

**ANCILLARY ACTIVITIES OPERATING BUDGETS FOR THE  
FISCAL YEAR ENDING JUNE 30, 2017**

**A Recommendation**

1. **Division and Department:** President's Office, Academic Affairs, Finance and Administration, and Student Affairs
2. **Introduction:** Proposed budgets for the following ancillary activities are presented for approval for the fiscal year ending June 30, 2017:

Intercollegiate Athletics  
Lowry Center for Early Childhood Education  
Meadow Brook Amphitheatre  
Meadow Brook Theatre  
Oakland Center  
University Housing

The ancillary activities presented here represent a broad range of operations connected with and in support of the educational mission of Oakland University. Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and transfer categories. The "all funds" budget model has been used to construct the presentation of these budgets. The all funds model is intended to provide a comprehensive picture of the financial activities of each unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund, and Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from these endowments are income in the Expendable Restricted Funds and are included.

3. **Previous Board Action:** The Board of Trustees (Board) approved the FY2016 ancillary budgets on April 1, 2015.
4. **Budget Implications:** See individual ancillary program descriptions for budget implications.
5. **Educational Implications:** See individual ancillary program descriptions for educational implications.
6. **Personnel Implications:** See individual ancillary program descriptions for personnel implications.

**Ancillary Activities Operating Budgets for the  
Fiscal Year Ending June 30, 2017  
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April 11, 2016  
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7. **University Reviews/Approvals:** The ancillary activities operating budgets were prepared by the ancillary units, reviewed by the Financial Performance Review Committee, Budget and Financial Planning Office, Senior Vice President for Academic Affairs and Provost, Vice President for Student Affairs, Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees approves the FY2017 budgets for Intercollegiate Athletics, Lowry Center for Early Childhood Education, Meadow Brook Amphitheatre, Meadow Brook Theatre, Oakland Center, and University Housing, with expenditures and transfers not to exceed the expense total for each unit as reflected in the attached budgets, except as set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved expense total must have the prior approval of the President or his/her designee and these amounts will be reported on a periodic basis to the Board of Trustees; and, be it further

RESOLVED, that the Board of Trustees authorizes the President, the appropriate Vice President, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper in connection with the FY2017 budgets and the ongoing administration of the FY2017 budgets; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.


9. **Attachments:**

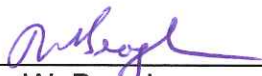
A. Description of Programs and Proposed Budgets, FY2017

**Ancillary Activities Operating Budgets for the  
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Submitted to the President  
on 3/30, 2016 by

  
\_\_\_\_\_  
James P. Lentini  
Senior Vice President for Academic Affairs and Provost

  
\_\_\_\_\_  
Glenn McIntosh  
Vice President for Student Affairs

  
\_\_\_\_\_  
John W. Beaghan  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 4/6, 2016  
to the Board for approval by

  
\_\_\_\_\_  
George W. Hynd  
President

## Department of Intercollegiate Athletics

### Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics (Athletics) has been fully participating in Division I athletics since 1999-2000. In sixteen years the Golden Grizzlies have won 27 regular-season conference championships, 63 conference tournament titles and have had 47 NCAA tournament appearances.

OU has 18 varsity sports - baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis, men's indoor & outdoor track, women's indoor & outdoor track and women's volleyball.

The Golden Grizzlies play their court sports (volleyball, men's and women's basketball) at the Athletics Center (O'rena) which has a capacity of 4,000, with baseball, softball and soccer games played at the Oakland Athletic Fields. Oakland swimming and diving competes in the Oakland Aquatics Center, which has a capacity of 1,000, and OU's Katke-Cousins golf course is the home course for the men's and women's golf teams. The track & field and tennis programs compete at the new Outdoor Recreation and Athletic Complex.

<u>Key Performance Indicators</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<b>RPI Tier 1 Athletic Teams</b>			
Men's Basketball	151	134	116
Women's Basketball	293	238	209
Men's Soccer	113	72	65
Women's Soccer	106	251	132
Men's Swimming/Diving	48#	11*	22*
Women's Swimming/Diving	31*	31*	23*

\* Mid-Major Ranking

# National Ranking

RPI (Ratings Percentage Index) is a rating system utilizing three factors: Division I winning percentage; schedule strength; and opponents' schedule strength.

