



McCleary City Council Agenda

01/09/19- 6:30PM

Flag Salute

Roll Call: ___ Pos. 1-Richey, ___ Pos. 2-Huff , ___ Pos. 3- Heller, ___ Pos. 4- Blankenship, ___ Pos. 5- Iversen

Presentation	<input type="checkbox"/>	
Public Hearing	<input type="checkbox"/>	
Mayor Comments	<input type="checkbox"/>	
Public Comment	<input type="checkbox"/>	
Minutes	<input type="checkbox"/>	Tab A 12/12/2018
Approval of Vouchers	<input type="checkbox"/>	

Staff Reports	<input type="checkbox"/>	Tab B Chris Coker
	<input type="checkbox"/>	Tab C Todd Report
	<input type="checkbox"/>	Tab D Staff Reports

Old Business	<input type="checkbox"/>	Tab E Museum Discussion
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New Business	<input type="checkbox"/>	Tab F Evergreen Consulting Group Contract
	<input type="checkbox"/>	Tab G Purchasing & Procurement Policy
	<input type="checkbox"/>	Tab H Inventory of Assets

Ordinances	<input type="checkbox"/>
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Resolutions	<input type="checkbox"/>	Tab I Purchasing & Procurement Policy
	<input type="checkbox"/>	Tab J Inventory of Assets

Contracts	<input type="checkbox"/>
Mayor/Council Comments	<input type="checkbox"/>
Public Comments	<input type="checkbox"/>
Adjourn/Recess Meeting	<input type="checkbox"/>

Please turn off Cell Phones- Thank you

Americans with Disabilities Act (ADA) Accommodation is Provided Upon Request

The City of McCleary is an equal opportunity provider and employer.

La ciudad de McCleary es un proveedor de igualdad de oportunidades y el empleador

TAB - A

CITY OF MCCLEARY
Regular City Council Meeting
Wednesday, December 12, 2018

ROLL CALL AND FLAG SALUTE	Councilmembers Richey, Huff, Heller, Blankenship and Iversen were in attendance.
ABSENT	None.
STAFF PRESENT	Present at the meeting were Director of Public Works Todd Baun, Clerk-Treasurer Wendy Collins, Chief Steve Blumer and Attorney Chris Coker.
PUBLIC HEARING	None.
PUBLIC COMMENTS	None.
MAYOR COMMENTS	<p>The auditor has finished working on the audit and has scheduled a tentative exit conference for 8:30 am on January 4, 2019.</p> <p>The fire equipment has been arriving. Chief Nott recommended ordering enough equipment for five new members he is hiring for the McCleary Fire Department.</p>
VOUCHERS	<p>Accounts Payable checks approved were 45292 - 45346, including EFT's, in the amount of \$38,024.74.</p> <p>Payroll checks approved were 45211 - 45345, including EFT's, in the amount of \$191,352.98.</p> <p>Bank Reconciliation for November 2018.</p> <p>It was moved by Councilmember Huff, seconded by Councilmember Heller to approve the vouchers. Motion Carried 5-0.</p>
MINUTES APPROVED	It was moved by Councilmember Iversen, seconded by Councilmember Huff to adopt the minutes from the November 14, 2018 and November 28, 2018 meetings. Motion Carried 5-0.
CITY ATTORNEY REPORT	Chris Coker received some nuisance ordinance definitions from Councilmember Blankenship and has been continuing to research the issue.
DIRECTOR OF PUBLIC WORKS REPORT	Todd Baun met with Chris Coker regarding updating the city's purchasing policy and the small and attractive assets policy.
POLICE CHIEF REPORT	Chief Blumer provided a written staff report for the Mayor and Council.
MAYOR AND COUNCIL SALARIES	<p>Mayor Orffer addressed the Council and Mayor's salaries at the last meeting. She asked for the Council's feedback after reviewing salaries of elected officials with similar population cities. The Council was in agreeance to increase the Mayor's salary because the position is demanding and requires a lot of time dedicated to the City. They did not agree, as a whole, to increasing their own salaries. Councilmember Richey thinks there are so many other things the city should do with the money that would go toward a Councilmember raise. He feels his position is about service to the community, not about getting money. Councilmember Heller's original thought was to increase the salary to encourage people to run for City Council but thinks the current amount is fine although he would like to increase the Mayor's salary. All of the Councilmembers agreed their compensation is fine, but they need to increase the Mayor's salary because it does not compensate her for the amount of time and work she provides to the City. Mayor Orffer does not want the increase to go into affect until after the next election.</p> <p>It was moved by Councilmember Iversen, seconded by Councilmember Huff to raise the Mayor's salary to \$600 per month, effective January 1, 2020 and to keep the Councilmember's salary the same. Motion Carried 5-0.</p>
POLICE CAR DISCUSSION	<p>Chief Blumer purchased two new police cars and now wants to surplus his current police car.</p> <p>It was moved by Councilmember Blankenship, seconded by Councilmember Iversen to authorize the surplus of the Police Chief's Dodge Charger to be sold for fair market value and to execute a surplus resolution by the Mayor. Motion Carried 5-0.</p>

COUNCIL REPRESENTATION Todd Baun reported there are meetings he has been attending as the city representative. One is the Grays Harbor Council of Government meetings and the E911 Board meetings. Every year, Todd reaches out to the Mayor and Council to see if they are interested in getting involved with either of these organizations. The Council agreed to have Todd continue to attend in the Mayor's and Council's place.

3RD STREET PROJECT AWARD The city received eleven bidders for the 3rd Street Improvement project. Barcott Construction LLC was the low bidder and was awarded the project at the bid price of \$1,740,297.10. **It was moved by Councilmember Richey, seconded by Councilmember Huff to accept the bid from Barcott Construction for the 3rd Street Project for \$1,740,297.10. Motion Carried 5-0.**

CANCEL DECEMBER 26, 2018
CITY COUNCIL MEETING **It was moved by Councilmember Richey, seconded by Councilmember Iversen to cancel the December 26, 2018 meeting. Motion Carried 5-0.**

EXECUTIVE SESSION None.

PUBLIC COMMENT Councilmember Richey would like to meet only once a month next year. Mayor Orffer said the 3rd Street Project may require signatures more frequently than once a month, however, she said they could take it month-by-month to see if it is feasible. Councilmember Blankenship agreed.

Councilmember Blankenship asked if there is any way to open 2nd Street where there is a current barricade? Todd Baun informed him the street will be permanently closed during the 3rd Street Project and will become a dead-end road and the cement blocks will be removed.

Councilmember Iversen would like to get a quarterly report on the strategic plan. Mayor Orffer will offer updates in January, April, July and October for the Council.

