

Memorial Field Financial Analysis: Fiscal Years 2022 – 2025

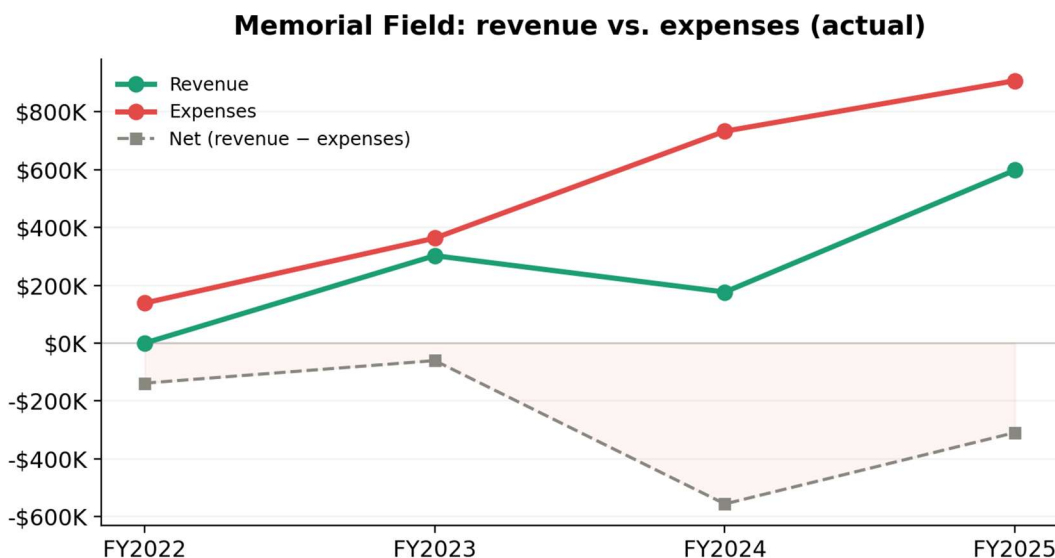
Using the Comptroller’s quarterly financial reports (unaudited), I analyzed 4 years of financial data for Memorial Field. Revenue data comes from accounts A-200121 General Memorial Field and A-20012 Tennis Fees, and expense data from department A7021 Memorial Field operating budget and A7111-430 Memorial Field Renovation under DPW Parks Maintenance.

Key finding: Memorial Field has generated cumulative net losses of \$1,064,988 since 2022. Using what I think are realistic growth assumptions (revenue growing at 15% annually and expenses growing at 8%), the facility will not recoup these losses until approximately FY2037— more than a decade from now. Total cumulative losses will deepen to approximately \$2.24 million before the trend reverses.

The analysis reveals a fundamental structural challenge: Memorial Field’s cost base is dominated by fixed personnel costs- salaries, part-time wages, and overtime- that are largely driven by union contracts and state-mandated benefit levels. These costs are growing faster than the facility’s ability to generate revenue, creating a persistent annual operating deficit that compounds into the future.

Revenue vs. expenses

Memorial Field did not appear as a distinct revenue-generating line item in the city budget until FY2023. Since then, the facility has operated at a deficit every year, with expenses consistently outpacing revenue.



The facility was essentially in start-up mode during FY2022, with minimal expenses (\$29K in operating costs plus \$110K in renovation) and no recorded revenue. Operations ramped up significantly in FY2023, but revenue of \$302K fell well short of the \$363K in operating expenses

and renovation costs. Revenue collapsed to \$176K in FY2024 while expenses more than doubled to \$733K. FY2025 showed improvement on the revenue side (\$598K) but expenses also continued their upward trajectory to \$908K.

The net operating loss widened from \$139K in FY2022 to \$556K in FY2024 before narrowing to \$310K in FY2025. While the trend is moving in the right direction, the gap between revenue and expenses remains substantial.

Budget vs. actual

The budget-to-actual comparison reveals a pattern of persistent and significant over-estimation of Memorial Field revenue, coupled with more accurate (though still imperfect) expense projections. This pattern mirrors the broader city-wide tendency identified in the overall budget analysis to project revenues the city does not collect.

