

Chapter 6: Funding Mechanisms

The City of Madison continues to grow in terms of population and geographic region, as it does, the Parks Division must be prepared to respond to the growing demands of the park system. Maintaining the existing system and building new spaces and facilities requires significant resources to meet the park access and outdoor recreation needs of the community. The City must actively pursue sufficient resources, both financial and in-kind, to cover additional development and operational resource needs necessary to design, construct, maintain, operate these spaces and ensure park access standards are maintained.

Overall, there are five primary factors impacting development and operational funding resources:

- Long-standing, reliable funding sources are not increasing at corresponding levels of resource demand.
- The city is experiencing rapid population growth and increased housing density, which requires the development of new parks to maintain service standards.
- Increased daily use is resulting in longer seasons that require more resources.
- Historic facilities and aging infrastructure require increased maintenance and more resources.
- Facilities and programming have been added responsive to the needs of the community.

This chapter examines development and operational resources, along with alternative funding sources and considerations related to system growth. The analysis explains how the needs and corresponding resources of the system are struggling to align with the trends in population growth. In order to sustain and grow services across the system and create a system that is more resilient to external factors, staff and policy-makers must pursue alternative funding sources. Figure 6.X provides an overview of the chapter.

{{{POTENTIAL STUDY GUIDE OR VISUAL AID (FIGURE 6.X)}}

Chapter 6.1: Park Development Resources

Park development resources are continuously needed to build new parks, improve and maintain facilities, and update infrastructure within the system. The Capital Budget, is the primary funding mechanism that supports these projects. Each year, the Parks Division develops and updates its Capital Budget and corresponding five-year Capital Improvement Program (CIP). The CIP and budget are based on a review of existing and emerging infrastructure needs, planned development, and resident and alder input. Depending on funding availability and priorities, projects are identified each year to move forward for review and approval as part of the City's Capital Budget process. This annual adjustment reflects changes in available funding and shifting needs, as well as infrastructure improvements identified as part of adopted master plans. Detailed information regarding the Parks Division's Capital budget is available at: <https://www.cityofmadison.com/finance/budget> This section discusses the Capital Budget funding sources, trends between 2018 and 2024 and outlook for 2025-2030.

The Parks Capital Budget is funded by multiple sources including general obligation bonds, impact fees, and other revenues such as county and federal funding sources, tax incremental financing (TIF) funds, special assessments, revenues from leases, and

donations/contributions. The funding make-up varies from year-to-year depending on the types of projects within the budget and CIP, however general obligation bonds and impact fees are consistently the largest funding sources. Each of these funding types are described in further detail within this section.

GENERAL OBLIGATION BONDS

A major source of funding for capital improvement projects is general obligation (GO) borrowing, which is debt borrowed by the City through 10-year bonds and paid back using property tax levy shown as debt service as part of the overall Operating Budget. GO borrowing funded from 39% of the budget in 2020 to 70% of the budget in 2021. In 2024, approximately 64% of the adopted Capital Budget is funded through GO bonds, which is in line with previous years.

Figure 7.1 contains the adopted Parks Capital Budgets for 2018 through 2024. Over this time period, two years were budgeted for higher resource inputs for unique circumstances. In 2018, \$9 million was budgeted for potential land acquisitions. The 2023 budget included funding for expansions of Elver Park and Warner Park Community Recreation Center and new shelter construction projects at Door Creek and Country Grove parks. Meanwhile, between 2022 and 2024, approximately 45% of the Parks Division’s Capital Budget was used to address deferred maintenance needs and replacement of existing infrastructure in the park system.

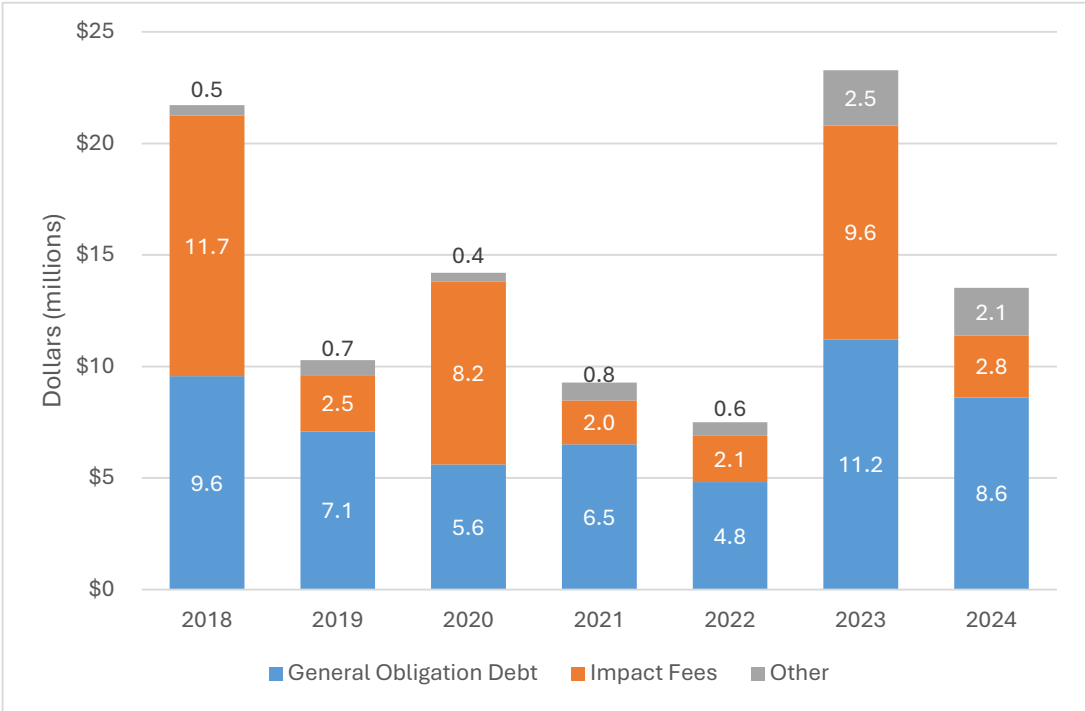
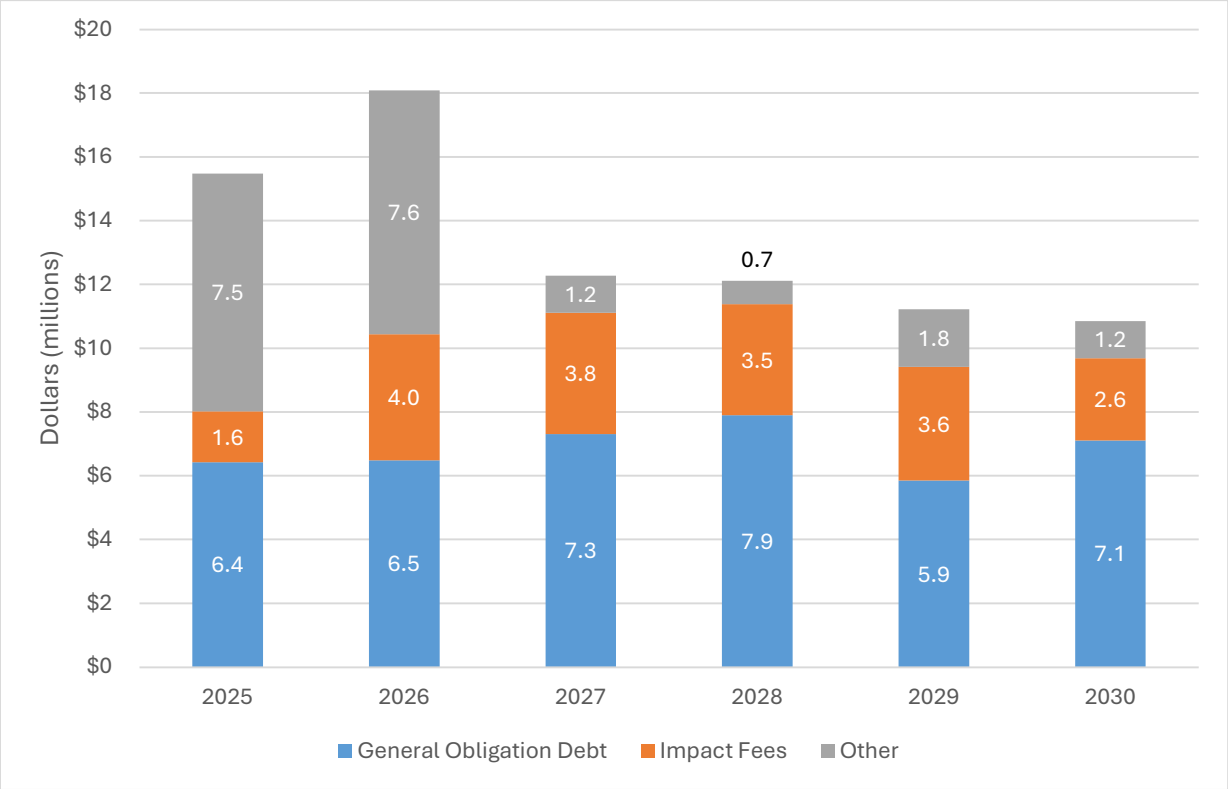


