North Central Regional Transit District (NCRTD)
Resolution No. 2019-45

AMENDING FINANCIAL POLICY NO. 7, DISPOSITION OF OBSOLETE PROPERTY

WHEREAS, the North Central Regional Transit District ("District") is a duly formed regional transit district and a separate political subdivision of the State of New Mexico pursuant to NMSA 1978, Section 73-25-4 and NMSA 1978, Section 13-6-4 (A); and

WHEREAS, the District has authority to dispose of its property pursuant to NMSA 1978, Section 13-6-1; and

WHEREAS, the District has occasion, from time to time, to dispose of property including old, worn-out and obsolete property; and

WHEREAS, the District's current policy on disposal requires amendment in order to implement administrative requirements of the New Mexico Department of Transportation.

NOW, THEREFORE BE IT RESOLVED by the NCRTD Board of Directors that:

The attached Policy No. 7, Disposition of Obsolete Property is hereby adopted as amended.

Dennis Tim Salazar, Vice Chair

Approved as to form:

Peter Dwyer, Counsel
1.0 Objective:

The goal of this policy is to dispose of NCRTD property including but not limited to vehicles that the District has determined to be obsolete, worn-out or unusable in a manner that: 1.) allows for proper deletion of the item from the District’s inventory; 2.) compliments and complies with the Districts Inventory & Capital Asset Policy and Procedures (See Resolution 2015-26); 3.) integrates the role and duties of the “Property Disposal Committee” (See resolution 2012-25); assures that the District complies with relevant state and federal statutory, regulatory and contractual requirements, 4.) optimizes the benefit to the District, District riders, and the Members of the District of publicly owned assets; and 5.) allows for the fair and equitable distribution of property once it has been determined to be worn-out, obsolete, or otherwise unusable for District purposes.

2.0 Coverage:

The district is a “local public body” within the meaning of NMSA 1978, Section 13-6-4 and as such is required to sell, lease, trade or donate its property pursuant to the statutory provisions of NMSA 1978, Sections 13-6-1 through 13-6-4. This policy covers all personal property, licensed vehicles and rolling stock regardless of cost or value listed on the District’s Inventory & Capital Assets list.

3.0 Roles and Responsibilities

The Board Chair is responsible for appointing between three and five members of the Board annually to serve as the District’s Property Disposal Committee. The Fleet Manager is responsible for creating and maintaining a list of vehicles that are potentially worn-out, obsolete, or otherwise unusable for District purposes. The Finance Director is responsible for deleting any property, disposed of pursuant to this policy, from the District’s inventory and for providing notifications of disposal to the state auditor.

4.0 Preparation of Annual Preliminary List of Obsolete Property
At least once annually in January the Fleet Manager shall review the District’s vehicle inventory and make a preliminary list of all vehicles, he or she deems obsolete, worn-out or otherwise unusable for District purposes. The Finance Director shall add to the list other personal property deemed obsolete, worn-out or otherwise unusable for District purposes and identify the funding source of the asset to be disposed of. Any property purchased with federal program funding disbursed by NMDOT and/or any vehicles with NMDOT listed as a lien holder, must be approved for disposal by NMDOT prior to the disposal of the asset. The list shall designate the property with sufficient specificity to ensure that the District’s Property Disposal Committee and the Finance Director and all other District employees and agents can perform their duties in compliance with this policy.

5.0 Disposal of Assets purchased with FTA Funds or State Funds administered by NMDOT (including State Capital Outlay and State Road Funds)

When vehicles or property purchased with FTA Funds or State Funds administered by NMDOT (including Capital Outlay Funds and State Road Funds) reach their estimated recommended useful life, the District’s Fleet Manager must notify NMDOT’s Project Manager of the desire to dispose a vehicle and/or equipment via email and request approval from NMDOT via a disposition request in Black Cat (the State's Tracking Software). NMDOT will then approve or recommend the redistribution of the vehicle to other transit agencies and/or ask the District to continue using the vehicle for transit purposes based on their criteria. Once the District receives approval, the District will then publish a legal notice in the District’s website notifying New Mexico Transit Agencies and 5310 providers that the District is planning to Dispose the vehicles and allow them to submit a formal request for transfer. Once the notice is published the Director of Finance will notify the Department of Finance and Administration (DFA) and Office of the State Auditor (OSA) of the District’s intent to dispose of the property. The Director of Finance will then notify the Members of the Board via a resolution of the intent to dispose of the assets. Assets will be disposed on the following descending order of priority:

1.) Donation to a Transit Agency or 5310 Provider;
2.) Donation to a member of the District;
3.) Sale via auction through Public Surplus or any other auction platform;
4.) Donation to a public entity that is not a member of the District; (e.g. Indian nation, tribe or pueblo, a state agency or local public body, school district, state educational institution or municipality);
5.) Donation to a Section 501 (c) (3) entity;
6.) Destruction or permanent disposal of the property.

6.0 Disposal of Assets Purchased with GRT, Capital Outlay Funds or District Reserves

When vehicles or property purchased with GRT, State capital Outlay or District’s Reserves reach their estimated recommended useful life, the District’s Fleet Manager should provide a list of assets recommended for Disposal to the Director of Finance, the Director of Finance will then notify the Department of Finance and Administration (DFA) and Office of the State Auditor (OSA) of the District’s intent to dispose of the property. The Director of Finance will notify the Members of the Board via a resolution of the intent to dispose the assets. Assets purchased with GRT, State Capital Outlay or District Reserves will be disposed on the following descending order of priority:

1 Note the donation to a private entity requires a finding that the property has no value.
1.) Donation to a member of the District;
2.) Sale via auction through Public Surplus or any other auction platform;
4.) Donation to a Transit Agency or 5310 Provider;
5.) Donation to a public entity that is not a member of the District; (e.g. Indian nation, tribe or pueblo, a state agency or local public body, school district, state educational institution or municipality);
6.) Donation to a Section 501 (c) (3) entity2;
7.) Destruction or permanent disposal of the property.