Memorial Field: how budget compares to reality

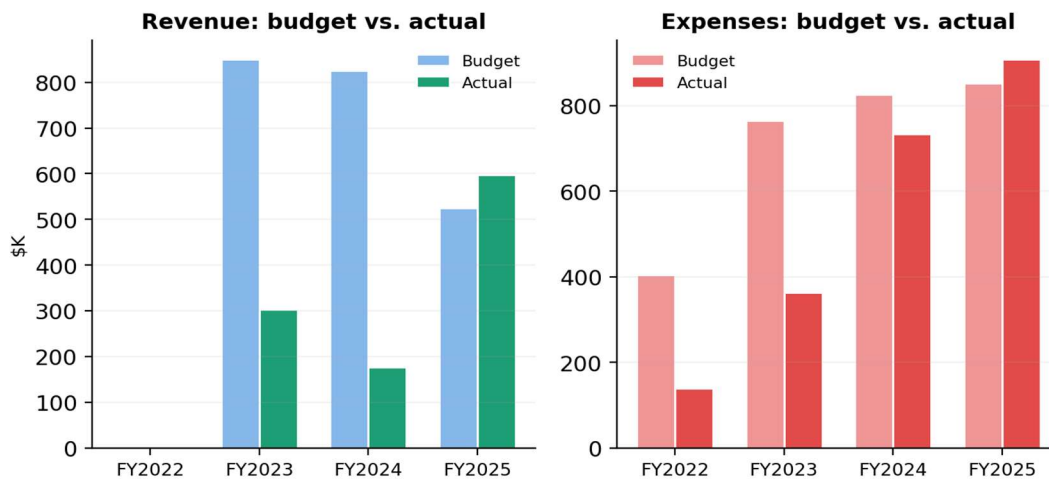


Table: Budget vs. actual summary (FY2022–FY2025)

	FY2022	FY2023	FY2024	FY2025
Rev. budget	\$0	\$850,000	\$825,000	\$525,000
Rev. actual	\$0	\$302,464	\$176,462	\$598,077
Rev. variance	\$0	-\$547,536	-\$648,538	\$73,077
Exp. budget	\$404,121	\$765,112	\$826,351	\$851,710
Exp. actual	\$138,566	\$362,945	\$732,854	\$907,626
Exp. variance	-\$265,555	-\$402,167	-\$93,497	\$55,916

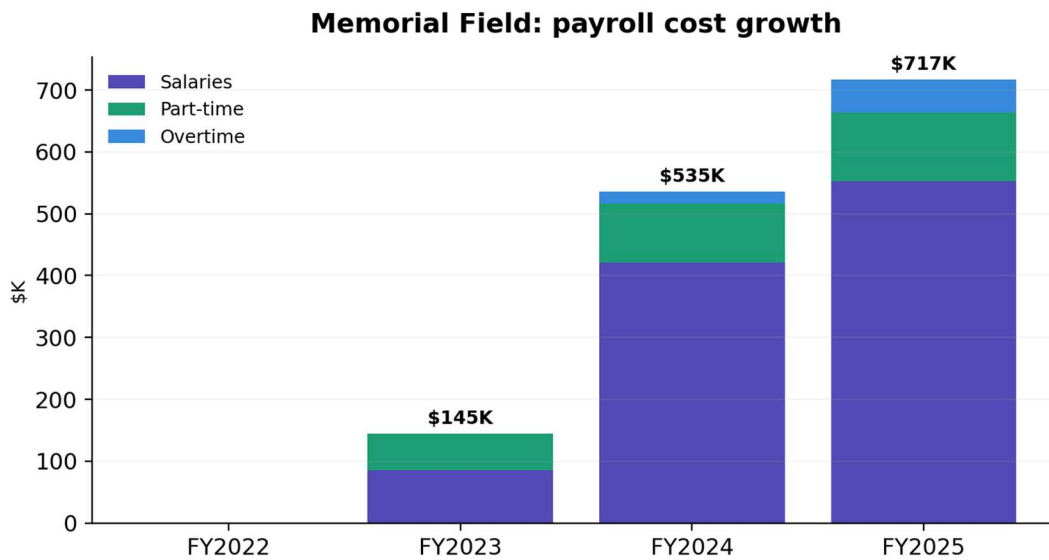
The revenue side of the budget has been especially unreliable. In FY2023, the city budgeted \$850K in Memorial Field revenue but collected only \$302K—a 64% shortfall. FY2024 was even worse: \$825K budgeted, \$176K collected—a 79% miss. Only in FY2025 did actual revenue exceed the budget, and that was primarily because the budget was reduced to a more conservative \$525K.

