

TOWN OF THREE RIVERS

Disposal Of Assets Policy

Policy Number: TRF-5

Approved By: Town Council

Date of Approval: August 10, 2020

Revision Date: March 11, 2024

POLICY PURPOSE

To ensure that the disposal of municipal assets and surplus supply of goods is conducted in a manner that is beyond reproach. It is the responsibility of the Town to obtain the best possible return for both capital assets and surplus goods on behalf of the taxpayers of Three Rivers.

POLICY STATEMENT AND GUIDELINES

The disposal of surplus assets shall be done as soon as possible after declared surplus in accordance with the following guidelines:

Capital Assets

In this policy, “asset” means any capital asset owned or deemed to be owned by the Town and having an original cost greater than \$5,000 or declared to be greater than \$5,000 by the Council. Surplus capital assets include but are not limited to vehicles and property. Where there is any disagreement as to ownership of the asset by the Town, regard shall be had to purchase records, registrations, insurance coverage, reference in audited statements and/or the opinion of the Town solicitor.

Where no other municipal department of the Town, including the three Fire Departments, has an interest, capital assets shall be sold through an advertising medium as determined by the CAO with notice published on the Town’s web site. A reserve bid shall be predetermined by the CAO prior to advertising.

In the event of the disposal of surplus land (including such properties as building lots, parkland, walkways, road allowances etc.), the property is to be sold at fair market value as determined by either a Letter of Opinion or a formal appraisal from a qualified appraiser, according to section 2 of this policy. Council, upon recommendation of the CAO, shall determine which evaluation method is appropriate on a property-by-property basis.

If an asset is not sold through the advertising process, it may be sold privately at a later date through an arm's length transaction approved by the Council. If there is no salvage value, due to obsolescence or damage, the asset will be disposed of accordingly, upon Council approval.

The sale or disposal of all capital asset items must be approved by the Council following a report submitted by the CAO or designate prior to the sale or disposal.

Land and Property

In addition to the provisions of section 1, disposals of land and property are subject to the following.

Lands shall be declared surplus through a biennial review of land holdings. Notice of lands considered to be surplus shall be circulated to all municipal departments for comments. A report considering those comments shall be submitted to Council, recommending (1) properties to be declared surplus, (2) whether disposal of the land be initiated, and (3) any conditions to be attached to disposal (such as the nature of intended development).

Lands that have not been designated surplus are not available for disposal. Should Three Rivers receive a request to purchase land or property that has not been declared surplus, the process outlined in the above paragraph be conducted within 60 days of the request.

When surplus land is advertised for sale, a bid process will be conducted. Three Rivers will provide a survey of the property and an independent appraisal from a certified appraiser and will retain legal services for the municipality.

When surplus land has not been advertised, but a properly constituted offer is made, the CAO or designate shall evaluate the offer and available information and a positive evaluation shall result in a recommendation to Council. The costs of an appraisal by an independent, certified appraiser, a survey of the property, and all legal expenses will be the responsibility of the purchaser.

Where lands are disposed of by Three Rivers for development purposes, the disposal of land is subject to a Development Agreement between Three Rivers and the purchaser. The Development Agreement shall include a two-year period for development, requiring the purchaser to substantially complete their development before the expiry of two years from the date of purchase. In the absence of exceptional circumstances as determined by Council, Three Rivers will not entertain requests for extensions beyond the two-year period.

The ownership of land that was sold for projects that have not reached substantial completion when the time limit expires shall revert to Three Rivers. Three Rivers will submit payment to the purchaser of the original purchase price less all costs associated with the transfer of lands back to Three Rivers, including, but not limited to, legal fees and registration fees. In the case where the costs of reverting the land to the town exceed the original purchase price, the purchaser shall pay such costs to Three Rivers within thirty (30) days of receiving notice from Three Rivers.

The purchaser is not permitted to convey the lands to any third party until such time as Three Rivers has confirmed in writing that the terms of the Development Agreement have been satisfied. This provision shall be included in the Development Agreement.

Disposition of Land at Below Market Value

Council may, by resolution, sell, grant, transfer or otherwise dispose of municipal land, or any interest in municipal land, for less than fair market value in accordance with section 143 of the *Municipal Government Act*, RSPEI 1988, c M-12.1 and any other applicable provision of the *Act* or Regulations.

Surplus Goods

In this policy, surplus goods means items having an original cost of less than \$5,000 and does not include items listed under 1 above. Surplus goods include but are not limited to equipment, computers, printers, filing cabinets, and furniture.

The disposal of surplus goods shall be as follows:

- a) Offered firstly to other departments (including all three Fire Departments)
- b) Any surplus goods remaining thereafter will then be sold through an advertising medium as determined by the CAO, with notice published on the Town's web site. A public offering shall be by sealed bid returnable to the Town
- c) If there is no salvage value, the asset will be disposed of accordingly, as determined by the CAO.
- d) Technological assets that have memory devices shall be totally decommissioned by the Administration prior to disposal.

PROCEDURE GUIDELINE:

To provide a guideline regarding the disposal of assets under this policy.

Posting the Information

The information will be posted publicly through the advertising medium which will be determined by the CAO and the Town's web page with respect to capital assets and surplus goods. Where bids are sought, any person or organization may bid either hand delivered to either municipal office during normal business hours or by mailing in a sealed envelope marked as "Confidential".

Payment for Items

Where bids are sought, the winning bidder will be contacted by the CAO. As of the time that notification has been made, the winning bidder has one (1) week to provide the amount offered. This amount may be provided by Certified Cheque or Cash. Should the winning bidder fail to provide full payment within one (1) week of notification, the next highest bidder will be declared the successful bidder. If there are no other bids above the established reserve bid (where applicable), the value of the item will be re-evaluated, and the item will then either be re-listed or disposed of in accordance with this Policy.

Transference of Ownership

Upon successful payment and issuance of the Bill of Sale by the Town, the winning bidder will have two weeks from the date of payment to come and pick up the item. Delivery by the Town is **NOT** provided. If the winning bidder decides to have the item delivered by courier or other individual, the Town must be notified prior to the delivery date. In such instances, a valid ID will be requested of the person picking up the item. If the winning bidder does not retrieve the item within the allotted two (2) weeks a refund will be available, less a 15% fee for administrative costs. The value of the item will be re-evaluated, and the item will then either be re-listed or disposed of, in accordance with this policy.

Terms of Sale

All items sold are on an "**AS-IS – WHERE-IS**" basis. The Town assumes no liability, provides no warranty, and will not accept further responsibility for the sold item once the successful bidder takes possession of the sold item.

Council and Employee Eligibility

Members of Council and Employees of the Town are eligible to bid on any capital asset or surplus goods during the time period established for disposal.

Use of Auctions

At the discretion of the CAO, capitals assets may be included in any Provincial or private auction sale conducted by a qualified auctioneer.

PREVIOUS POLICIES REPEALED:

Disposal of Assets policy TRF-3 and Georgetown Residential Development Project policy are hereby repealed.