

Memorandum

REPORT TO: City Commission

FROM: Melissa Hodnett, Finance Director
Kaitlin Johnson, Budget Analyst
Jeff Mihelich, City Manager

SUBJECT: Resolution 5486 Adopting Fiscal Year (FY) 2023-24 Budget

MEETING DATE: July 11, 2023

AGENDA ITEM TYPE: Finance

RECOMMENDATION: I move to approve Resolution 5486 adopting the City's Fiscal Year 2024 Budget

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:

We are pleased to present to you the City Manager Recommended Budget for Fiscal Year 2023-2024 (FY24). The recommended budget represents the thoughtful work of dozens of people across all departments to ensure an informed projection of FY24 in support of the City Commission Strategic Plan. Bozeman is a vital, growing, and changing city, which presents significant challenges including balancing community needs, like infrastructure and public safety, with affordability and pressure on the allocation of limited City resources. The recommended budget focuses on maintaining or improving our level of service to the community as it relates to public safety, community health & safety, and affordable housing.

Municipal budgets serve a number of important functions. In addition to laying out a spending plan for the City and allocating resources to meet the diverse needs of the community, Bozeman's budget:

- Is a principal policy and management tool for the City's administration, reflecting and defining the annual work program;
- Provides a framework for the City to accomplish its vision and strategic plan; and
- Reflects core City values of integrity, leadership, service, and teamwork.

The FY24 City Manager Recommended Budget is available online at [FY24 City Manager Recommended Budget](#). In addition to being available online, a copy of the FY24 City Manager Recommended Budget is available at the Bozeman Public Library.

Budget presentations highlighting the General Fund, Special Revenue Funds, Debt Service Funds, Construction Funds, Enterprise Funds and Internal Service Funds took place on June 13, 2023 and June 27, 2023. Public hearings were held at each presentation.

The City-wide expenditure budget is estimated to be \$317.9M in total. Excluding transfers between funds, the budget is estimated to be \$285.8M. The majority of expenditures are in capital outlay. A total of \$154.4M in capital spending includes \$102M budgeted for the Bozeman Community Center anticipated to be on the ballot for voter approval this fall.

The impact of decreased property taxes, and increases to special district assessments and utility bills result in a total estimated impact to the median homeowner of 2.8% vs FY23, based on a median household taxable value of \$467,000 and a lot size of 7,500 sq ft. Water usage is estimated to be 8.5-HCF.

UNRESOLVED ISSUES:

None

ALTERNATIVES:

If there are changes the City Commission would like to make to the City Manager's Recommended Budget, they can be adopted by motion.

FISCAL EFFECTS:

Fiscal effects have been discussed during budget presentations, and are included in the FY24 City Manager's Recommended Budget document linked above and available at the Bozeman Public Library. Page 21 of the recommended budget includes the recommended budget by fund.

Attachments:

[Resolution 5486 Adopting Fiscal Year \(FY\) 2023-24 Budget.docx](#)

Report compiled on: June 1, 2023