

CITY COUNCIL AGENDA TOPIC

Ordinance to amend BCC 4.32.070 to allow the City to dispose of surplus personal property originally acquired for public utility purposes without a resolution or hearing, provided the surplus property to be disposed has an estimated value of fifty thousand dollars or less; to provide for severability; and to establish an effective date.

Michael Chandler, Controller, 452-4592
Finance & Asset Management Department

Joseph Harbour, Utilities Deputy Director, 452-2014
Utilities Department

EXECUTIVE SUMMARY**ACTION**

This Ordinance will amend BCC 4.32.070 consistent with the current requirements of RCW 35.94.040. By removing the hearing and resolution requirements to dispose of surplus property with a value of less than \$50,000, the amendment will provide increased efficiency to the Utilities Department and free-up limited space being used to store surplus and unused equipment inventories.

RECOMMENDATION

Move to adopt Ordinance No. 6858

BACKGROUND/ANALYSIS

In 2014, consistent with an earlier version of RCW 35.94.040, the City Council adopted BCC 4.32.070. This specific code provision authorizes the City to sell/dispose of real or personal property that was originally acquired for public utility purposes, when said property is: (1) surplus to the City's needs, and (2) not required for continued utility service.

However, before the City can dispose of any surplus utility property (real or personal), the City Council must first declare the property to be surplus by resolution, and then adopt a subsequent resolution, after a public hearing, to authorize the sale/disposition of the property. These requirements (resolutions and hearing) must be observed regardless of the property's value. Additionally, on average, it takes 75 days to sell/dispose of any property from the date the City Council first declares the property to be surplus and no longer required for the benefit of the public utility.

In 2020, the Washington State Legislature amended RCW 35.94.040 to provide increased efficiency with respect to the disposition of surplus utility equipment inventories, removing the resolution and hearing obligations if the personal property to be disposed had an estimated value of fifty thousand dollars or less.

The proposed ordinance amends BCC 4.32.070 consistent with current statutory requirements. Such an amendment would enable staff to more quickly dispose of surplus property, which is presently being stored and consuming limited space at the Bellevue Service Center.

If the Council adopts the proposed amendment, a robust system of checks and balances would still exist when disposing of surplus utilities property:

1. The disposition of any surplus property (real or personal) would still require the Director of Utilities to first certify, in writing, to the Director of Finance and Asset Management (FAM) that the property is no longer required to provide public utility service and the sale or other disposition would be in the best interest of the City. (BCC 4.32.010).
2. The disposition of any personal property with a value of less than \$50,000, would still comply with BCC 4.32.020 (adhering to FAM's informal procedures when disposing of property less than \$10,000) and BCC 4.32.030 (requiring CMO approval for any disposition of property between \$10,001 and \$50,000).
3. The disposition of any real property or any personal property with an estimated value greater than \$50,000 would still require Council resolutions and public hearings. (BCC 4.32.070).

Staff recommend adopting the proposed ordinance.

POLICY & FISCAL IMPACTS

Policy Impact

The proposed ordinance would amend BCC 4.32.070, providing increased flexibility and efficiency to staff. The proposed ordinance would remove the requirements that staff schedule certain public hearings and obtain council approvals when the personal property to be disposed has an estimated value of less than fifty thousand dollars (\$50,000). Additionally, changes to internal FAM and Utilities policies may be required.

Fiscal Impact

There is no fiscal impact associated with implementing this change.

OPTIONS

1. Adopt the Ordinance to amend BCC 4.32.070 to allow the City to dispose of surplus personal property originally acquired for public utility purposes without a resolution or hearing, provided the surplus property to be disposed has an estimated value of fifty thousand dollars or less; to provide for severability; and to establish an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

A. Strike Draft – BCC 4.32.070
Proposed Ordinance No. 6858

AVAILABLE IN COUNCIL LIBRARY

N/A