State of Minnesota
County of Watonwan

RESOLUTION NO. 11.26.04

RESOLUTION ESTABLISHING FUND 408 – CAPITAL IMPROVEMENT FUND AND AUTHORIZING THE TRANSFER OF $350,000 FROM FUND 105 – CAPITAL IMPROVEMENT FUND

WHEREAS, the City of St. James recognizes the importance of maintaining accurate, transparent, and consistent financial records for capital improvement projects and expenditures; and

WHEREAS, the City currently accounts for certain capital improvement expenditures through individual departmental funds and utilizes interfund transfers to allocate the associated costs; and

WHEREAS, the City Council desires to improve financial reporting, strengthen internal controls, simplify audit procedures, and provide clearer tracking of capital improvement expenditures by establishing a separate fund dedicated to capital improvements; and

WHEREAS, the City Council has determined that capital improvement expenditures should be accounted for separately from the General Fund and routine departmental operating expenditures to provide a more accurate representation of the City's operating and capital activities; and

WHEREAS, the City Council desires to establish Fund 408 – Capital Improvement Fund as the primary fund for recording and tracking eligible capital improvement projects and expenditures across City departments; and

WHEREAS, the City Council further desires to transfer $350,000 from Fund 105 – Capital Improvement to the newly established Fund 408 – Capital Improvement Fund to provide initial funding for future capital improvement projects; and

WHEREAS, the establishment of Fund 408 will promote more consistent financial management, improve accountability for capital expenditures, and facilitate more efficient annual financial audits.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, as follows:

Section 1. Establishment of Fund. The City Council hereby authorizes the establishment of Fund 408 – Capital Improvement Fund for the purpose of accounting for financial resources designated for eligible capital improvement projects, infrastructure improvements, facility improvements, and related capital expenditures.

Section 2. Authorization of Transfer.

TRANSFERS	**TO**	
105 Capital Improvement Fund	Fund 408 Capital Improvement Fund	$ 350,000.00

Section 3. Centralized Capital Equipment Accounting. Effective January 1, 2027, eligible capital improvement purchases shall be recorded and expensed directly through Fund 408 rather than initially being recorded as expenditures within individual departmental operating funds and subsequently adjusted through interfund transfers.

Section 4. Departmental Equipment Purchases. City departments shall continue to identify, plan, and request capital improvement projects through the City's established budget and capital improvement planning processes. Approved capital improvement expenditures shall be accounted for directly within Fund 408, with appropriate departmental, project, or expenditure classifications maintained to ensure accurate tracking and reporting.

Section 5. Funding and Transfers. The City Council may authorize additional transfers or appropriations to Fund 408 as necessary to support approved capital improvement projects. Any transfers from other City funds shall be recorded in accordance with applicable governmental accounting standards and City financial procedures.

Section 6. Administration of Fund. The City Clerk-Treasurer is hereby authorized and directed to establish Fund 408, complete the authorized transfer, and implement the necessary accounting procedures to ensure capital improvement expenditures are appropriately recorded, classified, and reported.

Section 7. Use of Funds. Monies held in Fund 408 shall be used for approved capital improvement projects, infrastructure improvements, facility improvements, and directly related eligible expenditures, subject to available appropriations, applicable laws, and City purchasing policies.

Adopted by the City Council this 4th day of November 2026.

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Christopher Whitehead, Mayor

ATTEST:

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Kristin K. Hurley, City Clerk