Number of Student Athletes	320	327	327
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## Department of Intercollegiate Athletics

<u>Key Performance Indicators (continued)</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Grad Rates-All Students/Student Athletes	43%/58%	43%/57%	46%/63%
Graduation Success Rate – Student Athletes	81%	80%	80%

Freshman-Cohort 2006/2007, 2007/2008 & 2008/2009 Graduation Rates: These are the most recent graduating classes for which the required six years of information is available. "All Students" represents all undergraduate students who were enrolled in a full-time program of studies for a degree. "Student Athletes" represents those student athletes who received athletics aid from the university for any period of time during their entering year.

Graduation Success Rate takes into account the successful completion of graduation requirements for transfer students.

### FY2016 Explanation of Major Changes

Operating revenues are reflective of an increase in ticket sales, an increase in men's basketball team guarantee revenue, an increase in NCAA allocations, and an increase in sponsorship sales.

Increases in supplies and services are due to increased spending in operations, and increased spending on men's basketball guarantee games.

Major capital expenditures for FY2016 are estimated to be \$354,000.

O'rena upgrades	\$144,000
Office renovations	86,000
Concessions	50,000
Swimming pool start blocks	32,000
Soccer shelters	21,000
Softball field maintenance	15,000
Upper fields – sidewalk	<u>6,000</u>
	<b>\$354,000</b>

## Department of Intercollegiate Athletics

### FY2017 Budget Assumptions

The proposed Athletics' budget reflects the revenues and expenditures of its continuing participation in NCAA Division I and league affiliation to the Horizon League. Budget assumptions for FY2017 have been projected based on Horizon League competition:

1. External revenues have been modified to reflect future expectations in the areas of tickets sales, NCAA and Horizon League revenues and the ongoing third-party sponsorship agreement.
2. Gift revenue changes are reflective of future expectations.
3. University Support includes \$698,000 funding for Lepley renovation Architecture and Engineering costs.
4. Increase in supplies and services is due to increased spending in operations, student-athlete services, and men's basketball guarantee games.
5. Major capital expenditures of \$729,500 for FY2017 reflect \$698,500 for the Architecture and Engineering phase of the Lepley Pool renovation, \$26,000 for upgrades to the speakers in the O'rena and \$5,000 for office renovations.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Athletics**  
**Proposed Budget - All Funds**  
**FY2017**

	FY2016 BUDGET	FY2016 ESTIMATED ACTUAL	FY2017 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue			
Ticket Sales	\$ 150,000	\$ 200,000	\$ 215,000
Team Guarantees	340,000	441,000	217,500
NCAA/League Revenues	460,000	572,494	758,556
Other	797,500	962,020	1,075,000
Total Operating Revenue	<u>\$ 1,747,500</u>	<u>\$ 2,175,514</u>	<u>\$ 2,266,056</u>
Retail Sales	29,000	27,500	33,000
Gifts and Grants	500,000	525,000	600,000
Investment Income	1,000	1,000	1,000
University Support <sup>1</sup>	6,193,183	6,146,396	7,064,790
Total Revenue	<u>\$ 8,470,683</u>	<u>\$ 8,875,410</u>	<u>\$ 9,964,846</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 5,416,825	\$ 5,487,527	\$ 5,770,982
Supplies and Services	1,797,950	2,061,105	2,006,084
Travel	1,265,000	1,300,000	1,313,000
Repairs and Maintenance	-	-	-
Cost of Retail Sales	12,500	20,000	20,000
Equipment	-	-	-
Insurance	90,000	115,000	125,000
Utilities	-	-	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 8,582,275</u>	<u>\$ 8,983,631</u>	<u>\$ 9,235,066</u>
Net Revenue	<u>\$ (111,592)</u>	<u>\$ (108,222)</u>	<u>\$ 729,780</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance <sup>2</sup>	\$ 292,848	\$ 292,848	\$ 152,848
Unrestricted Fund Balance	553,855	557,226	1,073,006
Less: Major Capital Expenditures	50,000	354,000	729,500
Total Fund Balance	<u>\$ 796,703</u>	<u>\$ 496,074</u>	<u>\$ 496,354</u>
Athletic Programs		\$ 112,108	
Endowments / Scholarships		78,943	
Facility Development		95,552	
Student Athlete Funds		6,245	
Restricted Fund Balance <sup>2</sup>		<u>\$ 292,848</u>	

<sup>1</sup> Formerly reported under two separate categories, Student Tuition Allocation and General Fund Support.

