



**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, December 17, 2019
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Declare Surplus Property, Consider Donation to Non-Profit Organization Policy
Background Information:	<p>Per Ordinance Sec. 2-4. - The city administrator may, from time to time, recommend to the council that certain personal property (chattels) owned by the city is no longer needed for a municipal purpose and should be sold. By action of the council such property shall be declared surplus, the value estimated, and the city administrator authorized to dispose of such property in the manner stated in this section.</p> <p style="text-align: right;">(b)</p> <p><i>Surplus property worth a total estimated value of less than \$250.00.</i> The city administrator may sell surplus property with a total value of less than \$250.00 through negotiated sale, or by public auction.</p> <p style="text-align: right;">(c)</p> <p><i>Surplus property with a total estimated value between \$250.00 and \$1,000.00.</i> The city administrator shall offer for sale surplus property with a total estimated value of from \$250.00 to \$1,000.00. Notice of such sale shall be given stating time and place of sale and generally describing the property to be sold at least ten days prior to the date of the sale by publication once in the official newspaper, and by posting in a conspicuous place in the city hall. Such sale may be by auction or by negotiable sale.</p> <p style="text-align: right;">(d)</p> <p><i>Surplus property with a total estimated value over \$1,000.00.</i> The city administrator shall offer for public sale to the highest bidder, surplus property worth a total estimated value over \$1,000.00. Notice of such public sale shall be given at least ten days prior to the date of the sale by publication once in the official newspaper. The notice shall state the time and place of the sale and shall generally describe the property to be sold. Such sale shall be to the person submitting the highest sealed bid, but the city shall have the right to accept or reject all bids.</p> <p style="text-align: right;">(e)</p> <p><i>Receipts from sales of surplus property.</i> All receipts from sales of surplus property under this section shall be placed in the general fund.</p> <p>In 2016, the Minnesota Legislature passed a law allowing a “local government,” including statutory and home rule charter cities, to donate “surplus equipment” to a “nonprofit organization.” Before donating surplus equipment, a city must adopt a policy on how it will determine what qualifies as surplus eligible for donation and how it will select nonprofit organizations eligible to receive donations. One caveat worth mentioning—the policy “must address the obligations of the local government to disclose to the nonprofit that the surplus equipment may be defective and cannot be relied upon for safety purposes.”</p>
Fiscal Impact:	All the items were estimated to have a total value of less than \$2,000, with most individual items less than \$250.00
Alternative/ Variations:	None
Recommendations:	Declare property to be surplus, adopt Donation of Surplus Equipment to a Nonprofit Organization Policy, and direct City staff to comply with Ordinance 2-4 or Donation Policy.