

**MINUTES  
CITY COUNCIL  
WORKSHOP  
TUESDAY, JANUARY 5, 2010  
6:00 PM**

**CALL TO ORDER**

The workshop was called to order at 5:00 PM with the following members and staff present:

**Arcadia City Council**

Mayor Roosevelt Johnson  
Councilmember Sharon Goodman  
Councilman Lorenzo Dixon

Deputy Mayor Robert Heine  
Councilmember Keith Keene

**Arcadia City Staff**

City Administrator Markae Rupp  
City Attorney William Galvano  
WWTP/Garage Supvr Steve Underwood

City Recorder Dana Williams  
Street & Sanitation Supvr Jerry Cordes

The City Administrator began by stating the purpose of the workshop was to discuss options for disposing of surplus property. She explained that currently and other than for vehicles, the City has permitted any member of the public to purchase any property determined to be surplus. The Administrator continued that with the salvage at the Livestock Market, the Street & Sanitation Supervisor researched pricing, receipted payment, submitted both payment and receipt to the Finance Department and maintains a running total of accumulated sales.

The Administrator suggested that vehicles and equipment be sold through a sealed bid auction with the stipulations of allowing a pre-determined preview time, advertising in the newspaper all property to be sold, and determining a minimum bid for each item.

The City Administrator went on to say that she had a current list of surplus vehicles along with photographs of each and if sold as scrap, the current market price was approximately \$8.50 per hundred pounds of weight, therefore averaging about \$500 per vehicle. She also stated it was not her recommendation to change from the existing procedures in that too tight a restriction could become cumbersome in the event of broken or damaged property.

The Deputy Mayor stated he had been to the garage and that there are approximately 30 pieces of equipment or vehicles, some of which are running and others are not. His recommendation was to conduct a sale at the garage in "as is" condition for cash only.

Councilmember Dixon expressed a "great concern" with how disposal of surplus property has been handled in the past. He continued that he does not recall the Council discussing salvageable material or determining how its worth would be calculated for any materials taken from or sold at the Livestock Market, which is why he feels the need to explore other options.

Councilmember Dixon continued that what was good or not good for a previous administrator should be the same for this one, however he was questioning or confirming who was being referred to as the "governing body" mentioned in the AG's opinion as distributed by the City Attorney, believing it should be the City Council. The City Attorney responded that statutory provisions do not govern property of a municipality; other than to the extent the discretion for disposal is granted to the governing body, which is the City Council. However, the City Attorney added that often the extended body includes the administrative staff and that it is within the Council's discretion to direct the City Administrator to dispose of property in a particular manner. Councilmember Dixon felt that any method or manner of disposal should have been brought back to the Council for their direction and that the City should be run like a business, whereas the board (or City Council) sets policy and provides guidance to the Administrator. He also stated that while he did not believe the Administrator had done anything wrong, he does believe the procedures should be changed to not allow any one person to have that authority.

Councilmember Keene stated that he did not recall any direction being provided one way or the other regarding demolition at the Livestock Market and that the Council must have failed to give the Administrator direction. Referring to the list of options provided by the City Attorney, Mr. Keene also questioned the need for an ordinance rather than simply creating a written policy or procedure. The City Attorney pointed out the Council could continue with option #1 as written (continuation of the status quo) but still develop procedures or give specific direction in any particular instance. Councilmember Keene added he liked the idea of having discretion, but added no one had contacted him in any regard about the disposal of property at the Livestock Market. He continued that while worthy of discussion; he felt it was the Council's duty to make a good decision, to provide some form of direction to the City Administrator and to perhaps instigate a protocol for accountability.

The Deputy Mayor said the Council had voted to tear down the Livestock Market rather than to lease it for \$400/mo and allowing a flea market to go in. He added that the City was saving money by using staff for the demolition and that the materials sold there have been added back into the general fund accounting for approximately \$14,000 thus far, pointing out that the materials being sold are good and somewhat usable, but not new.

Councilmember Goodman asked the Streets/Sanitation Supervisor to clarify the process currently in existence including the accounting process and how the public is to know about the availability of salvaged materials. Mr. Cordes explained the collection and receipting process, and that many people see the crews working out there and stop in to inquire or make a purchase. He felt certain many of the farmers in the area also know about the materials being sold. When questioned about accepting checks for payment, Mr. Cordes explained that some people do not wish to pay by check as avoidance from IRS reporting.

Councilmember Dixon asked about the methodology for determining pricing to which the Supervisor explained the gathers pricing from a couple of different places, averages the cost then reduces it in half. Mr. Dixon then asked about a stainless steel range hood that had been sold from the Livestock Market for \$250 and how the Supervisor determined that price when it would have been worth upwards of \$3,500 in used condition. The Supervisor responded that had done prior to the crews beginning demolition; before the Administrator added the former

Mayor had sold that item. The Councilman then questioned where and how the (former) Mayor received the authority to sell the hood. Although no one had a definitive answer, discussion followed among the parties on that topic, the procedures for handling cash and checks as payment, and staffing. Councilmember Dixon felt that only checks should be accepted as payment for materials and that more than one person (city representative) should be in attendance to oversee the cash handling.

The Mayor stated the need for a procedure to improve upon what is currently occurring to include who determines what is salvage and how it would be put on a surplus or salvage list. The City Administrator stated that anything not used by the City is surplus and that property which is broken or otherwise not usable is considered salvage. She then referenced a list of surplus and salvageable vehicles, their Blue Book value and photographs which had been recently compiled. The Mayor agreed the Blue Book could be the methodology used for vehicles and the Supervisor's formula for equipment; however he would like a policy written and provided to the Council at the January 19<sup>th</sup> meeting for discussion at a workshop prior to the first meeting in February. Councilmember Keene, stating the best accounting practices to be implemented, asked that an accounting methodology be included as well.

Councilmember Dixon asked if the transactions stated anywhere that the materials or equipment were sold "as is" to which the Supervisor responded in the affirmative, saying it was printed on the top of each receipt page.

By consensus, the Council decided to have a workshop at 5:00 PM on Tuesday, February 2, 2010, to discuss the sale of surplus property procedures of the City.

Having no further business, the meeting was adjourned at 5:57 PM.

**ADOPTED THIS 19th DAY OF JANUARY 2010.**

By: *Roosevelt Johnson, Ed.D.*  
Roosevelt Johnson, Ed.D., Mayor

ATTEST:

*Dana L.S. Williams*  
Dana L.S. Williams, CMC  
City Recorder