Figure 7.1: 2018-2024 Adopted Capital Budget Resources

The Capital Improvement Program (CIP) shown in Figure 7.2 is a plan of future expenditures for Parks capital needs. The CIP is subject to annual appropriation as part of the City’s Capital Budget process. The 2026 CIP includes large anticipated projects, including replacing the Brittingham beach house and implementing the Madison LakeWay Improvements project, as well as Golf improvements that are funded by the Golf Program. According to the 2026-2030 CIP, the Parks Division anticipates spending approximately 59% of capital resources on deferred maintenance and replacing existing facilities. In an effort to manage debt service and the overall Operating Budget within defined property tax levy limits, the Parks Division’s Capital Budget GO borrowing during the 2025-2030 period is expected to be an average of \$6.8 million per year compared to \$7.6 million during the 2018-2024 period.

Figure 7.2: 2025 Adopted Capital Budget and 2026-2030 Capital Improvement Program



PARK IMPACT FEE OVERVIEW

As shown in the budget figures above, impact fees have and will continue to account for the second-largest funding source in the Parks Division's Capital Budget. The Parks Division administers the Park Impact Fees throughout the city as part of the development approval process. Wisconsin State Statute Section 66.0617 authorizes local governments to enact ordinances requiring developers to provide land (or fees in lieu of) and impact fees for the development of public parks. The City of Madison codified these developer obligations in Chapter 16: General Planning and Chapter 20: Impact Fee Ordinance. Park Impact Fees, as currently administered, is based on a 2016 Needs Assessment and includes parkland dedication or impact fee in lieu of dedication requirements and infrastructure impact fees for new residential units built within the city. Impact fee funding identified in the Capital Budget varies and is contingent upon fees received and anticipated projects. Impact fee funds accounted for 39 percent of the Capital Budget during the 2018-2024 timeframe.

The Impact Fee funding is tied directly to the housing market within Madison. All park impact fees and parkland dedication are calculated based on the number of housing units added to ensure sufficient park resources are available to serve the residents. The City's Community Development Division estimates that the city has added approximately 22,000 homes or housing units in the last decade. According to the City of Madison's Housing Tracker, Madison has set a target of creating 15,000 new homes by 2030 to address the city's challenges related to housing costs and supply.

2016 Needs Assessment

A Public Facility Needs Assessment completed in 2016 is the basis for the current parkland dedication requirements, park impact fee in lieu of dedication and park infrastructure impact fees. Recommendations from the Needs Assessment were enacted on November 1, 2016 through Legislative File 43500, amending the relevant sections of the Madison General Ordinances. Implementation of this Impact Fees Program began on January 1, 2017 and was implemented over a three-year period (80% in 2017, 90% in 2018, and 100% in 2019 and beyond), and includes annual adjustments for inflation. The 2017 impact fee ordinance added a category for large multifamily units (four bedrooms or more) and updated the requirement for age-restricted units and group living quarters reflective of housing development trends. The current impact fee ordinance also provides exemptions for low-cost housing and updated requirements for accessory dwelling units, which became permissible with enactment of the new Zoning Code in 2013. One of the most significant changes as a result of the needs assessment was the move from 11 to 5 infrastructure impact fee districts. The current infrastructure impact fee districts are North, East, Central, West, and City-wide. See Appendix X.X for Map of Impact Fee Districts.

An update to the Needs Assessment is anticipated by 2026. The level of service requirement for parkland dedication is amongst the items that are subject to change with an updated Needs Assessment. The Needs Assessment will be prepared using data gathered from around the nation and within Wisconsin, along with the information presented in this update (2025-2030) to the City's Park and Open Space Plan, and the City's existing park inventory.

Parkland Dedication

Parkland dedication is the requirement in the Madison General Ordinance that mandates developers of residential properties dedicate a specific amount of land area for public parks as part of the plan approval process. The parkland dedication requirements provided in the 2017 ordinance ensured that new residential development provided parkland at the level of service of 10+ acres per 1,000 residents. The Capital Budget does not account for parkland dedication but does typically include funding for development of facilities in new parks that were created through parkland dedication. Parkland dedication requirements by unit type are shown in Table 7.1.

Table 7.1: Parkland Dedication Analysis¹³

Unit Type	Current Dedication Required (sf)	Current Park Acres per 1,000 Residents
Single Family Dwelling Unit (Detached)	1,081	10.13
Duplex Unit	2,162	20.26
Multi Family Dwelling Unit (fewer than 4 bedrooms) and Accessory Dwelling Unit (ADU)	734	10.40
Multi Family Dwelling Unit (4 bedrooms or more)	1,424	9.85
Age Restricted Multifamily	573	10.12
Group Living Quarters	410	10.12

¹³ Based on analysis of 100 proposed units of each dwelling type as determined in 2016 Needs Assessment.

Figure X.X provides an example park impact fee calculation (using 2024 impact fee rates) for a multi-family infill development that would demolish and replace several existing types of residential buildings (single family = SF and multifamily=MF) with a new multifamily building. Credit is assessed for the existing structures that are demolished and replaced by the new residential building in this example. Park Impact Fees are assigned for the net increase in residential units that various developments propose. In this example, as is the case for most infill-type developments, the park land impact fee is due payable in full, as excess land associated with the development is not available for parkland dedication. New park land most commonly comes into the system as a result of larger plat developments that have acreage that can be dedicated to the public for park use if it is located in an area identified within plenary documents as needing additional park and open space.

Figure X.X Example Park Impact Fee Calculation_2024 Fee Rates

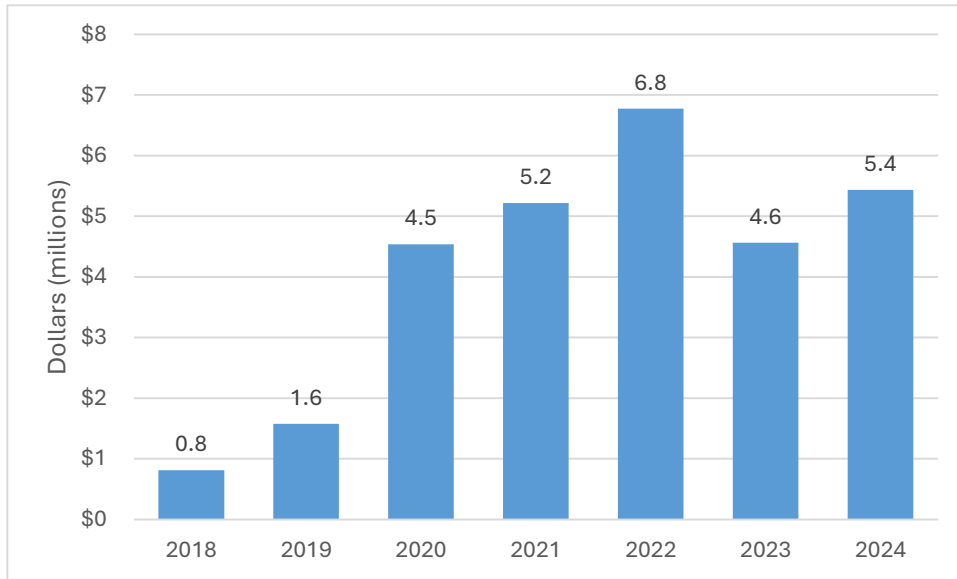
Development	Unit Type	# of Units	Rate Type	2024 Rate	Subtotal
New	MF	36	Land	\$ 3,420.44	\$ 123,135.84
Existing	MF	4	Land	\$ (3,420.44)	
Existing	SF	2	Land	\$ (5,037.46)	\$ (10,074.92)
Subtotal Fees in Land					\$ 99,379.16
New	MF	36	Infrastructure	\$ 1,376.15	\$ 49,541.40
Existing	MF	4	Infrastructure	\$ (1,376.15)	\$ (5,504.60)
Existing	SF	2	Infrastructure	\$ (2,026.88)	\$ (4,053.76)
					\$ -
Subtotal Infrastructure					\$ 39,983.04
TOTALS					
			Land Fee		\$ 99,379.16
			Infrastructure		\$ 39,983.04
			TOTAL		\$ 139,362.20

Impact Fees Used for Acquisition of Park Land

In situations where the City of Madison determines it is not feasible or desirable to acquire additional parkland through parkland dedication, developers are required to pay a monetary amount (the Park-Land Impact Fee) in lieu of land dedication. The Park-Land Impact Fee ensures that when a development does not dedicate parkland within its property, the developer provides funding to the City to independently purchase parkland. The fee in lieu of land dedication amount is determined using a formula based on the number of proposed dwelling units. This requirement assures that the City has funding to purchase parkland outside of the property tax levy to meet park demand introduced by new dwelling units, which is critical to maintaining the existing service level of 10+ acres per 1,000 residents. Park-Land Impact Fees cannot be used for anything other than the acquisition of park land.

