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LAKE CUSHMAN

After Recording Return To:
Lake Cushman Maintenance Co.
3740 N. Lake Cushman Road
Hoodsport, WA 98548

Document Title:

Lake Cushman Maintenance Co. Board Resolution 2022-04 Adopting the Policy Relating to Relating to Liquidation of LCMC Assets on August 2, 2022.

Grantor:

Lake Cushman Maintenance Co.

Grantees:

Public

Lake Cushman Maintenance Company

POLICY RESOLUTION NUMBER 2022-04

Relating to Liquidation of LCMC Assets

WHEREAS due to the nature of LCMC operations, surplus equipment, properties, and other items reach their useful lives and/or conditions are appropriate for LCMC to reduce surplus items; and

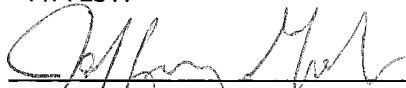
WHEREAS the Lake Cushman Maintenance Company (LCMC) Board of Directors will determine by staff recommendations, appropriate standing committee recommendations, and member input as appropriate; and

WHEREAS the LCMC will delegate authority for real property, including leaseholds and structures, Vehicles, Boats, and Other Impedimenta Requiring Title Transfer, Tools, Other Inventoried Assets, and Material Generated by Maintenance Activity; and

WHEREAS the LCMC Board of Directors wishes to establish a policy & procedure for asset liquidations.

NOW, THEREFORE, BE IT RESOLVED, that the LCMC Board of Directors hereby adopts Resolution 2022-04 relating to the liquidation of LCMC assets as identified within Exhibit A within this resolution.

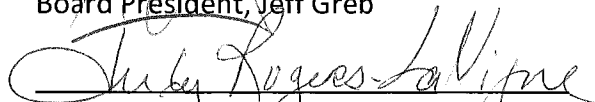
ATTEST:



Board President, Jeff Greb

8/3/22

Date



Board Secretary, Judy Rogers-LaVigne

8/3/22

Date

Exhibit A

LAKE CUSHMAN MAINTENANCE COMPANY DISPOSAL OF
SURPLUS LCMC ASSETS POLICY

PURPOSE

Lake Cushman Maintenance Co (LCMC) has authority to dispose of real and personal property under Article II, Section 6 of its Articles of Incorporation. This policy establishes procedures for the disposition of property, which is surplus to the needs of the LCMC. The intention of this Policy is that the procedures set forth here are preferred over others.

SCOPE

All employees of the LCMC.

DEFINITIONS

Surplus - Surplus is defined as any tangible personal property owned by LCMC, which is not needed at present, or for the foreseeable future, or that is no longer of value or use to LCMC.

Items included are those purchased, received as gifts, or found items.

Determination of Value - A department wishing to dispose of a single item of surplus property, or a group of items, shall estimate the reasonable market value in "as is, where is" condition. This can be determined through an estimate, an official appraisal, an offer from another agency, Kelly Blue Book value, eBay, or other sources available to the responsible department. If the department cannot make the estimate, the manager shall determine the reasonable market value.

Eligible Purchaser - Any public entity, non-profit organization, private organization, or the general public is eligible to purchase surplus products unless otherwise noted in this policy. The Finance Department will be LCMC's responsible for tracking all surplus items within LCMC.

POLICY

LCMC shall not directly or indirectly use, take, or dispose of LCMC property other than in their official duties. This includes, but is not limited to, articles of clothing, supplies, tools, and vehicles. Items (including clothing) owned by LCMC found to be unfit for further service on the job shall be turned in to a designated point within the department. As the number of items turned in justifies, they will be declared surplus and sold, if applicable, according to the procedures contained herein. No LCMC owned item shall be turned over to an individual (employee or another person) for his/her personal use.

Employee or employees and retired employee associated organizations shall not request and will not receive any preferential treatment in the disposal or sale of surplus material.

Certain LCMC employees are excluded from purchasing LCMC surplus items. These include those directly involved in declaring items surplus (i.e., Board Members, department heads, and those administering the sale).

Items found by LCMC employees in the course of their duties and not falling into one of the following areas shall be turned in to the department head as a "lost and found" item and disposed of as surplus property. Items found and fitting into one of the following may be disposed of as is reasonable, under the circumstances:

- Perishable items;
- Items that would create a health, sanitary, or safety problem if stored;
- Items that would reasonably be considered garbage.

Employees are not allowed to keep any property found in the course of employment.

PROCEDURE

- A. Surplus Item Identified: The LCMC department responsible for the property it wishes to declare surplus shall provide the Finance Department with a detailed written description of the subject property, its location, condition, and estimated value.
- B. Reassignment of Assets: When an LCMC department determines that an asset is surplus to its needs, notification shall be made to the Finance Department. Prior to bringing the item to the Board (if required) for a declaration of surplus, the first option will be to reassign the asset within LCMC where it can be of use or value.
- C. Minimum Requirements: If it is not possible to be reassigned, the Finance Department shall prepare the asset for a determination by the Board and/or within the parameters identified within. Each asset requiring a declaration of the surplus must have a value assigned and a recommended method of disposal.
- D. Board Determines Surplus: Assets of LCMC that are no longer useable, are no longer of value to LCMC, or are surplus to the LCMC's needs may not be removed from LCMC ownership, sold, or in any other way disposed of without the approval (via Resolution) of the Board, unless specifically identified under the thresholds identified below.

a. **Real Property, Including Leaseholds and Structures**

LCMC Delegation of Authority will be made by the LCMC Board of Directors by a majority vote, using staff recommendations, appropriate standing committee recommendations, and member input as appropriate.

