

Maintenance Assessment Districts

Overview

What are Maintenance Assessment Districts (MADs)?

Maintenance Assessment Districts (MADs) are legal mechanisms by which property owners within a specified district can vote to assess themselves for the purpose of financing special benefit services, including maintenance of open space, street medians, rights-of-way, mini-parks, street lighting, security, flood control, and/or drainage. Installation of special benefit capital improvement projects may also be funded by MADs. These special benefit services are provided at a level over and above the standard City general benefit level.

What kinds of special benefits do MADs fund?

MADs usually fund maintenance services and, in limited circumstances, construction and installation of capital improvement projects.

Maintenance Services

MADs are typically used to provide funding for higher levels of maintenance services in public rights-of-way. Examples are: landscape maintenance (irrigation, fertilization, weeding, pruning, pest control, dead tree removal, plant replacement and turf mowing/edging); hardscape maintenance (sweeping and weeding of hardscape medians and curbs/gutters, removal of graffiti, and maintenance of street benches); open space maintenance (safety tree trimming and removal, and litter removal); street light maintenance for light fixtures which exceed what the City provides (energy costs, light bulb and damaged post replacement, and graffiti removal); litter removal; sidewalk steam cleaning; sign maintenance; banner installation/removal; and seasonal decoration installation/removal.

Construction Projects

A MAD can be used to provide funding for construction and installation on a limited basis. Assessments to fund construction and installation are limited to five years for landscaping, statues, fountains, and lighting. Assessments to fund acquisition of park lands, acquisition of open space land, and park and recreation improvements and maintenance are limited to 30 years.

How are MADs formed?

By Developer

A MAD may be formed at the time a new subdivision is built. Developers are usually the primary property owners, so developers determine the scope of services to be provided. The City requires developers to sign a Landscape Maintenance Agreement guaranteeing to maintain the assets until maintenance responsibility can be turned over to a Homeowners' Association, MAD, or other entity. The developer pays the required district formation costs (an independent Assessment Engineer's report, balloting, and City staff time) and constructs all of the improvements. An Assessment Engineer determines which properties benefit from maintenance of the assets, and apportions a share of the cost of maintenance to each parcel based on the benefit it receives. Prospective buyers of the property are informed of the existence of the MAD by developer disclosure documents, and as a line item on their property tax bill.

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By Community

A MAD may also be formed by an established community. In these cases, district formation may be funded by the benefiting property owners, or another funding source such as Community Development Block Grants (CDBG). Typically, there is a provision that the start-up costs will be refunded from the first year's assessments. A third mechanism to fund MAD formation costs was approved in the City of San Diego's Annual Fiscal Year 2003 Budget. An allocation of \$150,000 is available for communities that meet the criteria set forth in Council Policy 100-21, which was approved by the Mayor and City Council during the second quarter of Fiscal Year 2005. The fund will pay for initial formation costs; it will be repaid once the assessments begin. Community members advocating for the MAD usually meet with the Park and Recreation Department (or Community and Economic Development Department) staff as well as the Assessment Engineer to identify the scope of services and resulting assessment amount that will be assessed to property owners who will vote for or against MAD formation.

What is the law authorizing MADs?

MADs are authorized by the State of California and provided for in the "Landscape and Lighting Act of 1972" (Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (Article XIII D of the California Constitution) and provisions of the "San Diego Maintenance Assessment District Ordinance" (Division 2, Article 5, Chapter VI beginning at Section 65.201 of the San Diego Municipal Code). Under the provisions of these laws, the City can assess properties based on the amount of benefit each property will receive. The City has the fiduciary responsibility to manage the assessment funds in trust for each MAD in accordance with all applicable federal, state, and city laws.

