

Agendum
Oakland University
Board of Trustees Formal Session
December 2, 2015

**MEADOW BROOK HALL OPERATING BUDGET
FOR CALENDAR YEAR ENDING DECEMBER 31, 2016**

A Recommendation

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** The operating budget for Meadow Brook Hall (MBH) is presented to the Board of Trustees (Board) for approval annually. Attached is the projected 2015 year-end budget performance and proposed budget for 2016, along with the budget assumptions. (See Attachments)

Since Board approval in December 2004, MBH has been operating under a "cultural center" model, providing public museum and educational programming and access for university, social and corporate events and activities.

From 2005 through 2014, MBH revenues exceeded expenses. Projections for 2015 suggest that revenues will once again exceed expenses.
3. **Previous Board Action:** The Meadow Brook Hall 2015 calendar year budget was approved by the Board on December 1, 2014.
4. **Budget Implications:** For the calendar year 2016 budget, an operating surplus of \$1,859 is projected.
5. **Educational Implications:** MBH will continue to share its architectural, art, and historical resources with Oakland University's students and faculty (See Attachment D.)
6. **Personnel Implications:** In 2015, MBH added one Administrative Professional Security Coordinator position. In 2016, the full-time Administrative Professional Merchandising & Database Manager position will be eliminated and one casual position will be added, a position which will assume a portion of the merchandising duties of the eliminated Administrative Professional position.
7. **University Reviews/Approvals:** The Meadow Brook Hall Budget Report was prepared by Meadow Brook Hall Director of Administration and Finance and Executive Director and thoroughly reviewed by the Office of Budget and Financial Planning, Financial Performance Review Committee, Vice President for Finance and Administration, and President.

Meadow Brook Hall Operating Budget
Calendar Year Ending December 31, 2016
Oakland University
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8. Recommendation:

RESOLVED, that the Board of Trustees approve the 2016 Budget for Meadow Brook Hall.

9. Attachments:

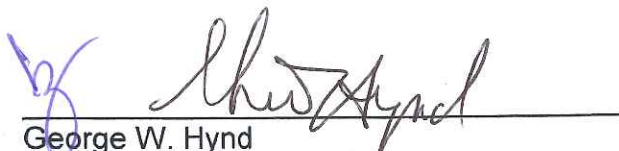
- A. Meadow Brook Hall Proposed Budget – All Funds 2016
- B. Meadow Brook Hall Budget Notes and Assumptions
- C. Proposed Major Capital Expenditures
- D. Meadow Brook Hall/Oakland University 2015 Program Integration

Submitted to the President
on Nov. 20, 2015 by



Geoffrey C. Upward
Executive Director
Meadow Brook Hall

Recommended on 11/24, 2015
to the Board for approval by



George W. Hynd
President

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Hall
Proposed Budget - All Funds
Calendar 2016

	2015 BUDGET	2015 ESTIMATED ACTUAL	2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 2,556,175	\$ 3,229,914	\$ 2,720,200
Retail Sales	77,000	80,000	80,000
Student Tuition Allocation	-	-	-
Gifts and Grants	114,000	79,153	114,000
Investment Income	10,000	18,551	11,500
General Fund Support	208,960	436,562	209,875
Total Revenue	<u>\$ 2,966,135</u>	<u>\$ 3,844,180</u>	<u>\$ 3,135,575</u>
EXPENDITURES:			
Compensation	\$ 1,000,332	\$ 915,332	\$ 1,085,711
Supplies and Services	478,233	488,233	518,529
Food Service	1,297,000	1,647,256	1,377,000
Repairs and Maintenance	26,000	20,394	26,000
Cost of Retail Sales	28,000	29,325	28,800
Equipment	10,000	11,138	9,000
Insurance	50,000	50,000	50,000
Utilities	186,000	164,641	171,000
Debt Service	-	-	-
University Overhead	(110,481)	(110,481)	(132,324)
Other Transfers	-	-	-
Total Expenditures	<u>\$ 2,965,084</u>	<u>\$ 3,215,838</u>	<u>\$ 3,133,716</u>
Net Revenue	<u>\$ 1,051</u>	<u>\$ 628,342</u>	<u>\$ 1,859</u>
Restricted Funds Activity:			
Restricted Funds Received	\$ 391,000	\$ 421,643	\$ 391,000
Restricted Funds Expended	391,000	468,907	391,000
Net Restricted Funds Activity	\$ -	\$ (47,264)	\$ -
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ 486,109	\$ 438,845	\$ 438,845
Unrestricted Fund Balance	2,253,151	2,881,493	2,604,246
Less: Major Capital Expenditures	-	279,106	-
Total Fund Balance	<u>\$ 2,739,260</u>	<u>\$ 3,041,232</u>	<u>\$ 3,043,091</u>
Fund 35122 Gifts & Donations		\$ 52,565	
Fund 33751 Wilson Fund		289,158	
Fund 43714 Publishing		48,821	
Fund 30230 Garden Club		20,760	
Fund 40560 Dress Conservation		26,284	
Fund 30250 Organ Fund		1,257	
Restricted Fund Balance *		<u>\$ 438,845</u>	

