

TO: Council members
FROM: Jim Preston
SUBJECT: Declaration of surplus property
DATE: June 1, 2009

I am asking that the Council to retroactively declare the following items surplus and recognize the disposal of these items as a trade in:

- Transformer from Dave Collins Field – Replaced July 2008
- Transformer from the Star of the West Sports Complex – Replaced May 2008
- Transformer from the Black Hills Power Warehouse

In May 2008, the lights at the Star of the West Sports Complex were not functioning properly. Jena McNabb, Sports Complex Manager, contacted an electrician to investigate the problem. Subsequently, Black Hills Power was asked to assist. The determination was made that the transformer needed to be replaced. This was accomplished in a day or two at a cost of \$14,771.49. The old transformer was transported back to Black Hills Power for an assessment on salvage value. This transformer is ground mounted and a hoist is needed for loading.

Salvage assessment was also done on a smaller transformer that went bad in July of 2008 which was replaced by a new transformer at a cost of \$2,944.92. A similar assessment was done on the transformer that Black Hills had in their warehouse for 3 to 4 years. Replacement cost and date is unknown.

On May 27, 2009, the City of Rapid City received a check for these transformers in the amounts as listed below:

Star of the West	\$6,105.00
Dave Collins Field	814.00
Warehouse	<u>305.25</u>
 TOTAL	 \$7,224.25

I am asking that the Council declare these items surplus and authorize that the old transformers be traded-in to Black Hills Power to off-set the purchase price of the new transformers.

If you have any questions, please contact me.

Cc: Mayor Hanks, Jason Green, Pauline Sumption, Connie Ewing, Jerry Cole