Mayor Orffer wished everyone the happiest of holiday season.

MEETING ADJOURNED **It was moved by Councilmember Richey, seconded by Councilmember Blankenship to adjourn the meeting at 7:23 pm. The next meeting will be Wednesday, January 9, 2019 at 6:30 pm. Motion Carried 5-0.**

Approved by Mayor Brenda Orffer and Clerk-Treasurer Wendy Collins.

TAB - B

Younglove & Coker

A PROFESSIONAL LIMITED LIABILITY COMPANY

ATTORNEYS AT LAW

"SINCE 1974"

1800 COOPER POINT ROAD SW, BLDG 16, PO BOX 7846, OLYMPIA, WASHINGTON 98507-7846

TELEPHONE (360) 357-7791

FACSIMILE (360) 754-9268

OFFICE@YLCLAW.COM

Memorandum

TO: Mayor and City Council, City of McCleary
FROM: Christopher John Coker, City Attorney
DATE: January 3, 2019
RE: Significant Legal Activities as of January 3, 2019

Resolution Updates:

I've completed two updated Resolutions recommended by the last year's audit. One is updating the city's Purchase and Procurement Policy. The proposed new policy utilizes an easy to follow structure/table that will make the determination as to what process the City needs to follow for public works projects much simpler.

The second policy is an update to the City's "Small and Attractive" Items policy. Basically the Auditor wants more structure on how small assets are inventoried and protected within the City. Again, pretty straight forward policy change that stemmed from suggestions coming from the recent audit.

Todd is reviewing the new policies and will get them to you in the not too distant future.

Theft of City Services (Electricity/Sewer/Water):

I've been working with Officer Morrison regarding dealing with individuals within the City that are stealing City services. Under the RCW theft of services over \$1500 is a Class C felony. I've advised Paul that the City should take an aggressive approach toward anyone discovered knowing stealing services. To that end, Paul and Todd have some investigations going that will hopefully lead to charges being filed in Grays Harbor Superior Court.

Harassment Training:

On January 25th, 2019 a sexual harassment/anti-harassment training is scheduled for all City employees. This will be offered at City Hall beginning at 9:00 a.m. (I think). Hope is employees will bring questions they may have and a good, open discussion will ensue.

If you have any questions or concerns regarding the above, or any other matters, please let

me know.

TAB - C

STAFF REPORT

To: Mayor Orffer
From: Todd Baun, Director of Public Works
Date: January 3, 2019
Re: Current Non-Agenda Activity

3rd Street Project

We are getting paperwork completed and will be having a pre-construction meeting sometime in the next several weeks. Construction is expected to start April 1st.

Beerbower Park Playground

The crew is currently removing some old structures in order to prepare for the installation of the new playground. We are hoping to have the new structure completed in the next couple of weeks.

Fire Equipment

We have received all fire equipment that was ordered in 2018. You will start to see our firefighters with the new gear and equipment in 2019.

Birch Street Sewer

The crew has been working on a permanent fix on the sewer on Birch Street. Currently the sewer runs in between 2 homes and is starting to fail. We are in process of abandoning the old line and moving all the sewer along Birch Street.

Museum Roof

The City crews will be working on replacing the roof at the museum once we have a few days of good weather.

New Employees

Since we have an employee retiring in April, we decided to get a new crew member to make sure our PW crew will not be shorthanded. We have hired Cory Marsh as a Utility Maintenance 1. He will be great asset to our crew and community.

We also have advertised the Public Works Assistant position. (Paul M. position). We have received a great response and will be conducting interviews soon.

TAB - D

Building and Planning Staff Report

To: Mayor and City Council

From: Paul Morrison

Date: January 1st, 2018

Re: May, Building and Planning Department Activity.

New Permit Activities for December 2018

322 South Birch Street	New Fire Sprinklers	Total Fee \$1496.80
203 East Beck Street	Gas Piping	Total Fee \$84.50
Building Department Related Revenues	Total fees charged for December \$1,581.30	Total fees collected for December \$20,537.04

Permit Activity Totals

New Homes Permitted for 2018 17	All Permits Issued for 2018 59	Total Fees Charged for 2018 \$213,670.71
New Homes Permitted for 2017 11	All Permits Issued for 2017 104	Total Fees Charged for 2017 \$124,686.92
New Homes Permitted for 2016 24	All Permits Issued for 2016 170	Total Fees Charged for 2016 \$249,258.60
New Homes Permitted for 2015 2	All Permits Issued for 2015 52	Total Fees Charged for 2015 \$ 52,499.28
New Homes Permitted for 2014 3	All Permits Issued for 2014 89	Total Fees Charged for 2014 \$ 59,695.93
New Homes Permitted for 2013 3	All Permits Issued for 2013 79	Total Fees Charged for 2013 \$ 69,743.57
New Homes Permitted for 2012 6	All Permits Issued for 2012 97	Total Fees Charged for 2012 \$ 123,164.28
New Homes Permitted for 2011 1	All Permits Issued for 2011 37	Total Fees Charged for 2011 \$ 24,803.65

Nuisances for the Month of December 2018

- 108 North 10th Street
- 219 West Simpson Avenue
- 114 South 5th Street
- 509 West Simpson Avenue
- 115 South 5th Street

TAB - E

STAFF REPORT

To: Mayor Orffer
From: Todd Baun- Director of Public Works
Date: January 3, 2019
Re: Contract with Evergreen Consulting Group

The City has been working Evergreen Consulting Group for the past several years with our conservation program and it has gone extremely well. I would like to continue with contracting with Evergreen Consulting Group for 2019.

I have provided a contract with Evergreen Consulting Group. This will not cost the City any money out of pocket, since the City receives “performance payments” from BPA to cover internal customer administrative costs incurred in support of energy savings activities.

Action Requested:

Please discuss and allow the Mayor to sign the contract with Evergreen Consulting Group.

City of McCleary (CMC)
Commercial and Residential Energy Efficiency Programs
Technical Assistance proposal from Evergreen Consulting Group (ECG)
January 1, 2019 through December 31, 2019
12/17/18

Scope:

Provide program management and operation support for CMC's Commercial and Residential Energy Efficiency Programs.

