

City Council Agenda Item Memo

From: Ashley Rentsch, Finance Director

Council Meeting: May 26, 2026

Subject: Ordinance 26-033: Capital Asset Management Policy

Presenter: Ashley Rentsch, Finance Director

Summary and Recommended Action:

Staff Recommends approval of the proposed Resolution, adopting the updated City of Brookings Capital Asset Management Policy.

The current Capital Asset Management Policy was originally adopted in 2007 and last amended in 2011. Staff completed a comprehensive review and update of the policy to modernize the City's capital asset management practices, improve operational clarity, and align the policy with current governmental accounting standards and best practices.

Item Details:

The updated Capital Asset Management Policy includes several administrative, operational, and accounting-related revisions intended to improve consistency, accountability, and compliance with current standards. Major updates include:

1. GASB 87 Lease Accounting Guidance. The policy incorporates Governmental Accounting Standards Board (GASB) Statement No. 87 requirements related to leased assets, including the recognition and reporting of right-to-use assets and lease liabilities.
2. Clarification of asset ownership and control. The revised policy clarifies standards related to asset ownership, temporary custodial responsibility, and control of capital assets for financial reporting purposes.
3. Updated capitalization thresholds and inventory procedures. The policy increases the capitalization threshold to \$10,000 while clarifying departmental responsibilities related to inventory verification, asset tracking, and reporting procedures.
4. Updated Roles and Responsibilities. The revised policy clarifies responsibilities between City Departments, HR Risk Management, and the Finance Department related to inventory coordination, capital asset reporting, and record maintenance.
5. Streamlined Administrative Procedures. The update removes the outdated procedures and forms that were no longer operationally necessary and simplifies off-site equipment and inventory procedures to better align with City practices.
6. Modernization of policy language and forms. The policy language, terminology, and related forms were updated to improve consistency, readability, and administrative usability.

Legal Consideration:

The City is responsible for maintaining accountability and appropriate records for capital assets in accordance with applicable governmental accounting standards, state law, and internal control requirements.

Strategic Plan Consideration:

- Fiscal Responsibility – The City of Brookings will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.

Financial Consideration:

The proposed policy update does not have a direct financial impact. The revisions are administrative in nature and are intended to strengthen internal controls, improve operational consistency, and maintain compliance with applicable accounting and reporting standards.

Supporting Documentation:

Resolution

Policy