

Council Business Meeting

November 15, 2022

Agenda Item	Declaration and Authorization to Dispose of Surplus Property	
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SUMMARY

In accordance with AMC 2.54.010, surplus property having a residual value of more than \$10,000 requires the approval of the City Council prior to offering the surplus property for public sale. City staff is requesting approval to dispose of the items declared as surplus property. After approval is granted by the City Council, the vehicles and equipment will be offered for public sale using *GovDeals*, an online marketplace for government agencies to sell surplus property.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals

- Maintain Essential Services
- Continue to leverage resources to develop and/or enhance Value Services

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

PREVIOUS COUNCIL ACTION

On March 5, 2019, the City Council approved and granted authority to City staff to conduct online auctions through *GovDeals*, an online marketplace for government agencies to sell surplus property. City staff anticipates bringing similar requests to Council on a bi-annual or annual basis.

BACKGROUND AND ADDITIONAL INFORMATION

Prior to offering surplus property for public sale on *GovDeals*, City staff conducted an annual sealed bid auction, which was labor intensive storing and handling surplus items for a year, setting up and facilitating the sealed bid auction for 2-3 weeks and then buyers having one (1) week to pay and pick up the items they bought. City staff researched alternative options to the annual sealed bid auction, and determined the services provided by *GovDeals* would be beneficial to the City by cutting out the time and labor required to facilitate a sealed bid auction and eliminating the risk of liability to the City having the public continuously coming and going during work hours to view the surplus property being offered for sale in a sealed bid auction at the City's Service Center.

Disposing of surplus property in an online auction, allows the public to continue to participate in the sealed bid auction process. Online auctions give the City the ability to sell to a larger audience, which has the potential of higher returns on auction items. Equipment can be disposed of on a more regular basis (quarterly) allowing for less storage, handling, repairs and potentially a higher resale value. All items are typically offered "as is". City staff sets a reserve minimum price on most of the vehicles and equipment based on estimated value at the time of disposal to ensure a minimum amount is received for those auction items.

Fleet staff strive to maintain a fully functional operational fleet (vehicles and equipment) that allow employees to perform their essential job functions for the community. There comes a time when repair and maintenance costs for fleet vehicles or equipment become too costly when compared to the purchase of a new vehicle or piece of equipment. For example, in the first few years of a vehicle's life repairs include brakes, fluid changes, minor electrical issues and after the first few years' items like transmissions and major engine components can require repairs at a significant cost. Not only do older vehicles become an issue due to repair costs, but one must also consider the time and how often the vehicle is out of service due to repairs and how that can impact job functions and schedules. Not only are fleet vehicles replaced over time due to heavy usage, multiple users, age and maintenance costs, but also as new technology becomes available and/or when changes in job requirements require upgrades for staff to safely accomplish their essential job functions.

ITEMS DECLARED SURPLUS PROPERTY

VEH #	DESCRIPTION	DEPT	VIN #	ESTIMATED REVENUE
3	1962 Gallion Roller	Street	9P12G3291 1-H	\$1,500
20	1981 Caterpillar D3 Bulldozer	Street	79U5408	\$15,000
33	1983 John Deere 672-A Grader	Street	DW672AX501099	\$18,000
83	1988 Stanley HP-175 Hydraulic Power Unit	Street	ENG#A-1462/466	\$1,500
145	1992 Onan 40DGAE 56567C Generator	WWTP	(975)C920454200	\$2,500
214	1993 Onan 100DGDB Generator	Water	T937 / C930502712	\$4,000
233	1994 Sreco EMSP- 6 Easement Machine	WW	EMSP-6-13123	\$1,000
272	1996 Ford F-350 Mechanical Rodder	WW	2FDKF37G6TCA18281	\$2,500
288	1996 Kohler 50KW Generator	Water	379058	\$2,500
353	1995 Hyster E30XL Forklift	Water	C114V079375	\$4,000
567	2007 Ford E-350 Van	Facilities	1FTSE34PX7DA05194	\$5,500
568	2007 Ford F-350 Pick-Up Truck	Cemetery	1FDWX35P47EB42986	\$4,000
600	2008 International 7000 Series 7500 Line Truck	Electric	1HTWNAZT38J575779	\$12,000
610	2008 Bobcat Tool Cat 5600 Paint Machine	Street	A0W113275	\$15,000
618	2009 Ford Escape XLT SUV	Street	1FMCU93G49KB20184	\$3,000
619	2009 Ford Escape XLT SUV	PW Support	1FMCU93G69KB20185	\$3,000
803	2010 Chevrolet Colorado Pick-Up Truck	Water	1GCHTBDE6A8133103	\$5,000
827	2011 International Durastar 4300 SBA 4x2 Truck	Electric	1HTMMAAR8BJ387597	\$12,000
939	2014 Schwarze A7 Sweeper	Street	1HTJTSKNOEH765155	\$8,000
981	2015 Chevrolet Tahoe SUV	Police	1GNSK2EC2FR715990	\$6,000
1014	2016 Chevrolet Caprice Car	Police	6G3NS5721GL236368	\$5,000
1015	2016 Chevrolet Caprice Car	Police	6G3NS5U23GL237439	\$5,000
1048	2016 Chevrolet Tahoe 4WD SUV	Police	1GNSKDEC0GR252115	\$7,000
1049	2016 Chevrolet Tahoe 4WD SUV	Police	1GNSKDEC0GR252261	\$7,000
TOTAL ESTIMATED REVENUE				\$150,000

FISCAL IMPACTS

Disposing of this property will avoid any future storage handling and labor costs. The City’s Equipment fund (730) will receive the revenue generated by the sale of surplus property under the category of “sale of assets” (480.310).

STAFF RECOMMENDATION

City staff recommends approval be granted to City staff to dispose of these items declared as surplus property having a residual value greater than \$10,000.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

1. I move to authorize the public sale of these items declared as surplus property having a residual value greater than \$10,000.
2. I move to take no action, whereby the City will retain the surplus property.

REFERENCES & ATTACHMENTS

Reference: AMC 2.54 Disposal of Surplus Property