

**CITY OF MONROE  
RESOLUTION NO. 028/2018**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MONROE, WASHINGTON, ADOPTING A NEW SALE AND  
DISPOSAL OF REAL OR PERSONAL SURPLUS  
PROPERTY POLICY

---

WHEREAS, the City of Monroe (hereinafter referred to as City) requires the ability to dispose of municipal personal or real property as allowed by the Revised Code of Washington (RCW); and

WHEREAS, the City requires the ability to transfer, exchange, lease, donate, or dispose of real or personal property in the manner which is to the best advantage of the City as allowed by RCW; and

WHEREAS, the City desires to identify appropriate internal controls and ethical considerations regarding its disposition of real or personal property; and

WHEREAS, the City wishes to conduct its operations in a prudent, efficient, and cost effective manner; and

WHEREAS, the City Council recognizes that appropriate delegation to the administration regarding dispositional processes can improve efficiencies; and

WHEREAS, the City Council desires to adopt a New Sale and Disposal of Surplus Real or Personal Property Policy by resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Adoption of Sale and Disposal of Real or Personal Surplus Property Policy. The City of Monroe Sale and Disposal of Real or Personal Surplus Property Policy is adopted in its entirety attached as Exhibit A.

Section 2. Effective Date. The City of Monroe Sale and Disposal of Real or Personal Surplus Property Policy December 19, 2018.



ADOPTED by the City Council of the City of Monroe, at its regular meeting thereof,  
and APPROVED by the Mayor this 11th day of December, 2018.

Approved: December 11, 2018  
Effective: December 19, 2018

CITY OF MONROE, WASHINGTON

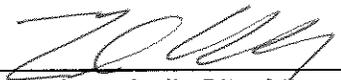
(SEAL)

  
\_\_\_\_\_  
Geoffrey Thomas, Mayor

ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Elizabeth M. Adkisson, MMC, City Clerk

  
\_\_\_\_\_  
J. Zachary Lell, City Attorney



**CITY OF MONROE FINANCE POLICIES**

**POLICY SUBJECT: SALE AND DISPOSAL OF SURPLUS REAL OR PERSONAL PROPERTY**

**EFFECTIVE DATE:** \_\_\_\_\_

**APPROVED:**

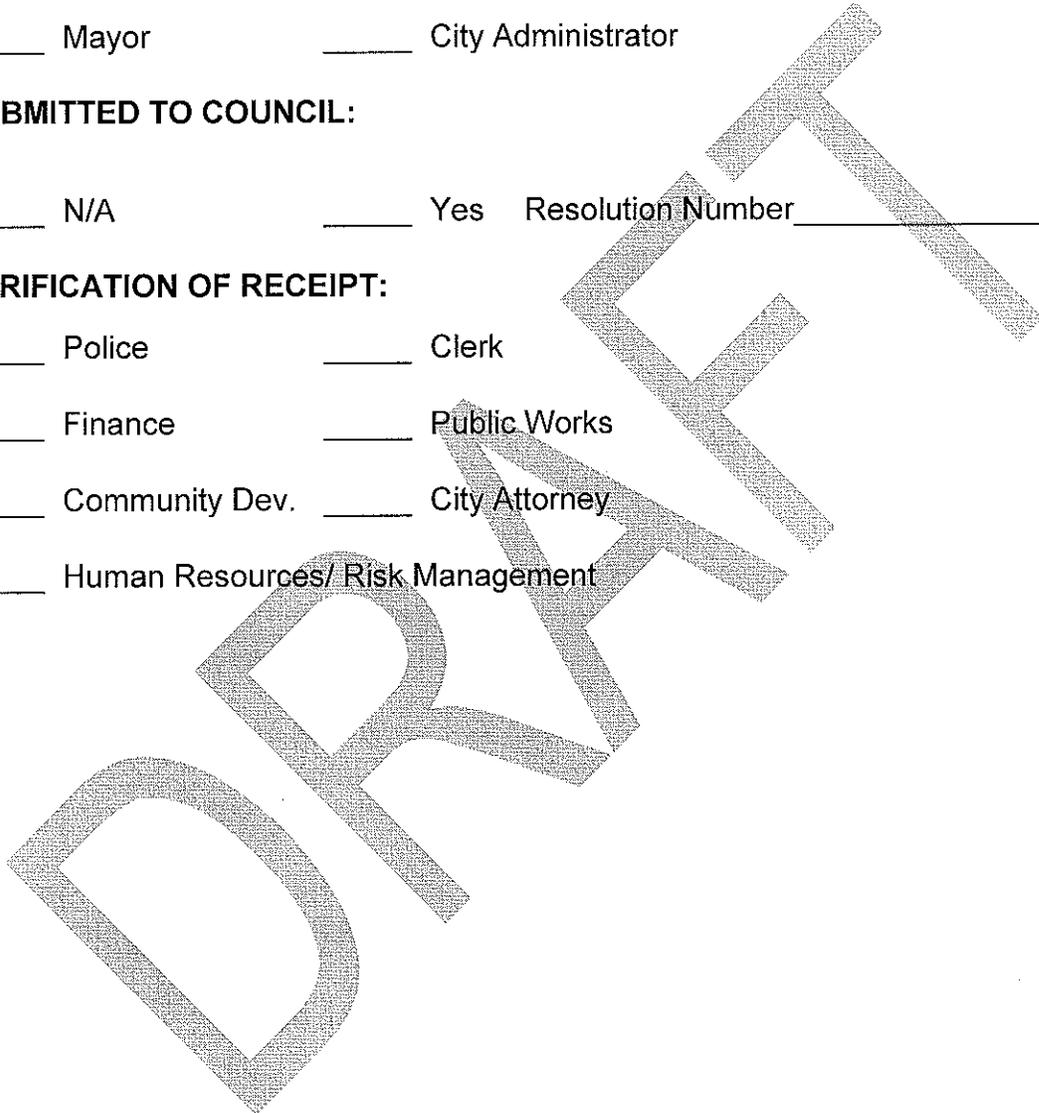
\_\_\_\_\_ Mayor                      \_\_\_\_\_ City Administrator