Balloting

A ballot is required to form all MADs. To authorize a ballot process, Mayor and City Council approval is initially required. A MAD ballot is not part of an Election Day ballot. Every affected property owner receives a ballot in the mail, at the address on record with the County Assessor. The property owner votes and returns the ballot by mail or hand delivers it to the City Clerk. Upon conclusion of the 45-day balloting period, the City Clerk tallies the ballots. If a weighted majority of the ballots received by the City Clerk favor district formation, the Mayor and City Council authorize the levy and the district is formed with the scope of services identified in the ballot. The scope of services is memorialized in the Assessment Engineer's Report. A "weighted" vote is one where, for example, the vote of a property owner whose assessment will be two dollars counts twice as much as the vote of a property owner whose assessment will be one dollar. No matter how many or few property owners vote, if over 50 percent of the weighted votes received are in favor, the district can be formed.

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How long can it take to set up a MAD?

Normally the process takes 5 to 10 months to establish and approve a MAD. The City has an annual August 10th deadline with the County of San Diego to include MAD assessments on the property tax rolls for that year.

What are the steps in forming a MAD?

1. The developer or interested community representatives/property owners (“community contacts”) initiate contact with the City of San Diego Park and Recreation Department, Maintenance Assessment District Section (“City staff”) at (619) 533-6778 to express interest in learning how to form a MAD. (Note: The formation of any proposed *commercial* MADs to be managed by a non-profit organization pursuant to San Diego Municipal Code Sections 65.0201 et seq. is handled by the Community and Economic Development Department; contact (619) 533-4246 for more information.)
2. Developer or community contacts meet with City staff to discuss the petition requirements, potential district boundaries, maintenance areas, services that can and cannot be included, engineering information, costs of forming a district and assessment amount. If the Maintenance Assessment District Formation Fund (Fund 70269) is used for the creation of a new district, all criteria required within Council Policy 100-21 must be met.
3. Developer or community contacts deliver a petition to City staff signed by at least 30 percent of the property owners in the proposed district, which indicates the area owners desire to pay an estimated assessment amount for specified benefits.
4. City staff coordinates a meeting with the developer or community contacts and an Assessment Engineer to discuss details of the proposed district.
5. Assessment Engineer provides a cost estimate for district engineering and balloting for approval by the developer or community contacts. Upon approval, City staff requests a deposit from developer or community contacts to cover formation costs so that the Assessment Engineer can begin work. (Note that for developed communities, this may be funded by the MAD Formation Fund, assuming all criteria within Council Policy 100-21 are met.)
6. Developer or community contacts inform City staff when they secure funds to pay for preparing the required report by the Assessment Engineer, balloting, and City staff time (usually a total of \$10,000 to \$65,000 depending on the scope of the district).
7. Developer or community contacts provide detailed information about the location and scope of services being requested. Developer’s consultant and/or City staff calculate annual cost estimates and the Assessment Engineer allocates cost to parcels based on benefits received.
8. City staff coordinates a meeting with the developer or community contacts and the Assessment Engineer to review the preliminary Assessment Engineer’s Report.

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9. The Assessment Engineer delivers a final report to City staff for distribution to developer or community contacts. The Assessment Engineer's report is included with the Request for City Council Action to resolve to form the district, authorize mailing the ballots, and set a public hearing date.
10. City staff mails a ballot to each assessable property owner, as listed in the most recent certified County Property Tax Roll, a minimum of 45 calendar days prior to the public hearing date.
11. The City Clerk's Office receives completed ballots, which are kept sealed until after the close of the public hearing. The City Clerk presents district balloting results to the Mayor and City Council. The Mayor and City Council receive the ballot results and takes action to either approve the district, Assessment Engineer's report and the assessment levy or abandon the district based on the ballot results. Unless the vote differential is less than five percent, the earliest a failed ballot can be reballoted is one year.
12. City staff prepares annual enrollment and delivers it to the County Assessor to be included on Property Tax statements to property owners beginning with the December property tax bill after the August 10th enrollment.

For more information, visit the City's web page at <http://www.sandiego.gov/park-and-recreation/general-info/mad.shtml>.

How are Assessment Amounts Determined?

Each MAD has a maximum authorized assessment and cost indexing provisions contained within the Assessment Engineer's Report. The maximum authorized assessment is determined individually for each district as a result of an analysis by an Assessment Engineer based on the scope of maintenance services desired. The Assessment Engineer's Reports for Park and Recreation Department-managed MADs are available for each district on the City's web page, <http://www.sandiego.gov/park-and-recreation/general-info/mad.shtml>.

