

November 4, 2026

ITEM: New Business – Resolution 11.26.04: Establishing Fund 408 – Capital Improvement Fund and Authorizing the Transfer of \$350,000 from Fund 105 – Capital Improvement Fund

BACKGROUND: The City of St. James is working to improve financial reporting and establish more consistent accounting procedures for capital improvement projects and expenditures across City departments.

Currently, certain capital improvement expenditures are recorded within individual departmental funds, requiring subsequent interfund transfers to allocate the associated costs. This process creates additional accounting entries and makes it more difficult to clearly distinguish capital improvements from routine departmental operating expenses. The proposed resolution establishes Fund 408 – Capital Improvement Fund and authorizes the transfer of \$350,000 from Fund 105 – Capital Improvement Fund to the newly established fund.

Effective January 1, 2027, eligible capital improvement expenditures will be recorded directly through Fund 408 rather than through individual departmental operating funds. Departments will continue to identify and request capital improvement projects through the City's established budget and capital improvement planning processes.

Establishing this centralized accounting structure will improve financial transparency, simplify audit procedures, reduce unnecessary interfund transactions, and provide clearer tracking of capital improvement expenditures, including infrastructure and facility improvements.

STAFF RECOMMENDATION: Approve/Deny Resolution.