



**Agenda Item A.2**  
**CONSENT CALENDAR**  
**Meeting Date: November 5, 2019**

---

**TO:** Mayor and Councilmembers

**FROM:** Kristine Schmidt, Assistant City Manager  
Winnie Cai, Assistant City Attorney

**SUBJECT:** Disposition of Surplus Property

**RECOMMENDATION:**

Conduct the second reading (by title only and waive further reading) and adopt Ordinance No. 19-\_\_ entitled "An Ordinance of the City Council of the City of Goleta Adding Chapter 3.09 to Title 3 (Revenue and Finance) of the City of Goleta Municipal Code Establishing a Disposition of Surplus Property."

**BACKGROUND:**

Upon incorporation in 2002, the City adopted Santa Barbara County's purchasing code, which included a section on disposal of surplus personal property. When Goleta replaced its purchasing code in 2009, a surplus property provision was inadvertently omitted.

On October 15, 2019, staff presented, and Council conducted the first reading of the Disposition of Surplus Property Ordinance. The Ordinance adds a section to the Goleta Municipal Code that provides for the sale, donation, trade, or other disposal of City property and equipment that is no longer needed or used for City purposes or that has become obsolete, worn out or past its useful life.

**DISCUSSION:**

Staff requests that Council conduct the second reading of the ordinance. The ordinance would become effective on the 31<sup>st</sup> day after the second reading.

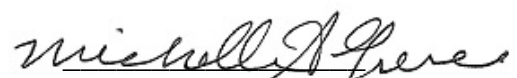
**Reviewed By:**

**Legal Review By:**

**Approved By:**

  
Kristine Schmidt  
Assistant City Manager

  
Michael Jenkins  
City Attorney

  
Michelle Greene  
City Manager

**ATTACHMENT:**

1. Ordinance No. 19-\_\_ entitled “An Ordinance of the City Council of the City of Goleta Adding Chapter 3.09 to Title 3 (Revenue and Finance) of the City of Goleta Municipal Code Establishing a Disposition of Surplus Property.”

## **Attachment 1**

An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 3.09 to Title 3 (Revenue and Finance) of the City of Goleta Municipal Code Establishing a Disposition of Surplus Property.



## **ORDINANCE NO. 19-\_\_**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, ADDING CHAPTER 3.09 TO TITLE 3 (REVENUE AND FINANCE) OF THE CITY OF GOLETA MUNICIPAL CODE ESTABLISHING A DISPOSITION OF SURPLUS PROPERTY.**

**THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY  
ORDAIN AS FOLLOWS:**

**SECTION 1.** Chapter 3.09 is hereby added to Title 3 (Revenue and Finance) of the Goleta Municipal Code and shall read as follows:

#### **CHAPTER 3.09**

#### **DISPOSITION OF SURPLUS PROPERTY**

##### **3.08.010 PURPOSE**

The purpose of this chapter is to establish a policy and set procedures for the sale, donation, trade, or other disposal of the city's surplus personal property.

##### **3.08.020 DEFINITIONS**

When used in this Chapter, the following words are defined as follows.

- A. "City Manager" shall mean the City of Goleta City Manager or his/her designee.
- B. "City Clerk" shall mean the City of Goleta City Clerk or his/her designee.
- C. "Donation" shall mean to contribute funds, materials or personal property to a public, not-for-profit, or charitable organization.
- D. Disposition or disposal shall mean any manner of separation of property ownership including, but not limited, to donation, sale, trade, recycling, or discarding to trash.
- E. "Finance Director" shall mean the City of Goleta Finance Director or his/her designee.
- F. "Market value" shall mean the value estimated by the City Manager or his/her designee at which the property would sell if offered at auction or other open competitive bid sale.

- G. "Public Auction" shall mean an auction held on behalf of a government in which the property to be auctioned is either property owned by the government, or property which is sold under the authority of a court of law or a government agency with similar authority. Public auctions may include the use of electronic bidding or auction services.
- H. "Sale" the exchange of a commodity for money; the action of selling something.
- I. "Surplus Personal Property" shall mean any personal property or equipment owned by the City of Goleta which a department director determines is no longer needed or used for City purposes or which has become obsolete, worn out or past its useful life.
- J. "Trade" shall mean to give one thing in exchange for another.