Park-Land Impact Fees have been a reliable source of park acquisition funding between 2018 and 2024. Figure 7.3 outlines the annual Park-Land Impact Fees collected from 2018 through 2024

Figure 7.3: 2018-2024 Collected Park-Land Fees



Since 2018, parkland dedications and/or Park-Land Impact Fees have resulted in the following park acquisitions or park expansions:

Acquired Through Dedication	Purchased Using Park-Land Impact Fees	Acquired Using Combination
Acacia Ridge Park	Apple Ridge Park	Hartmeyer-Roth Park
Canter Park	Brittingham Park	Elver Park
Country Grove Park	Cherokee Marsh-North Unit	
Eagle Trace Park	Hill Creek Park	
Midtown Commons Park	Moraine Woods Conservation Park	

Old Timber Park	OB Sherry Park	
Sunshine Ridge Park	Olin Park	
	Tilton Park	
	Whitetail Ridge Park	
	Zeier Park	

The Park-Land Impact Fee is determined based on the city-wide average assessed value of the certified tax roll and it does not account for the higher cost of land in the downtown area and other rapidly developing urban areas. As Madison continues to grow, additional parkland will be required to meet community needs. The city is already experiencing increased park demands with new residential infill development in the downtown area and East Washington Avenue corridor. Increasing density and infill development are identified in both the Downtown Plan and the Imagine Madison Comprehensive Plan. As Madison plans for the future, it is important to note that the cost for parkland to meet these needs will be more expensive than the cost of land on the periphery of the City and will disproportionately consume the land acquisition budget compared to properties in other areas of the city.

Impact Fees Used for Park Infrastructure

Park-Infrastructure Impact Fees provide a significant source of funding for construction of park facilities and amenities in the Capital Budget. The Madison General Ordinance Chapter 20 – Impact Fee Ordinance requires developers to pay a Park-Infrastructure Impact Fee to offset costs necessary to develop parkland to accommodate new residential development. This fee funds park development at a comparable level to existing park facilities and is based on the number of units and type of housing developed. The Park-Infrastructure Impact fee schedule was updated in 2017 and is adjusted annually for inflation. Figure 7.4 identifies Park-Infrastructure Fees collected from 2018-2024. The yearly variations reflect the differing number and type of new residential development projects that are constructed each year.

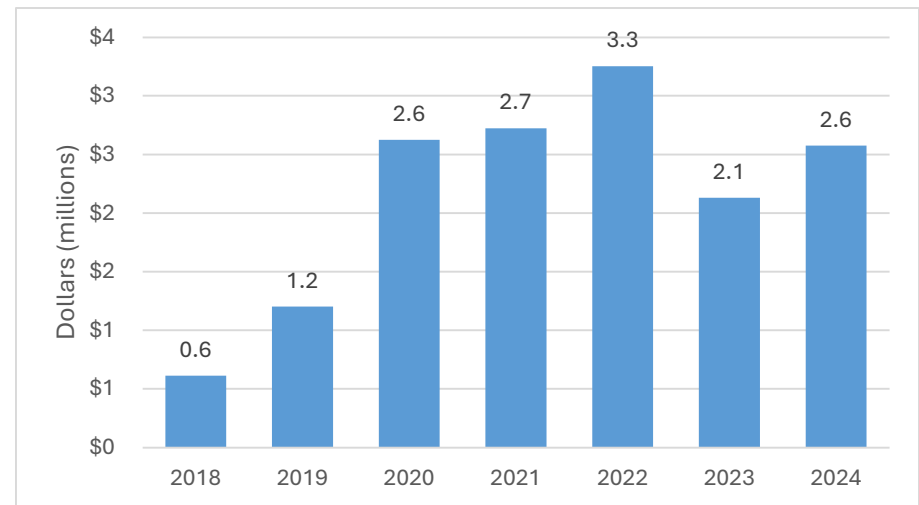


Figure 7.4: 2018-2024 Collected Park-Infrastructure Fees

Infrastructure impact fees must be spent in the district from which they are acquired: Prior to the ordinance amendments implemented in 2017, and based upon development patterns within the City, this resulted in some districts receiving significantly higher levels of impact fees than others. The 2017 ordinance reduced the previous 11 benefit districts to 5 districts to create a more equitable distribution of impact fee funding as well as creating a City-wide benefit district wherein 20% of all Park-Infrastructure Impact Fees are placed in a fund to be used throughout the city. The end result of these changes to the benefit districts has created a more equitable distribution of impact fee utilization throughout the city.

The City's Annual Capital Budget includes statements regarding each impact fee district, including fees collected and expenditures. The Parks Division prepares an annual Impact Fee report that is available at:

<https://www.cityofmadison.com/parks/about/impactFees.cfm>.

While park impact fees help to offset park development costs, they typically do not fund the entire park development. For example, using the City's standard of 10+ acres per 1,000 residents, a new 10-acre neighborhood park for 1,000 residents would require a payment of between \$530,000 and \$640,000 in Park-Infrastructure Impact Fees; however, compared to the cost to develop a 10-acre neighborhood park, the impact fees collected may only offset the park development costs by an average of 30-50% depending on the type of housing development. Appendix Table 6 describes general costs associated with the development of various sizes of parks.

Impact fees provide a much smaller fraction of park development funding when looking at improvements in community parks or historic parks. Community parks often provide specialized amenities such as splash pads, skate parks, and boat launches. These facilities are more costly to both construct and operate compared to mini and neighborhood parks. Restoration projects completed since 2018, include the interior and exterior preservation of Gates of Heaven, exterior preservation of Garver Cottage, interior and exterior preservation of the Catlin Chapel at Forest Hill Cemetery, and significant work at Breese Stevens Field. Parks with historic resources must meet strict local and national guidelines for improvements to historic structures, typically costing more than improvements to similar non-historic facilities.

The Park Impact Fee ordinance has a provision that allows developers to construct park improvements on parkland dedicated through a subdivision plat rather than pay park-infrastructure fees. This process requires an approved developer's agreement (approved by City staff, Board of Public Works and the Common Council) to construct park amenities identified in the adopted master plan and constructed to City standards. This process allows developers defer payment of impact fees under a formal agreement to instead use those funds to expedite parkland development by constructing the park along with the subdivision development, rather than having the City develop the park through the Capital Budget process. Since the 2018-2023 Park and Open Space Plan, the City has entered into development agreements for construction of Thousand Oaks and Old Timber Parks. Thousand Oaks Park opened in 2018 and Old Timber Park was completed in 2024.

As Madison plans for the next five years, accommodating Madison’s rapid growth will be an important aspect of parkland development. Madison is growing both in development of single family homes on the periphery of the City, but also in the number of new multifamily residential complexes in the City’s existing urban areas. Parkland on the periphery will likely be acquired through parkland dedication identified in neighborhood development plans. However, as the city continues to increase the density of existing developed areas, it may rely more heavily on acquisition and development of developed sites for parkland as opposed to agriculture land. Park development to convert an existing developed property to parkland (especially in the downtown area) will incur significant costs including acquisition, demolition, and potential site remediation. As can be seen in Appendix D, Exhibit G: DNR Inventory of Contaminated Properties, properties in developed areas may have contamination issues. Depending on the proposed construction and existing contamination, remediation of the site can cost anywhere from several thousand to several hundreds of thousands of dollars per acre.

