



Municipality of Five Rivers

Policy P.06.01

Disposition of Municipal Assets

1. **PURPOSE.** To establish a policy for the disposition of municipal assets that are surplus, obsolete, or of no foreseeable future use in a fair, open, and responsible manner.
2. **SCOPE.** This policy applies to all assets of all departments that are under consideration for disposition.
3. **GOVERNING REGULATION.** The Municipality shall adhere to the following legislation:
 - 3.1. Procurement Act (S.N.B. 2012, C20) and Regulation 2014-93, and amendments.
 - 3.2. Any other applicable legislation or agreement that may be enacted by the Province of New Brunswick or Canada.
4. **DEFINITIONS.**
 - 4.1. "Act" means the Local Governance Act 2017.c.18.
 - 4.2. "Asset" refers to any land, building, vehicle, machine, equipment, or material owned by the municipality of Five Rivers with an estimated market value of \$2000 or more.
 - 4.3. "CAO" means Chief Administrative Officer of Five Rivers.
 - 4.4. "Employee" refers to any person employed by the Municipality of Five Rivers on a full-time or part-time basis.
 - 4.5. "Member" means any person elected to the Council of Five Rivers.
 - 4.6. "Municipality" refers to the Municipality of Five Rivers, which is comprised of the former village of Rexton, parts of the former Local Service Districts (LSDs) Harcourt and Weldford, and all of the former LSD Richibucto Parish.
 - 4.7. "Procurement Act" means the Procurement Act SNB 2012, c. 20.
 - 4.8. "Treasurer" refers to the person appointed by Council to serve as Treasurer for the Municipality.

5. LAND AND BUILDINGS.

- 5.1. Council must approve all sales of municipal land and buildings.
- 5.2. All municipal properties and buildings must be sold through (a) a public Request for Proposal (RFP) process, or (b) a certified real estate agent having no direct personal relationship with any Member of Council or any employee of Five Rivers.
- 5.3. All land shall be sold through a Purchase and Sales Agreement that includes a Developer's Agreement. The Developer's Agreement shall specify terms and conditions for development of the land by the purchaser. For example, the Developer's Agreement may include a buy-back clause that gives the municipality the right to reacquire the land if the Developer fails to develop the land according to the Agreement within a specified period from the effective date of sale.
- 5.4. All proceeds from the sale of land or buildings shall be returned to the municipality's General Capital Reserve Fund.

6. VEHICLES, MACHINES, EQUIPMENT, AND MATERIAL.

- 6.1. The CAO shall decide if an asset (one asset) or an asset group (two or more assets) shall be considered for disposal.
- 6.2. The CAO, or someone the CAO designates, must complete a Surplus Asset Report (see Schedule A) for the vehicle(s), machine(s), equipment, and/or material to be disposed of.
- 6.3. Regarding approval to dispose, the following rules apply.
 - 6.3.1. If the asset or asset group has an estimated value of \$25,000 or less, it may be approved for disposal by the CAO without Council approval.
 - 6.3.2. If the asset or asset group has an estimated value of \$25,001 or more, it shall be approved for disposal by Council.
- 6.4. To dispose of the asset or asset group, the CAO shall choose one of the following options:
 - 6.4.1. Trade or sell to another municipality or public organization.
 - 6.4.2. Trade to a private organization as partial or full payment to acquire another asset.
 - 6.4.3. Sell to a private organization through a Tender process.
 - 6.4.4. Send to public auction through a properly registered auctioneering company.
- 6.5. Municipal assets may not be sold, traded, or gifted to any of the following:
 - 6.5.1. A current Member of Council and any direct relative (spouse, sibling, child, or parent) of that Member.
 - 6.5.2. Any person who has served as a Council Member in the last 5 years and any direct relative (spouse, sibling, child, or parent) of that person.

- 6.5.3. Any current full-time or part-time employee of the Municipality and any direct relative (spouse, sibling, child, or parent) of that employee.
 - 6.5.4. Any person who has worked for the Municipality as a full-time employee in the past 5 years and any direct relative (spouse, sibling, child, or parent) of that person.
 - 6.5.5. Any private company owned or managed by any of the aforementioned.
7. REQUEST FOR PROPOSAL PROCESS (RFP).
- 7.1. The Municipality shall follow all rules for tenders (including Requests for Proposal documents, or RFPs) as specified in the Procurement Act (S.N.B. 2012, C20) and Regulation 2014-93, and amendments thereto.
 - 7.2. The scoring criteria in a municipal RFP shall be based on the following criteria and weighted as follows:
 - 7.2.1. price (25%),
 - 7.2.2. estimated future property tax value to municipality (25%),
 - 7.2.3. alignment with strategic goals of municipality (25%), and
 - 7.2.4. overall quality of proposal (25%).
 - 7.3. An RFP shall be posted to both the New Brunswick Opportunities Network (NBON) and the municipal website for a period of no less than four (4) weeks.
 - 7.4. The process for decision and award shall be as follows.
 - 7.4.1. The CAO shall score the bidders and present their evaluation in confidence to Council.
 - 7.4.2. In a closed session of a regular Council meeting, each Member of Council shall review the proposal(s).
 - 7.4.3. After the Mayor closes discussion on the RFP review, Council shall return to open session and vote to award the RFP.
 - 7.4.4. If Council concludes that the municipality did not receive any acceptable offers for an RFP, Council may choose to not award the RFP.
 - 7.4.5. Within two (2) business days, the CAO, Treasurer, or Assistant Treasurer shall notify the winning bidder and engage them to complete a Purchase and Sales Agreement for the asset or asset group.
 - 7.4.6. If a Purchase and Sales Agreement cannot be reached with the winning bidder, the CAO may terminate negotiations and refer the matter to Council.

- 8. COMPLETION OF SALE. To complete a purchase and sales transaction for an asset or asset group, the following steps shall be taken.
 - 8.1. All related agreements shall be signed, dated, and returned to the Clerk or Assistant Clerk, who must properly store the files in hard copy and soft copy.
 - 8.2. All financial records must be signed, dated, and returned to the Treasurer or Assistant Treasurer, who must properly store the documents and files in hard copy and soft copy.
 - 8.3. Proceeds from the sale of the asset or asset group shall be returned to the General Capital Reserve Fund or Utility Capital Reserve Fund, whichever applies.
 - 8.4. The CAO and Treasurer shall make all necessary changes to the municipality's financial records, insurance policy, and asset management system.

- 9. PENALTY FOR NON-COMPLIANCE.
 - 9.1. Any employee who violates this by-law may be subject to disciplinary action, at the discretion of the CAO, which may range from verbal and/or written warning to revocation of purchasing authority to termination of employment.
 - 9.2. Council may subject a CAO who violates this by-law to disciplinary action, up to and including termination of employment.

- 10. EFFECTIVE DATE.

August 12, 2025

DATE OF READING

11. SIGNATURES.

MAYOR

Tina Beers



CLERK

Rob Webber



SCHEDULE A: SURPLUS ASSET REPORT

To be completed by Staff Member recommending disposal	
NAME	
POSITION	
UTILITY OR GENERAL	
GENERAL DESCRIPTION	
TYPE, MAKE, MODEL	
YEAR OF ACQUISITION	
AGE	
CONDITION	
REASON FOR DISPOSAL	
ESTIMATED MARKET VALUE	
To be completed by Treasurer or Assistant Treasurer	
DEBT OWING ON ASSET	
DEPRECIATED VALUE	
To be completed by CAO (if estimated market value exceeds \$2000)	
RECOMMENDED ACTION	
DATE	
SIGNATURE	