### **3.08.030 DISPOSITION OF SURPLUS PERSONAL PROPERTY**

Surplus personal property of the City shall be disposed of in the following manner:

- A. The City Manager may authorize the sale or other disposition of surplus personal property which has a market value equal to or less than his/her contracting authority.
- B. The City Council may authorize the sale or other disposition of surplus personal property which has a market value in excess of the City Manager's contracting authority.
- C. After the authorization for the sale or other disposition of surplus personal property is made by the proper authority, such property may be sold or otherwise disposed of by the City Manager as follows:
  - 1. Surplus personal property with an estimated market value of greater than five thousand dollars (\$5,000.00) per individual item of property shall be sold under sealed bid or by public auction.
  - 2. Surplus personal property with an estimated market value of five thousand dollars (\$5,000.00) or less per individual item of property may be sold or otherwise disposed of by any method the City Manager determines to be most advantageous to the City considering the value and nature of the property and the cost of sale, including, but not limited to, sale by salvage, donation, recycling or discarding to trash.

3. Disposition of surplus personal property pursuant to this section shall be “as is” without warranty, express or implied, and the buyer shall agree to pay applicable sales or transfer taxes.
  4. Notwithstanding other provisions in this section, the City Manager is authorized to sell surplus personal property directly to another public entity for market value or trade for market value equivalent property or services to another public entity, within the City Manager’s contracting authority.
  5. Notwithstanding other provisions in this section, the City Manager is authorized to trade surplus personal property in consideration toward the acquisition of other personal property needed by the City of equivalent market value, within the City Manager’s contracting authority.
  6. Notwithstanding other provisions in this section, surplus personal property of any value may be transferred to other City departments without consideration, as approved by the City Manager.
- D. Surplus personal property which the City Manager deems unacceptable for sale to the public and which has a market value equal to or less than his/her contracting authority may be disposed of in the manner deemed appropriate by the City Manager. Examples of such property include: law enforcement equipment, abandoned contraband, and property which may pose a hazard to the general public.
- E. The City Council may, by resolution, authorize the donation of surplus personal property with an estimated market value of greater than five thousand dollars (\$5,000.00) per individual item of property if the City Council finds that such donation serves a public purpose and/or benefit.
- F. All donations pursuant to this section shall be “as is” without warranty, express or implied, and the transferee shall agree to defend, indemnify and hold harmless the City, its officers and employees from any claim, cause of action, damage, loss or liability arising out of the condition of the property or its use by the organization or subsequent transferee.

- G. City employees and officials are not eligible to buy or otherwise take ownership of surplus personal property that is disposed of in accordance with this section unless such property is disposed of by public auction or other form of competitive sale. An employee or official who has recommended or approved the surplus of any item of property, or who is in charge of administering the sale of an item of property, may not purchase or otherwise take ownership of the item of property, even if it is disposed of by competitive auction or sale. This disqualification shall extend to the family members of such employees and any third persons acting at the direction or request of a disqualified employee where the purchase or sale is intended for the benefit of such employee.

**3.08.040 SEALED BID OR PUBLIC AUCTION.**

In cases where a sealed bid or public auction is required for the sale of surplus property, reasonable notice to prospective bidders of such sale by sealed bid or public auction shall be given, as determined by the City Manager or his/her designee, taking into account the circumstances and the item(s) to be sold.

**3.08.050 RECORD OF DISPOSITION OF PROPERTY.**

- A. Any department disposing of surplus personal property shall document the disposition and provide, in writing, to the City Clerk, and to the Finance Director, who shall keep a record of sales, exchanges or other disposition of any surplus property disposed of pursuant to the provisions of this chapter, at least the following information:
1. A description of the property transferred;
  2. The name of the transferee;
  3. The date of transfer;
  4. The gross receipts, net receipts and/or transaction costs; and
  5. A description, including the value of any personal property received in exchange for the property transferred.
- B. Such records shall be kept consistent with the City's records retention policy and shall be a public record.

**3.08.060 SALE, DONATION, OR EXCHANGE OF CITY REAL PROPERTY.**

All transfers, sales, donations, exchanges or other disposition of real property interests in City property shall be authorized by the City Council.



Subject to the requirements of state law, authority for the transfer, sale, donation or disposition of easements may be delegated to the City Manager by resolution of the City Council.

**SECTION 2. Certification of City Clerk.**

The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accord with California Law.

**SECTION 3. Effective Date.**

This ordinance shall take effect on the 31<sup>st</sup> day following adoption by the City Council.

**INTRODUCED ON** the \_\_\_\_ day of \_\_\_\_\_, 2019.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_\_day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
PAULA PEROTTE  
MAYOR

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

\_\_\_\_\_  
MICHAEL JENKINS  
CITY ATTORNEY

STATE OF CALIFORNIA )  
COUNTY OF SANTA BARBARA ) ss.  
CITY OF GOLETA )

I, Deborah S. Lopez, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 19-\_\_ was introduced on \_\_\_\_\_, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the \_\_\_\_\_, by the following roll-call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

---

DEBORAH S. LOPEZ  
CITY CLERK