OTHER CAPITAL FUNDING SOURCES

The use of other funding sources within the Capital Budget has increased over recent years, with 2% other funding sources used in 2018 compared to 16% in 2024 and 48% in 2025 as shown in the previous Capital Budget figures. Other funding is project specific and varies from year to year. Donation funding received through various partnerships is accounted for within “Other Funding Sources”, but outlined in Chapter x.x, Alternative Funding Sources. This section outlines the various other methods for funding the development of the park system.

County and Federal Sources

Funding received from County, State and Federal sources varies from year to year. The most common method to receive this funding is through grants, which are directly dependent on funding availability from the grantor and whether or not the grant application is awarded. Significant grant awards that Madison Parks received for capital improvements between 2018-2024 include:

2018	\$26,895	State of Wisconsin for Central Park Skate Park
2020	\$13,000	US Department of the Interior, Fish and Wildlife Service for invasive species control and native seeding at Owen Conservation Park
2021	\$125,000	Dane County Parks’ PARC and Ride Grant for the Aldo Leopold Park Paved Pump Track Project
2022	\$1,500	Dane County Land & Water Resources Department for prescribed burn crew tools and PPE
2024	\$62,500 \$25,000	Dane County Parks’ PARC and Ride Grant for the Aldo Leopold Park Shred to School Project State of WI Vibrant Spaces Grant for Crowley Station

The 2025 Capital Budget includes \$2 million of funding from Dane County to support the Madison LakeWay Improvements project. In addition, the Parks Division also has an agreement in place for another Dane County Partners for Recreation and Conservation (PARC) and Ride Grant for up to \$187,500, to be used towards a 2025 single track improvement project at Country Grove Park. Staff continue to work with potential grantors and the City's Grants Supervisor to evaluate and apply for potential funding sources suitable for individual projects. Appendix Table XX summarizes key state and federal grant programs available to municipalities to support major park and outdoor recreation capital investments.

Tax Incremental Financing

Tax Incremental Financing (TIF) is a governmental finance tool that the City of Madison uses to provide funds to construct public infrastructure, promote development opportunities and expand the future tax base. TIF funding is captured as blighted areas within Tax Improvement Districts (TIDs) are redeveloped in accordance with approved TID plans. Historically the use of TIF funding within the Parks Division's Capital Budget has been very limited and primarily funded Forestry work related to street trees, until 2024 when \$735,000 in TIF funding was included for south Madison improvements. The 2025-2030 Capital Improvement Plan includes \$6,660,000 in TIF Funding for projects within multiple TID plan areas, including funding for improvements within former Town of Madison Parks, Penn Park, Bowman Park, Cypress Park, and Olin Park using funding from TID 51, as well as funding to make infrastructure improvements at Breese Stevens Stadium. Additional information regarding the City's TIF program is available at: <https://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/>

Funding for Golf Improvements

For nearly two decades, the Golf Program was unable to invest in necessary infrastructure improvements due to lack of available golf revenue reserves. The 2024 Adopted Capital Budget and the 2025-2030 Capital Improvement Program include funding sources from reserves applied, which is golf-specific funding from the sale of a portion of the Yahara Hills Golf Course and surplus revenues from operations that is being used to fund capital improvements to the courses and facilities. The 2025-2030 Capital Improvement Program also includes \$2.4 million of non-general fund GO borrowing, which is debt similar to GO borrowing, but instead of being repaid through the tax levy, will need to be repaid by the Golf Program.

Transfer From Other Restricted

Funding received from Dog Park and Disc Golf Permits is considered "Restricted" funding, as it must be used only for the maintenance and improvement of these facilities. The Capital Budget has typically included approximately \$170,000 per year for making improvements to dog parks and disc golf courses. The North Star Dog Park was constructed in 2020 and improvements at the Elver Disc Golf Course are underway utilizing funds from these accounts. These revenues are critical to ensuring existing service levels are satisfactory to users paying to use these services.

6.2 Park Operational Resources

The Parks Division is responsible for planning and maintaining the entire park system that covers 5,700 acres of parkland and over 280 parks. Additionally, the Parks Division programs park spaces through permitting special events, reserving facilities, and coordinating park-led events. As part of the City's Department of Public Works, the Parks Division also shares responsibility for snow removal on bike paths, sidewalks, and bus stops, as well as litter pick-up and mowing/trimming street-ends and other city-owned greenspaces. The City of Madison's Operating Budget funded by property tax levy support, revenues generated by park operations, and other funding sources provide resources needed for daily operations, including staff salaries, purchased supplies, and services. Appendix Table X.X provides a summary of the services provided by major Service Area as identified in the Operating Budget.

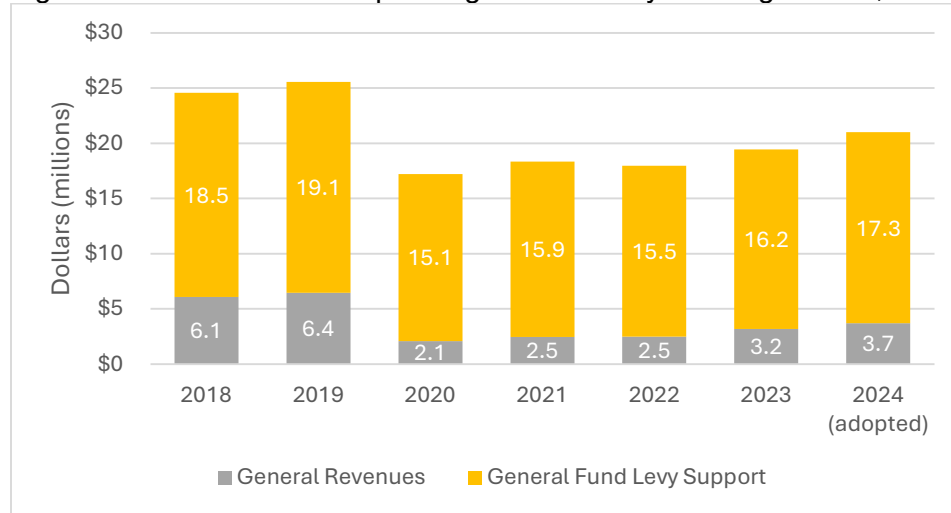
Since 2018, the Parks Division has undergone significant organizational change in addition facing extreme challenges caused by the COVID-19 pandemic. As part of the 2020 Adopted Operating Budget, the entire Forestry section moved to the Streets Division to increase efficiencies and align with resource support offered by the Street Division's crews. Additionally, the Public Works Laborer program was created in 2023, which transferred maintenance of the city's medians from the Parks Division to the Streets Division. The shift of this work, along with corresponding revenues and expenses, to the Streets Division allows Parks staff to better focus on mission-related work within the system. Meanwhile, the COVID-19 pandemic changed the way people use parks, which impacted available resources and therefore the services that the Parks Division provides. On top of these changes and challenges, the system has continued to evolve and grow with regards to land, number of parks, and programming.

For Budgetary Purposes, beginning in 2025, the work of the Parks Division is split into four (4) Major Service areas, including Community Recreation Services, Olbrich Botanical Gardens, Park Maintenance and Planning & Development. This chapter discusses the operational resources, including various revenues and expenses, partnerships, and volunteer resources, that are necessary to meet the needs of Madison's growing park system. Detailed information regarding the operating budget is available at <https://www.cityofmadison.com/finance/budget>.

Parks Division Operating Revenues

The Parks Division's annual Operating Budget between 2020 and 2024 averaged just over \$18.5 million. General Fund Levy Support accounted for approximately 85% of the Parks Division's overall funding support over this period. The Parks Division's Operating Budget also relies on multiple other revenue sources, referred to as General Revenues. Figure X.X details the total actual operating revenues from 2018-2023 and the adopted budget for 2024.

Figure X.X Parks Division Operating Revenues by Funding Source, 2018 through 2024



GENERAL FUND LEVY SUPPORT

State legislative changes in 2013 enacted levy limits that define the maximum amount a town, village, city and county may implement as a property tax levy. Under these limits, a municipality may increase its levy over the amount it levied in the prior year by the percentage increase in equalized values from net new construction. Since at least 2019, the City has identified gaps in funding available through General Fund Levy Support compared to the resources required to maintain existing levels of City services. The transfer of the Forestry Section from the Parks Division to the Streets Division in 2020 accounted for a reduction in revenue and corresponding expenses of just under \$3.9 million, which accounts for the major change in Parks’ 2019 and 2020 budgets. Overall, there were increases in Levy Support to cover cost of living adjustments, add several new positions, and provide limited additional resources for new facilities and programs. Following the extreme disruption caused by COVID-19, Levy Support was reduced by 1% in 2021. In 2024, the Parks Division, along with all other General Municipal City agencies, was directed to manage within 99% of their adopted budget, once again reducing by 1% overall Levy Support. Despite efforts to reduce or shift Levy funding, the budget gap identified in the 2019 ultimately resulted in the need for the City to ask residents to consider an Operating Budget Referendum in the Fall of 2024. City of Madison voters passed a referendum to increase its tax levy limit by 7.4%, which increased the levy by \$22 million to provide funding for City services for the 2025 Budget.