For the purpose of determining assessment amounts, identifying the general and special benefits associated with the improvements and/or services is essential since only special benefits are assessable. Special benefits are those particular and distinct benefits "over and above general benefits" provided to the public at-large. A more detailed discussion of the general benefits provided by the City is provided in the "What Does the City Contribute to a MAD?" section.

Assessments are to be apportioned to properties based on "the reasonable cost of the proportional special benefit conferred" to the property per the California Constitution Article XIID (Proposition 218). Apportionment methodologies are commonly based on one or more property-related attributes, such as:

- *Parcel Area*: benefits apportioned based on relative parcel size.
- *Land Use*: land use-based apportionment factors reflective of relative intensity, usage, or other benefit aspect.

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- *Dwelling Units*: residential-based (dwelling unit) measure for residential and non-residential land uses.
- *Parcel Frontage*: linear measure of property frontage along improvement and/or maintenance corridor.
- *Building Area*: benefits apportioned based on total building area (useful for vertical, multistory development areas).
- *Other*: any other suitable means of quantifying proportional special benefit.

Selection of an appropriate apportionment methodology is determined by a certified Assessment Engineer, who considers the improvements, services, and other characteristics of the proposed district.

The unit of assessment is not always the “parcel,” because parcels vary greatly in their size and use. As a result, different parcels receive differing benefit from the maintenance of assets in the District. Instead, the unit of assessment is determined on a case-by-case basis by an independent Assessment Engineer as a way to equitably allocate the expense of a District to benefiting property owners.

For Park and Recreation Department-managed MADs, the most common unit of assessment is the Equivalent Benefit Unit (EBU). Generally, one single-family detached dwelling is one EBU, an apartment or condominium unit is less than one EBU, and commercial/industrial properties are more than one EBU. Most of the districts managed by the City of San Diego are based on Equivalent Benefit Unit (EBU), which provides for a baseline of 1.00 EBU for each single family dwelling unit.

Other units of assessment may include Linear Frontage Foot (LFF), Lot Square Footage (LSF), Building Square Footage (BSF), Acres, Net Acres, and Equivalent Dwelling Unit (EDU). Districts that have linearly spaced improvements may have been engineered using a Linear Front Foot (LFF) methodology. A chart in the Appendix of this section provides the assessment rate per unit; to determine the type of methodology used in a particular district, refer to the Assessment Engineer’s Report.

Certain districts are entitled to cost-indexing related to the San Diego Consumer Price Index – Urban (SD-CPI-U) as reflected in the Assessment Engineer’s Report. Since 1998, the City has used the SD-CPI-U for calculating cost indexed assessments. The SD-CPI-U is prepared by the U.S. Bureau of Labor Statistics (<http://www.bls.gov/>), which tracks various local and regional consumer indices.

The calculation is based on an annual comparison of the latest SD-CPI-U figures available before preparing the proposed budget and annual updates to the Assessment Engineer’s Report. Second half values are the most representative of the fiscal year cycle (July 1st to June 30th), as opposed to the calendar year cycle. The figures representing the fiscal year cost indexing amounts since Fiscal Year 1998 are shaded in the following table:

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MAD Consumer Price Index Factors, FY 1997 - FY 2006

Fiscal Year	Calendar Year	Jan-Jul 1st half	Percent Increase	Jul-Dec 2nd half	Percent Increase	Annual	Percent Increase
1997	1995	156.30	--	157.30	--	156.80	--
1998	1996	159.80	2.24%	161.90	2.92%	160.85	2.58%
1999	1997	163.70	2.44%	163.70	1.11%	163.70	1.77%
2000	1998	166.00	1.41%	167.80	2.50%	166.90	1.95%
2001	1999	171.70	3.43%	173.90	3.64%	172.80	3.54%
2002	2000	179.80	4.72%	185.80	6.84%	182.80	5.79%
2003	2001	190.10	5.73%	192.40	3.55%	191.25	4.62%
2004	2002	195.70	2.95%	200.00	3.95%	197.85	3.45%
2005	2003	203.80	4.14%	206.70	3.35%	205.25	3.74%
2006	2004	211.40	3.73%	214.30	3.68%	212.85	3.70%

What Does the City Contribute to a MAD?

