

Disposal of Surplus Assets

Effective Date: February 18, 2003
Last Revised: November 4, 2025

1. Purpose

The purpose of this policy is to establish the procedures for disposal of surplus assets.

2. Scope

The policy applies to all assets (excluding land and computer equipment) owned by the City of Pitt Meadows.

3. Exclusions

Land, including parkland and municipal forests, and computer equipment are excluded from this policy.

4. Definitions

In this policy,

- (1) ***Appraisal*** means a method of determining market value as of a specified date by a qualified appraiser as outlined by the Appraisal Institute of Canada.
- (2) ***Arms Length Transaction*** means a business transaction that involves unrelated parties acting alone and in their self interest.
- (3) ***City*** means the City of Pitt Meadows.
- (4) ***Environmental Impact*** means impacts that adversely affect the natural environment.
- (5) ***Fair Market Value*** means the price at which an item would change hands between a willing buyer and a willing seller at arms length.
- (6) ***Net Residual Value*** means the book value of the asset in the City of Pitt Meadows's asset register less depreciation and anticipated disposal costs

as recorded in the City's financial records. If the asset is not in the City's asset register, the book value is deemed to be zero.

- (7) **Obsolete** means outdated and/or not economically feasible for upgrading or repair.
- (8) **Physical Assets** means tangible assets not including real property excluded from this policy.
- (9) **Proceeds** means the net revenues gained from the sale of an asset.
- (10) **Related Parties** means individuals or entities that are connected to each other in a way that one party can influence or control the actions of another.
- (11) **Social Value** means a benefit to the Pitt Meadows community or wider society, other than a financial benefit, and includes consideration of the environmental impacts that may be associated with disposal of an asset.
- (12) **Surplus Assets** means tangible assets covered within this policy, owned by the City that have reached the end of their useful life and have been determined to be obsolete, no longer needed or no longer usable, as determined by the relevant department manager or delegate.
- (13) **Tangible Asset** means a physical item with a measureable value that can be touched or utilized.
- (14) **Trade In Value** means the amount a seller will offer for a used asset towards the purchase of a new asset.

5. Policy Statements

- (1) The City's surplus assets will be disposed of in as sustainable a manner as possible, with consideration given to minimizing environmental impact and maximizing revenue.
- (2) The intent of this policy is to ensure:
 - I. efficiency, equity and transparency in transactions;
 - II. financial or social value to taxpayers;
 - III. minimized environmental impacts; and
 - IV. that surplus assets are properly written off in the City's financial management system and for audit purposes, and are properly accounted for in the City's asset management system.

- (3) Optional disposal methods include:
 - I. third party auctions;
 - II. online auctions or resale websites;
 - III. recycling (revenue if available);
 - IV. trade-in; and
 - V. sell to another municipality, organization or individual at fair market value.
- (4) Items are disposed of 'as is and where is' with no further liability on the part of the City and purchasers must be made aware of these conditions.

5.1. Roles and Responsibilities

- (1) The Director of each City department is responsible for:
 - I. reviewing the Asset Replacement Plan;
 - II. updating the Capital Plan;
 - III. ensuring the trade-in value of each asset has been considered; and
 - IV. ensuring the hazardous materials and other health, safety, or environmental risks are identified and appropriately mitigated at the time of disposal.
- (2) Financial Services is responsible for:
 - I. validating the trade-in value provided by departments for each asset;
 - II. confirming updated asset replacement costs included in the Capital Plan;
 - III. updating the City's asset management registry;
 - IV. allocating the net estimated trade-in value to the corresponding asset replacement reserve fund; and
 - V. updating the asset retirement obligation, as applicable.

5.2. Prohibitions

- (1) The following activities are prohibited:
 - I. Giving away City-owned assets, at no cost, to Council members or City employees when the asset has a reasonable fair market value;
 - II. Providing City-owned assets, free of charge, to businesses or individuals when the asset has a reasonable fair market value;

- III. Providing City-owned assets, at no cost, to businesses or parties with ties to a Council member or City employee when the asset has a reasonable fair market value.

5.3. Procedures and Guidelines

- (1) Items can be available for disposal because they are:
 - I. required to be disposed of under a particular policy or administrative directive or regulation (i.e., motor vehicles, safety equipment, other);
 - II. no longer required due to Council direction or to changed policies, procedures, services, functions or usage patterns;
 - III. no longer in compliance with workplace health and safety standards;
 - IV. found to contain hazardous materials; and/or
 - V. beyond repair.

6. Related Policies

Other related policies include:

- (1) Corporate Asset Management Policy A036
- (2) Tangible Capital Assets and Amortization Policy C029
- (3) Purchasing and Procurement Policy C012
- (4) Mobile Client Computing Technology Policy A002