Included in the management and operations of the program are the following elements:

- Providing technical energy efficiency program assistance to CMC's customers (at the direction of Todd Baun or Paul Morrison) at their sites in the CMC service area for up to two days a month. The technical assistance for Commercial Lighting and HVAC measures would be above that provided by BPA's Trade Ally Network NW agreement. For residential customers it would include any pre and post verifications of residential weatherization and ductless heat pump projects and other site verifications as requested by Todd Baun or Paul Morrison for CMC's customer energy efficiency projects. It will also include consulting with Trade Allies to encourage their participation in CMC's programs.
- Preparing customer agreements (CMC's agreement), ensuring they are signed and customers are instructed as to the necessary documentation for Incentives from CMC once the energy efficiency project is completed.
- Assembling the completed packages of paper work including the customer agreement, pre and post verifications, customer invoices, disposal forms that is over and above that provided by the BPA Trade Ally Network NW agreement. These completed packages will be provided to CMC management.
- There will be a monthly tracking report presented to CMC management.
- CMC will be responsible to issue the incentive checks to the customer and ECG will enter completed projects into the BPA reporting system.
- Evergreen will submit monthly invoices to CMC for Evergreen's Labor and other expenses.

The on site technical assistance will be provided typically by Andy Gerde or other Evergreen Lighting Specialists with backup from Mike Porter.

Agreed to the above:

Agreed to the above:

City of McCleary

Evergreen Consulting Group, LLC

Date

Date

To City of McCleary
 From: Evergreen Consulting Group LLC
 Time Period: January 1, 2019 to December 31, 2019

Evergreen Consulting Team

Hourly Rate

Eric Wilson Program Director	\$	138
Mike Porter, Program Manager	\$	118
Andy Gerde, Lighting Specialist	\$	105

Task Description:	Evergreen Consulting Group Hours			Costs		
	Eric	Mike	Andy	Directs	Directs - Notes	Total Cost Labor+Directs
Monthly site visit to CMcC service area for pre & post Residential ductless heat pump, heat pumps, weatherization inspections and trade ally support (up to 1 day/month)			60	\$ 300	Lodging/travel/meals	\$ 6,600.00
Office followup with cust & trade allies-review audits, approve & notify trade allies's (1 hr /month)			12			\$ 1,260.00
Supervision, project file completion, project tracking & followup with trade allies		36				\$ 4,248.00
Directing project	3					\$ 414.00
Completed projects submitted to CMcC for BPA submittal (2 per month)		24				\$ 2,832.00
	3	60	72	\$ 300		\$ 15,354.00

Budget Assumptions:

CMcC pays incentives to customers & Evergreen enters data in BPA system

TAB - F

TAB - G

STAFF REPORT

To: Mayor Orffer
From: Todd Baun., Director of Public Works
Date: January 3, 2019
Re: Public Works Bid Update

As previously discussed, our Resolution 622 relating to the public works bid regulations differ significantly from the limits identified in the associated RCW limits. Chris Coker and I have worked together and he has drafted a replacement for Resolution 622, which will set the monetary limits as defined by the RCW.

I have attached Resolution 622 for your reference.

Action Requested:

Please adopt the Resolution provided by Chris Coker

RESOLUTION NO. 622

A RESOLUTION RELATING TO COMPETITIVE
BIDDING; ESTABLISHING POLICIES IN RELATION
THERE TO; AND REPEALING RESOLUTION 494 AND
ALL OTHER RESOLUTIONS IN CONFLICT THEREWITH.

R E C I T A L S:

1. The City operates pursuant to the provisions of R.C.W. 35A, commonly known as the Optional Municipal Code. In adopting the procedures and policies set forth below, it is the intent of the City to comply with and utilize the discretionary authority provided by the provisions of RCW 35.23.352 relating to the awarding of contracts under the small works roster process, made applicable to the City pursuant to RCW 35.40.200, and the provisions of other applicable law, including RCW 39.04.155(3), as now existing or hereafter amended or succeeded.

2. As a result of legislation placed into effect most recently amended in 2009, the City may now, as to the award of contracts, whether in relation to public works or otherwise, exercise greater flexibility as to those contracts having a value of less than \$35,000, and the City wishes to exercise that flexibility.

3. By utilizing the flexibility, the City wishes to insure that the maximum steps that are reasonably necessary to insure receiving the greatest value for the citizens are carried forth and, in furtherance of this goal, the Council wishes to establish and adopt certain policies.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR CONCURRING:

SECTION I: It shall be the general policy of the City that, in the acquisition of materials, supplies, services, and capital items for which bid procedures are to be followed and which in the opinion of the City will cost less than \$35,000, classified as being subject to utilization of the limited public works contracting process, then the following procedures shall apply unless by action of the City Council the decision is made to utilize competitive bidding as provided for in the subsequent Section of this Resolution.

As to the acquisition of the items, services, or materials having an anticipated purchase value of more than \$2,000 but less than \$35,000, the following provisions shall apply:

A. As to acquisitions having an estimated value greater than \$2,000.00 but less than \$ 20,000, the following procedure shall apply:

1. The head of the Department for which the acquisition is being made shall contact no less than three potential provisioners of the item, service, or goods in question requesting they provide to the City, either by telephone or in writing, quotations for the provision of the particular purchase. The responsible official shall insure that each of the potential provisioners are provided with the same specifications, including the specific date and time by which all such quotations must be received.

2. Upon receipt of the quotations upon the occurrence of the closing time and date, the responsible official shall report the proposals received to the City Council and the Council shall at that time have the authority to authorize the purchase or purchases involved: PROVIDED that by action of the Council, the Council may authorize the Mayor to make such decision and authorize such purchase without reporting to the Council until the next Council Meeting.

3. Upon the making of the award, the sources contacted, the quotations obtained, and the recommendation shall be recorded in writing and be open to public inspection and available for telephone inquiry.

B. As to acquisitions having an estimated value greater than \$ 20,000 but less than \$35,000.00, the

provisions specified above shall be fulfilled subject to the following additional requirements:

1. Specifications of the anticipated purchase shall be provided to the potential provisioners in writing and the request for provision of a proposal shall also be made in writing: PROVIDED that such written confirmations may be made subsequent to initial contact by telephone.

2. The responses shall also be received in writing and shall be maintained on file for a period of no less than one year after the date of the award.

3. Compliance with such other requirements as may be required by applicable state law for solicitation and award of contracts within the classification of a limited public works contract.

SECTION II: The provisions of this Resolution shall be in the nature of a policy established by the City, but shall give rise to no cause of action in any party in the event it is determined by the City that a particular purchase should be made in a manner other than established by this Resolution or in the event that any provision of this Resolution is not carried forth.

SECTION III: As to any purchase of supplies, material, or equipment having a value greater than that set forth in RCW 35.23.352, other than a public work or improvement, it shall be

carried out in the manner provided by the provisions of the Public Bid Law as it may from time to time exist.

