

City of Hesperia

STAFF REPORT



DATE: June 17, 2025

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager

SUBJECT: Fiscal Year (FY) 2025-26 Proposed Capital Improvement Program (CIP) Budget Adoption

RECOMMENDED ACTION

It is recommended that the City Council and the Board of Directors of the Hesperia Water District (HWD) hold a Public Hearing and adopt the following Resolutions approving the Fiscal Year (FY) 2025-26 Proposed CIP Budget for the City of Hesperia and the Hesperia Water District:

- 1) City of Hesperia Resolution No. 2025-20 adopting the FY CIP 2025-26 Budget
- 2) Resolution HWD 2025-05 adopting the FY CIP 2025-26 Budget

BACKGROUND

In compliance with the City Council's policy direction, staff has prepared the FY 2025-26 CIP Budget for the City of Hesperia and the Hesperia Water District. The CIP Budget includes the funding of capital projects within the City. Additionally, California Government Code, Section 66002 provides that any local agency which levies a Development Impact Fee subject to California Government Code, Section 66001 may adopt a Capital Improvement Plan. The FY 2025-26 Proposed CIP Budget provides the funding plan for such projects.

In the past, the CIP Budget was presented in conjunction with the City's operating budget. To comply with the state code, the CIP Budget will be presented for Council and Board consideration separate from the operating budget.

ISSUES/ANALYSIS

As an attachment to this staff report, the FY 2025-26 Proposed CIP Budget includes the following type of projects: Street Improvements, Storm Drainage, Facilities, Water, and Sewer projects. Upon Council and Board approval, the CIP Budgeted expenditures and revenues will be included into the City's overall FY 2025-26 Proposed Budget, which was presented and approved by the City Council on June 3, 2025.

Staff requests authority to make technical corrections, minor edits, etc. to the FY 2025-26 Proposed CIP Budget document to be incorporated into the final FY 2025-26 CIP Budget as approved by the City Council and Hesperia Water Board.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health- Maintain a balanced budget and adequate reserves

Capital Improvement - Continually evaluate capital improvement priorities.

FISCAL IMPACT

See Fiscal Year 2025-26 CIP Proposed Budget.

ALTERNATIVE

Provide alternate direction to staff.

ATTACHMENTS

1. Resolution No. 2025-20
2. Resolution HWD 2025-05
3. Fiscal Year 2025-26 Capital Improvement Program (CIP) Budget (On file in the City Clerk's Office)