

The Regional Municipality of York

Committee of the Whole
Finance and Administration
June 10, 2021

Report of the Commissioner of Finance

2020 Disposal of Surplus Assets

1. Recommendation

Council receive this report for information.

2. Summary

This report advises Council of all actions taken by the Procurement Office regarding the disposal of obsolete, damaged or surplus tangible capital assets, excluding land, buildings, and furniture, from January 1, 2020, to December 31, 2020.

In accordance with the Disposal of Assets Policy, updated on April 20, 2017, a report shall be submitted to Council on an annual basis regarding the disposal of surplus assets.

Key Points:

- All assets were disposed of in accordance with the Region's Disposal of Surplus Assets Policy
- In 2020, the Region disposed 46 assets including:
 - 39 cars and light duty vehicles (includes sport utility vehicles)
 - 1 special response unit
 - 1 ambulance
 - 3 message boards
 - 2 trailers

3. Background

A formal corporate wide policy prescribes disposing of surplus assets to maximize their residual value

The Region has had a formal policy for disposing of surplus assets since 2003. Regional Council adopted the revised policy on April 20, 2017. Disposals occur when the ownership of a Regional asset is relinquished by the department as a result of sale, destruction, loss or abandonment, resulting in the cost and accumulated amortization of the asset being reduced to zero.

The Director of the Procurement Office has delegated approval to dispose of Regional surplus assets to maximize their residual value, excluding land, buildings, and furniture. Further, the policy requires that the Commissioner of Finance report to Council regarding the disposal of surplus assets on an annual basis. Intention to dispose of surplus assets is collected from Regional departments as a requirement under public sector accounting standards.

Methods of disposal are directed in the policy

The Disposal of Surplus Assets policy delegates authority to the Director of the Procurement Office to dispose of surplus assets using the following methods, in the order identified below:

- Trade-in the asset
- Offer the asset free of charge to other Regional departments
- Offer the asset at its net residual value to local municipalities
- Sell the asset through an open and transparent process

Where applicable, assets may be disposed of through the Ontario Stewardship Program, a not-for-profit organization, whose primary objective is to keep materials out of landfills and to recover as much value as possible from these materials at the end of their useful life.

If the above methods of disposal are unsuccessful or deemed inappropriate the Procurement Office, in consultation with the Regional department responsible for the asset, will determine the most appropriate method of disposing the asset in an environmentally sustainable manner.

If the asset is of nominal value, it may be donated for charitable or benevolent purposes at the discretion of the appropriate Commissioner.

Disposal proceeds were transferred to replacement reserves

Proceeds from the disposal of surplus assets will be transferred to the appropriate asset replacement reserve, as determined by the Commissioner of Finance.

4. Analysis

Disposals in 2020 generated proceeds of \$409,698

The total value of surplus assets disposed of in 2020, and their proceeds, are reflected in Table 1. The proceeds of these disposals were transferred in full to the respective departmental Replacement Reserve account.

Thirty-one cars and light duty Transportation Services Fleet vehicles were auctioned. The majority of these assets reached the end of their useful life cycle, with the remainder being substantially towards the end of their life cycle (over 95% of the original cost of the asset had been amortized). Eight cars and light duty Community and Health Services Paramedics Services vehicles, one special response unit and one ambulance were auctioned as they were at the end of their useful life cycle.

Three message boards for Transportation Services Fleet and one trailer for each of Roads Fleet and Paramedics Services have been auctioned due to the end of their useful life.

Table 1

Proceeds received from Surplus Vehicles

Department	Description	Net Proceeds (\$)	Gain/Loss (\$)	Reserve
Transportation Services	• 31 cars and light duty vehicles	393,650	379,642	Vehicle Replacement Reserve, Road Operations
Transportation Services	• 3 message boards • 1 trailer	3,256	(3,188)	Equipment Replacement Reserve, Road Operations
Community and Health Services	• 8 sport utility vehicles • 1 special response unit • 1 ambulance	12,345	12,345	Vehicle Replacement Reserve, Paramedic and Senior Services
Community and Health Services	• 1 trailer	447	(1,055)	Equipment Replacement Reserve, Paramedic and Senior Services
TOTALS	46 assets	409,698	387,744	

Please note that negative numbers are displayed in red and in parenthesis.

5. Financial

The proceeds, \$409,698, from the disposal of surplus assets has been transferred to the respective departments' asset replacement reserves.

Upon disposal, the assets and any remaining net book value (historical cost less amortization) are removed from the Region's balance sheet. An accounting gain of \$387,744 has been recorded as the proceeds of disposition were greater than the net book value of the disposed assets.

6. Local Impact

There is no local municipal impact associated with this report. No local municipalities expressed an interest in acquiring any of the assets identified in this report at their net residual value.

7. Conclusion

The surplus assets identified in this report were disposed of in accordance with the Region's Disposal of Surplus Assets Policy. A total of \$409,698 in proceeds was generated through the disposal of these surplus assets.

For more information on this report, please contact, Fadi Samara, Acting Director, Procurement Office at 1-877-464-9675 ext. 71650. Accessible formats or communication supports are available upon request.

Recommended by:

Laura Mirabella

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Approved for Submission:



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Attachments (1)
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