SECTION IV: Under such schedule as may be established by the applicable provisions of RCW 39.04 relating the small works roster contracting process, as now existing or as it may hereafter be amended or succeeded, the City shall publish in a newspaper of general circulation a notice of the existence of the vendor lists and solicit submissions by vendors who desire to be upon the list or lists. The City shall add to the vendor roster those qualified vendors who respond to the published notice and request to be included on the roster: PROVIDED THAT, if by action of the Council, specialized rosters are authorized, then such publication may be for such specialized roster which shall be maintained under the same procedural requirements. In the interval between publication of the notice provided by this section, vendors submitting an appropriate written request and supporting documentation may be added to the applicable roster by direction of the Public Works Director. In the event of the Director's rejection of an application, the appeal process established within Chapter 2.68 of the Municipal Code shall be available.

The publications carried out pursuant to this section may be combined with those utilized to establish and maintain the

RESOLUTION -A- 5

11/2010

DG/le

CITY OF McCLEARY
100 SOUTH 3RD STREET
McCLEARY, WASHINGTON 98557

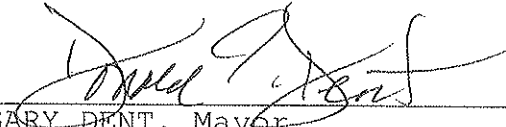
list of contractors commonly referred to as the Small Works Roster.

SECTION V: Nothing herein shall restrict the City's ability to utilize the authority to make purchases or enter into contracts through interlocal agreements with other municipal corporations, including the State of Washington, entered into under the provisions of RCW 39.34.

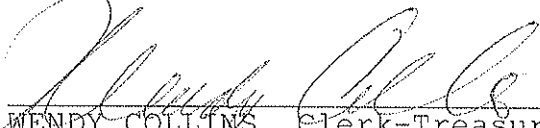
SECTION VI: Resolution 494 and any other Resolution in conflict with the terms of this Resolution shall be and is hereby repealed.

PASSED THIS 1st DAY OF December, 2010, by the City Council of the City of McCleary, and signed in authentication thereof this 1st day of December, 2010.

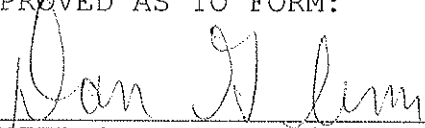
CITY OF McCLEARY:


D. GARY DENT, Mayor

ATTEST:


WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:


DANIEL O. GLENN, City Attorney

RESOLUTION -A- 6

11/2010

DG/le

CITY OF McCLEARY
100 SOUTH 3RD STREET
McCLEARY, WASHINGTON 98557

TAB - H

STAFF REPORT

To: Mayor Orffer
From: Todd Baun., Director of Public Works
Date: January 3, 2019
Re: Small and Attractive Policy Update

Part of the Auditor recommendation from our last audit is the City needs to update our policy that addresses our small and attractive items.

The recommendation from the Office of Financial Management, is to revise the City's policy to establish an upper dollar limit on their policy and to prescribe what action to take if an error is found.

Chris and I have worked on this and feel the resolution provided is a good fit for the City.

I have attached to old Resolution for your reference.

Action Requested:

Please review, discuss and adopt the resolution.

RESOLUTION NO. 700

**A RESOLUTION ADOPTING A POLICY IN RELATION
TO MAINTAINING AN INVENTORY OF CERTAIN
ASSETS OF THE CITY.**

R E C I T A L S:

1. The Clerk-treasurer has reported that the Office of the State Auditor has recommended the City implement a formal policy in relation to maintaining a written inventory of assets of the City which meet certain valuation and period of use expectancy.

2. It is found appropriate and in the Public's interest to do so in furtherance of the desire to maintain accountability for the assets of the City.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: That policy attached to this Resolution as Attachment #1 shall be and is hereby adopted as the inventory policy of the City for the municipal assets meeting its qualifications.

SECTION II: In recognition of the staff time which will be required to implement the policy initially, the Clerk-treasurer shall commence implementation promptly with a goal of

having the inventory and all associated actions completed by the 8th day of March, 2017. The Clerk-treasurer shall provide a report to the Mayor and Council at the first meeting in March, 2017, as to the state of completion.

PASSED THIS 8th DAY OF March, 2017, by the City Council of the City of McCleary, and signed in authentication thereof this 8th day of March, 2017.


CITY OF McCLEARY:


BRENT SCHILLER, Mayor

ATTEST:


WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:


DANIEL O. GLENN, City Attorney

**CITY OF MCCLEARY
INVENTORY POLICY AND PROCEDURES**

SCOPE:

The provisions of this policy apply to all properties of the City and shall be complied with by all employees of the City of McCleary, unless otherwise addressed by a current collective bargaining agreement.

POLICY:

It is the policy of the City that an inventory control be enacted to ensure controls over items for which the city has stewardship responsibility and items that might not be noticed immediately after their disappearance.

GUIDELINES:

1. City assets will be inventoried in the following manner:
 - The Clerk-treasurer or her or his designee shall be assigned the responsibility of serving as Inventory Clerk, and have the responsibility to conduct periodic checks and maintain all records regarding inventory.
 - An index shall be made available upon request of all inventoried items, according to department.
 - Periodic inventory checks will be made by the Inventory Clerk on a rotational basis at the discretion of the Inventory Clerk. The check shall indicate on the existing inventory list which items were checked with dates and initialed by the Inventory Clerk.
 - Each year a departmental inventory list will be prepared by or submitted to the department head who will certify that the list is complete, or make notations otherwise and submit to the Inventory Clerk.
 - A departmental inventory will be conducted by the Inventory Clerk upon a schedule established by the Clerk-treasurer, but in any event no less frequently than every one years. The resulting inventory list shall show the items found with dates and initialed by the Inventory Clerk, with notations of any discrepancies.

2. Criteria for inclusion in and processing of inventory:

- Any asset that has an estimated value of no less than \$ 100 .00 and a projected "life" expectancy of more than one year shall be inventoried.
- Each inventoried item shall be issued a numbered sticker. If it is not reasonable to place the sticker on the item, it shall be attached to a sheet with the corresponding information. (Weapons and Vehicles ID# or other items with a serial number will be used for identifying, but will also be issued a control number.)
- Department heads or their designee are responsible to report all inventoried changes to the Inventory Clerk. Any additions or changes as entered by the Inventory Clerk will be reported to the department heads.

