



*A People Place, A Change of Pace*  
**SHELBURNE**  
ONTARIO, CANADA

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<b>Meeting Date:</b>	Monday, July 25, 2022
<b>To:</b>	Mayor & Members of Council
<b>From:</b>	Carey Holmes, Director of Financial Services/Treasurer
<b>Report:</b>	Financial Services 2022-10
<b>Subject:</b>	<b>Municipal Disposal of Assets Policy</b>

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### Recommendation

BE IT RESOLVED THAT Council of the Town of Shelburne receives the staff report FS 2022-10 with respect to the Municipal Disposal of Assets Policy;

AND FURTHER THAT leave be given for the reading and enacting of By-Law #39-2022 being a By-Law to adopt the Municipal Disposal of Assets Policy as presented.

### Background & Analysis

In 2019, the town adopted a Procurement Policy which repealed the previous Procurement By-Law 33-2004. That By-Law also included disposal methods for assets. The new Municipal Disposal of Assets Policy, attached as Appendix 1 will establish current procedures for disposing of tangible assets, including but not limited to furniture, tools, equipment, vehicles etc., that have been declared surplus, obsolete or scrap.

### Financial Impact & Changes

There are no financial implications derived from the passing of this policy.

## Council Strategic Priorities

Council's Strategic Priorities has three Goals - Sustainable, Engaged and Livable. There is a total of 12 targets within the three Goals.

This report aligns with the Sustainable Goals within the Targets:

Target T1 Develop a Long-Term Financial Plan

Target T2 Municipal Services Review and Evaluation

Target T3 Invest and Fund Critical Infrastructure for Future

## Supporting Documentation

Appendix 1 – Municipal Disposal of Assets Policy

Respectfully Submitted & Prepared by:

Carey Holmes, Director of Financial Services / Treasurer

Reviewed by:

Denyse Morrissey, CAO

**CORPORATE POLICY****Schedule A to By-law # 39-2022**


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<b>DEPARTMENT:</b>	<b>TREASURY – FINANCIAL SERVICES</b>
<b>POLICY:</b>	<b>MUNICIPAL DISPOSAL OF ASSETS POLICY</b>
<b>APPROVAL:</b>	<b>COUNCIL</b>
<b>DATE OF PRESENTATION:</b>	<b>July 25, 2022</b>
<b>EFFECTIVE DATE:</b>	<b>July 25, 2022</b>

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**1. PURPOSE:**

The purpose of this policy is to provide a means to responsibly dispose of surplus, obsolete or scrap assets in an open and accountable manner.

**2. POLICY STATEMENT:**

To establish a policy that provides direction to all municipal departments, municipal staff and officials to dispose of tangible assets of the Town. No member of council or municipal employee shall have the right to dispose of an asset or to otherwise bind the Corporation in respect to the disposal of an asset, except in accordance with this policy.

**3. SCOPE:**

The scope of this document is intended to cover all aspects with respect to the disposal of tangible assets deemed surplus, obsolete or scrap.

**4. DEFINITIONS:**

**“Asset(s)”** means all physical property (furniture, equipment, vehicles, etc.) owned by the Town of Shelburne.

**“Asset Disposal Request Form”** is a document used to track the disposal of assets (Schedule A).

**“Corporation”** means The Corporation of the Town of Shelburne.

**“Council”** means the elected Municipal council of the Town of Shelburne.

**“Department Head”** means the head of a specific department being a Director or Designate.

**“Director of Financial Services” or Director of Finance** means the Municipality’s Treasurer/Director of Financial Services or Designate.

**“Disposal”** is the method by which the asset that has been deemed surplus, obsolete or scrap will be disposed of.

**“Obsolete”** means when a department deems the asset is outdated and/or is not economically feasible to upgrade/repair.