GENERAL REVENUES

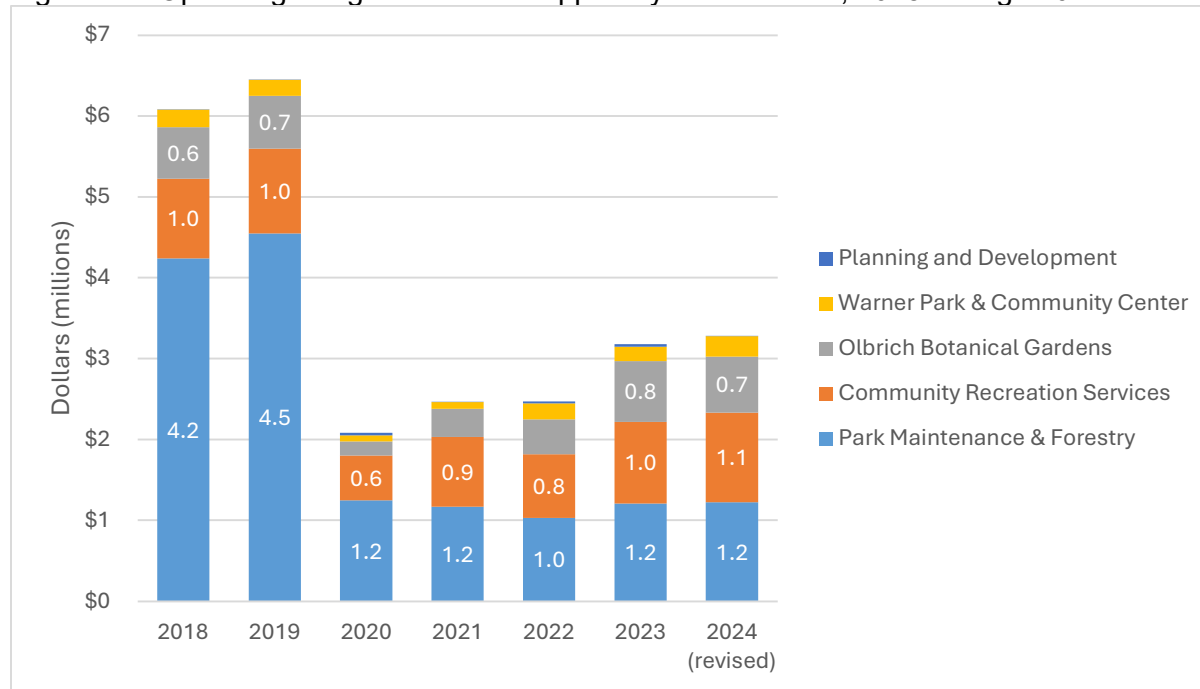
General Revenues are funds that the Parks Division generates from doing business and are a critical funding source for maintaining the park system. Table X.X describes the General Revenues and provides examples of sources for each of these revenues.

Table X.X Description of General Revenues

General Revenue Category	Description of Revenue Sources
Inter-Governmental Revenues	Payments from the University of Wisconsin for Thai Pavilion annual expenses
Charges For Services	Park Use charges, Boat Launch charges, catering concessions, facility rental, admissions, lessons, program revenue, memberships, and reimbursement of expenses
Licenses and Permits	Cross Country Ski Permit sales
Fine Forfeiture Assessment	Assessments to Mall Concourse property owners for services provided
Investment Other Contribution	Private donations, generally through Madison Parks Foundation
Miscellaneous Revenue	Ordinance Violation fees
Other Finance Source	Trade-in revenue from equipment leased
Transfer In	Urban Forestry Special Charges, Dog Park funds, Disc Golf funds, Madison Ultimate Frisbee Association, Cemetery Perpetual Care Fund, and Room Tax

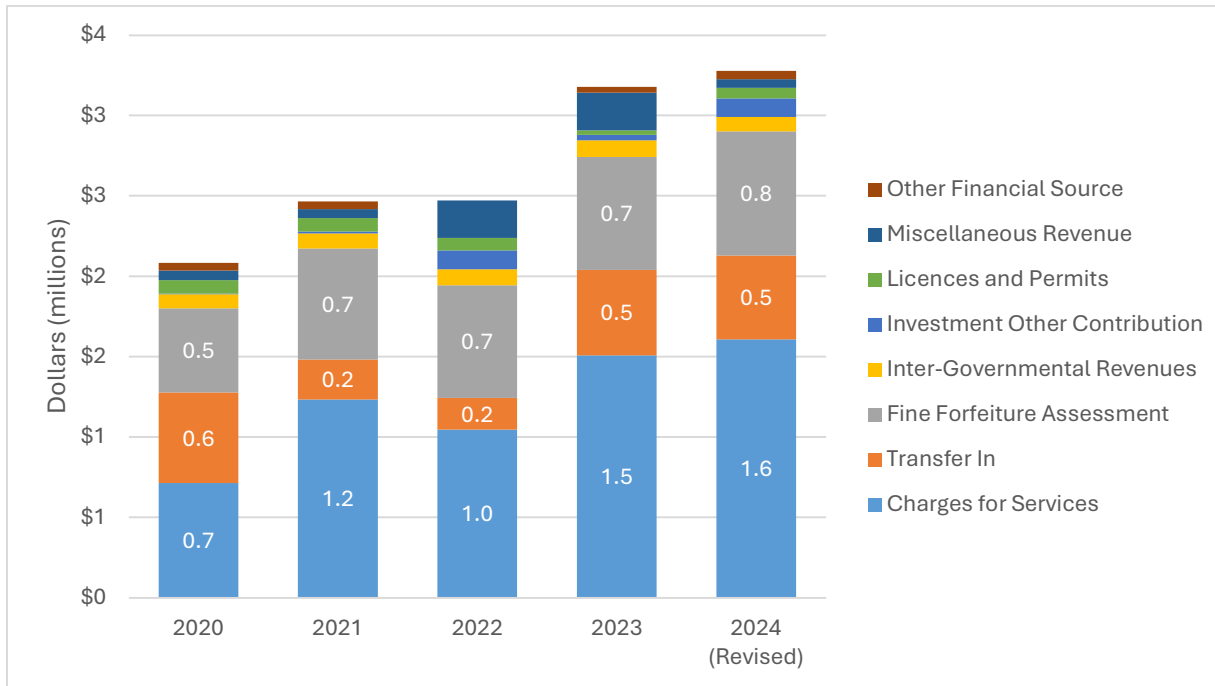
Actual revenues generated from 2018 through 2023 and the 2024 Revised Budget by each Major Service area are shown in Figure X.X.

Figure X.X Operating Budget Revenue Support by Service Area, 2018 through 2024



COVID-19 had devastating impacts on General Revenues: almost all reservations, events, and activities were cancelled, and those that were held were significantly modified, resulting in little –to no revenue from normal uses. Room Tax revenue, which is dependent on hotel revenue from tourism, funds approximately \$350,000 of Olbrich’s revenues. Room Tax revenue was not available to be shared in 2020, was removed entirely in the 2021 and 2022 Operating Budgets, and was later restored in the 2023 Operating Budget. General Revenues surpassed pre-pandemic levels in 2023 with the return of events. Donation support has increased since 2018 due to the support of Madison Parks Foundation and others. Figure X.X shows the revenue by Major Revenue category between 2020 and 2024 after Forestry revenues were removed in 2020.