Tennis fees have been particularly troubling. The city has budgeted \$25K per year for tennis revenue since FY2024, but actual collections have been negligible: \$1,010 in FY2023, \$440 in FY2024, and just \$285 in FY2025.

The expense side has been somewhat better forecast, but notable overruns have occurred in “Other Expense” (facility operating costs), which exceeded budget by \$55K in FY2023 and \$67K in FY2024, and overtime, which came in at \$53K against a \$25K budget in FY2025.

Payroll cost growth

Personnel costs- salaries, part-time wages, and overtime- are the dominant expense category for Memorial Field and the primary driver of cost growth. These costs have grown from zero in FY2022 (when the facility was not yet staffed) to \$717K in FY2025, representing 80% of the facility’s \$908K in total operating and renovation costs.

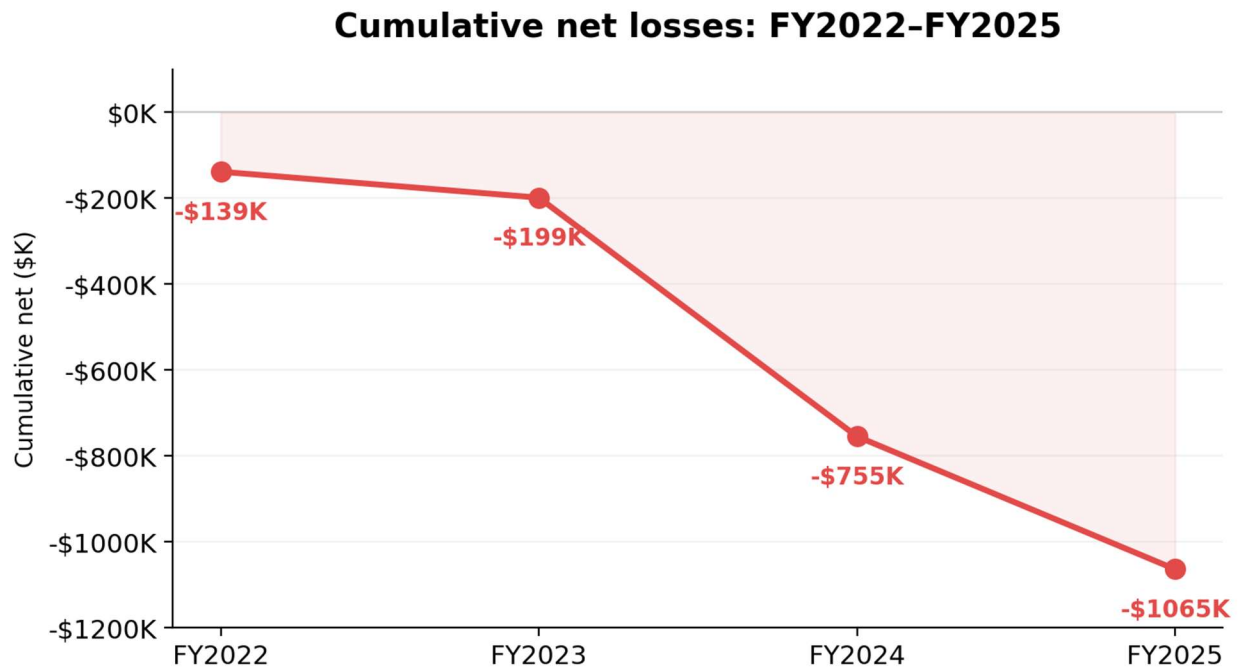


Full-time salaries are the largest component, growing from \$85K in FY2023 to \$552K in FY2025. Part-time wages have grown from \$59K to \$112K over the same period. Most concerning is the trajectory of overtime costs, which barely existed in FY2023 but surged to \$53K in FY2025—more than double the \$25K budget.

