



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

June 9, 2026

To: Phillips Ranch Assessment District Oversight Committee

From: Meg McWade, Public Works Director

Submitted By: Lindsay McElwain, Senior Management Analyst

SUBJECT: DISCUSS ISSUANCE OF A REQUEST FOR PROPOSALS FOR CONSULTING SERVICES RELATED TO A PROPOSITION 218 ASSESSMENT INCREASE AND THE USE OF THE DISTRICT'S AVAILABLE FUND BALANCE

RECOMMENDATION:

It is recommended that the Phillips Ranch Assessment District Oversight Committee consider the City's intent to issue a Request for Proposals (RFP) for assessment engineering, noticing, and balloting services, and to use the Phillips Ranch District fund balance to fund the Proposition 218 process to place a proposed assessment increase before District property owners for consideration and vote.

EXECUTIVE SUMMARY:

Staff is seeking Committee direction regarding the City's intent to initiate Proposition 218 proceedings to consider a proposed increase to assessments within the Phillips Ranch Assessment District, which is currently facing a structural funding shortfall due to rising maintenance and operational costs that exceed existing revenues.

To support this effort, staff proposes issuing a Request for Proposals (RFP) to retain a qualified consultant to provide engineering, assessment engineering, noticing, and ballot services required under Proposition 218, including preparation of an updated benefit analysis, Engineer's Report, and completion of the required notice and majority protest ballot process. Staff also intends to use the available District fund balance to help cover one-time costs associated with hiring a consultant.

FISCAL IMPACT:

There is no fiscal impact with this action. Future costs associated with Proposition 218 proceedings and potential transition support are anticipated to be funded from existing District fund balance, subject to future Council authorization. As of the most recent financial review and information provided to the Engineer of Record in April 2026, the District's fund balance going into FY 2026-27 is estimated at \$339,991. Should the proposed Proposition 218 process move forward, all required proceedings, including the preparation of the Engineer's Report, public noticing, and ballot tabulation, would be conducted during FY 2026-27.

DISCUSSION:

Staff is seeking direction regarding the City's planned initiation of Proposition 218 proceedings which would allow property owners to vote to increase the annual assessment within the Phillips Ranch District. The District is currently experiencing a structural funding shortfall due to rising maintenance, utility, and contract service costs that exceed existing assessment revenues. Despite the City's cost-reduction measures, such as reducing irrigation and transitioning certain areas to City General Fund-maintained parks instead of District resources, fund balance is projected to decline without an increase in ongoing revenues.

The City has previously undertaken Proposition 218 proceedings for the Phillips Ranch Assessment District in 2008/09, in 2019 and again in 2023; such efforts did not result in approval of the proposed assessment adjustments. As a result, revenue levels are set for costs in the 1990's. Details from the most recent benefit analysis prepared by NBS can be referenced in Attachment No. 1. This report presents a renewed effort to address the District's ongoing structural funding shortfall and restore long-term fiscal stability.

To move the process forward, staff proposes issuing a Request for Proposals (RFP) to retain qualified consultants to provide engineering, assessment engineering, noticing, and ballot tabulation services required under Proposition 218. These services will support the preparation of an updated Engineer's Report, validation of benefit allocations, and completion of the legally required notice and protest ballot process. As a note, the activation of the Prop 218 process was discussed at a prior meeting including the possibility of utilizing NBS, the City's Assessment District consultant in 2023, to develop a simplified study utilizing its prior work with cost escalators. After several informative meetings with NBS on both laws and litigation related to Assessment Districts, it was determined it would be in the City's best interest to pursue a competitive consultant selection process as a new study is required.

Staff intends to use District fund balance to fund the consultant selected through the RFP process.

Any proposed assessment adjustment would be subject to full Proposition 218 requirements, including mailed notices, a public hearing, and a majority protest ballot process, ensuring property owners can review and vote on the proposed changes.

Prepared by:

Christine Valerio, Management Analyst

Attachments:

Attachment No. 1 – Benefit Analysis for Phillips Ranch Landscaping and Lighting Assessment District – Oct. 2022