

City of Hesperia STAFF REPORT



DATE: August 5, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Kevin Sin, Deputy City Engineer
Tina Souza, Senior Project Manager
Deanna Lestina, Project Manager

SUBJECT: Fiscal Year 2025/26 – 2029/30 Five Year Measure I Capital Improvement Plan

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2025-31, approving the Measure I Five Year Capital Improvement Plan and Expense Strategy for Fiscal Years 2025/26 – 2029/30.

BACKGROUND

In November 2004, voters in San Bernardino County approved Ordinance 04-01, a second 30-year term to impose a one half of one percent retail transaction and sales tax to fund transportation related improvements and traffic management programs. Originally established in 1989 as Measure I, currently referred to as Measure I 2010-2040, revenue collected is to be used as follows:

- 70% Local Street Program (2% of the revenue is to be reserved for Project Development and Traffic Management Systems)
- 25% Major Local Highway Program (used to leverage against State/Federal funds)
- 5% Senior and Disabled Transit Program

ISSUES/ANALYSIS

Jurisdictions receiving Measure I tax revenue from the San Bernardino County Transportation Authority (SBCTA) Local Street Program must annually adopt, by action of their governing body, a Measure I Five-Year Capital Improvement Plan (MICIP) which outlines the projects upon which the Measure I pass-through funds will be expended. Only projects identified in the current CIP are eligible for the use of Measure I revenue and only 50% of the estimated revenue can be programmed for use on general maintenance and city overhead. The other 50% of revenue should be programmed for specific road projects which identify projects by street name and project type. The MICIP should also include an Expense Strategy, which explains the City's policy approach and expenditure method in identifying projects to be funded by Measure I.

SBCTA audits the City's Measure I expenditures each year to ensure they are consistent with the projects programmed in the MICIP. The MICIP report also lists projects that use other primary funding sources as outlined in the adopted Fiscal Year 2025-2026 Capital Improvement Program (CIP), such as the Annual Street Improvement Projects and the Community Development Block Grant (CDBG) Street project, in the event Measure I funds are needed to cover expenditures.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

Capital Improvement – Continually evaluate capital improvement priorities.

FISCAL IMPACT

There is no direct fiscal impact as a result of the subject item. This action simply adopts the FY 2025/26 – 2029/30 Five Year Measure I Capital Improvement Plan for the purpose of expending Measure I revenues. Any changes in financial condition can be clarified with an amendment to the plan.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2025-31
2. Attachment “A” – Measure I Five Year CIP 2025/26 - 2029/30 Spreadsheet
3. Attachment “B” – Measure I Five Year CIP 2025/26 - 2029/30 Expenditure Strategy