Under the guidelines of California Constitution Article XIID (Proposition 218), the City is obligated to contribute funds for services that would have otherwise been rendered if the district were not in place. In accordance with this standard, the City contributes a general benefit for certain kinds of maintenance activities:

Type of Maintenance Activity	Maintenance Funding Source
Median Maintenance	Gas Tax
Open Space Maintenance	Environmental Growth Fund
Population-Based Park Acreage	General Fund
Library Grounds	General Fund
Fire Station Grounds	General Fund
Street Light Maintenance and Energy	Street Division Operating Fund (in-kind contribution)
Street Sweeping	Street Division Operating Fund (in-kind contribution)

Median Maintenance

The Park and Recreation Department maintains 87 street medians as part of the Gas Tax Median Program. These medians are scattered throughout the City, and are generally not located within a

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Maintenance Assessment District. The program provides for the landscape maintenance of median improvements along City streets within the public rights-of-way, in order to keep the streets and facilities in a safe and operable condition. The required maintenance includes cleaning, sweeping, repairs to curbs and gutters, litter and weed removal, tree maintenance, irrigation installations and repairs, planting, mowing, and edging of curbs and sidewalks. This activity is funded by Gas Tax.

Each Maintenance Assessment District that maintains medians is entitled to a contribution of Gas Tax funds based on the actual expenditures of the Gas Tax Median Program. The Gas Tax contributions to MADs for Fiscal Year 2004, Fiscal Year 2005, and Fiscal Year 2006 are presented in the following table:

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Hardscap – cost per square foot	\$0.0130	\$0.0134	\$0.1106
Landscape – cost per square foot	\$0.1800	\$0.1860	\$0.2778

The contribution for Fiscal Year 2004 is based on the previous year’s unaudited actual expenditures. The contribution for Fiscal Year 2005 is based the Fiscal Year 2004 contribution as increased by the San Diego Consumer Price Index (SD-CPI-U) of 3.35%. The contribution for Fiscal Year 2006 is based on the average, unaudited actual expenditures over the previous three years.

For Fiscal Year 2006, the following chart provides the unaudited actual expenditures per year for hardscaped and landscaped medians maintained by the Gas Tax Median Program. The unaudited actual expenditures are indexed by the San Diego Consumer Price Index – Urban (SD-CPI-U) to ensure inflationary pressures are incorporated into the calculation. A factor of average cost per square foot is determined by taking the indexed actual expenditure total and dividing it by the number of square feet maintained. The three years are averaged, arriving at a cost per square foot.

Hardscaped Medians

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
Total Expenditures	\$102,620.80	\$118,742.67	\$147,945.08
Total Expenditures Inflated by Consumer Price Index (SD-CPI)	\$114,161.72	\$127,568.01	\$152,901.24
Number of Square Feet	1,068,715.00	1,079,800.00	1,432,204.00
Average Cost per Square Foot	\$0.1068	\$0.1181	\$0.1068

Three-Year Average Cost per Square Foot	\$0.1106
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Landscaped Medians

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
Total Expenditures	\$463,799.49	\$529,755.79	\$582,759.52
Total Expenditures Inflated by Consumer Price Index (SD-CPI)	\$515,959.18	\$569,128.96	\$602,281.97
Number of Square Feet	1,905,594.00	1,918,039.00	2,266,175.00
Average Cost per Square Foot	\$0.2708	\$0.2967	\$0.2658

Three-Year Average Cost per Square Foot	\$0.2778
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Open Space Maintenance

Those MADs that maintain open space are entitled to a contribution from the Environmental Growth Fund. For Fiscal Year 2004 and Fiscal Year 2005, this allocation was based upon the previous year's actual expenditures for open space and brush management within the Park and Recreation Department Open Space Division.

