

To: Mayor and Members of Council

August 22, 2011

Re: Suncorp Valuations

Background

In 2010 White City entered into an agreement with Suncorp Valuations to conduct an appraisal of Town property for insurance purposes. The insurance company requires updated appraisals usually once every 5 years. The cost to have a revision done once every 5 years is \$3,750 plus charges of appraisal of any new assets. This can be split over a 5 year contract at a cost of \$750 per year, plus any fees for the appraisal of new assets.

Discussion

Attached to this report is a 5 year contract for the appraisal revisions of White City property on a annual basis. The purpose of this contract is to engage Suncorp, for a 5 year period, to provide property appraisal updates for the purposes of insurance. By conducting annual revisions, we can ensure that the values are accurate for insurance purposes.

Budget Implications

This is not specifically included in the 2011 budget, however there is adequate budget for this contract. This is a 5 year contract therefore by approving this contract, there will have to be budget allocations for years 2012-2015.

Conclusion

By having the appraisals revised annually, this will ensure our values are always current for insurance purposes. It will also be easier to ensure nothing is missed by revising the assets annually.

Recommendation

Administration recommends that Council pass the following motion:

“THAT White City enter into a 5 year contract with Suncorp Valuations to conduct annual revisions of the Valuation Certificate and Valuation Summaries taking into consideration all asset additions or deletions since the effective date of the last completed appraisal report.”



Town Manager

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Shauna Bzdel".

Shauna Bzdel,
Town Manager

**REVISION CONTRACT
FOR
Town of White City**

TERM: 2011-2015



**Prepared by: Suncorp Valuations
July 21, 2011**

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Edmonton . Saskatoon . Toronto . Vancouver . Philadelphia . Seattle

THIS CONTRACT MADE THIS ____ DAY OF _____ A.D. 2011.

BETWEEN: Suncorp Valuations, a body corporate,
(hereinafter referred to as "Suncorp")

- and -

Town of White City
(hereinafter referred to as the "Municipality")

WHEREAS Suncorp has recently completed an appraisal of Building Construction and Services, Yard Improvements, Furnishings and Equipment, Mobile Equipment, Building Codes and Bylaws, Demolition and Debris Removal Costs, and an appraisal report having been delivered by Suncorp to the Municipality.

AND WHEREAS the parties have agreed that during the succeeding five (5) year period, Suncorp shall be retained by the Municipality to conduct an annual revision of the Valuation Certificate and Valuation Summaries taking into consideration all asset additions or deletions since the effective date of our last completed appraisal report.

NOW THEREFORE the parties hereto agree together as follows:

1. In consideration of this contract and of the payments to be made by the Municipality to Suncorp as provided for in the contract, Suncorp agrees:
 - A. To undertake and complete on or before the effective date of the original appraisal or annual update, or a mutually agreed date, each year for a period of five (5) successive years (i.e. five (5) revision reports), an annual revision of the Valuation Certificate and Valuation Summaries contained in the appraisal report delivered by Suncorp to the Municipality. The first revision to be completed in 2011.
 - B. To incorporate all new Building Construction and Services assets (constructed or acquired), alterations, or additions to existing Building Construction and Services assets, since the effective date of the most current original or revision appraisal report.
 - C. To incorporate all newly acquired Furnishings and Equipment assets for existing properties, additions to existing properties, or newly constructed or acquired properties, since the effective date of the most current original or revision appraisal report.
 - D. To incorporate all newly acquired mobile equipment and emergency response vehicles, since the effective date of the most current original or revision appraisal report.

2. The Municipality agrees to pay Suncorp for all services rendered under the terms of this contract as follows:
 - A. The sum of \$750.00 for each annual revision of the Valuation Certificate and Valuation Summaries.
 - B. The greater of the sum of \$100.00 each or a sum computed at the rate of \$0.45 for every \$1,000.00 of Cost of Reproduction New, for each revision report covering newly constructed or acquired assets and/or alterations or additions to existing Building Construction and Services assets.
 - C. The greater of the sum of \$250.00 each or a sum computed at the rate of \$0.45 for every \$1,000.00 of the appraised Cost of Reproduction New for a re-appraisal of any existing Building Construction and Services asset which may become necessary due to alterations or renovations.
 - D. A sum computed at the rate of \$5.00 per \$1,000.00 of:
 - (i) Cost of Reproduction New on newly acquired Furnishings and Equipment assets for existing, newly constructed, or acquired Building Construction and Services assets which are to be included in the revision reports.
 - (ii) Cost of Reproduction New on existing Furnishings and Equipment assets when the relocation of them is such that an accurate valuation cannot reasonably be completed.
 - E. A sum of \$100.00 per piece of each additional unlicensed mobile equipment and emergency response vehicle, purchased or acquired.
 - F. A sum computed at a fixed rate of 7% of the total professional fees invoiced exclusive of sales tax to cover disbursements (i.e. meals, lodging, travel, phone, fax, etc.) incurred on behalf of the Municipality in conducting the revision report.
 - G. Suncorp reserves the right to charge an additional fee on an hourly basis for work associated with updating the Valuation Certificate and Valuation Summaries due to mass furnishings and equipment additions or deletions.

3. It is agreed that this contract shall be valid and binding to the parties hereto from and including the date hereof to and including the 31st of December, 2015.

This contract shall ensure to the benefit of and be binding on the parties hereto and their successor, but shall not be assignable by either party.

The professional fees identified within this contract remain in effect for 60 days from July 21, 2011. After such time if the contract remains unsigned by Town of White City, Suncorp reserves the right to revise our professional fees.

On behalf of,
TOWN OF WHITE CITY

On behalf of,
SUNCORP VALUATIONS

[Handwritten Signature]