**Oakland University  
Department of Athletics  
Proposed Major Capital Expenditures  
FY2017**

<b>Item Description</b>	<b>Estimated Cost</b>
Lepley pool renovations - Architecture and Engineering costs	\$ 698,500
O'rena speaker upgrade	26,000
Office renovation	5,000

**FY2017 Total**

\$ 729,500



## Lowry Center for Early Childhood Education

### Description of Program

The vision of the Lowry Center for Early Childhood Education is to cultivate and maintain an environment where faculty, students, staff and parents collaborate to provide a model center which exhibits best practice in the field of early childhood education and development. It has three related components, described below, with purposes that are congruent with the goals of the School of Education and Human Services (SEHS) and the mission of Oakland University:

- To provide high quality, developmentally appropriate early childhood experiences for young children and families.
- To provide learning and teaching environments for students and practitioners in Education, Human Services and related fields.
- To expand knowledge in Education, Human Service and related fields through research and service.

These components are based on the belief that learners of all ages should have meaningful, interesting and challenging experiences. Child and adult development are fostered by active participation of the learner.

### Key Performance Indicators

#### **Overall Center Enrollment**

March 2012	March 2013	March 2014	March 2015	March 2016
79%	83%	80%	82%	85%

#### **Enrollment by Category**

	Winter 2012 Participants	Winter 2013 Participants	Winter 2014 Participants	Winter 2015 Participants	Winter 2016 Participants
Community	116	105	97	114	109
Students	28	23	18	11	6
Faculty/Staff	21	25	27	32	32
Total	165	153	142	157	147

## Lowry Center for Early Childhood Education

### Key Performance Indicators (continued)

#### Daily Rates

Age Group	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Toddlers	\$57.50	\$57.50	\$57.50	\$60.00	\$60.00
	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
	\$33.50	\$33.50	\$33.50	\$36.00	\$36.00
	9am-12pm	9am-12pm	9am-12pm	9am-12pm	9am-12pm
Preschool	\$48.50	\$48.50	\$48.50	\$52.00	\$52.00
	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
	\$28.50	\$28.50	\$28.50	\$32.00	\$32.00
	9am-12pm	9am-12pm	9am-12pm	9am-12pm	9am-12pm
Pre-K	\$48.50	\$48.50	\$48.50	\$51.00	\$51.00
	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
	\$28.50	\$28.50	\$28.50	\$31.00	\$31.00
	9am-12pm	9am-12pm	9am-12pm	9am-12pm	9am-12pm

#### All Age Groups

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Before Care	\$5.00 per	\$5.00 per	\$5.00 per	\$5.00 per	\$5.00 per
7:30-9:00am	½hour	½hour	½hour	½hour	½hour
After Care	Community	Community	Community	Community	Community
4:00-5:30pm	\$3.00 per	\$3.00 per	\$3.00 per	\$3.00 per	\$3.00 per
	½ hour OU	½ hour OU	½ hour OU	½ hour OU	½ hour OU

- Registration/Deposits for community members will be \$200 per year; \$150 will be deducted from the final payment (\$50 non-refundable).
- Registration charges for OU affiliates will be \$75 per year, \$25 will be deducted from the final payment of the school year (\$50 non-refundable per school year).

## Lowry Center for Early Childhood Education

### Key Performance Indicators (continued)

- Schedule change charges of \$25.00 per occurrence will be applied to families with frequent schedule changes.
- A late charge of \$25.00 will be applied to families who have not paid their monthly tuition by the 10<sup>th</sup> of the month.

### FY2016 Explanation of Major Changes

The FY2016 University Support projection continues to reflect the ongoing interest in the undergraduate Early Childhood practicum program, with course sections reaching maximum capacity for the past two years.

### **Major Capital Expenditures - \$70,000**

The past year has been spent to determine the best solution for Lowry's playground surfacing. An Oakland University architect is finalizing a proposal for bid with the aim of being completed by June 30, 2016.

### FY2017 Budget Assumptions

Based on positive feedback from families and positive impact on enrollment in the Pre-K classrooms over the past two years, the preschool classrooms will adopt the same scheduling option during FY2017, with both rooms enrolling both half-day and full-day children, and with full day children being divided equally between the two preschool rooms.

### **Revenue – \$1,015,034**

#### *Operating Revenue*

- Based on actual enrollment as of 2/28/16 for the 2016-2017 school year.
- Families will be offered a 5% discount on the oldest sibling when enrolling two or more children. This discount is common practice among preschools.
- \$9,900 in projected gifts and investment income from endowments.

#### *University Support*

- Support based on practicum enrollment trends over the past two (2) years.