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Open Space Maintenance (cost per acre)	\$26.63	\$26.63	\$30.16

For Fiscal Year 2006, the Environmental Growth Fund allocation was calculated based on a five-year average of unaudited actual expenditures for Open Space maintenance, weighted by the San Diego Consumer Price Index – Urban (SD-CPI-U):

	Total Expenditures	Number of Acres	Cost Per Acre	SD-CPI-U Adjustment	Adjusted Cost per Acre
FY 2000	\$327,446.00	20,724.39	\$15.80	23.18%	\$19.46
FY 2001	\$558,847.00	21,622.59	\$25.85	18.86%	\$30.72
FY 2002	\$574,197.07	19,535.37	\$29.39	11.25%	\$32.70
FY 2003	\$531,431.72	19,744.38	\$26.92	7.43%	\$28.92
FY 2004	\$765,883.32	20,258.17	\$37.81	3.35%	\$39.07
				Average:	\$30.16

The \$30.16 average cost per acre is utilized in determining the amount of the Environmental Growth Fund transfer to each district that maintains open space.

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Population-Based Parks Maintenance

Maintenance Assessments Districts are typically used to provide funding for higher levels of maintenance services in public rights-of-way and on public property. In some cases, MADs provide for landscape and hardscape maintenance of City parks, including irrigation, fertilization, weeding, pruning, pest control, dead tree removal, plant replacement, litter removal, turf mowing/edging/fertilizing, sweeping, removal of graffiti, and other park area maintenance.

If the park is determined to be a population-based park in accordance with the City's *Progress Guide and General Plan*, the MAD must be reimbursed by the General Fund for the cost of maintenance. These parks may have additional funds allocated to them from MAD assessments for enhanced maintenance if authorized by the Assessment Engineer's Report pursuant to the separation of general and special benefits identified within the report.

Calculation of Actual Expenditures for Cost per Park Acre

The General Fund reimbursement amount is based on the previous year's actual expenditures for park maintenance throughout the City, excluding overhead, utilities, and capital improvements. It is calculated every September upon release of the prior year accounting reports. This actual expenditure is divided by the total number of park acres managed by the Park and Recreation Department, thus creating a cost per acre figure that may be used to determine reimbursements. These figures provide the foundation for the determination of the actual General Fund reimbursement.

Procedure to Identify Actual Park Expenditures

At the end of each fiscal year, the Park and Recreation Department reviews actual expenditures in each of its activities to determine the appropriate level of reimbursement required to MADs for their oversight of any General Fund parks. To do this, City staff identifies all costs associated with park maintenance, including adjustments to acreage and inventory, to determine the average maintenance cost per acre for General Fund maintained parks.

Certain items are generally excluded from the calculations, including indirect or support costs; maintenance of the regional downtown and open space parks; water, sewer, gas, electric, data processing and phones; and encumbrances for prior year contracts. These charges are omitted from the reimbursement calculation because of the nature of costs incurred by the Maintenance Assessment District. The General Fund reimbursement covers the cost of the landscape contractor and Grounds Maintenance Manager to maintain parks. Since the other costs are directly billed to the City, they are not included in the calculation.

City staff documents any exceptions in the calculation of the cost per acre of parks. For activities that include both direct turf maintenance costs and other functions, each division in the Park and Recreation Department develops and documents the criteria for extracting the appropriate

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expenses. For example, building maintenance costs must be extracted from the landscape maintenance activities if those building costs include sites other than outdoor restrooms.

Current Park Budgeting Policy

The general policy for budgeting the park reimbursement has been to use actual expenditures for five years in arrears for park maintenance. The park reimbursement budget for Fiscal Year 2006, for example, was based upon the unaudited actual expenditures per acre for Fiscal Years 2000 through 2004. A Consumer Price Index or a set percentage was applied to the unaudited actual expenditures to account for inflation and other variables.

