



City of Waukesha
201 Delafield Street
Waukesha, WI 53188
Tel: 262.542.3700
waukesha-wi.gov

City of Waukesha Cover Sheet

Committee: Finance Committee	Meeting Date: 8-26-25
ID Number: ID#25-02013	Ordinance/Resolution Number (if applicable):
Name of Submitter: City Administrator	Target Next Board/Council Meeting Date: Common Council – 9-2-25
Agenda Item Title: Review and Possible Action on Amending Disposition of Surplus Property Financial Policy (F–15)	

Issue Before the Board/Council: Should the Disposition of Surplus Property Financial Policy be amended to explicitly address personal property and real estate?
Options & Alternatives: <ol style="list-style-type: none">1. Approve the recommended policy2. Make further modifications to the recommended policy3. Reject the recommended policy and direct staff to prepare a new draft, with clear guidance on the specific change or elements.
Additional Details: <p>In response to Alderman Rick Lemke’s request to evaluate and recommend a process for disposing of surplus real estate, we’re bringing an amended Disposition of Surplus Property Financial Policy (F–15) to the Committee and Council for review and consideration.</p> <p>As is routine practice with any policy review, staff didn’t just focus on one section related to real estate. We took the opportunity to review the entire policy. The entire policy has been reconfigured to be comprehensive in its scope, depth, and clarity.</p> <p>Below is a summary of the recommended changes to F–15.</p> <ol style="list-style-type: none">1. Expanded Scope<ol style="list-style-type: none">a. The policy now explicitly applies to both Personal Property and Real Estate (previously it focused mainly on equipment, vehicles, and other personal property).

- b. Added definitions for Dispose/Disposal, Personal Property, Real Estate, and Surplus.

2. Personal Property Disposal Process

- a. Personal Property is sold as-is. Purchaser is responsible for all costs associated with transporting property.

3. Real Estate Disposal Process

- a. New section describing how surplus City-owned real estate can be disposed of, including in no order of priority:
 - i. Public sale for the highest possible consideration (monetary or other public benefit).
 - ii. Sale or donation to charitable organizations for public purposes.
 - iii. Contribution to development projects as incentives.
 - iv. Other public-purpose disposals that maximize City value.

4. Council Oversight

- a. Raised the dollar threshold for personal property disposal needing Council approval from \$10,000 to \$25,000.

5. Authority & Documentation

- a. Department heads may authorize sales of personal property.
- b. City Administrator can execute sale documents without further Council action.

6. Employee Restrictions

- a. City employees may bid at public sales but cannot purchase directly from the City outside the public process.
- b. Employees cannot take discarded waste items.

7. Flexibility & Exceptions

- a. Allows for alternative disposal methods if they meet the general policy's intent, with Council approval.
- b. Exempts items with negligible value from public sale requirements.

What is the Strategic Plan Priority this item relates to:

This item relates to Financial Sustainability.

What impact will this item have on the Strategic Plan Priority?

Financial Sustainability – One of the performance measures for Objective 2 under this strategic priority is for “all financial City policies to be updated.” By approving this policy it gets us closer to reaching that goal.

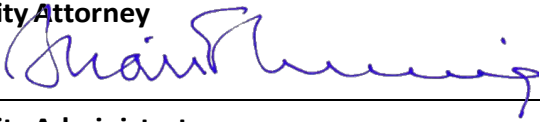
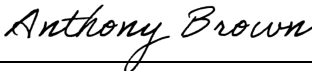
Financial Remarks:

There is no cost impact to the City.

Suggested Motion:

Move to approve the amended Disposition of Surplus Property Financial Policy.

Reviewed By:

Finance Director Joseph P. Ciurro	Date Reviewed 08/21/25
City Attorney 	Date Reviewed 26 Aug 2025
City Administrator 	Date Reviewed 08/21/2025

A M E N D E D P O L I C Y

Financial Policies and Procedures

F-15 Disposition of Surplus Property.