**SUBMITTED TO COUNCIL:**

\_\_\_\_\_ N/A                      \_\_\_\_\_ Yes    Resolution Number \_\_\_\_\_

**VERIFICATION OF RECEIPT:**

\_\_\_\_\_ Police                      \_\_\_\_\_ Clerk  
\_\_\_\_\_ Finance                      \_\_\_\_\_ Public Works  
\_\_\_\_\_ Community Dev.                      \_\_\_\_\_ City Attorney  
\_\_\_\_\_ Human Resources/ Risk Management



## 1. PURPOSE; INTERPRETATION

To provide the framework for the sale or disposal of real or personal property utilizing the most cost effective and efficient method that is to the best advantage of the City in a manner consistent with the requirements of applicable local ordinance and state law. This policy shall be interpreted and applied in accordance with such requirements. If a provision of this policy irreconcilably conflicts with a requirement imposed by local ordinance or state law, the ordinance or state law requirement shall control to the extent of such conflict.

## 2. REGULATIONS AND KEY TERMS

- A. Article VIII, Sec. 7 of the Washington State Constitution – States that no City give any property away, except for the necessary support of the poor and infirm.
- B. Cost of Surplus – The moving, storage, marketing, processing, sale or auction, and record maintenance cost attributable to an individual piece of City property.
- C. Method of Sale or Disposal – Includes sale of surplus items by auction, sealed bid, through an agent or broker, to another governmental entity, by trade-in, donation, or by dispensing of it as waste.
- D. RCW 35A.11.010 – Provides municipalities the right to acquire and dispose of property.
- E. RCW 39.33.010 – Provides municipalities the right to sell or transfer property to other governmental entities.
- F. RCW 39.33.020 - Requires that a public hearing be held if the value of the property proposed for disposal exceeds \$50,000 and is to be transferred to a separate governmental entity.
- G. RCW 39.94.040 - Requires that a public hearing be held prior to the disposal of all property originally purchased for utility purposes.
- H. RCW 43.09.210 - Requires that the City receive "full value" when there is an intergovernmental transfer of property.
- I. Washington State Attorney General Opinion, 1997 #5 - Concludes the meaning of full value contained in RCW 43.09.210 is flexible depending on the factual circumstances.

## 3. GENERAL PROVISIONS

- A. No member of the city council or members of their immediate family may directly acquire surplus property from the City of Monroe.
- B. No city employee or member of their immediate family may directly acquire City surplus property if:
  - i. The city employee or official had any role in establishing the value of the property.
  - ii. The city employee or official had any role in the sale or disposal of the property.
- C. Sale and/or disposal of surplus requires City resources (Cost of Surplus). It is the intent of the City to surplus property in the most cost-effective manner

practicable. A comparison of the market value of an item against the incurred cost of the resources required to move, store, market, process, sell or auction, and maintain records of the property should be used to guide Method of Sale or Disposal recommendations.

If the Cost of Surplus exceeds the fair market value of the property, then the property may be disposed of as waste, recycled, or donated in a manner that is to the best advantage of the City.

D. Gifts or donations of City of Monroe real or personal property with a market value that exceeds the Cost of Surplus are expressly prohibited by Article VIII, Section 7 of the Washington State Constitution except where necessary to support the poor and infirm or otherwise to effectuate an authorized public purpose.