The budgeted reimbursement per park acre for Fiscal Year 2005 and Fiscal Year 2006 is reflected in the following table:

Fiscal Year 2005	\$4,356
Fiscal Year 2006	\$4,832

For Fiscal Year 2006, the General Fund contribution is based on the average, unaudited actual expenditure for a single park acre for the previous five years, as weighted by the San Diego Urban Consumer Price Index (SD-CPI-U) per the following table:

	<u>Actual Cost Per Acre</u>	<u>CPI to FY 2005</u>	<u>Adjusted Cost per Acre</u>
FY 2000	\$3,840.61	23.18%	\$4,730.96
FY 2001	\$4,140.29	18.86%	\$4,921.21
FY 2002	\$4,086.79	11.25%	\$4,546.50
FY 2003	\$4,455.73	7.43%	\$4,786.89
FY 2004	\$5,006.71	3.35%	\$5,174.44
		Average:	\$4,832.00

In the annual budget document, the Park and Recreation Department performance measures indicate the budgeted cost per acre for each budgeted year based on the Park and Recreation Department's calculations of each park area. These figures take the *budgeted* cost to maintain an acre and divide that figure by the total number of acres. Since these numbers are not based on actual expenditure data, they are currently not used for the purpose of calculating the cost to maintain parks.

Retroactive Reimbursements

The City provides for reimbursements of up to three years in arrears for park acreage that has been maintained by a Maintenance Assessment District when errors in previous calculations are discovered. Various reimbursements that have already occurred are detailed in the prior year

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budget documents. Retroactive reimbursements for Fiscal Year 2006 are detailed in the summary charts in the Appendix.

Library Grounds Maintenance

For those MADs that maintain library grounds, the General Fund contributes an amount based on the previous year's actual expenditures for the Library Department's grounds maintenance activities, excluding overhead, utilities, and capital improvements. At the end of each fiscal year, the Library Department in conjunction with Park and Recreation reviews actual expenditures in its grounds maintenance activities to determine the appropriate level of reimbursement required to MADs for their oversight of any library facility grounds maintenance. The average cost per acre to maintain library grounds is \$4,332 for Fiscal Year 2006. Four districts – Mira Mesa, Peñasquitos East, Scripps Ranch, and Tierrasanta – maintain library grounds.

Fire Station Grounds Maintenance

For those MADs that maintain the grounds of a fire station, the General Fund contributes an amount based on the previous year's unaudited actual contractual expenditures. For Fiscal Year 2006, the average cost per acre is \$6,726, based on the cost of the contractual services provided at Fire Station #24 in Carmel Valley. Only the Carmel Valley Maintenance Assessment District maintains the grounds of a fire station.

Street Lighting

In accordance with the City's Street Design Manual, the Street Division Operating Fund provides the general benefit for safety street lights at intersections and spaced at 300-foot intervals on residential, collector, and major streets. The Street Division Operating Fund also provides for street lights spaced at 150-foot intervals for those streets located within 1,320 feet (one-quarter mile) of a transit stop or within high-crime Census tracts. The Street Division Operating Fund provides in-kind services to the lighting districts for both special and general benefit street lights. The lighting district budgets reflect the costs and in-kind revenue contribution of the general benefit street lights.

The standard City street lighting fixture is full cutoff, Type III fixtures (commonly referred to as "cobra overhead" lights). Any other type of lighting fixture or pole is a special benefit. Page 94 of the City's Street Design Manual states, "Supplemental street lighting, for: a) ornamental, b) continuous street lighting, or c) pedestrian-scale lighting purposes, shall be installed in street lighting assessment districts."

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Street Sweeping

The Street Division provides monthly street sweeping services Citywide. Any additional frequencies of street sweeping services (including any median street sweeping) are considered a special benefit. Since the Street Division Operating Fund provides in-kind services to the district, the budget does not reflect the costs of the general benefit street sweeping.

What is the Reserve Strategy for the MADs?

It is a goal of all MADs to have a prudent operating reserve between a minimum of 10 percent of the operating budget and a maximum of six months of operating expenses. If the reserve is less than 10 percent, immediate actions are taken to build it to 10 percent. If the ending balance is over 40 percent of the operating budget, an explanation is provided in the budget summary page for affected districts. Generally excess reserves are allocated for capital improvement projects, planned maintenance obligations, repair projects, and other similar expenditures.