- (a) **General Policy.** It is the City's policy that surplus City property is disposed of in ways that ensure that City assets are not disposed of when they could be reused, ensure the most-efficient use of City assets, maximize financial return for the City, and prevent improper use or acquisition of City property by City employees. This Policy F-15 is to be construed in that context. All dispositions of City property, whether personal or real, shall be done in accordance with this Policy.
- (b) **Definitions.** In this Policy F-15, capitalized terms have the following meanings:
 - (1) **Dispose, Disposal.** Dispose or Disposal means any transfer of ownership from the City, including sales, trades, donations, and gifts.
 - (2) **Personal Property.** Personal Property means any item of City property that is not real estate, but includes fixtures to real estate that are removable, reusable, and have value independent of the real estate to which they are attached. Personal Property includes, but is not limited to, supplies, furniture, electronics, office equipment, tools, machinery, and vehicles.
 - (3) **Real Estate.** Real Estate means land and legal interests in land, but not fixtures that are removable, reusable, and have value independent of the land to which they are attached.
 - (4) **Surplus.** Surplus means no longer useful or necessary in the operations of any City department. Determination of Surplus Personal Property is in the discretion of the head of the Department having possession and use of it. Determination of Surplus Real Estate is in the discretion of the Common Council, after consideration and report by the Plan Commission.
- (c) **Disposal of Surplus Personal Property.** Personal Property that has been deemed Surplus shall be disposed of as follows:
 - (1) A notice that the Personal Property has been declared surplus, along with a description of the Personal Property, shall be distributed to the heads of all City departments. If the Personal Property has usefulness for any City department, then that department shall take the Personal Property and put it to use. If more than one department requests the Personal Property, then the City Administrator shall determine to which department the Personal property is given.
 - (2) If no City department has any use for the Personal Property, then the Personal Property shall be offered for sale to the public, using commercially-reasonable means, and the Personal Property shall be sold to the highest bidder. All Personal Property shall be sold as-is, with all warranties of merchantability, quality, condition, and fitness for purpose expressly disclaimed. Purchasers shall be responsible

for transport of the purchased property from its location at City facilities, at Purchasers' expense.

- (3) If no offers are received from the public, then the Personal Property shall be traded in against the cost of replacement property, if possible.
 - (4) If trade-in is not possible, then the Personal Property shall be sold for scrap at salvage value, if possible.
 - (5) If sale for salvage value is not possible, then the Personal Property shall be discarded as waste.
- (d) **Disposal of Surplus Real Estate.** Real Estate that has been deemed Surplus shall be disposed of in any of the following ways, in the discretion of the Common Council after consideration and report by the Plan Commission:
- (1) Offer for sale to the general public, using commercially-reasonable means. The use of a broker shall be discretionary in light of the circumstances. The Real Estate shall be sold for the highest possible consideration, however, that consideration need not consist solely of money. Consideration other than money is permissible if such other consideration has a benefit to the public.
 - (2) Sale for less than market value, sale for nominal consideration, or donation for no consideration to a charitable §501(c)(3) tax-exempt corporation, if the corporation will use the Real Estate for a public purpose.
 - (3) Contribution to a development project as full or partial incentive for development.
 - (4) Disposal in any other way that serves a useful public purpose and maximizes value realized by the City.
- (e) **Removal of Buildings and Improvements Not Affected.** If the land on which obsolete or surplus buildings, structures, and other improvements are located is not being disposed of by the City, then the buildings, structures, and improvements may be completely or partially razed and disposed of without compliance with subsection (d). However, fixtures that are Personal Property must be disposed of in accordance with subsection (c).
- (f) **Precedence of Statutes and Ordinances.** If the disposal of Surplus Personal Property or Real Estate is otherwise specifically controlled by state or federal statutes or regulations, or Waukesha Municipal Code provisions, then those other provisions shall take precedence over this Policy.
- (g) **Authority to Sell and Execute Documentation.** The sale of Personal Property pursuant to this Policy may only be conducted with the authorization of the head of the department disposing of the Personal Property, and the City Administrator is authorized to execute bills of sale and other required documentation to accomplish the sale without further authorization from the Common Council.

