



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ORIGIN/AUTHORITY RM Council	JURISDICTION RM of Frenchman Butte No. 501	Amended: Jan 28, 2026 Rescinded:	Resolution No. 2026-01-28-023 Resolution No.

1.0 POLICY:

It is the policy of the RM of Frenchman Butte No. 501 to dispose of surplus municipal assets in a fair, transparent, and fiscally responsible manner, ensuring value for ratepayers and compliance with applicable legislation.

2.0 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.

3.0 DEFINITIONS:

- **Ratepayer:** An individual or entity that pays taxes or fees to the RM of Frenchman Butte.
- **Asset:** Any item of property owned by the RM, including but not limited to vehicles, equipment, land, buildings, and infrastructure.
- **Disposal:** The process of selling, transferring, or otherwise disposing of an RM asset.
- **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.
- **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.
- **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.
- **Direct Sale:** A transaction in which the RM sells an asset directly to a buyer without the use of an intermediary or agent.
- **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.
- **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.
- **Appraisal:** A professional assessment of an asset's value, conducted by a qualified individual or firm to determine its fair market value.
- **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.
- **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.



Incorporated

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Municipal Asset Disposal Policy (100-18)

7.3 Consolidation Requirement

Where a municipal parcel is sold to the owner of the quarter section in which the parcel is located, the purchaser shall be required to consolidate the parcel into the existing quarter section, at the purchaser's sole cost, as a condition of sale.

The sale shall not be finalized until Council is satisfied that the consolidation process has been initiated or completed, as determined appropriate by the Council.

7.4 Failure to Complete or Declined Offer

Where a right of first offer is declined, expires without acceptance, or fails to result in a completed transaction, Council may proceed with the disposal of the land using any other method authorized under this policy, including public sale.

8.0 CONFLICT OF INTEREST:

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.

8.0 CONSIGNMENT SALES:

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.

9.0 ADMINISTRATION:

9.1 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.

9.2 This policy shall be administered and interpreted by the Chief Administrative Officer (CAO). The CAO shall review this policy every three years and bring forth amendments to Council for approval.

10.0 REPEAL:

This policy repeals and rescinds all previous policies and resolutions related to its subject matter as passed by the Council of the Rural Municipality of Frenchman Butte No. 501.

11.0 EFFECTIVE DATE:

This policy came into effect on Jan 28, 2026, and shall remain in force until it is repealed or amended by a subsequent resolution of Council.