## Lowry Center for Early Childhood Education

### FY2017 Budget Assumptions (continued)

#### **Expenditures – \$994,303**

##### *Compensation*

- Includes salary increases for staff
- Includes liaison teacher stipend
- Includes stipends for teachers obtaining masters and post-masters degrees
- Includes two casual positions to assist the administrative and teaching staff
- Includes Sibson Study projection
- Includes minimum wage increase for student staff from \$8.50 to \$8.90

*Repairs and Maintenance* – cleaning services contract based on current trend

*Supplies and Services* - application of Hygenesis Surface Armour throughout the center to decrease spread of communicable diseases.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Lowry Center for Early Childhood Education**  
**Proposed Budget - All Funds**  
**FY2017**

	FY2016 BUDGET	FY2016 ESTIMATED ACTUAL	FY2017 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue	\$ 867,290	\$ 867,290	\$ 936,318
Retail Sales	-	-	-
Gifts and Grants	3,500	4,650	4,900
Investment Income	4,800	4,800	5,000
University Support <sup>1</sup>	53,823	82,115	68,816
Total Revenue	<u>\$ 929,413</u>	<u>\$ 958,855</u>	<u>\$ 1,015,034</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 811,890	\$ 816,386	\$ 903,783
Supplies and Services	43,350	51,045	52,420
Repairs and Maintenance	33,500	33,500	36,500
Cost of Retail Sales	-	-	-
Equipment	-	-	1,600
Insurance	-	-	-
Utilities	-	-	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 888,740</u>	<u>\$ 900,931</u>	<u>\$ 994,303</u>
Net Revenue	<u>\$ 40,673</u>	<u>\$ 57,924</u>	<u>\$ 20,731</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	458,027	475,279	426,010
Less: Major Capital Expenditures	-	70,000	-
Total Fund Balance	<u>\$ 458,027</u>	<u>\$ 405,279</u>	<u>\$ 426,010</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

<sup>1</sup> Formerly reported under two separate categories, Student Tuition Allocation and General Fund Support.

# Meadow Brook Amphitheatre

## Description of Program

Meadow Brook Amphitheatre (MBA), formerly the Meadow Brook Music Festival, Oakland University's (University) outdoor summer amphitheater, has been managed by Palace Sports & Entertainment (PS&E) since 1996. During that time, PS&E has overseen all aspects of the facility, including entertainment bookings, rentals, advertising, staffing, concessions, parking and grounds.

In October 2014, the Board of Trustees (Board) authorized a new long term agreement for PS&E to continue its management of MBA. Financial highlights of the agreement with PS&E include:

- \$500,000 up-front payment
- \$1,500,000 minimum investment in MBA facility improvements
- \$165,000 annual license fee
- \$35,000 annual subsidy to DSO programming at MBA
- Ten-year initial lease term

PS&E continues to build the visibility and reputation of MBA by booking nationally known acts, such as Lady Gaga and Tony Bennett in July 2015. MBA performances typically include rock, indie rock, jazz, country, comedy, adult contemporary and family entertainment.

## Key Performance Indicators

	<u>FY2014</u>	<u>FY2015</u>	<u>Projected FY2016</u>
Attendance	71,841	87,718	90,000
Gross Revenue	\$2,459,797	\$3,483,481	\$3,600,000

## FY2016 Explanation of Major Changes

1. As noted in Projected FY2016 Revenue, operating revenue increased by \$50,000 compared to budget due to the timing of the receipt of the \$500,000 up-front payment required by the new PS&E agreement, which is classified as pre-paid rent and will be recognized as revenue over the ten year initial contract period.
2. At the expiration of the prior agreement with PS&E, the University took over management of the electronic sign at the corner of Walton and Adams; \$531,000 was allocated for the construction of a new sign, which was completed in November 2015.

## **Meadow Brook Amphitheatre**

### FY2017 Budget Assumptions

1. The FY2017 budgeted revenue is consistent with the new agreement and historical investment income. PS&E's annual license is now \$165,000. Budgeted expenses include insurance, supplies and services, and compensation.
2. In FY2017, per the endowment requirements, \$12,000 will be disbursed from the L. Clifford Goad Memorial Concert Endowment to support a Detroit Symphony Orchestra concert at the MBA, and \$6,000 will be disbursed from the Trumbull Terrace Endowment to support repairs and maintenance of the MBA's Trumbull Terrace.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Meadow Brook Amphitheatre**  
**Proposed Budget - All Funds**  
**FY2017**