3. Removal of items from inventory:

- After being declared surplus by resolution adopted by the Council, under the direction of the Clerk-treasurer, an item shall be recorded as surplus with an indication as to the distribution of any inventoried item.
- Destroyed items shall be recorded as destroyed with an indication as to the manner of destruction of items, dated and initialed by two people, under the direction of the Inventory Clerk.
- Traded or sold items shall be recorded as traded or sold with an indication as to the manner of sale or trade, with names, addresses and date, and for what it was traded or, if sold, the consideration received, under the direction of the Inventory Clerk.

ACKNOWLEDGMENT OF REVIEW OF INVENTORY POLICY

I, _____, an employee of the City of McCleary, do hereby certify that I have been provided a copy of the City of McCleary's Inventory Policy. I have read it, have been given the opportunity to ask any questions I had in relation to its requirements, and understand that compliance with its provisions is required as a condition of my employment.

DATE SIGNED: _____

RESOLUTION - 4
02/08/2017
DG/le

CITY OF McCLEARY
100 s. 3RD
McCLEARY, WASH 98557

TAB - I

RESOLUTION NO. _____

**A RESOLUTION RELATING TO COMPETITIVE
BIDDING; ESTABLISHING POLICIES IN RELATION
THERE TO; AND REPEALING RESOLUTION 622 AND
ALL OTHER RESOLUTIONS IN CONFLICT
THEREWITH.**

R E C I T A L S:

WHEREAS, the City operates pursuant to the provisions of RCW 35A, commonly known as the Optional Municipal Code. In adopting the procedures and policies set forth below, it is the intent of the City to comply with and utilize the discretionary authority provided by the provisions of RCW 35.23.352 relating to the awarding of contracts under the small works roster process, and the provisions of other applicable law, including RCW 39.04.155(3), as now existing or hereafter amended or succeeded; and

WHEREAS, as a result of legislation placed into effect most recently amended in 2009, the City may now, as to the award of contracts, whether in relation to public works or otherwise, exercise greater flexibility as to those contracts having a value of less than \$40,000, and the City wishes to exercise that flexibility; and

WHEREAS, it is the City's policy to follow state requirements with regard to the expenditure of public funds, to provide a fair forum for those interested in bidding on public

contracts, and to help ensure that public contracts are performed satisfactorily and efficiently at least cost to the public, while avoiding fraud and favoritism in their award;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: That policy attached to this Resolution as Attachment 1 shall be and is hereby adopted as THE City of McCleary Purchasing and Procurement Policy.

SECTION II: Resolution 622 and all other resolutions in conflict therewith shall be and are hereby repealed.

PASSED THIS _____ DAY OF _____, 2019, by the City Council of the City of McCleary, and signed in authentication thereof this _____ day of _____, 2019.

CITY OF McCLEARY:

BRENDA ORFFER, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

CHRISTOPHER JOHN COKER, City Attorney

ATTACHMENT 1

CITY OF McCLEARY PURCHASING AND PROCUREMENT POLICY

Purchasing Code of Ethics

To instill public confidence in the award of public contracts and the expenditure of public funds, the City adopts the following code of ethics with regard to public contracting:

- Actions of City employees shall be impartial and fair.
- Government decisions and policies shall be made in compliance with required procedures and within the proper channels of government structure.
- Public employment shall not be used for personal gain, and City employees shall not solicit, accept, or agree to accept any gratuity for themselves, their families or others that would or could result in personal gain. Purchasing decisions shall be made impartially, based upon the City's specifications for the contract and the responses of those bidding on the contract.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. This conflict of interest extends beyond the individual employee, officer, or agent to include that individual's immediate family members, partner, and other employers.

Controlling Laws

The expenditure of public funds for the purchase of and contracting for, goods, services, supplies and materials shall comply with all applicable state law requirements as set forth in the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC), in addition to any applicable federal laws and regulations.

Monitoring and Compliance

The department heads shall implement, monitor and enforce these policies. In the event of any conflict in procurement requirements or questions about proper procedure or other requirements, the matter shall be referred to the Finance Director for further action. Willful or intentional violations of public procurement requirements may result in personal penalties, financial liabilities, and/or discipline. *See RCW 39.30.020.*

Proper Authorization

Only authorized employees acting within the scope of their authority may obligate the City in the acquisition of goods or services. Any employee purchasing goods on behalf of the City without proper authorization may be personally liable to the vendor and the City, and subject to disciplinary action.

The following chart describes the most common types of public contracts, summarizes the procedural requirements and the entity authorized to execute the contract:

Type of Purchase	Process	Other Requirements	Contract Authorization
Public Works Projects <i>(Must choose one of the four)</i>			
Projects costing under \$300K	Small Works Roster <i>(the City uses the MRSC Rosters RCW 39.04.155)</i>	<ul style="list-style-type: none"> • Prevailing wage • Insurance • Performance Bond • Bid Bond/Deposit 	If budgeted or otherwise approved by Council, Mayor to execute contract.
Projects costing \$300K or more	Must call for bids <i>RCW 35.23.352(1)</i>	<ul style="list-style-type: none"> • Prevailing wage • Insurance • Performance Bond • Bid Bond/Deposit 	If budgeted or otherwise approved by Council, Mayor to execute contract.
Projects with costs that exceed \$40K single trade or \$65K multiple trades and less than \$300K	Must call for bids <i>RCW 35.23.352(1)</i> or use <i>Small Works Roster process to solicit quotes</i>	<ul style="list-style-type: none"> • Prevailing wage • Insurance • Performance Bond • Bid Bond/Deposit 	If budgeted or otherwise approved by Council, Mayor to execute contract.
Projects costing under \$40,000 <i>(Alternative to the Small Works Roster Procedures)</i>	Solicited quotes	<ul style="list-style-type: none"> • Prevailing wage • Solicited electronic or written quotes from a minimum of 3 contractors from the Small Works Roster • Award to low bidder • Performance Bond 	If budgeted or otherwise approved by Council, Mayor to execute contract.
Projects less than \$2,500	One quote needed, two recommended.	<ul style="list-style-type: none"> • Combined L&A form for prevailing wages • No bond • No retainage 	If budgeted or otherwise approved by Council, Mayor to execute contract.
Materials, Goods and Equipment <i>(Not associated with Public Works Projects)</i>			
Items costing more than \$7,500	Must call for bids or use State Bid <i>RCW 35.23.352(6)</i> or <i>RCW 39.04.270</i>	<ul style="list-style-type: none"> • Publication of RFP if bidding 	If budgeted or otherwise approved by Council, Mayor to execute contract.
Items costing less than \$7,500	No state law required process		If budgeted or otherwise approved by Council, Mayor or department head to execute contract.
Personal Services			
Architectural and Engineering Services	Request for Qualifications <i>RCW 39.80</i>	<ul style="list-style-type: none"> • Publish RFQ • Must evaluate on performance and qualifications • Negotiate contract 	If budgeted or otherwise approved by Council, Mayor to execute contract.
All other personal services	No state law required process		If budgeted or otherwise approved by Council, Mayor to execute contract.