E. Completion of regular surplus property disposal is an essential step in maintaining efficiency of operations. Storage of excess property unnecessarily consumes scarce City resources. Holding public hearings in an inefficient manner also consumes scarce City resources. As such, Department Directors are encouraged to coordinate disposal of surplus property in the following manner:

- i. Sell or dispose of surplus property with an individual value of \$5,000 or less, not originally acquired for utility purposes, as frequently as is practical.
- ii. Sell or dispose of small or similar items by lot or group, rather than individually.
- iii. Sell or dispose of surplus property with an individual value of \$5,000 or greater, or property originally acquired for utility purposes, at a minimum, in the first and third monthly quarter of each calendar year.

#### 4. SALE OR DISPOSAL OF REAL OR PERSONAL PROPERTY WITH AN INDIVIDUAL VALUE OF \$5,000 DOLLARS OR GREATER

A. The sale of City property, not originally acquired for utility purposes, with an individual value of greater than \$5,000 requires approval by resolution of the Monroe City Council declaring the property as surplus to the City's needs. The request to surplus property shall include:

- i. A surplus recommendation from the Director, or the Director's Designee, of the department of responsibility for the property.
- ii. An item description.
- iii. A fixed asset number, or serial number/identification for tracking purposes.
- iv. A fair market value estimate of the item.
- v. The preferred Method of Sale or Disposal.

- B. When authorized by City Council; surplus property may be sold by calling for sealed bids, by live auction, by trade-in, or otherwise disposed of in the manner that is most beneficial to the City's needs.
  - C. Upon completion of sale or disposal of property a record of the following will be submitted to the Finance Director, or the Director's Designee:
    - i. A copy of the City Council resolution authorizing the surplus action.
    - ii. A record of the Method of Sale or Disposal.
    - iii. The sale price, or if incurred, the estimated cost of disposal.
5. SALE OR DISPOSAL OF REAL OR PERSONAL PROPERTY WITH AN INDIVIDUAL VALUE OF \$5,000 DOLLARS OR LESS
- A. The sale of City property, not originally acquired for utility purposes, with an individual value of \$5,000 or less, requires approval of the Mayor, or the Mayor's authorized designee. Authorization to surplus property shall be provided informally in writing. The request to surplus property shall include:
    - i. A surplus recommendation from the Director, or the Director's Designee, of the department of responsibility for the property.
    - ii. An item description.
    - iii. A fixed asset number, small and attractive asset number, or serial number/identification for tracking purposes.
    - iv. A fair market value estimate of the item.
    - v. The preferred Method of Sale or Disposal.
  - B. When authorized by the Mayor, surplus property owned by the city may be sold by calling for sealed bids, by live auction, by trade-in, or otherwise disposed of in the manner that is most beneficial to the City's needs.
  - C. Upon completion of sale or disposal of property a record of the following will be submitted to the Finance Director, or the Director's Designee:
    - i. A copy of the informal written authorization.
    - ii. A record of the Method of Sale or Disposal.
    - iii. The sale price, or if incurred, the estimated cost of disposal shall be sent to the City Finance Director, or the Director's Designee.
6. SALE OR DISPOSAL OF REAL OR PERSONAL PROPERTY ORIGINALLY ACQUIRED FOR UTILITY PURPOSES
- A. Prior to declaring property originally acquired for utility purposes as surplus, the City Council must hold a public hearing in a manner consistent with RCW 39.94.040, and pass a resolution declaring the property as surplus to the City's needs, stating the fair market value or consideration to be paid, and setting forth such other terms and conditions for such disposition as the City Council deems to be in the best public interest. The request to surplus property under this procedure shall include:

- i. A surplus recommendation from the Director, or the Director's Designee of the department of responsibility for the property.
  - ii. An item description.
  - iii. A fixed asset number, or serial number/identification for tracking purposes.
  - iv. A fair market value estimate of the item.
  - v. The preferred Method of Sale or Disposal.
  
- B. When authorized by City Council; surplus property owned by the city may be sold by calling for sealed bids, by live auction, by trade-in, or otherwise disposed of in the manner that is most beneficial to the City's needs.
  
- C. Upon completion of sale or disposal of property a record of the following will be submitted to the Finance Director or the Director's Designee:
  - i. A copy of the City Council resolution.
  - ii. A record of the Method of Sale or Disposal.
  - iii. The sale price, or if incurred, the estimated cost of disposal.

7. SALE OR TRANSFER OF PROPERTY TO ANOTHER GOVERNMENTAL ENTITY

- A. The sale or transfer of property to a governmental entity with a fair market value of less than \$50,000 shall be completed in a manner consistent with Section 4 of this policy.
  
- B. The sale or transfer of property to a governmental entity with a fair market value of greater than \$50,000 shall be completed in a manner consistent with Section 4 or Section 6 of this policy and may additionally require:
  - i. A public hearing be held as per RCW 39.33.020.
  - ii. The City to receive "full value" of the property as per RCW 43.09.210. Washington State Attorney General Opinion, 1997 #5 concludes the meaning of "full value" is flexible depending on the factual circumstances.

