



**CITY OF POMONA
PHILLIPS RANCH ASSESSMENT DISTRICT
OVERSIGHT COMMITTEE
AGENDA REPORT**

December 2, 2025

To: Phillips Ranch Assessment District Oversight Committee

From: Meg McWade, Public Works Director

Submitted By: Shandy Dittman, Public Works Fiscal and Project Manager

SUBJECT: DISCUSS PHILLIPS RANCH ASSESSMENT DISTRICT BUDGET

RECOMMENDATION:

It is recommended that the Phillips Ranch Assessment District Oversight Committee (PRADOC) discuss an update on the FY 2025/26 Budget.

EXECUTIVE SUMMARY:

This report provides a nearly mid-year update on the Phillips Ranch Assessment District's FY 2025/26 Budget. The Assessment District continues to experience overall funding constraints, with several expenditure categories trending above budgeted levels. The current budget remains insufficient to fully fund the level of maintenance expected by the community.

FISCAL IMPACT:

There is no fiscal impact associated with this report. The information presented is for review and discussion purposes only.

DISCUSSION:

The Phillips Ranch Assessment District's budget remains constrained, with rising service costs outpacing available revenues. After the services were rebid, the contract with the City's Engineer of Record will increase \$4,580 annually (a total of \$13,740 over the 3-year term), reducing the available funding for controllable contracts (Object 52285). Additionally, tree maintenance service costs are also increasing, though the new contract will ensure Phillips Ranch trees are fully pruned on a regular grid cycle, thereby increasing public safety if additional funding is directed to do so. These increases, combined with ongoing inflationary pressures across all materials and services, have contributed to overall budget strain.

At the September PRADOC meeting, staff provided an update regarding water expenditures and the transfer of riparian area maintenance responsibilities to the City's General Fund beginning July 1, 2025. It was noted at that time that certain water charges had initially been billed to the

Assessment District in error. Approximately \$11,259 in charges have since been sent to the Finance Department to be correctly re-coded to the General Fund. All water costs charged to the Assessment District will reflect only District-maintained areas going forward. SCE electricity charges associated with powering the irrigation meters for that area have also been identified and are in the process of being correctly re-coded to the General Fund.

Despite the removal of the riparian area from the District's responsibilities, overall water expenditures remain high. This outcome is consistent with prior discussions, as staff previously indicated that water costs were not expected to decrease significantly, even with the responsibility of the riparian transferring to the General Fund. Phillips Ranch has exceeded its water budget in recent years, and current year-to-date expenditures suggest a similar trend is likely to continue.

In addition, payments for certain contracted maintenance services, such as landscape and weed abatement, have been temporarily withheld pending verification of costs and contract compliance. As a result, actual expenditures reported to date do not fully represent the District's year-to-date obligations.

Looking ahead, continued cost escalation will require careful prioritization of available funds. The Phillips Ranch Assessment District continues to operate within significant fiscal constraints. Staff recommends the Committee review these trends and provide advice on priorities and potential funding adjustments for the FY 2026/27 budget cycle.

Prepared by:

Lindsay McElwain, Senior Management Analyst

ATTACHMENTS:

Attachment No. 1 – Greenbelt Water Expenditure Report

Attachment No.2 – Phillips Ranch Assessment District Budget Report