Local Business Open Accounts

The City may establish open accounts at local businesses, and purchases on these accounts may be made only by authorized City employees.

Projects – under \$300,000 (Small Works Roster)

In addition to full competitive bid requirements, the City may use any of following procedures when circumstances warrant:

- 1) When the contract amount for a public works project is between \$2,500 and \$300,000, the City may follow the small works roster process instead of competitive bidding requirements. The City has contracted with the Municipal Research and Services Center of Washington to provide a small works roster for the City. If the amount of the contract has been budgeted, the Mayor may execute all documents relating to the contract. Consistent with RCW 39.08.010 the City will require a performance bond as a precondition of entering into a public works contract.
- 2) The City has an agreement with Clark County for the repair and construction of city streets, bridges and other components of the City's transportation system. No bidding requirements apply to work performed by Clark County pursuant to this agreement.
- 3) The City may from time to time acquire surplus property from another governmental entity without regard to bid laws.
- 4) The City may also exercise its authority to contract with another public agency through an interlocal agreement to perform any function that either agency is authorized by law to perform. Pursuant to this authority, another public entity could act as the City's agent or contractor.
- 5) The City may also enter into a cooperative interlocal agreement with another governmental entity for joint or "piggy-back" purchases. In any such cooperative action, the City will ensure that any competitive bidding requirements, including publication and notice, that otherwise apply to the contract are fulfilled to the extent required by RCW 39.34.030.

Alternative to the "Small Works Roster" Procedures

For limited public works projects, including the construction, alteration, repair, or improvement of real property costing less than \$40,000, the City may contract without use of a small works roster or the advertisement for bids, so long as the City solicits either electronic or written quotations from a minimum of three contractors listed on an appropriate small works roster and awards the contract to the lowest responsible bidder.

After such an award, the City will make available all quotations for public inspection.

Projects exceeding \$40,000 for a single trade or \$65,000 for multi-trades:

The City will call for bids for public works projects, including the cost of materials, supplies, and equipment that exceed \$65,000 if more than one craft or trade is involved if the City does not use the “Small Works Roster. If only a single craft or trade is involved, or if the project is one of street signalization or street lighting, the City will call for bids if the cost is greater than \$40,000. The City reserves the right to have its own workers or day laborers do every project, so long as each project meets the applicable bidding limits, and the City will provide a report to the state auditor of the costs of all public works in excess of \$5,000 that are not let by contract. For any project using city workers that costs more than \$25,000, the City will publish a description of the project and the estimated cost in the City’s official newspaper at least fifteen days before beginning work.

Projects Less Than \$2,500

For projects less than \$2,500, two quotes are recommended, but with approval of the department head, one quote is acceptable. The combined form for Intents and Affidavits will be used. No bond and retainage will be required, but the contractor must submit paid invoices for supplies, equipment rental and materials used in the project.

Materials, Goods and Equipment *(Not associated with Public Works Projects)*

For the purchase of supplies, materials, or equipment costing more than \$7,500 which is not to be used in connection with any public work or improvement, the City will call for bids or may opt to use a state bid which does not require the City to obtain its own bids. When purchasing telecommunications and data processing (computer) equipment or software costing more than

\$7,500, the City may follow a competitive negotiation process as an alternative to the bid process. Pursuant to RCW 30.04.270, any such an alternative competitive negotiation process will include at least the following steps:

- A request for proposals (RFP) must be published in a newspaper of general circulation at least 13 days before the last date on which the proposals will be received.
- The RFP must identify significant evaluation factors, including price, and their relative importance.
- The City must provide reasonable procedures for technical evaluation of the proposals, identification of qualified sources, and selection for awarding the contract.
- The award must be made to the qualified bidder whose proposal is “most advantageous” to the City. The City may reject all proposals for good cause and request new proposals.

Architectural and Engineering Services

State law does not impose any particular competitive bid requirements for services, except for notice in the official newspaper, and that the requirements of RCW chapter 30.80 shall apply whenever the City contracts for architectural and engineering services. In particular, the City will publish its need for architectural or engineering services in advance, concisely stating the general scope and nature of the project or work for which services are required. The notice will provide the address of a representative of the City who can provide additional details. The City will either publish an announcement each time the service is needed, or will announce generally to the public the City's projected requirements for any category or type of engineering or architectural service.

Cities may also advertise for architectural or engineering services annually. The City will then evaluate the qualifications and performance data it has on file along with any information submitted regarding a proposed project. Following the evaluation, the City will invite one or more firms to meet with City officials to discuss the project and the relative benefits of various methods of providing the desired services. The City will select the most highly qualified firm to provide the required services. The price or cost of the service may not be considered by the City when determining which firm is the most highly qualified. After the most qualified firm has been chosen, the City will negotiate a contract with that firm for the services at a price that it determines to be fair and reasonable, considering the estimated value of the services to be rendered, as well as the scope and complexity of the project. The City need not change engineers every year but may continue to hire the same engineer if that person or firm is the most qualified. This process may be dispensed with for certain projects upon finding by the City Council that an emergency requires the immediate execution of the work involved.

Professional and Personal Services other than Engineering or Architecture

Professional or personal services are those services involving specialized skill, education, and special knowledge, including accounting, art, bond brokerage, insurance brokerage, legal, real estate appraisal, relocation assistance, title abstracts, surveying, soils analysis, and core testing. A competitive process is not required for professional or personal services, other than professional engineering or architectural services and the official newspaper.

Procurement, administration and termination of such professional or personal services contracts shall be the responsibility of the Mayor, unless the Mayor delegates that responsibility or authority to the appropriate department head. The Mayor is authorized to negotiate all professional and personal services contracts for which funds have been budgeted or otherwise approved by Council.

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The Bidding Process

Emergencies

Competitive bidding is not required when an emergency exists; however, in making emergency purchases, the City shall endeavor to include the level of competition that is practical under the circumstances. The department head or designee is authorized to make emergency purchases upon a finding, duly entered of record, of the existence of an emergency, including but not limited to:

- Any breakage or loss of equipment or in other circumstances in that necessary service is interrupted or is about to be interrupted; or
- Situations where the city may suffer a substantial loss by reason of the time required for following the regular purchasing procedures that shall be reported to the city council at the next meeting.