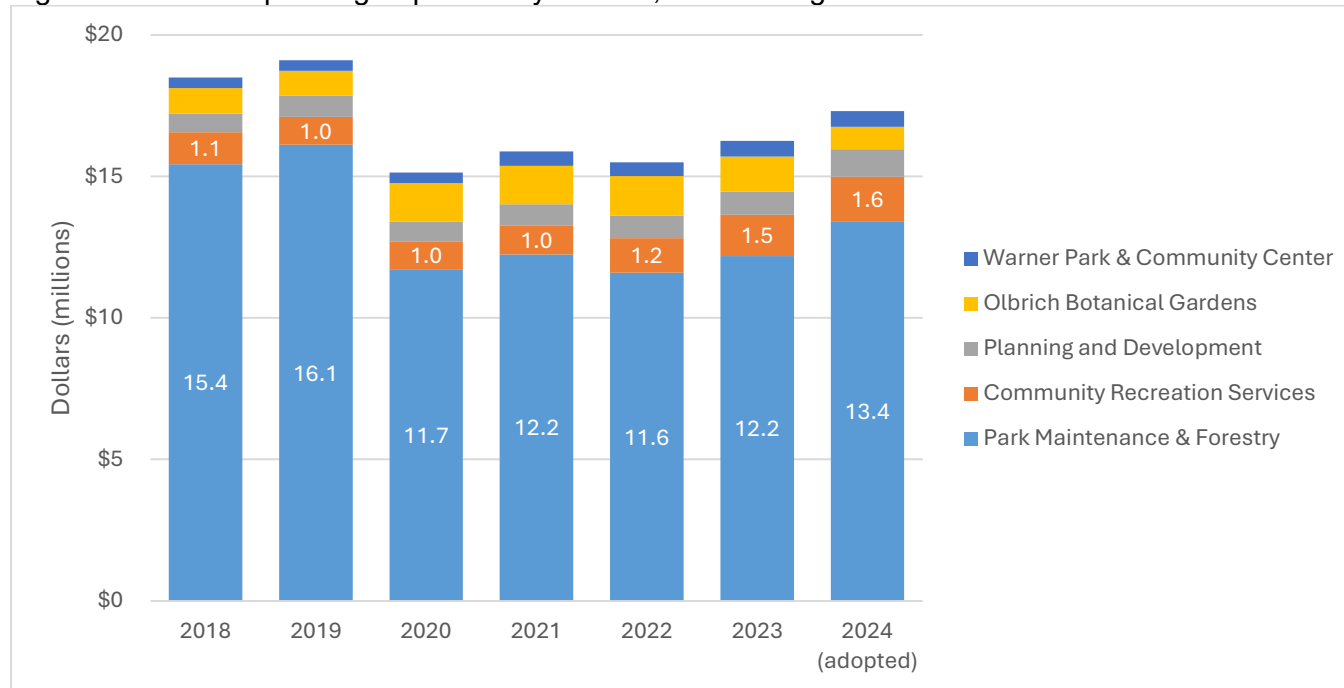
Figure X.X Operating Budget by General Revenue Category, 2020 through 2024



Operating Budget Expenses

The Parks Division’s Operating Budget Expenses are broken down into five major categories within each of the Service Areas. These expenses account for the necessary staffing, benefits, supply, and service resources to efficiently operate the system. Parks Maintenance and Forestry is the largest of the five major service areas and has significantly more expenses, even without the inclusion of the Forestry section. Figure X.X shows the actual expenditures per Service Area within the Parks Division for 2018-2023 and the revised adopted budget for 2024. This section explains the various types of operating resources.

Figure X.X Parks Operating Expenses by Section, 2018 through 2024

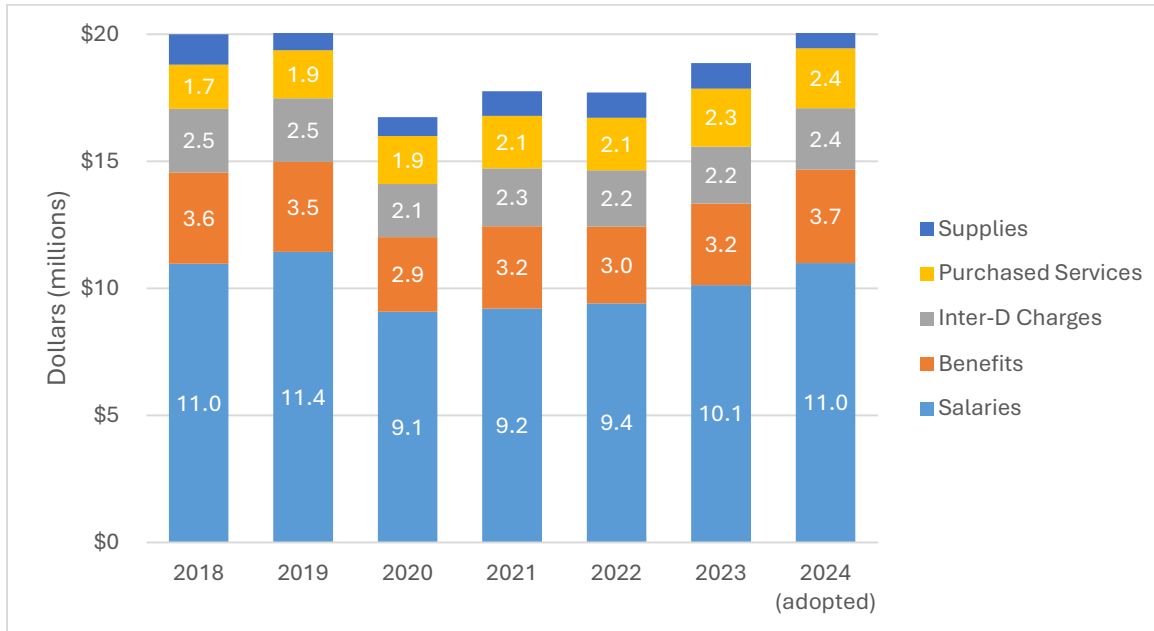


PARKS DIVISION STAFFING RESOURCES

Staffing resources, which include Salaries and Benefits, are the largest expense incurred by the Parks Division and accounted for approximately 70% of the Operating Budget's annual expenses from 2018-2024. The biggest change in number of full-time employees between 2019 and 2020 was due to the transfer of the Forestry section, which included 34 employees, to the Streets Division. In 2022, a Conservation Technician Trainee and Recreation Services Program Coordinator was added. In 2023, The Parks Division added 5.7 full-time employees, including Parks Alive and Volunteer Coordinators, a GIS Specialist, and a Facilities Maintenance Worker. The Parks Division had a total of 144.85 authorized full-time employees in 2024. These added positions reflect how priorities in services and programming have evolved during this time. While some of these positions were added through additional funding support, a number of them were funded by converting hourly wages to permanent positions. Each year, the Parks Division employs approximately 300 seasonal hourly employees with varying schedules and responsibilities. For additional details regarding the full-time staffing resources in the Parks Division, see Appendix XX Parks Division Organizational Structure.

Figure X.X shows the total actual expenses from 2018-2023 and the revised budget expenses for 2024 by expense type for the entire Parks Division.

Figure X.X Parks Operating Expenses by Expense Category, 2018 through 2024



INTER-DEPARTMENTAL CHARGES

Inter-Departmental Charges are expenses paid to other agencies within the City, as well as transfers of funds from the Parks Operating Budget to a special fund, such as the Dog Park or Disc Golf segregated non-reverting funds. The proportion of inter-departmental charges has remained relatively consistent across the 2018-2024 time period. The single largest expense within this category for the Parks Division is Charges for Fleet Services, which covers the cost of equipment repairs, fuel costs, and depreciation. Fleet costs have typically been between \$1.7 million and \$2 million per year for the entire Parks Division from 2018-2024. Other larger costs include insurance-related expenses as part of operations.

PURCHASED SUPPLIES AND SERVICES

Purchased Services and Supplies are additional resources necessary to complete the Parks Division's work. Supplies include work and safety equipment and programming materials to support the various needs of the Division. The Division requires significantly more purchased services than supplies. Purchased Services, which have accounted for between \$1.7 million and \$2.4 million of the Parks Division's annual Operating Budget, include utilities such as power, electrical, sewer, and stormwater charges and contracted services necessary to operate the park system.