**“Scrap”** means when a department deems that the asset has no value.

**“Surplus”** means when a department no longer has a requirement for an asset.

**“Treasurer”** means the Treasurer of the Municipality or Designate, see also Director of Financial Services

## **5. PROCEDURE:**

### **1. Surplus / Obsolete / Scrap Assets**

The department that is declaring an asset as surplus / obsolete / or scrap shall complete an Asset Disposal Request Form (Schedule A); obtain authorization from the Department Head and then forward the form to the Director of Financial Services along with a digital picture of the surplus / obsolete / scrap asset(s).

### **2. Disposal of Assets within the Corporation**

The Director of Financial Services will advise all Departments of the availability of the asset. When possible, the Director of Finance will forward digital photographs for viewing by all Departments. Each Department will have the opportunity to obtain the asset on a first come, first served basis. The department who has obtained the assets will be responsible for the relocation of the asset and completing the relocation section on the form prior to moving the asset to their location. The department who has obtained the asset will also be responsible for its upkeep and maintenance from the respective departments’ annual budget.

### **3. Disposal of Assets**

If the asset has not been claimed by any Department within the Corporation by the end of a two week period, then the asset will be disposed of by one of the following methods as deemed appropriate by the Director of Finance and the Department Head disposing of the asset:

- a. **Sealed Bids:**

Assets will be offered for sale where bids will be solicited publicly. The bids will be received in a sealed envelope at a specific location and by a specified date and time. All bids received will be opened publicly. Reserve bid amounts may be indicated.
- b. **By Offer at Minimum Bid Amount to Interested Municipalities:**

When it is deemed to best suit the needs of the Corporation, the assets will be offered at a minimum bid amount to interested municipalities.
- c. **Trade-in on Replacement Asset:**

If after a best-value analysis, the trade-in value is deemed acceptable, it will be applied against the purchase price of the replacement asset.
- d. **Public Auction:**

When it is deemed to best suit the needs of the Corporation, the asset(s) will be offered for sale with a pre-approved vendor operating the auction.
- e. **Online Public Auction:**

Assets will be offered for sale on an online website where bids will be solicited publicly by a pre-approved auction website.
- f. **Direct Sale:**

When it is deemed to best suit the needs of the Corporation, the assets (ie: Scrap Metal etc.) will be offered for sale to vendors operating in this capacity.
- g. **Donation:**

When it is deemed to best suit the needs of the Corporation, the asset(s) may be donated to a charitable organization.
- h. **Return to Original Vendor:**

When it is required by legal regulations, the assets will be returned to the original vendor for proper disposal and a certificate of destruction will be provided by the original vendor.

#### 4. **Waste**

Assets that are unable to be disposed of by any of the aforementioned methods shall be disposed of in the most environmentally friendly method and according to any municipal, provincial or federal laws.

#### 5. **Costs**

All costs to perform any of the disposal methods above and the elimination of any waste will be borne by the Department initiating the disposal process.

## **6. Terms and Conditions of Disposal**

At any time where the value of the surplus asset exceeds \$20,000.00, a report recommending the method of disposal shall be submitted to the Treasurer for approval.

All IT related assets need to be decommissioned by IT prior to disposal.

All assets are to be disposed of as is, where is and no guarantees or warranties are implied. All purchasers will be required to sign and date a Bill of Sale as provided by the Director of Finance or Treasury Department.

No employee or elected official shall purchase any surplus asset except those goods that are being disposed of by online auction, sealed bid or public auction.

The proceeds from the sale of an asset will be credited to the department disposing of the asset as determined in consultation with the Director of Finance and appropriate Department Head.

Upon Disposal notification, the Director of Finance will be responsible to arrange for insured assets to be removed from the corporate insurance policy.

The Corporation reserves the right to reject any or any part of, or all sealed bids and also reserves the right to award the sale to other than the bidder submitting the highest bid.

## **7. Exclusions**

- Real property (i.e. land)
- End of Life, decommissioned Laptop and Desktop computers may be sold to internal through an annual draw

## **8. References and Related Policies**

Procurement Policy 2019-05 – Schedule A to By-Law 53-2019

## **9. Review Cycle**

Any required changes shall be submitted to Council for consideration and approval. Any changes or revisions to the Municipal Act, S.O. 2001, or to the regulations affecting the policy will apply when they come into force. This Policy will be updated to reflect such change(s) at the time of formal review. Otherwise, this policy will be forwarded to Council for review during the first term of the newly elected Council.

