



Incorporated

R.M. of Frenchman Butte No. 501

POLICY TITLE Municipal Asset Disposal Policy		ADOPTED BY RM Council Resolution No. 2024-02-13-042 EFFECTIVE DATE February 13, 2024	POLICY NO. 100-18
ORIGIN/AUTHORITY RM Council	JURISDICTION RM of Frenchman Butte No. 501	Amended: Rescinded:	Resolution No. Resolution No.

1.0 PURPOSE:

The purpose of this policy is to establish clear guidelines for the disposal of assets owned by the RM of Frenchman Butte No. 501, ensuring that the process is transparent, equitable, and maximizes the financial return to the municipality.

2.0 DEFINITIONS:

- 2.1. **Ratepayer:** An individual or entity that pays taxes or fees to the RM of Frenchman Butte.
- 2.2. **Asset:** Any item of property owned by the RM, including but not limited to vehicles, equipment, land, buildings, and infrastructure.
- 2.3. **Council:** The governing body of the RM of Frenchman Butte No. 501, responsible for making decisions on behalf of the municipality.
- 2.4. **Disposal:** The process of selling, transferring, or otherwise disposing of an RM asset.
- 2.5. **Fair Market Value (FMV):** The estimated price at which an asset would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.
- 2.6. **Public Notice:** A formal announcement or advertisement placed in local newspapers, the RM's official website, or other channels as deemed appropriate by the Council, to inform the public of significant actions or decisions, including the sale of RM assets.
- 2.7. **Consignment Sale:** An arrangement in which an asset is given to an agent (a third party) to sell. The agent sells the asset on behalf of the owner (the RM) and earns a commission or fee based on the sale price.
- 2.8. **Direct Sale:** A transaction in which the RM sells an asset directly to a buyer without the use of an intermediary or agent.
- 2.9. **Sealed Bid:** A method of selling an asset where prospective buyers submit confidential offers to the RM. The bids are opened in a formal setting, and the asset is sold to the highest bidder, subject to any conditions set by the Council.
- 2.10. **Auction:** A public sale in which assets are sold to the highest bidder, conducted either in person, online, or through a combination of both methods.
- 2.11. **Appraisal:** A professional assessment of an asset's value, conducted by a qualified individual or firm to determine its fair market value.
- 2.12. **Surplus Asset:** An asset that is no longer needed for the operations or purposes of the RM and has been officially declared as surplus by the Council.
- 2.13. **Reserve Price:** The minimum price at which an asset is allowed to be sold at auction or sealed bid. This price is usually based on the asset's appraised value.

3.0 SCOPE:



POLICY TITLE

Municipal Road Maintenance Policy

- 3.1. This policy applies to all assets owned by the RM of Frenchman Butte No. 501, including vehicles, equipment, land, and buildings.

4.0 AUTHORITY AND RESPONSIBILITY:

- 4.1. The Council of the RM of Frenchman Butte No. 501 holds the authority to approve the sale of all municipal assets. The Chief Administrative Officer (CAO) is responsible for the administration of this policy and for recommending to the Council the disposal of municipal assets.

5.0 PROCEDURES FOR DISPOSAL:

- 5.1. **Identification of Surplus Assets:** Departments within the RM must periodically review their assets and identify any that are no longer needed or are surplus to requirements.
- 5.2. **Approval for Disposal:** The CAO must submit a report to the Council detailing the assets recommended for disposal and the reasons for their disposal.
- 5.3. **Valuation:** Surplus assets must be appraised or valued to determine their fair market value. This valuation shall be conducted by a qualified independent appraiser or through market analysis.
- 5.4. **Methods of Disposal:** Surplus assets may be disposed of through public auction, sealed bids, trade-in, public tender, or direct sale, as recommended by the CAO and approved by the Council.
- 5.5. **Public Notice:** Except for trade-ins and direct sales under a specific value threshold determined by the Council, all disposals must be publicly advertised.
- 5.6. **Approval of Sale:** The final sale of any asset must be approved by the Council, with details of the sale including the buyer and the sale amount included in the Council's meeting minutes.

6.0 CONFLICT OF INTEREST:

- 6.1. All transactions must be conducted at arm's length to prevent any conflicts of interest. No municipal asset may be sold directly to a Council member, employee of the RM, or their immediate families without transparent, competitive processes and Council approval.

7.0 CONSIGNMENT SALES:

- 7.1. In cases where the RM decides to sell an asset through consignment, a formal agreement with the consignment firm must be established, detailing the terms of the consignment, responsibilities, fees, and the process for returning the proceeds to the RM.

8.0 REPORTING:

- 8.1. The CAO shall report annually to the Council on all disposals of municipal assets, including details of the assets disposed of, the method of disposal, and the financial outcome.

9.0 REPEALING:

- 9.1.1. This policy shall be administered and interpreted by the CAO; however, this policy cannot be amended without Council approval.
- 9.1.2. This policy replaces all previous policies and resolutions that have been passed by the Council of the Rural Municipality of Frenchman Butte No. 501 with respect to the application of any and all parts of this policy and the terms and conditions contained herein.
- 9.1.3. This policy shall come into force and take effect on February 13, 2024, and shall continue in full force and effect until repealed or replaced by subsequent resolution of Council.