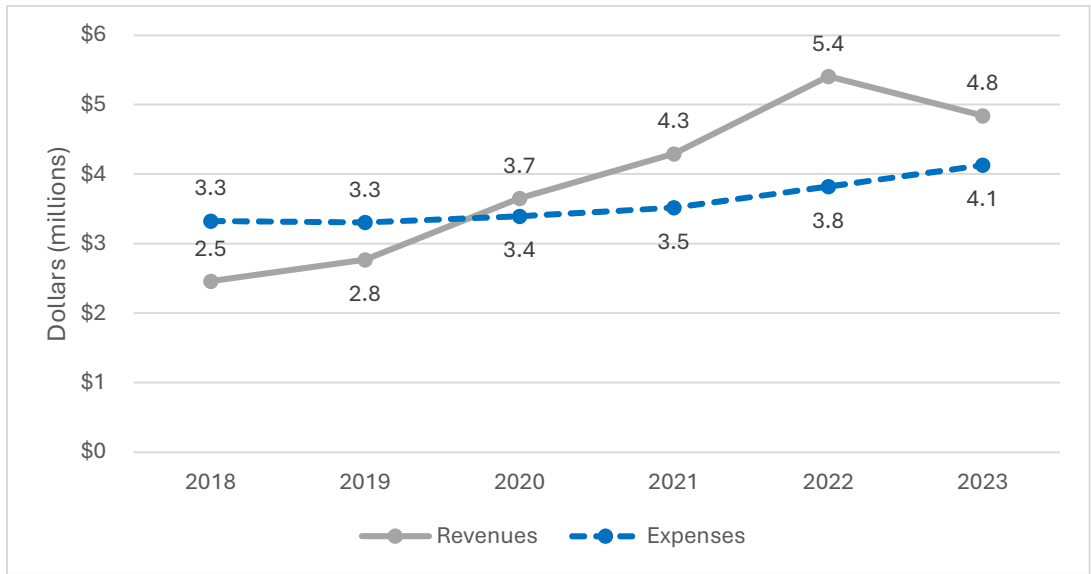
Golf Enterprise Operating Resources

The Madison Parks Golf Enterprise Program is operated as an enterprise, meaning it is expected to cover all of its expenditures with golf course revenues, and it does not receive levy support. The Golf Program is responsible for all aspects of golf course maintenance, clubhouse operations, and improvements. The Golf Enterprise Operating Budget sustained losses in most years between 2003 and 2019, which prevented the program from reinvesting in much needed capital improvements. Following historic financial losses in the 2018 and 2019 seasons, the program received a loan of nearly \$900,000 from the General Fund and the Mayor and Common Council created the Task Force on Municipal Golf in Madison Parks in June 2019 for purposes of evaluating the current state of the Golf Enterprise Program and making recommendations regarding its future. The Task Force's Final Report, which contains 10 recommendations and continues to serve as a guiding force for the program, was adopted by Common Council in January 2021 (Legislative File ID #61936).

GOLF PROGRAM REVENUES

The Golf Enterprise Program (Program) generates revenues through day-to-day course operations, including greens fees, food and beverage sales, cart rental and events and outings. Over half of the revenue generated by the Program comes from green fees, which are fees charged to customers using the courses. Food and beverage sales, along with cart rental account for approximately 30% of the program's revenues. Figure X.X details the 2018-2023 Golf Enterprise Operating Budget for the four city golf courses (The Glen Golf Park, Monona, Odana Hills, and Yahara Hills). In 2023, the Golf Enterprise Program sold approximately 231 acres of the Yahara Hills Golf Course to Dane County for use as a future landfill, compost site, and sustainable business park; the figure below excludes that substantial additional land sale revenue of \$5.5 million for that year. The program closed out both the 2023 and 2024 seasons with over \$5 million in revenue. Revenue generated in excess of expenses is transferred to a Revenue Reserves account to be used for future investments of the Program and to cover overages in expenses in years when expenses exceed revenues.

Figure X.X Golf Enterprise Operating Budget, 2018 through 2023



GOLF PROGRAM EXPENSES

The Golf Enterprise Program operating expense categories are consistent with those of the Parks Division. Staffing expenses, including salaries and benefits account for approximately 35% of expenses annually. Between 2018 and 2022, the Program was authorized 8 full-time employees, but operated with & full-time employees in an effort to control expenses. In 2023 the eighth position was filled. The Golf Enterprise Program’s 2023 Operating Budget authorized six additional full-time positions, for a total of 14 full-time employees, 10 of which are permanent, and 4 of which are limited-term employees (LTE) hired in 2023 to work on the golf improvement projects up to four years. The program also hires over 100 seasonal hourly employees each year. As the Golf Enterprise Program plans for an overall reduction from 72 to 54 holes, expenses will need to be adjusted to reflect changes in revenue and still plan for revenue reserves on an annual basis. Utilities, including water expenses related to irrigation usage account for approximately 20% of the programs operating expenses, while supplies such as fertilizers, chemicals and equipment account for approximately 15% of total operating expenses. The Golf Enterprise Program pays interdepartmental charges similar to the Parks Division, such as fuel and equipment costs, as well as charges for services provided by central City agencies and a Payment in Lieu of Taxes. Overall Interdepartmental charges for the program account for approximately 12% of total operating expenses.

This is a pivotal moment within the Program, as it has continued to sustain financial success following the COVID-19 pandemic. To guarantee future success, the Program will need to invest revenue reserves wisely, sustain and generate revenue and control

expenditures, so as not to exceed revenues on an annual basis. See Appendix X: X Madison Park Golf Program Issue Paper to learn more about the transformation of happening within the Program.

Madison Parks Volunteer Resources

Volunteers play a crucial role in maintaining a vibrant park system in Madison, contributing either on a one-time basis or with ongoing commitments. Madison Parks strives to involve individuals and organized groups such as neighborhood associations, corporations, Friends groups and other affiliated organizations to commit on an ongoing basis to a specific park or project. These sustained engagements encourage collaboration between Madison Parks’ staff and volunteers to address large-scale improvements and other initiatives. Conservation Parks have long been a recipient of extensive volunteer efforts; outreach by parks staff has helped continue to grow these programs. In 2023, Madison Parks had 3,379 volunteers who collectively provided 14,447 hours of service toward enhancing the park system. Highlights of the year included large-scale volunteer events, where hundreds of volunteers participated in various initiatives, such as park cleanups, trash pickup, and invasive species removal.

Table X.X summarizes some of the notable volunteer programs and events from 2024. Note that in 2024, several recurring volunteer-led programs, such as Adopt Ice, did not occur due to inclement weather. Additional information regarding the Madison Parks Volunteer Program can be found in the Issues Paper Appendix X. While the role of volunteers is important in assisting with maintenance, significant coordination is required by staff to manage these volunteer resources and ensure mutually beneficial outcomes.

Table X.X Notable Volunteer Events in 2024

Name	Dates	Number of Parks	Number of Volunteers	Number of Volunteer Hours
Ride the Drive	August 11	6	300	1180
Earth Day Challenge	April 20	27	900	1800
Dog Park Clean-Up Day	April 6	7	72	144
Flower Gardens	May 15 - Oct 15	33	15	693
Goat Check Volunteers	April-October	20	91	420
Bird & Nature Walk	Jan-Dec	7	100	784

In addition to general parks volunteer programs, Olbrich Botanical Gardens has a long history of volunteer support dedicated specifically to maintaining and supporting all aspects of programming and events at the Gardens. Over the past three decades, Olbrich has built a strong base of volunteers with an average of approximately 530 individual annual volunteers and 14 service groups comprising 150 people contributing approximately 20,000 hours of service per year for the 2018-2024 seasons.

6.3 Alternate Funding Sources

In addition to the annual Operating and Capital Budgets, the Parks Division relies on resources from a variety of partners to help create and program the park system. This section discusses key partnerships that help create some of Madison's popular park facilities.

Madison Parks Foundation

The Madison Parks Foundation (MPF) plays a significant role in securing donations for Madison Parks. MPF is a private non-profit 501(c)3 organization founded in 2003 as the non-profit partner of Madison Parks. The intended purpose of the MPF is to acquire financial resources via private donations, grants, and other contributions to make park improvements. The resources of the MPF are not intended to replace or substitute for tax revenues generated for the annual ongoing maintenance activities of the Madison Parks Division. In 2024 the Parks Foundation celebrated its 130th anniversary and kicked off the Parks For All campaign by establishing a \$10 million trust that will benefit the parks system for generations to come.

The Madison Parks Foundation has been instrumental in fund-raising and providing neighborhood resources for capital improvement projects such as inclusive playgrounds at Brittingham, Elver, Rennebohm and Warner Parks, standard playground improvements at Doncaster, Lake Edge, McGinnis, Sunset, Baxter, and Westmorland Parks along with the Olbrich Nature Play area, among others. Other capital improvement projects made possible through this partnership include ongoing pickleball improvements at Garner Park, installation of an accessible fishing pier at Vilas Park, accessibility improvements at Bernie's Beach and Vilas Park Beach, as well as partial funding of the bike skills pump track at Aldo Leopold Park and oversight of construction of improvements at Lake Front Porch. In addition, partnership with the Madison Parks Foundation and private donors made The Glen Golf Park renovation possible, resulting in over \$1 million in public improvements to the facilities. The Foundation continues to offer donor memorial benches, picnic tables, memorial tree requests, and other donation naming opportunities within the parks.

