City of Hesperia
STAFF REPORT

DATE: May 19, 2020

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

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance

SUBJECT: FY 2020-21 Budget Workshop #2 – Budget Update

RECOMMENDED ACTION

It is recommended that the City Council and the Board of Directors of the Hesperia Water District receive and file this staff report, which provides information about the current status of the City of Hesperia's proposed operating budget for FY 2020-21.

BACKGROUND

In compliance with the City Council's policy direction, staff annually develops an expenditure budget. While the budget gives the City the legal authority to secure goods and services, it is also a communication tool that provides information to the citizens about the City's programs and projects. To ensure that the budget is developed to meet the City Council's direction, a series of budget workshops have been developed. The first workshop focused on the City and Water District's current financial health. This second workshop will highlight the proposed operating budget, along with a snapshot of the total budget that includes capital improvement program (CIP) expenditures and also to discuss the use of reserves for non-operating expenditures. Finally, the proposed annual budget will be presented at the last budget workshop in June 2020.

ISSUES/ANALYSIS

This second budget workshop will provide a brief overview of the total budget. The operating budget includes planned ongoing revenues and expenditures for the upcoming fiscal year, as well as revisions to the FY 2019-20 Budget. In addition, there will be a discussion on potential revenue challenges that will impact the City in the future (FY 2021-22 and beyond).

FISCAL IMPACT

There are no financial impacts at this time, as this is a workshop to discuss the proposed FY 2020-21 operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None.