

November 4, 2026

ITEM: New Business – Resolution 11.26.03: Establishing Fund 407 – Capital Equipment Fund and Authorizing the Transfer of \$465,000 from Fund 103 – Capital Equipment Fund

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

Currently, certain capital equipment 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 expenditures from routine departmental operating expenses. The proposed resolution establishes Fund 407 – Capital Equipment Fund and authorizes the transfer of \$465,000 from Fund 103 – Capital Equipment Fund to the newly established fund.

Effective January 1, 2027, eligible capital equipment purchases will be recorded and expended directly through Fund 407 rather than through individual departmental operating funds. Departments will continue to identify and request equipment purchases 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 equipment expenditures.

STAFF RECOMMENDATION: Approve/Deny Resolution.