7.0 Presentation of Preliminary List for Initial Review

The preliminary list of property shall be submitted to the Board Chair and the Executive Director by the Director of Finance for review prior to convening a meeting of the District’s Property Disposal Committee. The Executive Director may remove any property from the preliminary list if he or she deems the property to be useful to the District or finds that disposition of the property would not be in the best interest of the District. During the preliminary review the Finance Director shall provide the Board Chair and the Executive Director with any information they request (such as data on comparable auctions and sales) to ascertain the estimated current resale value of the property.

8.0 Meeting of the District’s Property Disposal Committee

Following receipt and review of the preliminary list, and upon the Direction of the Board Chair the Executive Director shall place the item “Appointment of District Property Disposal Committee” upon a Board Agenda. The Board Chair shall solicit volunteers from the Board at the Board meeting to fill the roles of committee members. To the extent possible the committee members shall represent diverse communities including, where possible, rural and urban members along with tribe and pueblo members. The Property Disposal Committee shall meet at a time and location of its choosing so long as the meeting facilitates the inspection and review of the property that the District intends to dispose of and provides a reasonable opportunity to determine the values of the property including physical inspection of vehicles. The Board may confer with staff and appropriate outside professionals on matters such as useful life, maintenance history and potential resale value of the property.

9.0 Committee Review of the Preliminary Inventory List

The Property Disposal Committee shall make recommended findings based upon its meeting and review of the inventory of property proposed for disposition under this policy. Findings shall include:
1.) whether the property is valued at $5,000 or less; 2.) whether the property is valued at “no value” 3.) whether the property is worn out, unusable or obsolete to the extent that the property is no longer economical or safe for continued use by the District; 4.) whether the property contains hazardous materials and may not be used safely under any circumstances; 5.) whether the property is valued at more than $5,000 but is still proposed for disposal following state approval.

10.0 Member’s Recommendations on Disposal

Once the Property Disposal Committee has made its preliminary list of property and recommended

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2 Note the donation to a private entity requires a finding that the property has no value.
findings the Executive Director shall circulate the entire preliminary list and findings to each Board member for review and shall solicit comments on the proposed disposition of property. Each Board member shall have the right to request the donation of a vehicle.

11.0 Equitable Distribution of Property

A request for donation in writing and organizational letterhead must be made to the Executive and Finance Director via email, requests will be processed on a first-come first serve basis. When more than one member of the District wishes to obtain or allocate a particular piece of property to itself or a third party the equitable allocation of property shall be performed as follows: Members who have not previously obtained or allocated property from the District shall have priority over those who have obtained or allocated property in reverse chronological order with the Member who has most recently received or allocated property having the lowest priority. Priority will be given to those members requesting a vehicle for their organization versus a third-party. Nothing herein shall prohibit members from agreeing to the allocation and distribution of property by mutual consent or consent of multiple parties and this policy shall only be utilized where the members cannot agree on the allocation of property.

12.0 Prohibited Disposal

No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

13. Board Approval of Disposal of Property

The Board shall consider the recommended findings of the Property Disposal Committee and may make such changes to the findings as it deems appropriate. The Board may approve, disapprove, or approve with modification the final list of property for disposal and shall dispose of any property in accordance with the law and this policy by a resolution of the Board. The Board shall provide in its resolution 1.) the list of property to be disposed; 2.) whether the value of the items of property is less than $5,000.00; 3.) findings on each item where the Property Disposal Committee made a recommended finding pursuant to this policy; 4.) comment that notification to appropriate state review bodies was provided; 5.) delegation of authority to staff to sign, authenticate, and preserve all records required by law.

14. Prerequisites for Transfer of Property

Because the District wishes to preserve and maintain its brand and image as the “blue bus” and in order to ensure that there is no confusion regarding the registration, licensure, ownership, use and liability for former District property, the following requirements are prerequisite to the transfer of District property.

14.1 All recipients of district property must agree in writing to remove, at recipient’s expense, all District logos, advertisements and other identifying information or insignias from the property. The District will generally remove decals and logos but the ultimate responsibility
for removal shall lie with the recipient.

14.2 All recipients of District property must agree in writing to repaint or refinish any district property they receive to eliminate the predominate color scheme (the “blue bus” look) from the property.

14.3 All recipients of district property must agree to assume liability for the property, acknowledge that they receive the property in “as is” condition free of all express or implied warranties and verify upon request that the recipient has obtained any and all necessary licenses, permits and insurance for the ownership, operation, use or maintenance of the property.

14.4 In the case of motor vehicles, the District will clear the original title of liens and encumbrances imposed by the New Mexico Department of Transportation (NMDOT) by providing NMDOT with proof that the vehicle has exceeded its useful life. NMDOT will then provide the District with a release of any lien on the property. The District will then obtain a “clean” title from New Mexico Department of Motor Vehicles (NMMVD) and will provide the recipient with both the clean title and a bill of sale (for actual or nominal consideration) to ensure that the recipient is able to close title and obtain appropriate title, registration, licensure, and insurance. The District shall also return to NMMVD any existing license plates for the vehicle.

14.5 In the case of motor vehicles that are going to be operated and driven following transfer, the recipient shall be responsible for registration, licensing and insurance of the vehicle following transfer and shall confirm in writing its agreement to take all necessary steps to ensure the legal operation of the vehicle following transfer.