

CLEAR CREEK COMMUNITY SERVICES DISTRICT
SURPLUS PERSONAL PROPERTY DISPOSAL POLICY

ORDINANCE 2011-04

1) Authority to Dispose of Surplus Personal Property

The authority and powers set forth herein shall be exercised by the CEO/CFO or his or her designee, hereinafter collectively referred to as CEO, to sell such personal property, such as equipment, at prices, terms and conditions that are determined to be the most efficient and economical means and pursuant to the following procedures.

2) Declaration of Surplus Items

The CEO shall present a list of items to the Board of Directors, intended to be declared as surplus. The list shall contain items that have been predetermined to be worth less than \$5,000 individually. Items that may be declared as surplus personal property may include any item of District property including, but not limited to, machinery, motor vehicles, furniture, supplies, or other equipment owned by the District. Personal property excludes any real property owned by the district.

3) Value of Personal Property Is Less Than \$5,000

In all cases where the estimated value of surplus personal property is less than five thousand dollars (\$5,000), the CEO may sell or otherwise dispose of such surplus personal items by any of the following methods:

a) Sealed bid or public auction. The procedure for conducting a sale by means of sealed bid or public auction shall be determined by the CEO providing, however, that the following are included in such procedure:

i) At least one notice, seven days before the sale, shall be posted in three public places in the District, containing a general description of the type of property to be sold and the time and place of such bid opening or auction;

ii) The terms of all sales shall be cash;

iii) The sale by sealed bid or auction shall be to the highest responsible bidder; and

iv) A receipt shall be given to the purchaser.

If conducting an auction, the CEO may contract for professional auction services if deemed necessary. The minimum bid price shall be set to recover as much of the District's administrative costs as possible regarding the bid process and sale.

b) Sale in open market. For sale of surplus personal property in the open market, the CEO shall investigate the condition of the market for personal property of the type declared surplus and determine the fair market value for that property, plus the District's administrative costs regarding advertising and related costs. The CEO may then sell the surplus personal property by advertising in the most appropriate means which will bring the greatest number of potential purchasers. A notice of

the sale shall be posted in three (3) places in the District, at least three (3) days before the sale, and shall set forth the day and time of the sale; a general description of the type of property being sold; the place where the articles may be examined; and the place where the purchase price is to be paid and the property picked up. The terms of all such sales shall be cash in the amount of the full purchase price. The CEO shall give a receipt to the purchaser of such property and keep a copy for the files.

c) Internet auction sale. The CEO may determine the fair market value of surplus personal property and utilize an internet auction service to sell such property. Notice of sale/auction of surplus personal property shall be posted on the District's website and at the District office. In all cases, the minimum bid shall be based on fair market value plus administrative costs of using the auction service.

d) Report to the Board. Prior to implementing the procedures set forth in this Ordinance, the CEO shall report to the Board of Directors the following items.

- i) Motor vehicles
- ii) Items which had an original ***purchase price*** of \$10,000 or more;
- iii) Any other items the Board may request to be notified of from time to time.

Unless otherwise determined by the Board, reporting and notification shall be for information purposes only and shall not constitute a requirement for Board authorization before the sale may proceed in accordance with this Ordinance.

4) Value of Surplus Property of \$5,000 or Greater

In all cases where the estimated value of the surplus personal property is \$5,000 or greater, the surplus personal property will be sold or otherwise disposed of as follows:

- a) That certain personal property held by the District is no longer necessary to be retained for the uses or purposes of the District, and is not anticipated to become necessary to the District in the future;
- b) That said property is therefore declared surplus after the report to the Board; and
- c) That the CEO shall then proceed to sell or otherwise dispose of said property in accordance with this Ordinance.

5) Trade-In Surplus Personal Property

Notwithstanding any provisions of this Ordinance for the sale of surplus personal property in the open market or any auction, the CEO may trade in surplus personal property with an amount the CEO determines to be reasonable, to be allowed toward the purchase of a similar type of personal property. Typical situations where this might apply might be in the disposal of used motor vehicles and other machinery and equipment for which trade-ins are commonly permitted by the manufacturer.

6) Donation of Surplus Personal Property with Minimal or No Salvage Value.

In all cases where the estimated value of surplus personal property has minimal or no salvage value, the CEO may donate such personal property to other like agencies, or non-profit groups and organizations within the District's jurisdictional boundary. The CEO shall ascertain donees through a list generated from applications filed by interested groups. Publication of available surplus property will be made to the public to provide an ongoing opportunity for various non-profits to apply. Effort will be made to rotate donations equitably among the agencies or listed non-profit groups and organizations.

7) Sale of Unserviceable Junk or Scrap Personal Property

When any surplus personal property is deemed to be unserviceable, junk or scrap, or otherwise no longer suitable for its original purpose, the CEO shall dispose of such surplus personal property by destruction, scrap, trade or sale of property at the best competitive price available in the open market without regard to the other provisions of this Ordinance.

8) Prohibited Participation

In order to avoid conflict of interest issues, as well as the appearance of any conflict of interest issues, no sale or other disposition shall be made hereunder to a District Board member, employee, officer, and consultant or to any member of the immediate family of any such person. However, the District Manager may determine, in his/her sole discretion, to permit bids and/or sales to employees in the case of particular sales (\$500.00 or less). Any such determination shall be made subject to applicable laws, rules and regulations. Such requirements include, but are not limited to the restriction that any employee who participated in, or otherwise influenced, the determinations involved in the sale shall not be permitted to participate in said sale.

9) Notification

The CEO will post all surplus personal property for sale on the District's website, in addition to the advertising requirements in section 3).

A Board member or other interested member of the public may asked that the Board discuss a particular piece of surplus property in a public meeting prior to sale as long as that request is made in writing 72 hours prior to the scheduled sale and/or auction.