	<b>FY2016 BUDGET</b>	<b>FY2016 ESTIMATED ACTUAL</b>	<b>FY2017 PROPOSED BUDGET</b>
<b>REVENUE:</b>			
Operating Revenue	\$ 165,000	\$ 215,000	\$ 215,000
Retail Sales	-	-	-
Gifts and Grants	-	-	-
Investment Income	10,000	11,800	10,000
University Support <sup>1</sup>	-	-	-
Total Revenue	<u>\$ 175,000</u>	<u>\$ 226,800</u>	<u>\$ 225,000</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 6,000	\$ 5,838	\$ 6,100
Supplies and Services	14,500	2,000	14,500
Repairs and Maintenance	6,000	-	6,000
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	-	4,044	5,000
Utilities	-	433	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	(2,353)	-
Total Expenditures	<u>\$ 26,500</u>	<u>\$ 9,962</u>	<u>\$ 31,600</u>
Net Revenue	<u>\$ 148,500</u>	<u>\$ 216,838</u>	<u>\$ 193,400</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ 48,755	\$ 62,555	\$ 60,555
Unrestricted Fund Balance	1,073,498	1,128,036	792,436
Less: Major Capital Expenditures	475,000	531,000	-
Total Fund Balance	<u>\$ 647,253</u>	<u>\$ 659,591</u>	<u>\$ 852,991</u>
L. Clifford Goad Memorial Concert Endowment		\$ 51,652	
Florine E. Trumbull MBA Endowment Fund		10,903	
Restricted Fund Balance *		<u>\$ 62,555</u>	

<sup>1</sup> Formerly reported under two separate categories, Student Tuition Allocation and General Fund Support.



# Meadow Brook Theatre

## Description of Program

Oakland University (University) entered into an Agreement with The Theatre Ensemble (Ensemble), a non-profit corporation, to lease Meadow Brook Theatre (MBT) facilities in 2002. In March 2012, the University Board of Trustees approved a renewal of the original Agreement through June 30, 2016, which allows the Ensemble to continue in the MBT facilities through the MBT Fiftieth Anniversary season (2015-2016). A two-year extension through June 30, 2018 is being finalized. Highlights of the Agreement include the following:

- Continued professional theatre productions and related events at Meadow Brook Theatre, including a full-season of plays.
- Guaranteed weekly fixed rent payments each production season, with a guaranteed number of weeks each year.
- Additional rent payments based on tickets sold.
- Opportunities for a strong relationship between the Ensemble and University students, particularly those in the academic theatre program.

All contractual payments to the University from the Ensemble continue to be paid in a timely manner.

The Ensemble is committed to presenting high quality productions, geared to inspire, educate and entertain a diverse audience base. This year, the season included three musicals, two comedies and one drama. The Ensemble continues to share its resources with the University's Department of Music, Theatre and Dance in professional and artistic avenues and a number of students are employed by the Ensemble in a variety of professional and operational positions.

## Key Performance Indicators

	<u>FY2014</u>	<u>FY2015</u>	<u>Projected FY2016</u>
Total Attendance	64,979	69,059	70,000

## FY2016 Explanation of Major Changes

The University contributed \$20,000 in matching funds to the Meadow Brook Theatre 2015 and 2016 grants from the Michigan Council for Arts & Cultural Affairs, which will fund lighting infrastructure upgrades in the theatre.

## **Meadow Brook Theatre**

### FY2017 Budget Assumptions

Under the current agreement, rent will be \$2,188 per week for the FY2017 season. Rent revenue covers expenses for repairs, maintenance, insurance and utilities to maintain the auxiliary operation and provides net revenue for major capital expenditures.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Meadow Brook Theatre**  
**Proposed Budget - All Funds**  
**FY2017**

	FY 2016 BUDGET	FY 2016 ESTIMATED ACTUAL	FY2017 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue	\$ 105,000	\$ 109,000	\$ 109,000
Retail Sales	-	-	-
Gifts and Grants	-	-	-
Investment Income	-	-	-
University Support <sup>1</sup>	-	-	-
Total Revenue	<u>\$ 105,000</u>	<u>\$ 109,000</u>	<u>\$ 109,000</u>
<b>EXPENDITURES:</b>			
Compensation	\$ -	\$ -	\$ -
Supplies and Services	1,000	20,020	1,000
Repairs and Maintenance	3,500	5,500	3,500
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	2,571	2,000	2,187
Utilities	43,000	43,000	40,000
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 50,071</u>	<u>\$ 70,520</u>	<u>\$ 46,687</u>
Net Revenue	<u>\$ 54,929</u>	<u>\$ 38,480</u>	<u>\$ 62,313</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	316,718	300,269	362,583
Less: Major Capital Expenditures	-	-	-
Total Fund Balance	<u>\$ 316,718</u>	<u>\$ 300,269</u>	<u>\$ 362,583</u>

<sup>1</sup> Formerly reported under two separate categories, Student Tuition Allocation and General Fund Support.