If an emergency exists, the Mayor or the appropriate department head is authorized to act and will seek a resolution from Council within 2 weeks that will:

- Declare or confirm that an emergency situation exists;
- Waive competitive bidding requirements for purposes of responding to the emergency situation; and
- Authorize, on behalf of the City, the execution of any contract necessary to address the emergency situation, including, but not limited to, architectural and engineering services.

Advertising for Bids

For all contracts that require competitive bids, the City shall publish notice of the call for bids in the official newspaper, or a newspaper of general circulation most likely to bring responsive bids, at least 13 days prior to the last date upon which bids will be received. The City's advertisement for bids will contain definite specifications and procedures for bidders to use in estimating their bids, in addition to the following information:

- Time and place where bids will be opened;
- The time after which bids will not be received;
- The character of the work to be performed;
- The materials and equipment to be furnished;
- Where the specifications for the project may be seen;
- A statement that a bid bond must accompany the bid; and
- Statements that the city retains the right to reject any and all bids and to waive minor irregularities in the bidding process.

Since prevailing wages must be paid on all public works performed by public contract, the City will state in either the advertisement for bids or the specifications for the project

that the successful bidder will be required to pay prevailing wages for the work to be performed. Bid notices for the purchase of materials, equipment, and supplies not used in connection with a public work do not require a bid bond.

Bid Bonds

Bid bonds are required for all public works projects exceeding \$100,000 to ensure that a bid has been made in good faith and that the bidder will enter into a contract if the bid is accepted. An acceptable bid bond includes a cashier's check, postal money order, letter of credit, surety bond or similar financial guarantee in a form acceptable to the City Attorney in an amount of not less than 5% of the bid amount, including sales tax. The City will not consider any bid, for which a bid bond is required, unless it is accompanied by a suitable financial guarantee. Bid bonds are not required when small works roster procedures are used.

After bids are opened, the City shall award the contract to the lowest responsible bidder. The City shall return bid proposal deposits and/or bid bonds to all unsuccessful bidders. The City will retain successful bidder's bid bond until the bidder executes a contract for the work and furnishes a performance bond in the full amount of the contract price. If the successful bidder fails to execute a contract with the City or does not provide a performance bond within 10 days of being notified of the bid's acceptance, the City reserves the right to retain the bid bond, reject the bidder and either award the contract to the second lowest responsible bidder or re-advertise the project.

Performance Bonds

The City shall require a performance bond when entering into all public works contracts, to ensure that the job will be completed and that all workers, subcontractors and suppliers will be paid. Performance bonds are not required if the small works roster is used for a public works contract that does not exceed \$35,000. The successful bidder shall provide the performance bond in a form and amount acceptable to the City Attorney within 10 days of the City's selection of the bidder. In lieu of a performance bond for contracts of \$35,000 or less, the successful bidder may elect to satisfy the bid bond requirement by having the City retain 50% of the contract payment(s) for a period of 30 days after the date of final acceptance.

Bid Opening and Award

The City shall open bids at the place, date, and time stated in the bid package. If the bid is complicated and city council action is required to award the contract, city staff may summarize the bids before presenting them to council. Where council action is required, staff will assist the Council in determining the lowest responsible bidder. The City must award the bid to the lowest responsible bidder or reject all bids. The city may not negotiate with any of the bidders.

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Bid Rejection

The City reserves the right to reject any bid not in substantial compliance with the bid documents, specifications, or any prescribed public bidding procedure or requirement and may reject for good cause any or all bids upon a finding that it is in the public interest to do so.

Solicitation or Bid Appeals or Protests

Bidders may appeal or protest a proposal solicitation or award of contract issued by the City, provided that the bidder strictly follows the procedures described below. Prior to the deadline for submitting bids or proposals, bidders may appeal or protest specifications, terms, or requirements. After the deadline for submission of bids or proposals, bidders may appeal or protest the award or pending award to the apparent low bidder or the selection of the apparently most advantageous proposal. The appeal or protest shall:

- Be in writing; and
- Explicitly identify itself as an appeal or protest; and
- Explicitly identify the bid/project/request being appealed or protested; and
- Explicitly state all reasons and bases in law and fact supporting the appeal or protest, including, but not limited to, identification of any and all specifications, terms, requirements, or conditions to which the vendor objects; and
- Include any and all supporting documents; and
- Be filed with the City Clerk.

All appeals or protests of a purchase specification, term, condition, or requirement shall be received by the City Clerk no later than 7 calendar days prior to the deadline for submission of bids or proposals. All appeals or protests of an award or pending award shall be received by the City Clerk no later than 5 business days after the City awards the contract or selects the most advantageous proposal. In no event will appeals or protests be heard or considered if these deadlines are not met. The City reserves the right to proceed with the execution of a contract and any actions allowed pursuant thereto without notice to the appellant/protestor, notwithstanding the pendency of any appeal/protest.

A bidder's initial appeal/protest will be reviewed by the Mayor, the City Attorney, the department head of the procuring department, and the City Clerk. The initial appeal/protest will be decided based upon the written appeal or protest, supporting documents, and other information obtained by those reviewing the appeal/protest. A meeting or conference with the appellant/protestor will occur only if the Mayor determines that a meeting or conference with the appellant/protestor would materially assist the City in resolving the appeal/protest. Only those issues raised by the appellant/protestor in the initial written appeal/protest filed with the City Clerk will be considered. The City will issue a written decision no later than 10 business days after the initial appeal/protest is filed with the City Clerk. The City may exercise discretion to extend the time for decision if more time is needed.

An appellant/protestor may appeal the City's decision on an appeal/protest to the City Council by following the procedures described in this section. Any appeal of a City decision on an appeal/protest shall be in writing and received by the City Clerk no later than 7 calendar days after the date of the City's written decision. The appeal shall state the legal and factual bases for the appeal, include a copy of the initial appeal/protest, and the resulting City decision appealed. The appeal shall state whether the appellant requests the opportunity to present oral argument to the City Council. The Council will not consider any issues not set forth in the initial appeal/protest. At its sole discretion, Council allow the appellant to present oral argument in support of the appellant's written submission if Council finds that such presentation would materially aid its resolution of the appeal. The Council may form a committee of less than the entire Council to consider the appeal and recommend a decision to the entire Council. The Council's decision shall be in writing and shall be final and binding.

