ITEM 4.5

CITY MANAGER'S REPORT AUGUST 14, 2023 CITY COUNCIL REGULAR MEETING

ITEM: DECLARE CERTAIN VEHICLES AND EQUIPMENT

SURPLUS PROPERTY AND AUTHORIZE THEIR

DISPOSAL

RECOMMENDATION: Adopt a Resolution Declaring Certain Vehicles and

Equipment Surplus Property and Authorizing Their

Disposal

SUMMARY:

The City currently has four surplus vehicles and various furniture and equipment that have reached their useful life, have been replaced, or the repair costs exceed their fair market value.

The City's policy regarding disposition of surplus property allows for surplus property to be sold at auction. In the event that the auction is unsuccessful, the City may choose to donate, discard or recycle the property. Pursuant to Council Resolution 21-4831, the City Council declared surplus property with a value of \$1,500 or less to be of de minimus value and any disposal therefore, does not create a gift of public funds. Council adopted a donation policy through the same Resolution to allow the City to donate surplus City vehicles with a value of less than \$1,500 to local non-profits or charities. Any vehicles with a failed auction sale, will be returned to the City, so the City can begin the donation process to local non-profits or charities.

BACKGROUND:

The City of Lathrop updated its policy regarding disposition of surplus vehicles on December 1, 2014 pursuant to Resolution 14-3848 and staff recommends that the items listed on Attachment "B" be declared surplus property in accordance with this policy. All of these items have reached their useful life, have been replaced, or the cost of repair exceeds their value. Each item listed on the attachment has a brief description of the condition of each item. All of the listed items are ready to be declared as surplus property for sale, recycling, or disposal.

According to City policy, if the market value of the surplus items is greater than \$5,000, the Purchasing Officer shall present the listing of such assets to the City Council for action regarding their declaration as surplus. It has been determined that these items collectively could have a value greater than \$5,000.

Surplus vehicles will be sold at public auction by Nationwide Fleet Services pursuant to an existing contract. In the event that the property remains unsold, the City Council may choose to donate, discard or recycle the property. Pursuant to Council Resolution 21-4831 the City Council declared surplus property with a value of \$1,500 or less to be of de minimus value and the donation thereof does not create a gift

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of public funds. Council adopted a donation policy through the same resolution to allow the City to donate surplus City vehicles with a value of less than \$1,500 to local non-profits or charities. Surplus equipment will be discarded or recycled if all other disposal methods are not successful.

REASON FOR RECOMMENDATION:

Pursuant to City policy, at least once a year each Department Head shall conduct a review of inventory, goods and supplies utilized by that department and shall determine what items have become surplus. City staff has gathered a list of surplus items from all department's which are included in Attachment "B". These surplus assets have been reviewed and determined that their collective value could be greater than \$5,000. In addition, once the surplus items are discarded, it will help each department maintain storage space.

FISCAL IMPACT:

Any net revenues from the sale of these items will be returned to the City's general fund.

ATTACHMENTS:

- A. Resolution declaring certain vehicles and equipment surplus property and authorizing their disposal
- B. Surplus Inventory List

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APPROVALS:

Tanyashane Rillamas	08/01/2023
Management Analyst I	Date
Cari James	8/1/2023
Director of Finance	Date
Salvador Navarrete City Attorney	8 2 2005 Date
Stephen Salvatore	8-2-23
City Manager	Date

RESOLUTION NO. 23-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP DECLARING CERTAIN VEHICLES AND EQUIPMENT SURPLUS PROPERTY AND AUTHORIZING DISPOSAL

WHEREAS, the City of Lathrop has a policy that allows for the disposal of equipment and inventory with City Council approval; and

WHEREAS, the City has surplus vehicles and equipment, which have reached their useful life, are inoperable, or the cost of repairs exceed their value; and

WHEREAS, the City Council has reviewed the list of surplus items in which are to be auctioned, donated after meeting Donation Policy criteria, recycled, or discarded;

NOW, THEREFORE, BE IT RESOLVED that the City Council declares the items, as listed in Attachment "B", to be surplus property and authorizes the City Manager to dispose of the surplus equipment and inventory.

The foregoing resolution was passed and adopted this 14th day of August, 2023, by the following vote of the City Council, to wit:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	Sonny Dhaliwal, Mayor
ATTEST:	APPROVED AS TO FORM:
	Marko
Teresa Vargas, City Clerk	Salvador Navarrete, City Attorney

ATTACHMENT B Surplus Inventory List AUGUST 14, 2023

Surplus Type: **Vehicle/Other**

Surplus Reason Codes: $\underline{\mathbf{A}}$ -No longer needed $\underline{\mathbf{B}}$ -Reached useful life $\underline{\mathbf{C}}$ -Replaced \mathbf{D} -Cost to repair is higher than value $\underline{\mathbf{E}}$ -Damaged/not working

Surplus Reason Code	Description	Year/Make/Model	Vin / Serial Number	Quantity	Dept.
E	Truck	2008 Chevrolet Silverado	IGCHK29K58E112837	1	PR&M
В	suv	2015 GMC Terrain	2GKFL5E30F6409751	I	PR&M
В	SUV	2015 Chevy Tahoe	IGNLC2EC4FR532091	I	PR&M
В	Light Trailer	Magnum MLT T3060M	1102935	ı	PR&M

Surplus Type: **Equipment**

Surplus Reason Codes: $\underline{\mathbf{A}}$ -No longer needed $\underline{\mathbf{B}}$ -Reached useful life $\underline{\mathbf{C}}$ -Replaced \mathbf{D} -Cost to repair is higher than value $\underline{\mathbf{E}}$ -Damaged/not working

Surplus Reason Code	Description	Year/Make/Model	Vin / Serial Number	Quantity	Dept
D	Tow Behind Air Compressor Trailer	1991 Sullivan D185Q5	10616		PR&M

ATTACHMENT B Surplus Inventory List AUGUST 14, 2023

Surplus Type: Furniture

Surplus Reason Codes: $\underline{\mathbf{A}}$ -No longer needed $\underline{\mathbf{B}}$ -Reached useful life $\underline{\mathbf{C}}$ -Replaced $\underline{\mathbf{D}}$ -Cost to repair is higher than value $\underline{\mathbf{E}}$ -Damaged/not working

Surplus Reason					
Code	Description	Year/Make/Model	Vin / Serial Number	Quantity	Dept
С	Computer Desk			1	CDD
С	Wooden Chair				CDD
С	Upper Cabinets			I	CDD
С	Round Table			I	CDD
Α	Wooden Book Case			1	CDD
С	Mobile Plan Holder			2	CDD
Α	Wood 2-drawer File Cabinet			1	CDD
Α	Wood 3-drawer File Cabinet			ı	CDD
В	Chairs with Racks			75	PR&M