendation is to surplus the listed equipment in Exhibit A of Resolution 07-25, by advertising in the Everett Herald, Monroe Monitor and the AWC Equipment sale catalog, following RCW 35.94 and SMC 3.60. Profit of the sale will be distributed to the CR 104 Equipment Fund for future purchase of Public Works Equipment as allowed in City Code.

### **BACKGROUND:**

The Public Works Staff is asking the City Council to approve the surplus of old equipment in order to conduct a closed bid auction. The equipment is not performing as efficiently as it should with the amount work the department does in the City Parks, Water, Sewer, Streets and Cemetery. Public Works is spending more time and money trying to keep the equipment operational than there is funding in the budget.

During the annual budget process and in accordance to Sultan Municipal Code, Chapter 3.60, the Public Works Department completes an assessment of equipment, listing what is no longer cost effective or useable. In preparing for the 2008 budget, the Public Works Staff has completed the task of equipment assessment. Staff is requesting the Council surplus the equipment authorizing staff to conduct a closed bidding process for this equipment.

Sultan Municipal Code Chapter 3.60.030 - Sale and disposal of personal property requires the sale of personal property valued over \$300.00 in value to be completed in the following matter:

The clerk treasurer shall call for sealed bids,  
Shall contain a description of the property to be sold, the location thereof,

The name and address of the person with the bid is to filed,  
Location for viewing of surplus equipment,  
The last date for filing bids, and  
Other pertinent information.

Such call shall be published at least once in a newspaper of general circulation in the city not less than five days before the last date for filing of bids, SMC 3.60.030.

**SUMMARY:**

After assessing the equipment, Public Works would recommend the following equipment be surplus:

	Estimated Value
1981 Ford F-250 4 X 4	\$500.00
1985 Backhoe Case 580D	\$1,500.00
1987 Ford Vactor Truck	\$6,000.00
1983 HM Utility Trailer, non-tilt top	\$50.00
1970 Chipper	\$500.00
Ride on 32" Compaction Roller	\$50.00
* Honda Push Mower	\$00.00
Hand held Stihl AE 95 Leaf Blower	\$15.00
1999 Stihl AE 95 Weed eater	\$10.00

\* The Honda Push Mower deck is rusted; the Public Works crew has put woven fencing on the deck so they could use it without having debris discharged onto them. The deck is in disrepair to the point it is unsafe to use. Staff is asking to surplus this mower so it is disposed of by recycling.

RCW 39.33.020 requires a public hearing for a combined total value of more than \$50,000.00. The combined value of Sultan's surplus equipment for this sale is \$8,625.00, RCW 39.33.020 does not apply.

**FISCAL IMPACT:**

The profit from the sale of the equipment would be placed into the 104 cumulative equipment reserve fund for future purchase of Public Works Equipment.

**RECOMMENDED ACTION:**

Authorize Public Works staff to surplus the equipment as listed above and conducting a closed bid auction per Sultan Municipal Code 3.60 with an estimated bid opening date of November 13, 2007 at 2 pm.

**COUNCIL ACTION:**

**DATE:** October 18, 2007

**ATTACHMENTS:**

- Attachment A: Resolution 07-25
- Attachment B: Sultan Municipal Code 3.60
- Attachment C: MSRC paper on Sale of Surplus City Property and RCW references
- Attachment D: Research on surplus equipment value

**RESOLUTION NO. 07-25**

**A RESOLUTION PROVIDING FOR THE DISPOSAL OF CERTAIN INVENTORY ITEMS DEEMED TO BE SURPLUS TO THE REASONABLY FORESEEABLE NEEDS OF THE CITY OF SULTAN.**

**WHEREAS**, certain items of equipment belonging to the City of Sultan are obsolete and no longer used by the City; and

**WHEREAS**, the value, obsolescence and condition of these items of inventory make it impractical to trade the same in on future purchases of new inventory items from the list of assets of the City and to obtain the maximum return for said inventory items, it should be the best interest of the City to dispose of the same in a manner that will not longer be to the best advantage to the City of Sultan.