What Is the Park and Recreation Department Assessment District Management Fund?

Park and Recreation Department Maintenance Assessment District Management (Management) manages 43 of the City's MADs to ensure compliance with all legal, regulatory, landscaping, and budgetary requirements.

Management responsibilities include calculating and enrolling assessments with the County Assessor's Office; invoicing non-taxable entities, collecting delinquent assessments, providing direct management support; overseeing contracts, inspections, and district budgeting; analyzing and updating budgets; processing reimbursements; processing payments for landscape and specialty contractors; issuing manual billings; providing information technology and communication support; and providing professional support from the City Attorney's Office, City Auditor and Comptroller's Office, and City Purchasing Agent.

In addition, Park and Recreation Assessment District Management staff assists communities and developers in the formation of new MADs; meets regularly with property owners to explain how assessments are calculated and expended; and responds to hundreds of citizen inquiries each month.

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Management Fund Position Schedule

<u>Class No.</u>	<u>Class Title</u>	<u>FY 2005</u>	<u>FY 2006</u>
1107	Administrative Aide II	1.00	1.00
2250	Assistant Deputy Director	1.00	1.00
1218	Associate Management Analyst	2.00	2.00
1535	Clerical Assistant II	1.00	1.00
2214	Deputy Director	0.50	0.50
1418	District Manager	2.00	1.00
1648	Payroll Specialist II	0.50	0.50
1725	Principal Drafting Aide	0.25	0.25
1917	Supervising Management Analyst	1.00	1.00
	TOTAL	9.25	8.25

In Fiscal Year 2006, one of the Management Fund positions (1.00 District Manager) was reduced from the budget. While this was part of a citywide reduction in management-level staff, the change also allows for a lower overall cost to the Park and Recreation Department Assessment District Management Fund.

To ensure that all districts are paying a fair share of the Management Fund, the most appropriate allocation method was determined to be based on three years of actual expenditures for existing districts (Fiscal Year 2002 through Fiscal Year 2004) and based on the annual budget for districts that have brought or are bringing a significant number of new improvements on-line during Fiscal Year 2005 or Fiscal Year 2006.

This approach applies an equal percentage—in this case an amount averaging around 8.75% of of each district’s annual operating budget less the cost of management and appropriated fund balance—to each district’s landscape maintenance contract plus personnel, utilities, and incidental costs on the basis of total appropriation to pay for the Management Fund costs.

What Is a Grounds Maintenance Manager?

In addition to support functions provided by the Maintenance Assessment District Management Fund, 38 of the 43 Park and Recreation Department-managed districts (excluding Bird Rock, Del Mar Terrace, Liberty Station/Naval Training Center, and Street Lighting District #1) are administered by a Grounds Maintenance Manager. This position, or portion of a position, is not funded by the Management Fund, but rather by each individual district. The Grounds Maintenance Manager oversees, coordinates, and supervises the work of the crews of landscape contractors that maintain rights-of-way, medians, slopes, parks, and other areas as identified by the Assessment Engineer’s Report. The Grounds Maintenance Manager inspects the work of the landscape contractor to ensure that all areas are maintained at an appropriate level. To ensure no cost overruns, the Grounds Maintenance Manager verifies that only necessary work is completed. In self-managed districts, the function of the Grounds Maintenance Manager is replaced by a non-profit organization.

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As the primary point of contact between the City and the community, the Grounds Maintenance Manager liaises with community representatives, who are most commonly part of a Maintenance Assessment District citizen advisory committee. These committees are often a subcommittee of the Community Planning Group or the Town Council depending upon the relative boundaries of the District and the Community Planning Area and/or Town Council jurisdiction. The committee members direct any concerns, issues, and/or complaints to the Grounds Maintenance Manager. To resolve these kinds of issues, the Grounds Maintenance Manager interacts with a variety of City departments.

The Grounds Maintenance Manager also provides budgetary oversight to ensure that sufficient funds are available to cover all areas of work to be performed in the upcoming years. This includes the development of cost estimates for maintenance of areas, management of the contract (including bidding for new contracts), and preparing the upcoming fiscal year budget in consultation with the Supervising Management Analyst.