Required Documentation to include Realtor Market Analysis, County Appraisal, and Statement of net value after fees, demolition, closing, and other direct costs.

Reporting Requirements will be the responsibility of the Finance Administrator and the LCMC Board Treasurer.

b. **Vehicles, Boats, and Other Impedimenta Requiring Title Transfer**

Delegation of Authority for values exceeding \$2,500 will be made by the LCMC Board of Directors by Majority Vote.

Values equal to or less than \$2,500 will be delegated to the LCMC General Manager, If the LCMC General Manager is unavailable, delegation will be to not less than (3) three Board Officers. In all cases, the full LCMC Board of Directors shall be advised at its next board meeting.

Required Documentation will be provided by the Department Manager and will include the reasoning for disposal, with an estimated value of the property to be disposed of.

Reporting Requirements will be the responsibility of the Finance Administrator and Board Treasurer.

Dispositions exceeding the estimated value shall be approved within 90-days by the LCMC Board of Directors.

c. **Tools and Other Inventoried Assets**

Delegation of Authority for values exceeding \$1,000 to the LCMC General Manager, If the LCMC General Manager is unavailable delegation will be to not less than (3) three Board Officers in all cases, the full Board shall be advised at its next meeting

Values equal to or less than \$1,000 delegation to the LCMC Department Manager.

Required documentation by the LCMC Department Manager: Estimate of Value.

Reporting Requirements: Finance Administrator and Board Treasurer.

Dispositions exceeding delegated value shall be submitted and approved to the same approving entity within 90-days of the sale of the liquidated asset(s).

- d. **Material Generated by Maintenance Activity (including wood, mulch, concrete, soil, etc.)**

Delegation of Authority will be to the LCMC Department Manager.

Reporting Requirements will be the responsibility of the LCMC Finance Administrator.

In all donations for the benefit of individual members of the community, an estimate of value will be provided to the Finance Administrator and a brief description of the donation and whether the recipient has 501(c3) (non-profit) status under IRS Regulations.

e. Low Value Assets

Surplus property with little or no commercial value or for the disposal and sales efforts are judged more costly than estimated net proceeds may be transferred, donated, or eventually disposed of through salvage contracts or other cost-effective and efficient means. Items that are broken, unusable, or have no commercial, salvage, or donation value may be declared as “trash” and efficiently and safely disposed of as such.

- E. Methods of Disposal: Primary methods of disposal to be recognized as sealed bid, trade-in, or auction. Other methods of disposal must be clearly detailed in writing and must have the consent of the Board. Approved methods include the following:
 - a. Public auction;
 - b. Solicitation of written bids;
 - c. Negotiated sale to one or more designated buyers;
 - d. Such other method as authorized by the Board.
- F. All sales shall be public, except for scrap sales which may be by private sale. Scrap may be sold by private sale at prices established by current market conditions. Scrap is any equipment or material that cannot serve its original purpose.
- G. Trade-ins of old equipment to upgrade equipment of the same or reasonably related kind are permitted when it is in the best interests of LCMC.

- H. Public Notice (for a., b., & c under procedure only if Board of Directors approval is needed)
- a. Public Sale: The notice of intent to sell surplus at a public sale shall be published once a week for two (2) consecutive weeks in the Shelton Mason County Journal newspaper immediately prior to the sale. The notice shall state the time and place of the sale.
 - b. Sealed Bid: The notice of intent to sell surplus or scrap by sealed bid shall be published once a week for two (2) consecutive weeks in the Shelton Mason County Journal newspaper immediately prior to the sale. The notice shall state the items available, minimum bid (if any), specifics of required documents, and bid closing date and time.
 - c. Auction: Surplus items may be listed on the LCMC website, social media pages, and email notifications in addition to eBay or other recognized auction sites.
 - d. Inventoried Items: Any inventoried item that is going to be scrapped, surplussed, or traded in will be signed off by the employee responsible and approved by his/her supervisor.
 - e. Once an item has been declared surplus and the means by which it will be disposed of have been determined, the Finance Department must complete a Notice of Receipt or Transfer of Property Form. The individual responsible for discarding, scrapping, or transferring the item shall sign and attest under penalty of perjury to the manner of disposition and forward the form to the Finance Department or the LCMC Manager's signature.
 - f. If the item is sold or transferred, the receiving individual or party must sign an "As- Is/Where-Is" Statement and/or Liability Waiver. If the Department is responsible for the pickup or transfer of the item, it must obtain the signature of the individual or party receiving the item on the form and forward the form to Finance for its files.
 - g. If the item is sold, the proceeds will be deposited into the fund that accounts for the asset within 24 hours of the transaction. Checks for surplus items are to be made payable to LCMC.
- I. Vehicles: For vehicles being surplussed, the requesting department shall attach to the surplus request form a printout from Kelly Blue Book with the estimated value of the vehicle. If the item is being surplussed on eBay, or a comparable auction site, the Finance Department set the starting bid price at half of Kelly Blue Book value unless the department indicates otherwise. LCMC logos and other markings identifying vehicles as LCMC property shall be removed prior to sale.

- J. Scrap Metal: The weight of the scrap metal worksheet shall be submitted to the Finance Department when the scrap load is picked up by the recycling company. Finance will match the worksheet to the weight slips provided by the recycling company after pickup.

- K. Final Determination of Value: When disposal is made to the general public through a sealed bid or auction, the final determination of value shall be the highest responsible bid or offer.