TAB - J

RESOLUTION NO. _____

**A RESOLUTION ADOPTING A POLICY IN RELATION
TO MAINTAINING AN INVENTORY OF CERTAIN
ASSETS OF THE CITY AND REPEALING RESOLUTION
700 AND ALL OTHER RESOLUTION IN CONFLICT
THEREWITH.**

R E C I T A L S:

WHEREAS, the Clerk-Treasurer has reported that the Office of the State Auditor has recommended the City update the formal policy in relation to maintaining a written inventory of assets of the City which meet certain valuation and person of use expectancy; and

WHEREAS, it is found appropriate and in the Public's interest to do so in furtherance of the desire to maintain accountability for the assets of the City; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: That policy attached to this Resolution as Attachment 1 shall be and is hereby adopted as the inventory policy of the City for the municipal assets meeting its qualifications.

SECTION II: Resolution 700 and all other resolutions in conflict therewith shall be and are hereby repealed.

SECTION III: In recognition of the staff time which will be required to implement the policy initially, the Clerk-treasurer shall commence implementation promptly with a goal of having the inventory and all associated actions completed by the ____ day of _____, 2019. The Clerk-treasurer shall provide a report to the Mayor and Council at the first meeting in _____, 2019, as to the state of completion.

PASSED THIS ____ day of _____, 2019, by the City Council of the City of McCleary, and signed in authentication thereof this ____ day of _____, 2019.

PASSED THIS _____ DAY OF _____, 2019, by the City Council of the City of McCleary, and signed in authentication thereof this _____ day of _____, 2019.

CITY OF McCLEARY:

BRENDA ORFFER, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

CHRISTOPHER JOHN COKER, City Attorney

RESOLUTION - 2
01/02/19
CJC/zh

CITY OF McCLEARY
100 SOUTH 3RD STREET
McCLEARY, WASHINGTON 98557

ATTACHMENT 1

**CITY OF McCLEARY, WASHINGTON
SMALL AND ATTRACTIVE ITEM PROGRAM**

CITY OF McCLEARY SMALL AND ATTRACTIVE POLICY AND PROCEDURES

The following policies and procedures document a small and attractive system designed to ensure controls over items that might not be noticed immediately after their disappearance. The intent of this policy is to obtain accountability over items that do not meet the criteria of a fixed asset and would NOT be noticed immediately upon disappearance or replacement.

I. POLICY

It is the policy of the city to maintain accountability over all tangible items that may have the likelihood of disappearing without being noticed. The departments shall review and update records to be verified by a physical inventory at least once a year and provide such list to the Treasurer's office for monitoring differences between years.

A. PURPOSE

A small and attractive items system gathers information allowing investigation of items missing that would otherwise not be noticed. The system should provide adequate stewardship over its resources through control and accountability.

B. GENERAL

Small and attractive items are defined as easily moveable, desirable items with a unit cost of \$300.00 to \$4,999.99 and have a life expectancy of more than one year. Those items are either concealable or portable.

Concealable items are defined as small enough to fit into one's pocket, bag, briefcase or back pack (examples: electronic devices, radios, weapons; laptops, peripherals such as Personal Data Assistants (PDA) & software packages; etc.).

Portable items are defined as medium sized assets that can be easily carried (examples: televisions, computers, printers, mobile hand or power equipment; rescue equipment; computer monitors, modems, CPU's, projectors, typewriters, lawn mowers, etc.).

C. RESPONSIBILITY OF DEPARTMENT HEADS

Each department head or their designee will prepare a list at least annually of their small and attractive items. This list will be provided to the City Treasurer by **January 31st** each year for monitoring.

Each department/fund will notify the Treasurer of any additions, deletions, interdepartmental transfers, modifications, or leases of property that is not reflected on the preliminary list. Deletions from the inventory should include items that were scrapped, cannibalized, disappeared mysteriously, or damaged beyond salvage. The Treasurer will ensure the appropriate changes are made to the departments/funds small and attractive list. After the adjustments are made, the final list will be given to the department head or the Mayor to sign that it is true and correct.

A physical inventory will be conducted annually by the department to verify the existence and condition of all items on the Small and Attractive list. Every two years the Treasurer's Office will help with the physical inventory verification with each department during the summer or fall months.

D. ASSET IDENTIFICATION

The Small & Attractive list will contain the serial number, model number, and other key-identifying characteristics. All inventoried property will be assigned a unique city identification number by the Treasurer's Office if it does not already have one of the identifiers listed above. If an item is assigned a city identification number, that assigned number will follow the asset throughout its life in the city's Small and Attractive system.

Whenever feasible, each piece of property will be engraved or marked with the city's name and/or identification number on the upper right-hand corner. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of.

The city's property identification numbers are assigned by the Treasurer's Office for uniformity and must be unique to a single property item if there is not a serial number, model number, or other key-identifying characteristic. Each department/fund should maintain a register of ID numbers that identify assets under their control if there is no serial or model number. The city will use a 10-character field that has the capability of using alpha or numeric characters for their ID number.

II. PROCEDURES

A. ADDITIONS

The city may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the department/fund purchasing the item will add it to their Small and Attractive database listing and mark the item with the

city's name. Quarterly the Clerks' office will provide a list with documentation on all small and attractive items purchased. This list will include department, date, serial numbers, model numbers, order numbers, or any other means available for tracking purposes.

B. DELETIONS

Items previously acquired will eventually be disposed of and need to be deleted from the departments list. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc.).

The department head controlling the item is the only one in position to trigger removal from their list. An Asset Disposal Sheet must be submitted in the event of deletion for any reason. Items disappearing mysteriously may require additional reports to the police department, Mayor, and insurance company. Deletions brought about as a result of natural disasters would require reporting to the insurance provider for an eventual reimbursement claim.

C. TRANSFERS

Occasional transfers of property between departments, individuals within a department, or funds will occur. The original controlling department/fund is accountable for all items and for initiating a notice of transfer.

Interdepartmental transfers involving a proprietary fund (i.e. Water/Sewer) need to have a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of fixed assets. Interdepartmental transfers or intergovernmental (i.e. city to County or State) do not require the city to declare the item surplus or to do a public notice.

D. LOST OR STOLEN ASSETS

Whenever an item has mysteriously disappeared, and all efforts have failed to recover it, the controlling department/fund shall notify the fiscal department, who will give a copy to the Mayor and the Police Chief who may file a police report and report to the insurance company if necessary. Ninety days after notification, if the item has not been found, the department head will send an Asset Missing Form to the Treasurer's office so they may remove the asset from the asset inventory. Copies of the report will be sent to the Mayor, City Council, and Department Head.

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E. DONATED ASSETS

Assets are sometimes donated to the city and should be added to the list of small and attractive assets if valued under \$5,000. If the donation is cash to be used in conjunction with the construction of a specific asset, the donation is reported as revenue (367 contribution and donations from private sources) in governmental funds; in proprietary funds, such donations are treated as contributed capital.