**NOW THEREFORE**, it is resolved by the City Council of the City of Sultan, Washington as follows:

1. Based upon the findings and recommendations of the City, the items of inventory belonging to said City as shown in Exhibit "A" attached hereto, are declared to be surplus of the foreseeable needs of the City.
2. That it is deemed to be for the common benefit of the residents of said City to dispose of said inventory.
3. That the staff is authorized to dispose of items listed in Exhibit "A" in accordance with the provisions of SMC 3.60.030 to SMC 3.60.065 attached hereto, in a manner that will be to the best advantage to the City of Sultan.

**PASSED** by the City Council this 18<sup>th</sup> day of October, 2007

City of Sultan

\_\_\_\_\_  
Benjamin Tolson, Mayor

**ATTEST:**

\_\_\_\_\_  
Laura J. Koenig, city Clerk/Treasurer

Approved as to form:

\_\_\_\_\_  
Thom Graafstra, City Attorney

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ATTACH A-1



**Chapter 3.60**

**SALE AND DISPOSAL OF PERSONAL PROPERTY**

Sections:

- 3.60.010 Sale of unneeded property owned by the city.
- 3.60.020 Sale of personal property of \$300.00 in value or less to another governmental entity.
- 3.60.030 Sale of personal property over \$300.00 in value.
- 3.60.040 Bid deposit for the sale of personal property over \$300.00 in value.
- 3.60.050 Bid opening in the sale of personal property over \$300.00 in value.
- 3.60.060 Award or rejection of bids in the sale of personal property over \$300.00 in value.
- 3.60.065 When bids rejected or no bids received.

**3.60.010 Sale of unneeded property owned by the city.**

Whenever it appears to the city council that properties are no longer of public use to the city and the sale thereof would be in the best interests of the city, the city council may authorize the sale of property owned by the city upon receipt of an estimate value for each property from the department head, which shall be provided to the council within 10 working days of their determination. The clerk/treasurer shall provide in writing to the city council, at the council's next regular meeting after a sale, the purchase price, purchaser's name and address, and the date of sale. (Ord. 571, 1991; Ord. 454 § 1, 1984)

**3.60.020 Sale of personal property of \$300.00 in value or less to another governmental entity.**

Approval of the council is given for the sale or disposition of any personal property:

- A. With an estimated value of \$300.00 or less; or
- B. To another governmental entity to be used by the entity; when such property has been authorized for disposition by the city council; such sale or disposition to be made by the clerk/treasurer in accordance with informal procedures and in the best interest of the city. (Ord. 571, 1991; Ord. 454 § 1, 1984)

**3.60.030 Sale of personal property over \$300.00 in value.**

The clerk/treasurer, upon receipt of written instruction from the city council to sell personal property owned by the city valued at more than \$300.00, shall call for sealed bids and shall contain a description of the property to be sold, the location thereof, the name and address of the person with whom the bid is to be filed, the last date for filing bids, and other pertinent information. Such call shall be published at least once in a newspaper of general circulation in the city not less than five days before the last date for filing of bids. (Ord. 571, 1991; Ord. 454 § 1, 1984)

**3.60.040 Bid deposit for the sale of personal property over \$300.00 in value.**

Each bid shall be accompanied by a deposit in the form of a certified check in an amount equal to not less than 20 percent of the amount of the bid. All such deposits so made shall be returned to the unsuccessful bidders depositing the same after award of contract has been made. The deposit of the successful bidder shall be applied upon the price, or upon failure of such bidder to consummate the purchase, such deposit shall be forfeited as liquidated damages and such deposit so forfeited shall be credited to the appropriate account. (Ord. 454 § 1, 1984)

**3.60.050 Bid opening in the sale of personal property over \$300.00 in value.**

Sealed bids shall be opened in public by the city clerk/treasurer or an authorized agent at the time and place specified in the call for bids. The city clerk/treasurer shall make a tabulation of all bids received and forward the bids to the city council. (Ord. 454 § 1, 1984)

**3.60.060 Award or rejection of bids in the sale of personal property over \$300.00 in value.**

The city clerk/treasurer shall present all bids, together with recommendations to the city council at a regularly scheduled meeting for approval or rejection by the council. (Ord. 454 § 1, 1984)

