

District of Barriere
REPORT TO COUNCIL
Request for Decision

Date: July 15, 2024	File: 530.20/Rpts
To: Council	From: T. Buchanan, Corporate Officer
Re: Asset Disposal Procedure Policy No. FN49 - DRAFT	
<u>Recommendation:</u> <i>That Asset Disposal Procedure Policy No. FN49 be adopted as presented.</i>	

Purpose

To introduce a policy on asset disposal procedures to Council for feedback, discussion, and potential adoption.

Background

At the June 10, 2024, it was noted to Council that for a municipality to dispose of capital assets, it is best practice with the adoption of a formal policy to ensure fairness to prospective recipients, to receive maximum revenue potential and to ensure minimal disposal costs.

As the District of Barriere is a relatively new entity with incorporation taking place in 2008, the municipality’s assets are fairly new in the most part and disposal of capital assets, aside from the June 10th Council decision to donate an old lawnmower to Barriere Minor Ball, has rarely occurred. However, as the District is now 16 years old, there are some items that are at, or nearing, their end of usefulness to their departments.

For the subject of the attached “Asset Disposal Procedure Policy No. FN49”, applicable assets are:

- Machinery and Equipment – pooled and segmented by type (eg. Recreation, water, sewer, emergency, EOC, other). This category includes furniture.
- Vehicles – segmented into Fire, Water, Parks, etc.
- IT Infrastructure – includes software, hardware, computers, printers, scanners, photocopiers and telephone network.

A separate “Capital Asset Policy” is currently in development and would be finalized upon the District’s hiring of a permanent Chief Financial Officer, at which time the policy would be reviewed and presented to Council for consideration. It is intended that this separate “Capital Asset Policy” would also define and include assets classified in Major, Minor and Subclasses and include category thresholds for:

- Land
- Buildings
- Construction in Progress
- Land Improvements / Park Infrastructure
- Building Improvements
- Utilities Infrastructure

Additionally, various other Finance Department related policies are under staff review for updating and will be brought forward for Council consideration at future meetings.

Policy

The purpose of the Policy (see attached DRAFT Policy) is to set administrative procedures for Departments to properly dispose of a tangible Capital Asset relating to machinery, equipment, furniture, vehicles and electronics.

Benefits or Impact

General

Implementing this Policy will allow staff to fairly sell, auction or donate items that have reached the end of their useful life to the District while achieving, if any, maximum revenue potential. It also insures that items that are unsellable are disposed of and recorded properly.

Finances

At this time, no additional funding is required to implement these procedures other than any required public notice under Section 94 of the *Community Charter*.

Strategic Impact

Financial transparency and accountability.

Risk Assessment

Compliance: *Community Charter* established regulations and public notice.

Risk Impact: Low

Internal Control Process

Department Managers submit to CFO for review with final approval from CAO.

Next Steps / Communication

If approved, staff will communicate the procedure policy to the relevant department managers.

Attachments

- Policy No. FN49 – Asset Disposal Procedure – DRAFT
 - Referenced asset disposal request form – Template Sample
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Recommendation:

That Asset Disposal Procedure Policy No. FN49 be adopted as presented.

Alternative Options

1. Council could amend the draft policy.
2. Council could also determine not to proceed with any Policy at this time and any unusable items will therefore be retained and stored until such time as a policy is adopted.

Prepared by:

T. Buchanan, Corporate Officer

Reviewed by:

D. Drexler, Chief Administrative Officer



DISTRICT OF BARRIERE COUNCIL POLICY MANUAL

Approval Date: DRAFT
Amended Date: N/A

NO: FN-49
SECTION: Finance Department
SUBJECT: Asset Disposal Procedure Policy

Purpose

- 1.0 This procedure establishes guidelines for Departments to properly dispose of a tangible Capital Asset.

Objectives

- 2.1 Department managers will determine when municipal assets eventually become obsolete or have reached the end of their useful life.
- 2.2 Department managers will dispose of these assets while achieving maximum revenue potential and minimal disposal costs.
- 2.3 Department managers will protect the District's data and client information at all times.
- 2.4 Department managers will dispose of all assets with the environment and recycling in mind.

Responsibilities

- 3.1 Department managers and supervisors will initiate the asset disposal process by completing an asset disposal request form and forwarding the form to the Chief Financial Officer.
- 3.2 The Chief Financial Officer will consider the information provided and together with the Department manager will recommend whether the asset should be traded in, sold by auction, sold by tender, donated to a local non-profit entity, taken to the Louis Creek Eco Depot or destroyed.
- 3.3 The asset disposal form and recommendations of the Chief Financial Officer will be forwarded to the Chief Administrative Officer for approval or other instruction.
- 3.4 The Chief Financial Officer will assist in coordination of the asset disposal by auction or tender and will direct Department managers or supervisors on other asset disposal methods.
 - i. Asset disposals subject to legislative restrictions shall be conducted in accordance with the *Community Charter* and *Local Government Act*, including S. 94 requirements for public notice.
 - ii. Other asset disposals may be advertised through electronic or other advertising media, including online public auctions.
- 3.5 The Department Manager responsible will destroy obsolete computer hard drives (understanding and agreeing that any computers, software, data and

storage media may contain proprietary and confidential information about the District and its customers or its vendors, and that it is the property of the District at all times) and coordinate with the Chief Financial Officer to send the remainder of obsolete computers for electronic waste disposal.

- 3.6 The Department Manager responsible for disposal will ensure that all District of Barriere identification marks are removed prior to disposal.
- 3.7 Persons responsible for supervising the disposal of the asset will record the date and certify the disposal on the asset disposal request form.
- 3.8 The completed asset disposal form will be forwarded to the Chief Financial Officer to update financial and asset records.

Disposition of Capital Assets Form

This form is to be used by Department Managers to request the authorization required pursuant to District of Barriere Policy No. FN49 to dispose of capital assets owned by the municipality.

Date:	
Item Description:	
Department:	
Department Manager:	

Disposal Options:

Option	Definition of Each Option
A	Will be sold by auction. The proceeds will be applied to the budget of the Department disposing of the item.
B	Will be sold at fair market value* by tender**. The proceeds will be applied to the budget of the Department disposing of the item.
C	Will be traded in.
D	Will be donated to a local non-profit organization**
E	Will be recycled or destroyed according to applicable regulations.

**Fair market value can be determined by quotations or copies of advertisements for a similar item.*

***Include name of purchaser or non-profit recipient in the Rationale section below.*

Identify the Disposition Option Associated with Each Capital Asset:

Option (A to E)	Serial # (if applicable)	Fair Market Value (\$)	Rationale

Submitted by: Department Manager Signature

Reviewed by: Chief Financial Officer

Approved by: Chief Administrative Officer

Date of Approval