

The Regional Municipality of York

Committee of the Whole
Finance and Administration
March 7, 2019

Report of the Commissioner of Finance

Disposal of Surplus Assets - 2018

1. Recommendation

1. 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, 2018 to December 31, 2018.

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 2018, the Region disposed of 21 cars and light duty vehicles, four fuel tanks, 22 buses and 11 decommissioned ambulances

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](#). Authority was delegated to the Director, Procurement Office to dispose of Regional surplus assets to maximize their residual value, excluding land, buildings, and furniture. The policy requires that the Commissioner of Finance report to Council regarding the disposal of surplus assets, on an annual basis.

Methods of disposal are directed in the policy

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

1. Trade-in the asset;
2. Offer the asset free of charge to other Regional departments;
3. Offer the asset at its net residual value to local municipalities; or
4. 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 2018 generated proceeds of \$558,887.00

The total value of surplus assets disposed of in 2018 is reflected in Table 1. The proceeds of these disposals identified in Table 1 were transferred, in full to the Vehicle Reserve account.

Table 1
Proceeds received from Surplus Vehicles

Description	Net Proceeds	Reserve
21 Cars and Light Duty Vehicles, Fleet	\$306,847.00	Vehicle Replacement Reserve, York Region Operations
4 Fuel Tanks, Fleet Services	\$ 640.00	Vehicle Replacement Reserve, Road Operations
22 Buses, York Region Transit	\$ 66,900.00	Vehicle Replacement Reserve, York Region Transit
11 Ambulances, Paramedic and Senior Services	\$184,500.00	Vehicle Replacement Reserve, Paramedic Services
Total Proceeds	\$558,887.00	

In addition to the proceeds generated from the disposal of surplus assets, the Region donated 18 mobile radios, which were deemed obsolete, from York Regional Police to St. Vincent in the Caribbean islands.

5. Financial

\$558,887.00 in proceeds from the disposal of surplus assets have been transferred to the respective departments' asset vehicle 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 loss of \$1,548,983.72 was recognized in 2018 as the proceeds of disposition was less 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 \$558,887.00 in proceeds was generated through the disposal of these surplus assets.

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

Recommended by: **Laura Mirabella**, FCPA, FCA
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

February 21, 2019
Attachments (1)
9081046