Parks has continued to collaborate with the Madison Parks Foundation (MPF) on successful operational programming initiatives such as the "Learn To" series, scholarships to the Goodman Pool, and the Connecting Children to Nature program. In addition, MPF has sponsored the Kids Need Opportunities at Warner (KNOW) program, providing a variety of positive programming to youth. In 2024, MPF was the lead sponsor for Ride ~~t~~The Drive. MPF contributions or sponsorships are recognized as revenues within the Parks Division Budget

to offset costs incurred providing these programs. Since the redesign of The Glen Golf Park, MPF has also helped to sponsor golf park programming at The Glen, providing opportunities for the community to experience the space for other recreational purposes.

Voluntary contributions are increasingly used to fund park development projects. Many of the City’s largest park projects include significant levels of private contributions. Table 7.2 identifies the total capital donations and contributions received from 2018 through 2024. Parks staff and the Madison Parks Foundation work together with neighborhood associations and other groups to approve projects and identify potential private fund-raising sources and goals. The Parks Division can leverage these funds with existing City resources to move projects forward more quickly.

Table 7.2: 2018-2024 Collected Donations/Contributions

Category	2018	2019	2020	2021	2022	2023	2024
Donations/Contributions	\$119,520	\$3,848,192	\$4368	\$40,559	\$2,951,300	\$1,223,205	\$838,888

Olbrich Botanical Society

The Madison Parks Division and Olbrich Botanical Society “Society” work in tandem to support and operate the Olbrich Botanical Gardens. This longstanding partnership has played a key role in allowing the Gardens to grow and flourish over the years. The Society is a registered 501(c)(3) nonprofit and operates under its own \$4 million annual operating budget to lead fundraising, programming, education classes, events, and a membership development at the Gardens. In 2018, OBS committed \$6 million in matching funds for the Frautschi Family Learning Center and production greenhouse project, which was completed and opened in 2021. The partnership has created world-renowned Gardens that continue to be a top tourist destination for visitors, attracting over 140,000 visitors annually. OBS is funding a Comprehensive Master Plan study in 2025 that will help inform the future development and operations of the Gardens.

Madison Lakeway Partners

The Madison LakeWay Partners (“Partners”) is a non-profit 501(c)3 organization dedicated to supporting the implementation of the Madison LakeWay master plan. The reimagined waterfront, spanning 1.7 miles of shoreline and 17 acres of land along Lake Monona, will become a welcoming destination for all Madison residents and visitors. The Lake Monona Waterfront Master Plan was rebranded the Madison LakeWay, and outlines how the district will reconnect Downtown and South Madison to Lake Monona, increase lake access, improve Lake Monona’s water quality and aquatic habitat, and recognize Lake Monona’s cultural history. Support for redeveloping the waterfront has been around for years, and many volunteers and board members have been advocating for this concept since the 2010s. Originally named the Friends of Nolen Waterfront and established in 2019, the organization raised funds to support the 2021 Design

Challenge for the Lake Monona Waterfront Master Plan creation. In 2024, the organization hired its first Executive Director to lead the organization in leveraging philanthropic dollars to augment the City’s investment in the Madison LakeWay.

Other Public Private Partnerships

Over the past several years Madison Parks has been successful with creative place-making initiatives, and many of these place-making projects would not have been possible without public-private partnerships. These partnerships aid in repairs to aging infrastructure. Entities that enter into agreements/contracts with Parks for these types of uses are held to high standards and specified goals, operations, and reporting procedures. Several of the City’s most popular destinations are enhanced by these partnerships including Olbrich Botanical Society, Warner Park Community Recreation Center; Mallards Stadium; boat rentals at Wingra, Olbrich, Marshall, and Brittingham Parks; the Biergarten at Olbrich Park; Garver Feed Mill; and, athletics and events at Breese Stevens Field. Several of these groups are required to invest their own funding into improving existing park facilities specific for their needs including expediting upgrades to electrical and plumbing systems, bathroom fixtures, painting, and landscaping, which prolongs the life of these facilities with fewer investments from the City.

6.4. System Growth Resource Considerations

Between 2018 and 2024, 245.4 acres of land were added to the park system. Table X.X shows the number and acres of parks added since 2018. The City’s adopted Comprehensive Plan, numerous Neighborhood Development and Downtown Plans, and multiple Intergovernmental Agreements project that the number of Madison parks will grow by 25% at full build-out, with a combined 67 new parks identified in these plans. While development of these parks is incremental, the past several years saw rapid growth in both new and infill development that has outpaced the increase in operational funding. As these additional parks are designed and constructed, additional resources will be necessary to maintain, schedule, and coordinate activation of these spaces.

Table X.X Park Acres Added Per year

2018	2019	2020	2021	2022	2023	2024
89.74	14.05	14.90	8.14	32.35	8.75	77.47

City-wide development also increases demand on operational resources to maintain bike paths, bus stops, medians, and sidewalks. In 2010, the City of Madison Streets Division, Engineering Division, and Parks Division divided maintenance of these transportation-based city facilities. Since 2018, the number of transportation-based facilities maintained by Madison Parks has increased, including an additional 216 bus stops, 14 acres of medians, and over 175,883 linear feet of sidewalk and bike paths. As these new facilities develop, they draw upon additional resources in the Parks Operating Budget.

The number of historic facilities owned and maintained by the Parks Division requires significant resources to manage and maintain. Additional levels of review are required before infrastructure needs can be addressed and improvements can occur. Costs to maintain historic and restore facilities are significantly higher than regular park facilities. The City of Madison has 61 parks that have features or the park itself is on the National Register of Historic Places and 20 parks with facilities that are designated City Landmarks (see Appendix F - Historic Resources). This list includes Gates of Heaven in James Madison Park, Breese Stevens Field, and Forest Hill Cemetery.

Certain recreational facilities that have higher maintenance demands also require more operational resources. Park facilities such as dog parks, ice rinks, shelters with restrooms, and splash parks require higher levels of maintenance. Additionally, athletic fields for popular sports such as flag football, ultimate frisbee, and soccer require more intensive maintenance to remain playable throughout the year.

Madison Parks needs to evaluate how future development, and increasing numbers of facilities impacts operational resources. Operating facilities and staff needed to serve Madison's growing park system must grow as development continues along the periphery of the City. For example, parks on the far west side, such as Thousand Oaks Park, are approximately seven miles from the Madison Parks facility that houses the staff and equipment needed to maintain this park. In response to the ongoing growth of the City, planning for the South Point Public Works Maintenance Facility is currently underway. The City's Engineering Facilities staff is leading a long-term Facilities Needs Assessment which will set up a 5-year assessment cycle for every Park Division structure to inform replacement and maintenance budgets. Improvements in technology and efficiency will likely play a role in reducing staff hours, and metrics such as Results Madison and Performance Excellence should be used to inform a comprehensive analysis of operational needs and resources to maintain an expanding park system.

Conclusion

The City of Madison is lagging behind peer systems across the country when it comes to investment in the system, as reported in the 2024 Trust For Public Land (TPL) ParkScore Report. According to these metrics, Madison is investing approximately \$112 per resident annually for both parks operational and capital resources, when a system of this size and complexity should be closer to \$249 per resident annually according to the TPL metrics. The 2024 ParkScore Report is available at:

https://parkserve.tpl.org/downloads/pdfs/Madison_WI.pdf

Historically, the primary funding sources of the Capital Budget have been GO borrowing through property taxes and impact fees from residential development. These two sources are not sufficient to address the need to address deferred maintenance of the large and aging park system as well as development of new parks and facilities. Ongoing concerns with the tax levy limits, as they pertain to debt service, have proven to create significant challenges to the availability of GO borrowing support for these improvements. Impact Fee funding from new residential development has continued to generate funding for infrastructure and land acquisitions; however, it is important to recognize that this revenue source is directly dependent on a healthy economy. In addition, the effectiveness of the Impact Fee funding and any pertinent adjustments must be evaluated through a new Needs Assessment to

ensure the needs of both the growing and existing park system are met. Strong partnerships are more important now than ever to the future of the park system.

General Fund Levy Support alone within the Operating Budget is not sufficient to sustain the existing and growing park system along with other City facilities the Parks Division is responsible for maintaining. Despite voters approving a \$22 million referendum in the fall of 2024 to increase General Fund Levy Support for the 2025 budget, alternative funding sources are critical to ensure that the Parks Division is able to continue to address the demands of an ever-growing population with diverse needs.