

Memorandum

REPORT TO: City Commission

FROM: Stephen Bodell, Budget Analyst
Jonathon O'Dougherty, Budget Analyst
Kaitlin Johnson, Budget Manager
Melissa Hodnett, Finance Director

SUBJECT: Resolution to Adopt Fiscal Years (FY) 2027-31 Capital Improvements Plan

MEETING DATE: March 24, 2026

AGENDA ITEM TYPE: Resolution

RECOMMENDATION: *I move to approve the resolution adopting the FY27-31 Recommended Capital Improvements Plan.*

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: On December 9, 2025, the City Commission was presented with the FY2027–31 Recommended Capital Improvements Plan (CIP), a five-year plan outlining the City of Bozeman’s investments in infrastructure, facilities, parks, and transportation systems in support of the community’s vision of being the most livable place. The CIP includes planned expenditures of \$25,000 or more that result in the acquisition or significant improvement of an asset with a useful life of at least three years, as well as master planning efforts that inform future capital investment.

On March 10, 2026, the City Commission was presented with staff-recommended revisions based on updated cost estimates and project information obtained since the original CIP presentation in December 2025.

This action item represents the City Commission’s final review, potential amendment, and adoption of the FY2027–31 CIP.

The CIP is prepared in compliance with state and municipal code. State law requires the City to maintain a CIP for Development Impact Fee Funds, and this document provides the schedules and cost projections required under Montana Code Annotated (MCA) 7-6-1602(2). In addition, Article 5.08 of the adopted City Charter requires the City Commission to adopt the capital program for the ensuing fiscal year, with or without amendment after public hearing, no later than the last day of March of the current fiscal year.

Both the original and revised recommended CIP documents are available online: <https://www.bozeman.net/departments/finance/budget-and-financial-reports>

UNRESOLVED ISSUES: Capital purchases and infrastructure investments are planned through a multi-stage process, with the recommended CIP functioning as one of the initial steps. The CIP provides a framework for future budget decisions but does not, on its own, authorize or guarantee funding for any project. During budget development, departments will identify operational requirements and associated revenue needs beyond those reflected in the capital plan. Additional financial modeling will be undertaken to align project timing, debt financing, and rate or assessment impacts. Projects will proceed only when sufficient funding has been approved.

ALTERNATIVES: Changes to the recommended Capital Improvements Plan (CIP) can be adopted by motion.

FISCAL EFFECTS: The City's Capital Improvement Plan is a mid-range plan adopted annually which identifies over five years of capital infrastructure projects, equipment purchases, and other capital purchases that have been identified to maintain or improve City services. The CIP is a planning document and will be used as a guide for future budgetary proposals, but it does not guarantee funding for any specific project or commit the City to future purchases. More extensive financial models and potential rate impacts will be analyzed during the budget development process.

Attachments:

[FY27-31 CIP Resolution_26.03.24.docx](#)

Report compiled on: February 25, 2026