

VILLAGE BOARD MEETING  
DECEMBER 08, 2009

RESOLUTION # 66-09  
RESOLUTION TO ENACT LOCAL LAW #02-2009  
AMENDMENT TO CHAPTER 163 - WATER

WHEREAS: A public hearing was held the 8<sup>th</sup> day of December, 2009 by the Board of Trustees of the Village of Newark Valley, notice of which was given as required by the Municipal Home Rule Law, the Open Meetings Law, and the Village Law of the State of New York; and

WHEREAS: At said public hearing the Board of Trustees considered the enactment of Proposed Local Law No. 02-2009, entitled A LOCAL LAW TO AMEND THE VILLAGE OF NEWARK VALLEY CODE, CHAPTER 163, WATER; and

WHEREAS: All interested persons were given an opportunity to be heard with respect to the enactment of said local law, now therefore be it;

RESOLVED: That proposed Local Law No. 02-2009, to amend Chapter 163, (Water of the Newark Valley Village Code) be enacted with a motion.

MOTION: Blee SECOND: Kaufman

ROLL CALL:

DeHaas y Kaufman y Blee y Carlin y Tornatore y

VILLAGE BOARD MEETING  
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RESOLUTION # 67-09  
CAPITAL ASSETS POLICY

Purpose

The purpose of this policy is to establish general principles for the management of Village-owned capital assets. The policy establishes procedures to be followed in the recording and disposition of these assets. Procedures to be followed when purchasing capital assets can be found in the Procurement Policy.

Types of Capital Assets

Capital assets are items that have a useful life of at least 2 years and a value of: \$ 5000 or more for equipment (vehicles, office equipment, etc.), \$ 10,000 for building, and building improvements, and infrastructure assets. All land will be capitalized. They are permanent in nature, tangible, and held for purposes other than investment or resale. Capital assets addressed in this policy are equipment, buildings, building improvements, land, computer software, and infrastructure assets.

- Equipment is either moveable or fixed. Moveable equipment is not permanently affixed to or part of a building. Some moveable equipment consists of more than one component, such as a computer, monitor, keyboard, etc. The entire unit should be recorded as a single asset. Fixed equipment is permanently affixed to a building but is separate from the building itself. Examples are wall-to-wall carpeting, built-in cabinets, and water fountains.
- Buildings and building improvements can include equipment items that are installed as an essential part of the structure, such as plumbing; electrical, heating and cooling systems; elevators; and boilers. Building improvements add function or significantly extend the useful life of the structure. Costs that do not meet this requirement should be expensed as repairs and maintenance.
- Infrastructure assets include water and sewer lines, streets, bridges, sidewalks and parking lots. Sidewalk and parking lots that are ancillary to a building will be considered part of the building. Improvements that add function or significantly extend the useful life of the structure should be capitalized. Costs that do not meet this requirement should be expensed as repairs and maintenance.

Assets that are accounted for under a grant or contract must comply with all contractual obligations set forth in the agreement.

### Capital Asset Valuation

The value of the asset should include the purchase price, transportation costs, installation costs, value received from a trade-in, and any other direct expenses incurred by the Village in obtaining the asset. Assets that are donated to the Village should be valued at the fair market value of the asset on the date of donation.

Assets purchased under a capital lease must be valued at the current market value and should not include any interest. Items acquired with an operating lease are not considered capital assets. The expense is considered rent. A lease is a capital lease if any of the following conditions exist:

1. Ownership transfers to the Village at the end of the lease.
2. The lease contains a bargain purchase option.
3. The lease period is at least 75% of its useful life.
4. The present value of the lease payments is at least 90% of fair market value.

### Depreciation

Depreciation will be calculated using the straight-line method over the estimated useful life of the asset, assuming a zero salvage value. Useful life will be in accordance with the State of New York Office of the State Comptrollers Local Government Management Guide.

### Conducting Physical Inventories

A physical inventory of all moveable equipment should be conducted every 2 years. The purpose of a physical inventory is to verify the existence and condition of equipment and ensure the accuracy of the Village's accounting records. The basis for the inventory reports is the capital assets system maintained by the Clerk/Treasurer. All dispositions and transfers between departments should be communicated to the Clerk/Treasurer throughout the year to maintain accuracy of these records. The physical inventory process will reveal discrepancies between recorded data and physical assets and provide an opportunity to make corrections.

The Clerk/Treasurer will supply current equipment inventory listings to the departments. During the inspection of equipment, note items found and not on the list, items appearing on the inventory list that have since been disposed of, (include disposition date and method of disposal), any corrections regarding location, description, status, condition, etc.

The inventory listing must be signed by the department supervisor and returned with the list to the Clerk/Treasurer.

### Dispositions

When a department no longer has a need for an item of equipment, it must be surplus by the Board of Trustees passing a resolution. Departments are not authorized to give Village equipment items to private individuals or organizations. Surplus equipment can be offered for sale to the general public. Prior to disposing of computer equipment, all information or software specific to, or the property of the Village should be removed from the equipment.

Assets donated by individuals that are valued at \$5,000 or more, which are disposed of within two years of the date of the gift, are subject to reporting to the Internal Revenue Service. Contact the Clerk/Treasurer for the required procedures for any such disposal.

MOTION: DeHaas SECOND: Blee

ROLL CALL:  
DeHaas z Kaufman z Blee z Carlin z Tornatore z