**3.60.065 When bids rejected or no bids received.**

In the event no bids are received or all bids received are rejected by the city council, then the council may either ask for new sealed bids or direct

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ATTACH B



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### Sale of Surplus City Property

Cities and towns frequently need to sell or convey equipment or property which is no longer needed for municipal purposes. There are relatively few statutes concerning procedures for sale of surplus property. Cities and towns should be familiar with those listed in the Statutes section (under "Reference Sources" below), and you should keep these points in mind:

- 1.) Prior to sale, always determine the fair market value of the item to be sold. If you sell it for less, you may be violating Article VIII, 7 of the state constitution, the "gift clause." But see RCW 39.33.010, listed in the Statutes section (under "Reference Sources" below).
2. Hold a public hearing, if required by RCW 39.33.020 or RCW 35.94.040, listed in the Statutes. AGO 1997 No. 5 concludes that the public hearing requirement in RCW 39.33.020 only applies to intergovernmental transfers of property.
3. Pass a resolution declaring the property to be surplus, and specifying how the property is to be sold, or delegating that task to a particular administrative official.
4. Proceed with sale as required by the town or city council, or in any commercially reasonable way. Sale can be by auction, private sale, sealed bid, through a broker or agent, etc.
5. Keep in mind that city officials and certain administrative officers may be restricted from purchasing surplus property due to conflict of interest concerns. The general rule is that those who are involved in the decision to surplus property (the council) and those in charge of administering the sale (mayor, city manager, or other city officer responsible for the sale) should not purchase the property. General city employees can purchase surplus city property.
6. Consider adopting policies concerning sale of city property. See the Documents section, below.

#### Reference Sources

- Statutes
- MRSC Inquiries

#### Documents--Code Provisions and Policies

- Sample Disposal of Surplus City Assets Policy
- Bellevue - Chapter 4.32, Sale of City Property
- Bellingham - Chapters 4.84, Disposition of Surplus Real Property and 4.86, Disposal of Property Other Than Real Estate
- Bellingham - Policy - ADM 10.07.01, Disposal of Surplus Property Other Than Real Estate (36 KB)
- Edmonds - Chapter 3.01, Sale of City Property
- Fife - Chapter 1.28, Disposal of Surplus Real and Personal Property of the City
- Kirkland - Chapter 3.86, Sale and Disposal of City Property
- Langley - Chapter 3.80, Disposal of Surplus Property
- Medical Lake - Resolution No. 296 - a resolution setting guidelines for the disposal of surplus city assets, 1996
- Medical Lake - Sample Disposal of City Assets Policy [based upon policy drafted by the City of Medical Lake]

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Attach C-1*

- Olympia
  - Disposal of Surplus Items Outside of the Annual Citywide Auction (1328 KB)
  - Guidelines for Auction Surplus (1199 KB)
- Pasco - Chapter 2.46, Sale of City Property
- Port Angeles - Chapter 2.60, Disposal of Surplus Real and Personal Property (1116 KB)
- Poulsbo - Chapter 3.68, Disposition of Property
- Puyallup - Resolution No. 1727 (115 KB) declaring certain property as surplus and authorizing its sale, 2002
- Renton - Surplus Real Property Policy and Procedure (123 KB), June 10, 2004
- Seattle - Ordinance No. 119145 - authorizes the development and implementation of a process for the non-cash transfer of surplus computer equipment, 1998
- Vancouver - Policy and Procedure for Disposal of Surplus Supplies, Furniture and Equipment (113 KB), August 11, 2004
- Woodland - Resolution No. 451 (127 KB) providing for the disposal of certain inventory items deemed to be surplus to the reasonably foreseeable needs of the City of Woodland, 2001

**RCW 39.33.010**

**Sale, exchange, transfer, lease of public property authorized -- Section deemed alternative.**

(1) The state or any municipality or any political subdivision thereof, may sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property, to the state or any municipality or any political subdivision thereof, or the federal government, on such terms and conditions as may be mutually agreed upon by the proper authorities of the state and/or the subdivisions concerned. In addition, the state, or any municipality or any political subdivision thereof, may sell, transfer, exchange, lease, or otherwise dispose of personal property, except weapons, to a foreign entity.