These payroll costs are largely fixed and contractually driven. Union contracts set base salary levels and annual step increases. Health insurance costs, while allocated city-wide rather than to individual departments, add approximately 40% to the effective cost of each full-time position. The city’s health insurance expense has grown from \$17.2 million in FY2022 to \$25.4 million in FY2025- an average annual growth rate of approximately 14%. This city-wide context makes a 5% expense growth assumption for Memorial Field unrealistically optimistic; 8–10% is a more defensible baseline given the salary-and-benefits-heavy cost structure.

Cumulative losses

Since 2022, Memorial Field has accumulated \$1,064,988 in net operating losses. This represents the total amount by which facility expenses have exceeded facility revenue since operations began.



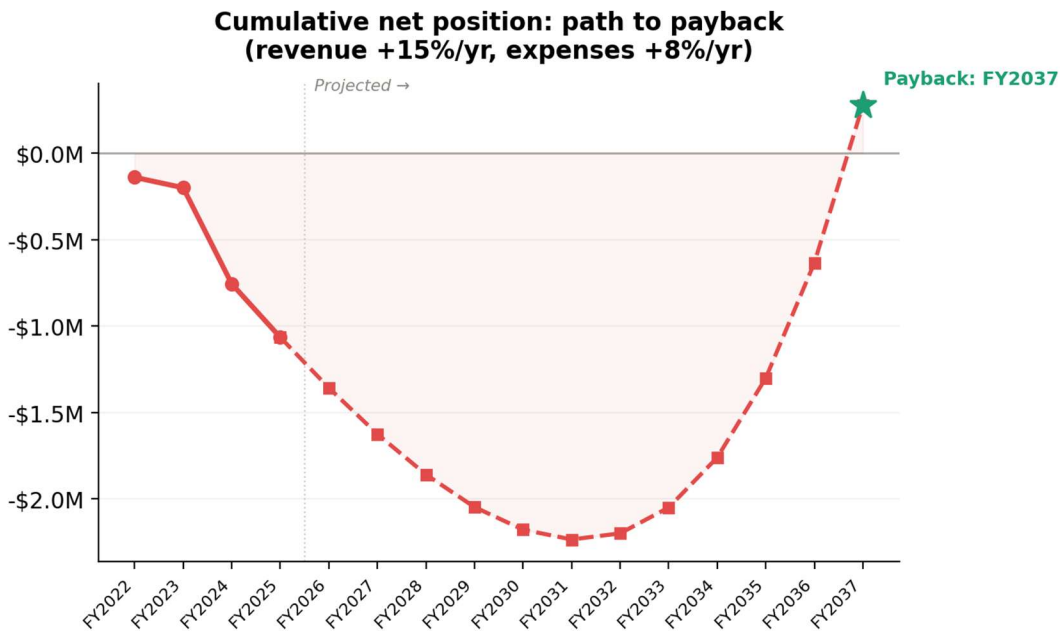
The cumulative loss trajectory has accelerated over time. After a relatively modest \$139K loss in the start-up year of FY2022, the total grew to \$199K after FY2023, then jumped sharply to \$756K after FY2024’s poor revenue performance, before reaching \$1.06 million at the end of FY2025.

For a city already facing three consecutive years of overall operating deficits and a negative general fund balance, carrying a facility with over \$1 million in accumulated losses represents a meaningful additional fiscal burden.

A 12 year project path to profitability

To assess when Memorial Field might break even and begin recouping its cumulative losses, the following projection models revenue growth at 15% per year and expense growth at 8% per year. These assumptions are chosen as a balance between optimism and realism:

1. **Revenue growth of 15% annually:** This is ambitious but within reach if the city can sustain the utilization improvements seen in FY2025. It requires Memorial Field revenue to grow from \$598K to over \$3.2 million by FY2037.
2. **Expense growth of 8% annually:** This reflects the reality that Memorial Field’s salary-heavy cost structure will grow with union contract increases, step raises, and the city-wide health insurance cost trajectory. The city’s overall operating expenses (without ARPA) have grown at approximately 7% annually, and health insurance alone has averaged 14%.



