Willard Parks Budget Summary

This budget summary is intended to provide context and a high-level overview of current financial realities facing the Willard Parks Department. It is presented in direct response to the Board of Aldermen's request for increased program-specific financial transparency, and it is designed to offer a better understanding of revenue generation, tax support allocation, and operational challenges across the department.

Disclaimer

This is **not an official audit-level financial report**. Rather, it is a management tool, based on best available estimates, intended to guide decision-making and support strategic planning. While care was taken to ensure accuracy, some accounting discrepancies may exist, particularly related to the potential double-counting of supply or maintenance expenses that are shared across multiple programs or facilities.

Examples of these include:

- Orders that contain supplies or materials used across multiple events or program areas.
- Maintenance or operational costs for shared-use spaces that cannot easily be attributed to a single program.

To minimize overlap:

- Staff were asked to clearly code purchases to the most applicable line item.
- Whenever possible, shared expenses were allocated proportionally or listed in facility-based operational categories instead of duplicating under programs.

Despite these steps, some unavoidable estimation remains. These approximations allow us to paint a broad, practical picture of current financial conditions and forecast working-level trends for planning purposes. It is not intended to meet accounting-level precision.

Program Revenue and Tax Support Application

Each line-item of programming, when adjusted to include an allocation of tax support proportionate to the percentage of full-time staff work time dedicated to that program, reflects a net positive revenue contribution (see appendix). This model illustrates the efficiency and cost-effectiveness of our recreation programming and highlights a strong return on investment—particularly when labor is accurately factored in.

However, **three specific areas continue to operate at a deficit**, even after applying tax support allocations:

- Facility Operations
- Maintenance and Operations
- Aquatics Facilities

These areas are significantly impacted by the ongoing debt service obligations associated with the Recreation Center and Aquatic Center. While debt service explains part of the shortfall, it does not account for the full cost burden.

Facility Ownership and Aging Infrastructure

The cost of owning a facility inherently includes the cost of operating and maintaining it—especially as buildings age and needs increase. Unfortunately, our current budgeting structures do not adequately fund these essential functions.

The Parks Department currently budgets $17,000 annually for all building and facility maintenance. This funding supports:

- The Willard Recreation Center: a 17,000 sq. ft. facility operating over 4,500 hours per year and nearing 30 years old.
- A 5,000 sq. ft. Community Building
- A 1,800 sq. ft. Maintenance Building
- Two Concession Stands
- A 16-year-old Aquatic Center with outdoor restrooms
- Three Park Pavilions

Even if applied solely to the Recreation Center, this budget equates to less than $2 per square foot, which is well below the industry standard of 1–3% of a building's replacement cost annually for maintenance
(*Sources: National Recreation and Park Association (NRPA), International Facility Management Association (IFMA), U.S. GAO*).

The combined replacement value of these properties suggests a need for a significantly larger annual maintenance allocation. Nonetheless, all facilities are maintained to the best possible standard within the available funding.

Public Land and Infrastructure Stewardship

In addition to building maintenance, the Parks Department is responsible for managing:

- Over 80 acres of public parkland
- More than 2 miles of right-of-way through downtown Willard

These areas are vital to the health, safety, and enjoyment of the community, but they also stretch operations and maintenance budgets that are already thin.

Capital Improvement Funding Limitations

Willard does benefit from a dedicated capital improvement tax, but this revenue is largely consumed by debt service on existing facilities. As a result, the department has limited capacity for proactive capital investments, large-scale replacements, or future facility planning without new or supplemental funding sources.

Impact of Staffing Costs and Inflation

Increased staffing costs—driven by **Missouri's rising minimum wage** and efforts to address **wage compression**—have significantly impacted the Parks Department's operating budget. Minimum wage has nearly doubled from **$7.50/hour in 2014 to $13.75/hour in 2024**, with a scheduled increase to **$15/hour by 2026**.

Despite these pressures, Willard Parks remains committed to providing affordable programs for the community. Maintaining price points comparable to surrounding communities is essential to ensuring Willard Parks remains the preferred choice for families in the area.

Program Growth and Revenue Increases

Despite tight budgets, Willard Parks is offering more programs than ever before. Participation is growing, and revenues have increased across every category of program-based income. These results speak to the dedication of our staff, the quality of offerings, and the continued support and trust from the Willard community.

Sales Tax and Inflation Concerns

Although commercial growth continues in Willard, sales tax revenues have not kept pace with rising costs. Since 2012, inflation has risen approximately 28%, yet sales tax collections have barely tracked alongside. This disconnect between economic expansion and practical purchasing power creates a structural funding challenge. While new businesses are essential and welcome, their impact on the operating budget remains limited when compared to the growing costs of staffing, supplies, and facility maintenance.

This summary accompanies several pages of detailed Excel reports outlining program revenue, expenses, and support allocations. It is intended to **support informed decision-making** and highlight the key areas where **strategic attention and long-term planning** are most urgently needed.

Appendix

How are salary to program estimates achieved?

Staff were asked to estimate what percentage of their time annually was spent working either directly or indirectly in support of each revenue line. This salary allocation method aims to ensure that costs are proportionally assigned based on how staff time is spent across various responsibilities, including revenue-generating programs, maintenance, administrative work, and obligations like Tree City.

Step 1: Estimating Time Allocation

Each staff position was assessed based on an estimated percentage of time spent in different categories:

Direct support of revenue-generating programs (e.g., specific sports leagues, events, childcare)

Indirect support (e.g., program administration, marketing, customer service)

Non-revenue areas like Tree City obligations, general maintenance, and upper-level administrative work

Step 2: Assigning Salary Costs

Once the percentage of time was determined, the salaries for each position were divided accordingly. These were then added together across all positions to establish a "Total Programmer Salary" estimate for each category.

Step 3: Allocating Tax Revenue

Since tax revenue is used to supplement operating costs, it was divided based on the total percentage of staff time dedicated to each area:

Revenue-generating programs received a share of tax revenue proportional to the staff time assigned to them.

Maintenance and administrative costs were allocated separately based on the remaining percentage of staff time.

Step 4: Breaking Down Costs for Multi-Program Categories

For line items that include multiple programs (e.g., sports leagues, events), the total cost assigned to that category was evenly distributed across all associated programs based on facility use hours. This ensures that the financial burden of staffing is proportionally spread across all revenue-generating activities.

The final estimated totals provide a clear picture of how much salary expense is attributed to each area, allowing for better financial tracking and decision-making.

Table included in Excel document.