Historically, the amount of Grounds Maintenance Manager support allocated to a specific district has been based upon the amount of the landscape maintenance contract. That proportion sets a base line for the amount of contract oversight that is generally required. However, many Maintenance Assessment District citizen advisory committees have opted for either more or less Grounds Maintenance Manager support for several reasons, including relative level of community involvement, complexity of the contract and/or landscape areas, capital improvement projects, and any number of issues that need to be resolved within that district.

Each year, the Park and Recreation Department-managed Maintenance Assessment Districts with citizen advisory committees review the annual budget, which includes the cost of the District-specific expenses such as the Grounds Maintenance Manager to provide advisory and contract inspection services, as well as the costs of the Management Fund.

What Changes Have Been Made to the Districts?

For Fiscal Year 2006, several MADs have been renamed to ensure district funds are kept distinct. These districts were created previously under one larger district, but they are split for the Annual Fiscal Year 2006 Budget:

Old District Name:	Bay Terraces	Mid-City	Northwest Otay Mesa
New District Names:	Bay Terraces – Honey Drive Bay Terraces - Parkside	City Heights (C&ED) El Cajon Boulevard Hillcrest University Heights	Ocean View Hills Remington Hills Robinhood Ridge

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Bay Terraces

The Bay Terraces Maintenance Assessment District was established on December 14, 1982 for the maintenance of one open space lot and a greenbelt. For Fiscal Year 2006, the district is split since the two maintenance areas do not overlap and are assessed separately:

Bay Terraces – Honey Drive – Fund 70272 – This district provides for maintenance of a two-acre open space lot located south of Paradise Road, east of Woodman Drive and north of Alsacia Street

Bay Terraces - Parkside – Fund 70271 – This district provides for maintenance of a 2.01-acre greenbelt located north of Parkside Avenue and south of Manos Drive. Through a transfer from the General Fund, the District also maintains a small portion of Parkside Park.

Mid-City

The Mid-City Maintenance Assessment District (District) was established in July 1987 to provide maintenance and installation of street trees, landscaped medians, benches, and enhanced streetlights in four areas. For Fiscal Year 2006, the district is split because the four maintenance areas do not overlap and are assessed separately:

City Heights – Fund 70268 (former Sub-districts 1 & 2) – This district includes the University Avenue corridor from Interstate 805 to 50th Street, as well as short segments of 37th Street, Central Avenue, 43rd Street, and Fairmount Avenue. This district is administered by the non-profit City Heights Business Association per prior ballot and Council Resolution, and the budget is displayed in the Community and Economic Development Department Maintenance Assessment Districts section.

University Heights – Fund 70273 (former Sub-district 4) – This district includes Adams Avenue from Mission Cliff Drive to Florida Street and Park Boulevard from Adams Avenue to Mission Avenue.

Hillcrest – Fund 70274 (former Sub-district 12) – This district includes University Avenue from 10th Avenue to Herbert Street.

El Cajon Boulevard – Fund 70275 (former Sub-district 13) – This district includes the El Cajon Boulevard corridor from Interstate 805 east to 54th Street.

Northwest Otay Mesa

The Northwest Otay Mesa Maintenance Assessment District was established in 1999 to maintain landscaped medians, hardscaped medians, landscaped slopes, rights of way, native and revegetated open space, gutters, and 12.4 acres of landscaped slopes. For Fiscal Year 2006, the Northwest Otay Mesa District is split because the three maintenance areas do not overlap and are assessed separately:

Maintenance Assessment Districts

Overview

Ocean View Hills – Fund 70276 – This district is located north of State Route 905, east of Interstate 805, and west of Avenida de Las Vistas, including Ocean View Hills and Dennery Ranch.

Remington Hills – Fund 70278 – This district is located in the area south of State Route 905, east of Interstate 805, and west of Old Otay Mesa Road.

Robinhood Ridge (Vista Pacifica) – Fund 70277 – This district is located in the neighborhood along Avenida de las Vistas.