## SCHEDULE A – ASSET DISPOSAL REQUEST FORM

If disposing of any surplus / obsolete / scrap assets (furniture, equipment or tools, etc.), this form **MUST BE FILLED AND AUTHORIZED** and then sent to the Director of Finance, along with a digital picture(s) of the asset.

Section 1 - Asset Disposal Details - For Service Area to Complete		
Department:		
Requestor Name:		
Asset Description:		
Equipment ID Number/Unit # (if applicable):		
Make & Model:		
Model Year:		
Mileage/Hours:		
Recent repairs:		
Known Issues:		
Insured Asset?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Current Condition (Excellent, Good, Average, Poor, Scrap):		
Reason for being disposed:		
Other Details/Notes (i.e. color, transmission) :		
Terms of Disposal: Asset shall be accepted as is, where is and without warranty or guarantee. The new owner shall assume all risk and expense associated with the assets transfer.		
Department Head Authorization:	<b>X</b>	Date:

To Be Completed by Treasury Department			
<b>Section 2 - Book Value Confirmation</b>			
Asset Details confirmed:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Original Cost:	\$
Accumulated Amortization:	\$	Net Book Value:	\$
Capital Assets Authorization:	<b>X</b>	Date:	

Section 3 - Method of Disposal	
Date file opened:	
Procurement file number:	
Method of Disposal	
<input type="checkbox"/> Offer to Internal Departments	
<input type="checkbox"/> Via Advertising for sealed bids/tender;	
<input type="checkbox"/> By Offer At Minimum Bid Amount to Interested Municipalities	
<input type="checkbox"/> By Trade-In	
<input type="checkbox"/> By a Professional Public Auction or On-Line Auction	
<input type="checkbox"/> Internal Auction if the asset has a market value no greater than \$500.00	
<input type="checkbox"/> Return to Original Vendor	
<input type="checkbox"/> Scrap or Alternative Manner	Specify: _____
<input type="checkbox"/> Non-Profit Entity or an Appropriate Waste Facility	
Date of Disposal:	
Proceeds from Sale:	\$
Purchasers Name:	
Procurement Authorization:	<b>X</b> Date:

Section 4 - Asset Disposal Closeout	
Account for Asset Disposal	<input type="checkbox"/> Yes <input type="checkbox"/> No
Removed from Insurance Policy	<input type="checkbox"/> Yes <input type="checkbox"/> No
Removed from Asset Ledger	<input type="checkbox"/> Yes <input type="checkbox"/> No
Capital Asset Authorization:	<b>X</b> Date:

THE CORPORATION OF THE TOWN OF SHELBURNE  
BY-LAW NUMBER 39-2022

**A BY-LAW TO ADOPT A  
MUNICIPAL DISPOSAL OF ASSETS POLICY  
FOR THE CORPORATION OF THE TOWN OF SHELBURNE**

**WHEREAS** pursuant to the provisions of the Municipal Act, 2001, S.O. 2001 as amended s. 11 (2) gives the municipality authorization to enact this by-law;

**NOW THEREFORE** the Municipal Council of The Corporation of the Town of Shelburne hereby enacts as follows:

- 1. That the Corporation of the Town of Shelburne shall implement the Municipal Disposal of Assets Policy, substantially in the form attached hereto, as Schedule A to the by-law.
- 2. That the Mayor or his designate and the CAO are hereby authorized to execute the policy and all documents, in connection with the matters authorized by this by-law.

**BY-LAW READ A FIRST, SECOND AND TIME THIS 25 DAY OF JULY 2022**

**BY-LAW READ A THIRD TIME AND ENACTED THIS 25 DAY OF JULY 2022**

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Mayor

\_\_\_\_\_  
Clerk

## CORPORATE POLICY

Schedule A to By-law # 39-2022

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Proceeds from Sale:	\$
Purchasers Name:	
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