(2) This section shall be deemed to provide an alternative method for the doing of the things authorized herein, and shall not be construed as imposing any additional condition upon the exercise of any other powers vested in the state, municipalities or political subdivisions.

(3) No intergovernmental transfer, lease, or other disposition of property made pursuant to any other provision of law prior to May 23, 1972, shall be construed to be invalid solely because the parties thereto did not comply with the procedures of this section.

[2003 c 303 § 1; 1981 c 96 § 1; 1973 c 109 § 1; 1972 ex.s. c 95 § 1; 1953 c 133 § 1.]

**NOTES:**

**Effective date -- 2003 c 303:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [May 14, 2003]." [2003 c 303 § 2.]

Exchange of county tax title lands with other governmental agencies: Chapter 36.35 RCW.

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*Attach C-3*

**RCW 39.33.020****Disposal of surplus property -- Hearing -- Notice.**

Before disposing of surplus property with an estimated value of more than fifty thousand dollars, the state or a political subdivision shall hold a public hearing in the county where the property or the greatest portion thereof is located. At least ten days but not more than twenty-five days prior to the hearing, there shall be published a public notice of reasonable size in display advertising form, setting forth the date, time, and place of the hearing at least once in a newspaper of general circulation in the area where the property is located. A news release pertaining to the hearing shall be disseminated among printed and electronic media in the area where the property is located. If real property is involved, the public notice and news release shall identify the property using a description which can easily be understood by the public. If the surplus is real property, the public notice and news release shall also describe the proposed use of the lands involved. If there is a failure to substantially comply with the procedures set forth in this section, then the sale, transfer, exchange, lease, or other disposal shall be subject to being declared invalid by a court. Any such suit must be brought within one year from the date of the disposal agreement.

[1995 c 123 § 1; 1981 c 96 § 2.]

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Attach C4

**RCW 35.94.040**

**Lease or sale of land or property originally acquired for public utility purposes.**

Whenever a city shall determine, by resolution of its legislative authority, that any lands, property, or equipment originally acquired for public utility purposes is surplus to the city's needs and is not required for providing continued public utility service, then such legislative authority by resolution and after a public hearing may cause such lands, property, or equipment to be leased, sold, or conveyed. Such resolution shall state the fair market value or the rent or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest.

The provisions of RCW 35.94.020 and 35.94.030 shall not apply to dispositions authorized by this section.

[1973 1st ex.s. c 95 § 1.]

*C-7  
Attach C-5*

Surplus List

These are too old for me to look up.

Julia 10/15/07

'81 Ford 4x4 ~~500<sup>00</sup>~~

~~83/85~~ Backhoe 580D ~~1,500<sup>00</sup>~~

32" Roller ~~50<sup>00</sup>~~  
Pavement

81 ~~81~~ Ford Vector 7000

\$50' 83 H M Utility ~~18<sup>00</sup>~~ <sup>pauses</sup>

\$500<sup>00</sup> 70 Chipper

~~100<sup>00</sup>~~ old Honda Push Mower (1986) should scrap  
Blade hits deck - Deck is worn  
Rusted out; deck

100<sup>00</sup> hand held 1999 ~~1999~~ Still weed eater AT 95  
150<sup>00</sup> hand held 1999 Leaf Blower

**1981 FORD L8000**

Specifications	
Year	1981
Manufacturer	FORD
Model	L8000
Condition	USED
Number of Rear Axles	Tandem
Engine Specs	Cummins
Engine Type	6 cyl
Check for Over Drive	No
Transmission	13 Spd
VIN	1FDYU90W7FVA59716

Auction Information
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* Auction: 9/13/2005 In Los Angeles (Perris), California
Sold Price: \$9,000

Detailed Description
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industrial vacuum trk,Vactor 2045,dump body,rear door
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Contact:

**Ritchie Bros Auctioneers**  
 Truck/Trailer was auctioned in:  
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