Meadow Brook Hall Budget Notes and Assumptions

Description of Program

Meadow Brook Hall was the former home of Dodge Brothers Motor Car Company heiress Matilda Dodge Wilson and her second husband, Alfred Wilson. Built between 1926 and 1929 for \$4 million, Meadow Brook is known as the pre-eminent example of the country estate lifestyle of America's automotive aristocracy, and for its Tudor Revival architecture and vast collection of original decorative and fine arts. The Hall's 88,000 square feet and 110 rooms make it the fourth largest historic house museum in the United States and the largest in the Midwest. Meadow Brook was named a National Historic Landmark in 2012 by the National Park Service.

In a visionary act of philanthropy, the Wilsons donated the Hall, their 1,500-acre Meadow Brook Farms estate and \$2 million to Michigan State University in 1957 to form a branch campus in Oakland County. The university opened in 1959 and became an independent Michigan public institution of higher education – Oakland University – in 1970.

The Wilsons continued to live in the Hall and a surrounding 127 acres until both passed away; Alfred in 1962 and Matilda in 1967. Oakland University took possession of the Hall from the Wilsons' estate in 1971. Since that time, the building has been open to the public as a museum and cultural center, per Matilda's wishes.

The Hall is self-supporting, relying primarily on facility rental revenue, tour fees, and donations to preserve, interpret, and operate the building at a cost of thousands of dollars a day.

As the educational cornerstone of Oakland University, Meadow Brook Hall serves students, faculty, staff and an international research community as a major cultural and historical resource, a resource renowned for its architecture, scale, collections, and social history.

And, as the flagship of the campus physical plant, the former home of the university's founders functions as the community gateway to OU through public, corporate, and social events...and it serves as OU's premier facility for cultivating friends and donors and hosting high-level meetings with partners, including ceremonial milestones.

Key Performance Indicators

	<u>2013</u>	<u>2014</u>	Projected <u>2015</u>
Number of Facility Rental Events	595	588	532
Gross Facility Rental Revenue	\$2.4M	\$2.7M	\$2.75M
Number of Museum Visitors	20,449	21,869	22,000
Museum Revenue	\$488,801	\$573,528	\$479,000
Net Revenue	\$457,738	\$612,448	\$628,342

2015 Explanation of Major Changes

1. 2015 projected operating performance is based on actual revenue and expenses booked through September 30, 2015 and a revenue and expense forecast for the remainder of the year.

2. The "Major Capital Expenditures" for 2015 are estimated to be \$279,106.

Security Equipment Upgrades	\$294,000
Elevator Renovation Savings	(\$14,894)

3. The "Restricted Funds Expended" for 2015 are estimated to be \$468,907. The following projects were funded by the Matilda Wilson Fund Matching Gift and other restricted funds received:

Preventative Maintenance	\$82,000
Curatorial & Fundraising Support	\$40,000
Exterior Lighting	\$245,000
HVAC Upgrade	\$46,000
Floor Restoration	\$30,144
Miscellaneous	\$25,763

Miscellaneous includes garden expenses, electrical and mechanical upgrades, fountain repair investigation, masonry repair, collections conservation, etc.

4. General Fund Support represents one-time funding from the University of \$328,205 for security equipment upgrades and security compensation. It also represents funding of \$104,906 for Executive Director's compensation, which is less this year due to dual assignment in DACE. \$3,451 is a transfer from the President's matching funds for the All-University Fund Drive contributions to Meadow Brook Hall.