Key projections

1. **Annual breakeven (FY2032):** It will take approximately seven more years of losses before Memorial Field’s annual revenue exceeds its annual expenses. During this period, the facility will add approximately \$1.17 million in additional cumulative losses.
2. **Deepest cumulative loss (FY2031, approximately \$2.24 million):** The cumulative hole will more than double from its current \$1.06 million before beginning to recover. This represents the total fiscal cost the city’s general fund will absorb from Memorial Field operations.

- 3. Full payback (FY2037, approximately 12 years from now):** Even under these growth assumptions, it will take until 2037 for Memorial Field’s cumulative revenue to finally exceed its cumulative expenses. This assumes 15% revenue growth sustained every year for 12 consecutive years—a rate that any single poor year (like FY2024) could significantly delay.

Table: Year-by-year projection (FY2022–FY2037)

Year	Revenue	Expenses	Annual Net	Cumulative
FY2022	\$0	\$138,566	-\$138,566	-\$138,566
FY2023	\$302,464	\$362,945	-\$60,481	-\$199,047
FY2024	\$176,462	\$732,854	-\$556,392	-\$755,439
FY2025	\$598,077	\$907,626	-\$309,549	-\$1,064,988
FY2026 *	\$687,789	\$980,236	-\$292,447	-\$1,357,435
FY2027 *	\$790,957	\$1,058,655	-\$267,698	-\$1,625,133
FY2028 *	\$909,601	\$1,143,347	-\$233,746	-\$1,858,879
FY2029 *	\$1,046,041	\$1,234,815	-\$188,774	-\$2,047,653
FY2030 *	\$1,202,947	\$1,333,600	-\$130,653	-\$2,178,306
FY2031 *	\$1,383,389	\$1,440,288	-\$56,899	-\$2,235,205
FY2032 *	\$1,590,897	\$1,555,511	\$35,386	-\$2,199,819
FY2033 *	\$1,829,532	\$1,679,952	\$149,580	-\$2,050,239
FY2034 *	\$2,103,962	\$1,814,348	\$289,614	-\$1,760,625
FY2035 *	\$2,419,556	\$1,959,496	\$460,060	-\$1,300,565
FY2036 *	\$2,782,489	\$2,116,256	\$666,233	-\$634,332
FY2037 *	\$3,199,862	\$2,285,556	\$914,306	\$279,974

* Projected years based on revenue +15%/yr, expenses +8%/yr.

Additional Risk: deferred maintenance and capital costs

The projections above consider only operating revenues and expenses. They do not account for the inevitable capital maintenance and renovation costs that will increase as the facility ages. As Memorial Field’s infrastructure ages, the city will face growing pressure to invest in facility upgrades, equipment replacement, and structural maintenance. These capital costs could represent a significant additional drag on the path to profitability that is not reflected in the operating projections. If annual maintenance and capital costs return to even \$50–100K per year, the breakeven timeline extends further, and the cumulative losses deepen accordingly.

Additionally, the 8% expense growth assumption may itself prove optimistic. If city-wide health insurance costs continue to grow at 14% annually and union contracts include step increases and cost-of-living adjustments, the effective cost of Memorial Field’s personnel could grow at 10–12% per year. Under a 10% expense growth scenario, annual breakeven does not occur until FY2033 and full payback of cumulative losses extends beyond FY2037. *Under a 12% expense growth scenario, expenses grow faster than revenue indefinitely and the facility never reaches breakeven.*

Conclusion

Memorial Field has accumulated over \$1 million in operating losses in its first four years. While FY2025 showed encouraging revenue growth, the facility’s cost structure- dominated by contractually-driven personnel expenses- creates a fundamental challenge that revenue growth alone is unlikely to resolve within a reasonable timeframe.

Under realistic assumptions, the city should expect Memorial Field to continue operating at a deficit for at least seven more years and to absorb approximately \$2.2 million in total cumulative losses before the trend reverses. Full recovery of accumulated losses is unlikely before the mid-2030s, and this timeline is vulnerable to any combination of revenue shortfalls, expense overruns, or deferred capital costs.