## Oakland Center

### Description of Program

The Oakland Center serves as a community center for students, faculty, staff and university guests. It offers a wide-range of services and amenities such as: campus-wide food service, university bookstore, credit union, meeting and conference room facilities, departmental and student organization offices. The Oakland Center continues to experience strong and growing student utilization and to attract a diversity of campus and community programs.

### Key Performance Indicators

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Number of meeting room reservations	6,829	6,778	7,386
Number of meeting attendees	321,333	300,719	381,733

- Annual FY2015 foot traffic totaled 1,662,203 which marks a 7 percent increase over the previous year.
- 253,166 pedestrian entries were recorded during September 2015 a 2.4% increase over the previous year.
- 510 Banquet Room events were held with 103,000 attendees.

### FY2016 Explanation of Major Changes

1. Food service revenues include a \$5,500,000 one-time signing bonus received in 2016. \$4,000,000 is committed to the Oakland Center expansion project and \$1,500,000 is committed for food service expansion. The total sum will be amortized over a ten year period but is reflected in the budget and estimated actuals as FY2016 activity.
2. A food service capital investment of \$4,320,525 renovated Pioneer Food Court, replaced aging dining room furniture, added a food concept and renovated the games room, and replaced the former coffee shop with au bon pain. Per the contract, Chartwells may invest an additional \$579,475 in FY2016. The capital investment will be capitalized in FY2016 but is amortized over a ten year period and is reflected on the University's balance sheet.
3. Compensation expenses were reduced due to a short-term vacancy.
4. Travel expenditures decreased due to a reduction of business travel.
5. Repairs and maintenance expenditures increased due to unexpected ejector pump replacement and higher facility maintenance costs.

## Oakland Center

### FY2016 Explanation of Major Changes (continued)

6. Major capital projects were cancelled due to pending building expansion and renovation. Allocated funds were not expended.

### FY2017 Budget Assumptions

1. The proposed ten year bookstore contract guarantees year-one commissions at \$875,000.
2. The proposed bookstore contract provides a one-time signing bonus of \$550,000. Operating revenues will recognize \$55,000 annually beginning in 2017 for the life of the ten year contract.
3. In addition to the above, the proposed contract also provides \$250,000 for capital improvements which will be directly handled by Barnes and Noble. The \$250,000 will be capitalized in FY2017 but it is amortized over the life of the contract, and is reflected on the University's balance sheet.
4. The FY2017 Chartwells food service commission is guaranteed at \$440,000. Projected food service revenues from camps and reimbursements bring the total to \$532,550.
5. In addition, Chartwells will provide \$950,000 for capital improvements. The investments will be capitalized in FY2017 but amortized over the life of the contract and will show on the University's balance sheet.
6. Conference revenues are projected to remain steady.
7. Repairs and maintenance expenditure adjustments take into account aging equipment and infrastructure and satellite food service equipment repairs.
8. The budget reflects plant renewal projects as detailed in the proposed major capital expenditures attachment.
9. University overhead includes \$153,423 for the General Fund share of bookstore commission.
10. Total transfer activity, year-two annual food service amortization \$100,000.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Oakland Center**  
**Proposed Budget - All Funds**  
**FY2017**