5. 2015 Wilson Fund match of \$366,000 will be submitted in full to the Wilson Fund.

2016 Budget Assumptions

1. Operating revenue for 2016 is projected to be \$164,025 more than the 2015 budget, based on estimates from our catering partner and an anticipated increase in facility rental and increase in Holiday Walk, Ticketed Events, and touring in 2016.
2. Retail sales are projected to increase 4% due to increased touring and Holiday Walk visitors.
3. 2016 compensation is expected to increase significantly, approximately 7%, primarily due to the addition of a full-time administrative professional Security Coordinator position, and anticipated raises.
4. Net revenues from operations will be distributed as follows:

Operating/Maintenance Reserve	100 percent
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5. 2016 Restricted Funds Received

Wilson Fund Matching Grant	\$366,000
Garden Club	<u>\$ 25,000</u>
	<u>\$391,000</u>

2016 Restricted Funds Expended

Wilson Fund Capital Projects	\$351,000
Wilson Fund Miscellaneous Expenses	\$ 15,000
Garden Club Expenses	<u>\$ 25,000</u>
	<u>\$391,000</u>

**Oakland University
Meadow Brook Hall
Proposed Major Capital Expenditures
Calendar 2016**

<u>Item Description</u>	<u>Estimated Cost</u>
	-
2016 Total	<u><u>\$ -</u></u>
*Wilson Fund Projects (Exterior Lighting, Timber Restoration, Other)	351,000

***These projects are included in the "Restricted Funds Expended" amount on Attachment A**

Meadow Brook Hall/Oakland University 2014-15 Program Integration

STUDENT INVOLVEMENT

Internships

- 6-8 students enrolled either in Art & Art History, Anthropology or History utilized annually as curatorial research and exhibit assistants, including one paid assistantship position.
- 4 students employed as paid interns through OU Summer Student Campus Corps program (museum assistants)

Part-Time Employment

- 31 students employed in part-time capacities (docents, front desk, facilities maintenance, youth programs, Archives)
- Part-time food service employment opportunities routinely offered to students

Meadow Brook Writing Project

- 6 one-week-long summer writing workshop day camps for area youth in partnership with the OU College of Arts & Sciences writing program
- Has grown from 150 participants in 2010 to 288 in 2015
- In addition to OU staff and area teachers, 4 OU students worked as Education Assistants
- Camps continue to gain national attention as a model program

OU Academic Departments

- Class projects/sessions hosted by MBH in 2014-2015 included: Advanced Photography, Journalism, Anthropology, History, and Theatre.

First-Year students' evening mansion visit

- Offered by Student Affairs for new first-year students during Welcome Week with hundreds in attendance

Parent Orientation

- Complimentary tours offered to parents as well as tours for prospective students throughout the year

Meadow Brook Ball

- Two student formals held at MBH by Student Affairs in Winter 2015
- Hundreds of students participate...popularity requires tickets through a lottery

Honors College

- Fall 2014 Downton Abbey Class held at Meadow Brook. MBH Curator was a special lecturer for the class

Holiday Walk

- OU men's and women's track teams provided three full days of volunteer services, assisting with decoration set-up

GENERAL UNIVERSITY INTERACTION

DIA Collaboration

- MBH painting and frame (17th Century by Esteban Murillo) on loan to DIA
- Participated in the DIA's Inside Out community program, with eight paintings loaned to MBH and placed throughout the grounds for public touring

Touring

- Discounted museum touring for students (free), faculty and staff
- OU Night at Holiday Walk – discounted tickets for faculty, staff, alumni and families

Facility Use

- MBH discounts school/departmental meetings, receptions, dinners, award ceremonies
- Academic Affairs facility rental waiver for one conference annually
- Donor cultivations
- University events, signings, etc.
- Facility rental discounts offered to all faculty, staff, students & alumni

Meadow Brook Greenhouse

- Collaborations through plant purchases, Garden Club activities
- MBH purchases/rents plants from the Greenhouse for events & facility rentals

Brooksie Way

- Collaboration with OU & race organizers in Fall 2014 and 2015 to use MBH roadways/grounds

Homecoming

- Hosted luncheon in September 2015 for the Class of 1965, including lecture and tours
- General touring made available to alumni reunion participants during Homecoming weekend