- (h) **Common Council Approval for Certain Items.** Items of Personal Property having an original acquisition price or value of \$25,000 or more shall not be disposed of without Common Council approval unless they have been:
 - (1) Scheduled for replacement and approved as part of the budget process.
 - (2) Been damaged and declared a total loss by the City's insurance company.
- (i) **Items of Negligible Market Value Exempted from Sale.** If it would be apparent to a reasonable person that an item of Personal or Real Property would have no value to the public and it would be an unreasonable use of City resources to conduct a public sale of it, in the discretion of the department head disposing of the Personal Property, then subsection (c)(2) shall not apply.
- (j) **Other Permissible Disposal.** Items of Personal or Real Property may be disposed of in any manner or by means other than those described in this Policy if doing so would satisfy the intent of the General Policy in subsection (a), in the discretion of the Common Council.
- (k) **City Employees May Bid at Public Sale.** City employees may bid on items of Personal Property or Real Estate being offered to the public by the City. City Property may not be sold directly to City employees without compliance with subsection (c) or (d).
- (l) **Waste Items May Not Be Taken by City Employees.** City employees may not take items that have been discarded as waste.
- (m) **Handling of Proceeds.** All proceeds received from the sales of Surplus Personal Property or Real Estate must be delivered to the City Treasurer.

Adopted by the Common Council the _____ day of _____, 2025.

E X I S T I N G P O L I C Y

CITY OF WAUKESHA

FINANCIAL POLICIES AND PROCEDURES (F-15.0)

DISPOSAL OF SURPLUS OR OBSOLETE PROPERTY

15.1 It is declared to be the policy of the City that surplus or obsolete property shall be disposed of by the method most advantageous and cost effective to the City. All such disposals shall be properly accounted for and reported to the Finance Department.

15.1.1 The disposal of surplus or obsolete property specifically covered by ordinance or state statute shall be disposed of according to said ordinance or statute.

15.1.2 Methods of disposal available for items not covered by ordinance or State statute:

1. Reallocation from one City department to another. This method should be considered first.
2. Sale through means of highest bid or public auction. On-line auctions open to the public are considered public auctions under this paragraph. All on-line auctions must be coordinated with and approved of by the Finance Manager.
3. Trade-in against replacement equipment.
4. Sale as scrap for salvage value.
5. Discard as refuse or trash.

City employees are allowed to bid on items being publicly auctioned. No assets may be sold directly to any City employee unless done so through a public auction. No assets may be sold privately by any City employee.

15.1.3 Definition. The term “surplus or obsolete property” when used in this policy means materials, supplies, equipment, property or other goods which in the opinion of the Department Director:

1. Have become unsuitable or unnecessary for the department but may be needed by other departments.
2. Have no further beneficial usefulness to the City or any of its departments.

15.1.4 Disposal Authority. Items having an original purchase value of \$10,000 or more (estimated value if originally donated) shall not be disposed of without common council approval unless they have been:

3. Scheduled for replacement and approved as part of the budget process.
4. Been damaged and declared a total loss by the City’s insurance company.

DISPOSAL OF SURPLUS OR OBSOLETE PROPERTY

Page 2 (F-15.0)

15.1.5 Record of Disposition. Department Directors who dispose of surplus or obsolete property shall be responsible for maintaining records of such disposals. Those records shall identify the item(s), explain how they were disposed of, how much money or trade-in value was received and provide a record of who the item(s) were sold to. For items with an original purchase price of \$500 or more (estimated if donated), the Department Director will be responsible for filling out a complete asset disposal form (attached) and forwarding it on to the Finance Department. Such information shall be used by the Finance Department to maintain the City's fixed asset inventory. If the original purchase price was less than \$500 then the Department Director will be responsible for maintaining a complete disposal record. This section must be followed even for assets that have been redeployed to another City department.

15.1.6 Deposit of Funds. All proceeds received from the sales of surplus or obsolete property must be deposited with the City Treasurer.