

Maintenance Assessment Districts

How to Read the Budget

This section of the budget document provides an overview of how to read the Maintenance Assessment District (MAD) budget.

Header

The header information provides basic information about the MAD, including:

- City Council District
- MAD Name
- Fund Number

Budget Summary Chart

The budget summary chart provides a brief overview of the expenditures of the District, including Fiscal Year 2004 budgeted expenditures, Fiscal Year 2005 budgeted expenditures, and Fiscal Year 2006 budgeted expenditures.

		FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 ANNUAL
Positions	(1)			
Personnel Expense	(2)			
Non-Personnel Expense	(3)			
TOTAL				

“Positions” and “Personnel Expense” (1) (2)

If the City manages the District’s contracts for goods and services, there will be a Grounds Maintenance Manager (GMM) position and personnel expense in the budget. The GMM prepares contract specifications based on the scope of services adopted by the property owners; inspects contractors’ work for compliance with contract; reviews invoices and authorizes payment or deductions; meets with property owner advisory groups; and responds to property owner questions and issues. If the property owners voted to have a non-profit organization manage their MAD contracts for goods and services, there will be a zero on these lines, and the MAD will instead pay for these services as a non-personnel expense, through a contract with the non-profit organization.

“Non-Personnel Expense” (3)

This includes Contractual, Incidental and Utilities expenses, as shown in the budget format on the next page.

Maintenance Assessment Districts

How to Read the Budget

Description

The text section beneath the budget summary provides a brief overview of the District’s scope of services and the date on which the budget was approved by the oversight group, if one exists. The overview information is based on the Assessment Engineer’s Report that established the District. Assessment Engineer’s Reports for Park and Recreation Department-managed MADs are available on the City’s Web Page at <http://www.sandiego.gov/park-and-recreation/general-info/mad.shtml>.

Where property owners have formed an advisory group, the Fiscal Year 2006 Proposed Budget is presented to them for review and approval. Approval is with the understanding that the Assessment Rate Per Unit will not change between the Proposed and Final Annual Budgets; however, other elements of the budget may change, including: Beginning Balance (as a result of carryover from Fiscal Year 2005 being projected closer to the end of the year), number of assessed units (from the Assessment Engineer’s review of the County’s most recent equalized tax rolls), Personnel Expense (after City Council adoption of the Annual Fiscal Year 2006 salary and fringe benefit rates), and City Contributions (after update and verification of amounts for Fiscal Year 2006).

Revenue and Expense Statement

The Revenue and Expense Statement provides a detailed break down of the District’s revenues, expenditures, and fund balance. The Fiscal Year 2004 and Fiscal Year 2005 amounts are based on the adopted budget.

(NAME OF DISTRICT)	FY 2004 Budget	FY 2005 Budget	FY 2006 Annual
Beginning Balance			
Revenue:			
Assessments (1)			
Interest (2)			
City Contribution (3)			
Total Revenue:			
Expense			
Personnel (4)			
Contractual (5)			
Incidental (6)			
Utilities (7)			
Capital Improvements (8)			
Total Expense			
Contingency Reserve			

“Assessments” (1)

In most Districts, the Fiscal Year 2006 budgeted revenue for assessments is based on a single Assessment Rate per Unit multiplied by the number of units to the thousandth decimal place.

Maintenance Assessment Districts

How to Read the Budget

Note: The budgeted assessment amount usually changes between Proposed and Final Annual Budgets, due to a change in the number of assessed units after the County Assessor equalizes the property tax rolls.

“Interest” (2)

The Fiscal Year 2004 budgeted amount is estimated using previous year’s experience.

“City Contribution” (3)

The City contributes the “general benefit” to MADs; that is, the amount the City spends for these maintenance services in similar areas throughout the City. Categories of City contribution for maintenance services provided by the MADs are listed below. For Fiscal Year 2006, both the contribution amounts per unit and the number of units (square feet or acres) are updated. Where the number of units used during the previous three fiscal years were found to be in error, corrective adjustments were made to the Fiscal Year 2006 City Contribution. For details on how these amounts are determined, refer to the Maintenance Assessment Districts Overview section.

- (a) **Landscaped medians:** The Gas Tax contribution is 27.78 cents per square foot in Fiscal Year 2006.
- (b) **Hardscaped medians:** The Gas Tax contribution is 11.06 cents per square foot in Fiscal Year 2006.
- (c) **Open space:** The Environmental Growth Fund contribution is \$30.16 per acre in Fiscal Year 2006.
- (d) **Parks within General Plan Standard:** The General Fund/Park and Recreation Department contributes \$4,832 per usable acre in Fiscal Year 2006.
- (e) **Grounds of public libraries:** The General Fund/Library Department contributes \$4,332 per acre in Fiscal Year 2006.
- (f) **Grounds of fire stations:** The General Fund/Fire Department contributes \$6,726 per acre per fire station in Fiscal Year 2006.

“Personnel” (4)

The personnel line item is the cost of the Grounds Maintenance Manager (GMM), as discussed in the Budget Summary section above.

“Contractual” (5)

The contract includes amount spent on contract services, including landscape maintenance, tree trimming, repair, and upkeep of fixtures.

“Incidental” (6)

For MADs managed by the Park and Recreation Department, the Incidental Expense includes:

- (a) Supplies and services not related to the landscape contract, including but not limited to replacement plant material (not related to landscape contract), replacement lighting fixtures and bulbs, cleaning supplies, tools, locks, hardware, and other district items.

Maintenance Assessment Districts

How to Read the Budget

(b) Shared costs (on average approximately 8.75 percent of the net Operating Budget) to:

Update the Assessment Engineer's Report for each district to reflect latest land use and parcel ownership information

Enroll assessments on County Assessor's property tax rolls

Invoice non-taxable entities and parcels that have changed ownership

Research and collect late and delinquent payments through partnership with the City Treasurer's Office and County of San Diego

Provide legal, procurement, accounting, auditing, Geographic Information Systems, analytical, budgetary, and managerial support

Support field operations staff with necessary computer and telecommunications equipment

Pay invoices within several days of receipt

(c) Use of City vehicle by GMM assigned to the District.

(d) Overhead costs (set at 20 percent of salaries and wages) for office support by other Park and Recreation department staff, support provided by other City departments, and shared costs for office space.

(e) Printing, postage, as-needed City forces work, and miscellaneous supplies and services used by the District.

(f) Maintenance of street lights by the Street Division of the General Services Department.

If the property owners voted to have a non-profit organization manage its contracts for goods and services pursuant to San Diego Municipal Code Sections 65.0201 et seq., Incidental Expense (usually two percent of Assessment Revenue) will only include paying for the required Assessment Engineer's Report, annual cost to enroll assessments with the County and managerial, analytical, and clerical support. The MAD will pay for all other services through a contract with the non-profit organization.

“Utilities” (7)

Utilities includes amount spent on electricity, water usage, storm drain fees associated with water usage, and street light energy expense.

“Capital Improvements” (8)

Capital Improvements (CIP) includes installation projects that are authorized by the Assessment Engineer's Report for the appropriate district. Projects may include installation of street lights, new planted medians, and other permanent public improvements.