

**City Council Agenda Item 3.B
Meeting of June 15, 2026**



Title: Preliminary 2027-2031 Capital Improvements Program (CIP) review

Report from: Darin Nelson, Finance Director

Submitted through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Mike Funk, City Manager and Darin Nelson, Finance Director

Action Requested: Provide staff with feedback and project priority direction.

Summary Statement

The creation and update of a multi-year capital program allows the city to plan for its current and long-term needs. As always, the Capital Improvements Program (CIP) reflects previous council direction and addresses the capital priorities of the city in a prudent and cost-effective manner. Our responsible approach preserves the city's strong financial condition, as reflected in the city's Aaa bond rating and reasonable tax and utility rates. The city council will be asked to formally adopt the 2027-2031 CIP in September.

Strategic Plan Relatability

Infrastructure & Asset Management

The CIP specifically addresses the strategic priority's desired outcome of the maintaining reliable, high-quality infrastructure.

Background

See supplemental background report.

Discussion Questions

1. Does the council have other priorities currently not identified in the preliminary 2027-2031 CIP?
2. Does the council have other feedback regarding the proposed \$9,863,700 tax levy needed to support identified programming for 2027?
3. The city has strategically increased the levy in 2026 to prepare for a potential \$10M bond issuance for facility improvements. Does the council support continuing with this approach to levy an additional \$405K in 2027?
4. Does the council support the facility improvement strategy as proposed?
 - i. Including improvements to the community center in 2027? (The community center is blocking reservations dates for the first part of 2027 to accommodate the potential remodeling of the community center. Staff would like to understand the council's position for moving forward with this project, either to release the calendar block and begin booking reservations or to begin preparing this project for bidding so that construction would occur during the traditionally slower months in winter/spring of 2027)
 - ii. Requesting local sales tax authorization during the next legislative session?

ATTACHMENTS:

[Supplemental Background Report](#)

[Preliminary 2027-2031 Capital Improvements Program \(CIP\)](#)

[Addendum](#)