	FY2016 BUDGET	FY2016 ESTIMATED ACTUAL	FY2017 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue			
Bookstore Commissions	\$ 680,000	\$ 680,000	\$ 930,000
Conferences	200,000	215,491	200,000
Food Service	6,005,000	6,001,903	532,550
Other	150,092	152,451	150,092
Total Operating Revenue	<u>\$ 7,035,092</u>	<u>\$ 7,049,845</u>	<u>\$ 1,812,642</u>
Retail Sales	-	-	-
Gifts and Grants	550	522	525
Investment Income	250	313	325
University Support <sup>1</sup>	1,122,929	1,122,929	1,134,159
Total Revenue	<u>\$ 8,158,821</u>	<u>\$ 8,173,609</u>	<u>\$ 2,947,651</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 1,128,300	\$ 1,105,024	\$ 1,175,157
Supplies and Services	291,000	306,480	313,559
Travel	12,875	3,227	3,500
Repairs and Maintenance	194,600	238,490	245,645
Cost of Retail Sales	-	-	-
Equipment	70,000	74,560	76,800
Insurance	18,929	19,238	25,088
Utilities	356,825	359,405	360,000
Debt Service	80,866	80,866	80,866
University Overhead	178,426	178,426	179,419
Other Transfers	5,600,000	5,600,422	100,000
Total Expenditures	<u>\$ 7,931,821</u>	<u>\$ 7,966,138</u>	<u>\$ 2,560,034</u>
Net Revenue	<u>\$ 227,000</u>	<u>\$ 207,471</u>	<u>\$ 387,617</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance <sup>2</sup>	\$ -	\$ -	\$ -
Unrestricted Fund Balance	1,441,685	1,422,156	1,809,773
Less: Major Capital Expenditures	70,000	-	102,000
Total Fund Balance	<u>\$ 1,371,685</u>	<u>\$ 1,422,156</u>	<u>\$ 1,707,773</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance <sup>2</sup>		<u>\$ -</u>	

<sup>1</sup> Formerly reported under two separate categories, Student Tuition Allocation and General Fund Support.

**Oakland University**  
**OAKLAND CENTER**  
**Proposed Major Capital Expenditures**  
**FY2017**

<u>Item Description</u>	<u>Estimated Cost</u>
Replace video projector equipment and update AV wiring and control systems	\$ 72,000
Roof and parapet wall repairs	30,000

**FY2017 Total** \$ 102,000

## Department of University Housing

### Description of Program

The Department of University Housing has administrative oversight for on-campus housing operations including budget, facility operations, maintenance, programming, support services and personnel. The department also has property management responsibilities for the Meadow Brook Subdivision.

### Key Performance Indicators

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Opening Occupancy	2,277	2,611	2,711
Renovation and Refurbishing Projects	\$3,145,700	\$2,546,708	\$9,839,370
Chartwells Board Rate Increase	2.8%	3%	3%

### FY2016 Explanation of Major Changes

1. The increase in operating revenue over the Board approved FY2016 budget is due to a higher than budgeted occupancy.
2. The increase in supplies and services over the Board approved FY2016 budget is due to the utilization of hotel services to address the student housing overflow. These services are expected for FY2017.
3. The decrease in repairs and maintenance from the Board approved FY2016 budget is due to the deferment of repairs to be addressed during the Vandenberg West renovation.
4. The increase in major capital expenditures made during FY2016 include the first phase of the Vandenberg Hall Infrastructure project detailed at the December 2, 2015 Board of Trustee meeting, replacement of student room furniture for Vandenberg West, reconstruction of the canopy on 7000 Ann V. Nicholson apartments and additional Housing Master Planning services.

Vandenberg Hall Infrastructure	\$9,333,013
Vandenberg Hall Furniture	431,000
Ann V. Nicholson canopy	39,000
SmithGroup Master Planning	<u>36,357</u>
	\$9,839,370



## Department of University Housing

### FY2017 Budget Assumptions

1. The **Standard Residence Hall** budget reflects a 4 percent double room rate increase in room and board. The proposed room rates position Oakland University Housing at the middle tier among other Michigan Universities. The recommended rates are as follows:

Year	FY2015	FY2016	FY2017
Academic Year Rate (double room)	\$8,895	\$9,250	\$9,620
Academic Year Rate (single room)	\$9,675	\$10,062	\$10,464
Summer Semester – Base Rate (double room)	\$2,795	\$2,906	\$3,022
Summer Semester – Base Rate (single room)	\$3,020	\$3,140	\$3,265
Percentage Increase (Acad. Yr – double)	3.75%	4%	4%

2. The **Oak View Hall** budget reflects a 4.07 & 5.27 percent room rate increase in room and board. The recommended rates are as follows:

Year	FY2015	FY2016	FY2017
Academic Year Rate (freshmen double room)	\$9,350	\$9,724	\$10,120
Academic Year Rate (upper class single room suite)	\$9,700	\$10,088	\$10,620
Summer Semester Rate (freshmen double room)	\$3,275	\$3,406	\$3,543
Summer Semester Rate (upper class single room suite)	\$3,395	\$3,530	\$3,706
Percentage Increase (freshmen & upper class)	N/A	4%	4.07 & 5.27%

## Department of University Housing

### FY2017 Budget Assumptions (continued)

3. The **Ann V. Nicholson Apartments** budget reflects a 4.08 & 4.13 percent rate increase. The recommended rates are as follows:

Year	FY2015	FY2016	FY2017
Academic Year Rate (3 and 4 Bedrooms)	\$7,400	\$7,696	\$8,010
Academic Year Rate (2 Bedrooms)	\$7,775	\$8,086	\$8,420
Summer Semester Rate (3 and 4 Bedrooms)	\$3,510	\$3,650	\$3,798
Summer Semester Rate (2 Bedrooms)	\$3,900	\$4,056	\$4,223
Percentage Increase (3&4 BR & 2 BR)	8.8%	4%	4.08 & 4.13%

4. The **George T. Matthews Apartments** budget reflects a 3.27 percent rate increase. The recommended rate is as follows:

Year	FY2015	FY2016	FY2017
Academic Year Rate	\$7,700	\$8,008	\$8,270
Summer Semester Rate	\$3,900	\$4,056	\$4,188
Percentage Increase	7.75%	4%	3.27%

5. Increase in compensation is due to a negotiated increase in MEA wages for skilled trades, an increase in minimum wage and a potential increase in staff wages as a result of the Sibson study.
6. Decrease in supplies and services during budgeted FY2017 over actual FY2016 is due to the elimination of credit card charges.
7. Increase in food service reflects a 3% increase in Chartwells board rates and the addition of an All-You-Care-To-Eat feature to the late night meal.

## Department of University Housing

### FY2017 Budget Assumptions (continued)

8. Decrease in equipment during FY2017 is due to meeting many equipment needs during FY2016 and the anticipated equipment replacements in Vandenberg West.
9. Increase in debt service is due to an additional contribution to Housing's debt service reserve fund.
10. Major capital expenditures reflect \$4,935,985 for funding phase II of the Vandenberg infrastructure project as well as the balance of funding for phase I. Capital expenditures also reflect student room furniture for East Vandenberg.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**University Housing**  
**Proposed Budget - All Funds**  
**FY2017**

	FY2016 BUDGET	FY2016 ESTIMATED ACTUAL	FY2017 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue:			
Room & Board	\$ 20,908,661	\$ 21,891,017	\$ 22,377,756
Conferences	200,000	200,000	200,000
Other	439,953	439,953	439,953
Total Operating Revenue	<u>\$ 21,548,614</u>	<u>\$ 22,530,970</u>	<u>\$ 23,017,709</u>
Retail Sales	-	-	-
Gifts and Grants	-	-	-
Investment Income	2,000	2,000	2,000
University Support <sup>1</sup>	-	-	-
Total Revenue	<u>\$ 21,550,614</u>	<u>\$ 22,532,970</u>	<u>\$ 23,019,709</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 4,724,730	\$ 4,634,730	\$ 4,935,543
Supplies and Services	527,358	692,358	656,936
Student Programming & Retention	498,295	498,295	515,680
Food Service	4,432,222	4,432,222	4,754,608
Travel	35,000	35,000	30,000
Repairs and Maintenance	1,471,108	1,396,108	1,471,108
Cost of Retail Sales	-	-	-
Equipment	377,400	377,400	171,200
Insurance	105,785	105,785	141,431
Utilities	1,540,510	1,540,510	1,635,000
Debt Service	3,206,768	3,206,768	3,297,719
University Overhead	464,252	464,252	475,437
Other Transfers	111,488	111,488	114,833
Total Expenditures	<u>\$ 17,494,916</u>	<u>\$ 17,494,916</u>	<u>\$ 18,199,495</u>
Net Revenue	<u>\$ 4,055,698</u>	<u>\$ 5,038,054</u>	<u>\$ 4,820,214</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	10,908,111	11,890,467	6,871,311
Less: Major Capital Expenditures	7,091,580	9,839,370	4,935,985
Total Fund Balance	<u>\$ 3,816,531</u>	<u>\$ 2,051,097</u>	<u>\$ 1,935,326</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

<sup>1</sup> Formerly reported under two separate categories, Student Tuition Allocation and General Fund Support.

**Oakland University  
University Housing  
Proposed Major Capital Expenditures  
FY2017**

<b>Item Description</b>	<b>Estimated Cost</b>
Vandenberg Hall Infrastructure Project - Phase 1	\$ 1,897,410
Vandenberg Hall Infrastructure Project - Phase 2	2,607,575
East Vandenberg Furniture Replacement	431,000
<b>FY2017 Total</b>	<b><u>\$ 4,935,985</u></b>