

CITY OF THE VILLAGE OF DOUGLAS
ALLEGAN COUNTY, MICHIGAN
ORDINANCE NO. 01-2022

**AN ORDINANCE TO ESTABLISH PROCEDURES FOR
DISPOSAL OF SURPLUS PERSONAL PROPERTY FOR
THE CITY OF THE VILLAGE OF DOUGLAS**

**THE CITY OF THE VILLAGE OF DOUGLAS DOES HEREBY ORDAIN AS
FOLLOWS:**

Section 1: PURPOSE AND SCOPE

The purpose of the Surplus Personal Property Disposal Ordinance is to provide a framework for the disposal of certain City personal property that is deemed surplus because the item has been replaced, no longer has value, has no function, or no longer has practical use to the City's requirements. This Ordinance is intended to create a process to dispose of Surplus Personal Property that is transparent to the community, fair, equitable, and consistent with the best interests of the City.

Section 2: DEFINITIONS

Disposal: Disposal shall mean the transfer of control or ownership of personal property considered by the City to be surplus, by means of a sale, lease, auction, trade-in, transfer, donation, repurpose, or scrap, to include preparing, negotiating and executing a written contract, where necessary.

Notice of Intent– Request for Bid: The notice prepared by the City announcing that the City will receive bids for the sale of Surplus Personal Property. The notice shall also provide prospective purchasers with direction on where or how they may obtain specific information concerning the Surplus Personal Property and the sealed bid process.

Personal Property: Any automobiles/vehicles, electronics, furniture, machinery and tools, miscellaneous equipment, or office machines controlled or owned by the City, from which the City expects to derive economic benefit for service delivery to the general public. This Ordinance is not intended to apply to Real Property (i.e., buildings, land, etc).

Practical Use: The use of something for a reasonable purpose.

Proprietary Fund: Fund that charges a fee to cover the cost of operations.

Real Property: Fixed property typically land and buildings.

Surplus Personal Property: Personal property that is no longer needed in the foreseeable future or has no practical benefit to the City.

Section 3: APPLICABILITY

This Ordinance applies to all City owned personal property with an original cost over \$20,000 except:

- Items purchased with grant funds which shall be disposed of in accordance with applicable grant requirements, if any.
- Seized or unclaimed property within the Police Department which shall be handled and disposed of in accordance with applicable Federal, State, and Local requirements.
- Computer and electronic data storage equipment which shall be returned to City Hall for proper data wiping and disposal. This includes, but is not limited to computers, laptops, tablets, servers, routers and hubs, phones, cameras, fax machines, copiers, scanners, external hard drives, and any similar device that may hereafter become available for use.

This Ordinance applies to all City Officials, employees and users including, but not limited to, full time, part time, and intermittent / seasonal / contracted employees.

Section 4: GENERAL GUIDELINES

1. Department Heads shall at least annually prepare an itemized list of Surplus Personal Property as part of the budget process. The lists shall be forwarded to the City Manager or designee along with recommendations regarding disposal of the Surplus Personal Property in the best interests of the City using one of the ways identified in the Methods of Disposal section.
2. All Surplus Personal Property shall be sold "AS IS"
3. Trading, leasing, selling, donating, scrapping, repurposing, bidding or disposing of personal property by City Officials, employees for personal gain or to benefit the interest of any person or party other than the City, including handling or disposal of trash or junk except as directed by the City Manager, is strictly prohibited.
4. City Officials and employees shall not claim ownership of, give away, recover, or salvage any personal property, materials abandoned, disposed of or stored upon City premises.

Section 5: AUTHORITY TO DISPOSE OF SURPLUS PERSONAL PROPERTY

The City Council shall approve the disposal of all Surplus Personal Property.

Section 6: METHODS OF DISPOSAL

Following are the allowable methods of disposal of Surplus Personal Property:

1. **Sale through sealed bids/quotations** after Notice of Intent – Request for Bid
 - a. The City shall publish at least one time a Notice of Intent – Request for Bid in customary locations. An appraisal may be done, at the City Manager's discretion, for sales prior to a Notice of Intent.
 - i. The Notice of Intent – Request for Bid shall at a minimum:
 1. Describe the Surplus Personal Property and minimum bid price.

2. The notice shall allow a minimum of 30 days for the submission of responses proposals, offers, and/or bids.
- b. All offers shall be presented in a sealed envelope in writing and signed by the prospective buyer and contain the following information
 - i. Name, address, telephone number
 - ii. Total offer price
 - iii. Terms of sale
 - iv. Any contingencies
- c. The City may consider and accept unsolicited offers on any Surplus Personal Property.
- d. City Employees shall not participate in in this method of disposal.

2. **Sale through Auction**

- a. The Department that is in possession of the Surplus Personal Property shall coordinate auctions with the City Manager or designee.
 - b. It is the responsibility of the Department with possession of the Surplus Personal Property to provide administration and logistical support of the auction item/event. Any expense incurred in conducting the auction shall be deducted from the auction receipts.
 - c. Employees may participate in public auction or sale of City Surplus Personal Property.
3. **Trade-in** on the purchase of replacement product.
 4. **Transfer to another City department.** Surplus Personal Property may be transferred between City departments if there is a need or use for the Surplus Personal Property. The Departments involved in the transfer shall exchange purchase information, service manuals, service records, and all other applicable information regarding the Surplus Personal Property. Such a transfer shall be completed within one year.
 5. **Repurpose** Surplus Personal Property may be disassembled and used for parts.
 6. **Scrap** In the event the Surplus Personal Property cannot be disposed after following the above procedures, the City Manager or designee may direct the Department Head in writing to recycle or discard the Surplus Personal Property in an efficient manner.

Section 7: Property Disposal Request Form

The Department Head disposing of the Surplus Personal Property shall notify the Treasurer's Department and City Clerk's Office of the transfer, sale or disposal of any item. This shall be coordinated to update City records (i.e., capital improvement documents, insurance records, audit lists and grant requirement documentation). This shall be done by filling out the Property Disposition Request form kept with the City Treasurer.

Section 8: SALE PROCEEDS

All proceeds, after expense of sale, shall be allocated by the methods outlined below:

Proprietary Funded Surplus Personal Property – If a Surplus Personal Property was purchased with proprietary funds, all proceeds from the sale of the Surplus Personal Property shall be deposited into the proprietary fund in which the original purchase was sourced.

Non-Proprietary funded Assets- If the intent of the disposal was to offset the acquisition of a newer Asset, those funds shall be used to reduce the purchase price of the new acquisition. If the proceeds were greater than anticipated, the remaining proceeds shall be deposited into the General Fund.

Section 9: PUBLIC RECORDS

All City owned property is public record, therefore records of transfer, sales, bids, trade, or disposal of Surplus Personal Property must be maintained by the City Clerk’s Office.

Public records will be managed in compliance with applicable local, State and Federal laws, regulations, and policies including the Freedom of Information Act, Open Meetings Act, and Public Records retention schedules, Copyright Law and other applicable City policies.

Ordinance Offered by: Seabert
Ordinance Supported by: Toepper

Ayes: Donovan, Miller, Nauman, Seabert, Toepper
Nays: None
Abstain: None
Absent: North, Van Loon

Ordinance Declared Adopted.

Jerome Donovan, Mayor _____ Date

Pamela Aalderink, City Clerk _____ Date

Ordinance Adoption Date: February 21, 2022
Ordinance Effective Date: 20 days after adoption and publication