

## **Presentation, Draft Tierrasanta Maintenance Assessment District**

### **FY 2027 budget**

**The Tierrasanta Maintenance Assessment Advisory Group recommended the following:**

- **Maintain the Landscape Services contract at 2026 levels of \$922,876**
- **Reallocate the \$40,000 from medians and irrigation to right of way turf removal**
- **Maintain tax assessments at the 2026 levels**

**Additionally, it was recommended that the landscape contract be reevaluated, revamped to reflect current realities within the community, and put out to bid for the upcoming fiscal year.**

Following is a discussion and breakdown of income and expenditures. The attached budget reflects the recommendations of the Advisory Group.

#### Expenditures:

Landscaping services continues to be the largest draw on the MAD budget.

- Looking back, \$980,000 was allotted in 2025, along with an additional \$20,000 for median enhancements and \$5,000 for slope repairs. From this, \$630,052 was spent along with an additional \$25,100 for repairs to the Barbados Wall.
- For the current fiscal year of 2026, the initial amount requested was again \$980,000. However, the existing landscape contract was up for renewal. Following the posting of the RFP and award announcement, the new landscape services total was set at \$922,876 with an additional \$20,000 set aside for median enhancements.
- The Open Space Division requested a 5% increase for landscape services in the 2027 fiscal year. This would be \$969,020 with an additional \$40,000 for irrigation and median upgrades.

Funding for Tree services was raised from \$200,000 in 2026 to \$300,000 for 2027.

Trail Maintenance was set at \$50,000.

Water services “actuals” for 2025 were \$296,609. \$315,007 was requested for 2027.

Administration costs jumped from \$288,978 for 2025 to \$389,344 for 2027.

#### Revenue:

The MAD receives funding from several sources, most of which are subject to inflation factors. The 2027 draft budget did not reflect these potential increases, possibly because the City of San Diego has yet to complete its own estimates for the overall 2027 budget. The one exception was for the property tax revenue, which was penciled in as an estimated 2% increase. Refer to the following table for details.

<b>Income</b>	<b>2025 Actual</b>	<b>2026 Estimate</b>	<b>2027 Proposed</b>
Real and Secured Personal CY	773,321	988,754	996,205
Delinquent Secured Property Taxes	2,396		
Tax penalties	585		
Prop. Taxes, Interest	1,819		
Special Assessments, non-taxable entities	192,280		
Interest on MAD funds (Pool invest)	47,442	2,000	2,000
Gas Tax fund	111,683	117,364	117,364
Library Reimbursement	8,881	8,881	8,881
Environmental Growth Fund	50,483	56,489	56,489
Park Reimbursement	441,554	491,733	491,733
General Benefit Offset	7,751	10,223	10,223
<b>TOTAL</b>	<b>1,638,006</b>	<b>1,675,444</b>	<b>1,682,895</b>

Discussion

- The trail work allocation of \$50,000 has yet to be awarded to a particular contractor. The scope of work will need to be determined first, followed by an invitation for prospective contractors to express an interest in the job.
- Why have tree services jumped from \$200,000 to \$300,000? Eucalyptus trees are increasingly hazardous due to years of inadequate irrigation and disease. The MAD is making every effort to trim trees along trails, along fence lines, and along the streets. We also just approved \$50,000 for the removal of invasive species from a portion of Shepherd Canyon.
- The fiscal year runs from July 1 to June 30.
- There were some questions about zones listed in the draft budget. The bulk of revenue comes from zones 1 and 2. Zone 3 provides no revenue, and yet the MAD provides a few services to this area. It was suggested that we either re-ballot to get rid of zone 3, which includes Navy housing and the Village, or assess them because Navy Housing residents rely on the Tierrasanta Rec Center, the various parks, and library services
- Regarding EBU's or Equivalent Benefit Units--why does a condo pay less than a single-family home. We all get the same benefits. Please refer to page 6 of the annual assessment engineers report for a complete discussion of Equivalent Benefit Units or EBU's.

<https://www.sandiego.gov/sites/default/files/2024-05/mad25tierrasanta.pdf>

- Will the new ADU's add additional revenue? We don't have an answer currently.
- Questions were raised regarding the need for a 5% raise for Landscape Services. Landscape Services "actuals" range well below the budgeted amount. For instance, the actuals for 2025 were about \$630,000. The contract allows for a cost-of-living adjustment or a 5% increase, whichever is less. This isn't an automatic adjustment. The contractor must request this in writing through the Purchasing and Contracts Department. Approval, should it be granted, must also be given in writing. Open Space staff noted that a request has not been made for this increase.
- An additional \$40,000 was requested for irrigation repairs and median enhancements. This amount was questioned given that the landscape contract already has 4000 hours of additional "extraordinary labor" built into the contract that can be used expressly for irrigation repairs and median enhancements. At \$31 an hour, this would amount to about \$124,000. The chair, the advisory group, and the community council have all heard reports regarding the failure of the contractor to maintain, even at the most basic of levels, the irrigation system and the viability of tree and plant life in the medians. Add to this the fact that they aren't spending their current allotment as noted above. These funds could be allocated for other projects such as fuels reduction and trails maintenance.
- Electric services actuals were \$645 for 2025 vs. the budgeted amount of \$6,291. Is this a typo? Also, the amount budgeted for 2026 was \$6,351 vs. \$1,039 for 2027. Can we get a better idea of what we're spending to free up funds for other projects?
- Vehicle usage covers the cost of the City truck our Grounds Maintenance Manager uses while he is on the job here in Tierrasanta.
- Special district administration costs cover the GMM salary and benefits, along with portions of other Open Space administrative team salaries. The recent increases reflect changes in City salary schedules. Here is a link discussing these increases.  
[https://docs.sandiego.gov/council\\_reso\\_ordinance/rao2025/O-21956.pdf](https://docs.sandiego.gov/council_reso_ordinance/rao2025/O-21956.pdf)
- The MAD is allocated a small amount each year to maintain the library gardens. There continues to be dissatisfaction with both the quality and regularity of services provided.
- California's **Assembly Bill 1572 (AB 1572)** stipulates that City-owned properties in the state of California may no longer irrigate certain types of grassy areas as of January 1, 2027. Tierrasanta has upwards of 18 acres of these areas. City staff were unable to provide answers to our questions regarding timing, penalties, and implementation.

Respectfully submitted,

Jennifer Cochrane-Schultz, Chair

Tierrasanta MAD-AG