

Agendum
Oakland University
Board of Trustees Formal Session
December 3, 2012

**MEADOW BROOK HALL OPERATING BUDGET
FOR CALENDAR YEAR ENDING DECEMBER 31, 2013**

A Recommendation

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** The calendar 2013 operating budget for Meadow Brook Hall (MBH) is presented to the Board of Trustees (Board) for approval annually. Attached is the projected 2012 year-end budget performance and proposed budget for 2013, 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 2011, MBH revenues exceeded expenses. Projections for 2012 suggest that revenues will once again exceed expenses.

3. **Previous Board Action:** The Meadow Brook Hall 2012 Calendar Year Budget was approved by the Board on December 9, 2011.
4. **Budget Implications:** For the calendar year 2013 budget, an operating surplus of \$21,871 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 B.)
6. **Personnel Implications:** Meadow Brook Hall will have an increase in compensation due to combining program coordinator responsibilities with volunteer coordination responsibilities to create a full-time 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, the Financial Performance Review Committee, Vice President for Finance and Administration, and President.

Meadow Brook Hall Operating Budget
for Calendar Year Ending December 31, 2013
Oakland University
Board of Trustees Formal Session
December 3, 2012
Page 2

8. Recommendation:

RESOLVED, that the Board of Trustees approves the Calendar 2013 Budget for Meadow Brook Hall.

9. Attachments:

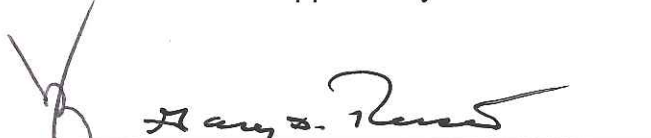
- A. Meadow Brook Hall Budget Notes and Assumptions
- B. Meadow Brook Hall/Oakland University 2012 Program Integration
- C. Meadow Brook Hall Proposed Budget – All Funds Calendar 2013
- D. Proposed Major Capital Expenditures

Submitted to the President
on Nov. 29, 2012 by



Geoffrey C. Upward
Executive Director
Meadow Brook Hall

Recommended on 11/29, 2012
to the Board for approval by



Gary D. Russi
President

Meadow Brook Hall

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 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.

Meadow Brook Hall

Key Performance Indicators

	<u>2010</u>	<u>2011</u>	<u>Projected 2012</u>
Number of Facility Rental Events	536	581	562
Gross Facility Rental Revenue	\$2.1M	\$2.4M	\$2.3M
Number of Museum Visitors	15,437	16,180	16,700
Museum Revenue	\$316,000	\$356,755	\$377,000
Net Revenue	\$431,460	\$263,000	\$255,880

Explanation of Major Changes

1. 2012 projected operating performance is based on actual revenue and expenses booked through September 30, 2012 and a revenue and expense forecast for the remainder of the year.
2. The "Major Capital Expenditures" for FY12 are estimated to be \$341,450 and are included in the "Restricted Funds Expended". This differs from the FY12 Budget presented to the Board in December 2011 because the following projects were funded by the Matilda Wilson Fund Matching Gift:

Chimney Masonry Additional	\$14,700
Bridge Repairs*	\$122,000
Master Plan Addition	\$750
Service Area Additional	\$4,000
Service Elevator Repair	\$200,000

• Co-funded project – MBH \$122,000 and University Capital Improvement \$210,000

3. 2012 Wilson Fund match of \$366,000 has been submitted in full to the Wilson Fund.
4. General Fund Support represents one-time funding of Rose Garden Columns Repair, Photo Archiving Software, Maintenance Software & Intern, The National Historic Landmark Recognition Event and Banners, and other miscellaneous projects. \$3,883 is a transfer from the president's matching funds for All-University Fund Drive contributions to Meadow Brook Hall. \$3,487 is an endowment distribution.

Meadow Brook Hall

Budget Assumptions

1. Operating revenue for 2013 is projected to be \$107,950 more than the 2012 budget, based on estimates from our catering partner and an anticipated increase in facility rental for 2013.
2. Retail sales are projected to increase 11% due to increase in Meadow Brook product development and expansion of the Museum Store.
3. 2013 compensation is expected to increase 6% due to raises implemented in 2012 (2.25%) and a new staffing position for Program Coordinator.
4. Net revenues from operations will be distributed as follows:

Operating/Maintenance Reserve	100 percent
-------------------------------	-------------

5. 2013 Restricted Funds Received

Wilson Fund Matching Grant	\$366,000
Garden Club	\$ 25,000

2013 Restricted Funds Expended

Wilson Fund Capital Projects	\$281,000
Wilson Fund Miscellaneous Expenses	\$ 85,000
Garden Club Expenses	\$ 25,000
Publishing Expenses	\$ 30,000

**Meadow Brook Hall/Oakland University
2012 Program Integration**

Internships

- 3 students employed as paid interns through OU Summer Student Campus Corps program (grounds and house maintenance and video production specialist)
- 4 students annually employed as unpaid interns in curatorial department (collections research, textile research, exhibition preparation, archives management, publishing, etc.)

Part-time employment

- 15 students employed in part-time capacities (docents, front desk, facilities maintenance, youth programs, Archives), double the number in 2011
- Engaged 12 OU Music, Theatre & Dance students to perform at Meadow Brook's 2012 dinner celebrating the National Historic Landmark designation
- Part-time food service employment opportunities routinely offered to students

Meadow Brook Writing Project

- 5 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 roughly 150 participants in 2010 to 240 in 2011 to 290 in 2012)
- 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

Art & Art History Department

- Class projects/sessions hosted by MBH in 2012 included: Photography, Journalism and Archaeology
- The Hall hosted a student photography exhibit (also mounted at the Anton Art Center in Mt. Clemens) and a faculty exhibit on architecture

Fred M. Braun Lecture Series

- MBH hosted the 2011 lecture and plans to host the next in the series, rescheduled for Winter 2013

Meadow Brook Hall/Oakland University 2012 Program Integration

Classical Music Series (“Meadow Brook Music Society”)

- Three concerts planned by OU’s Department of Music, Theatre & Dance at Meadow Brook Hall during the 2012-2013 academic year

Frosh evening mansion visit

- Offered by Student Affairs for new first-year students during Welcome Week
- Hundreds of students participate . . . gaining in popularity

Meadow Brook Ball

- Student formal held at MBH by Student Affairs twice annually.
- Hundreds of students participate . . . popularity requires tickets through a lottery

Brooksie Way

- Collaboration with OU and race organizers to use MBH roadways and grounds

Touring

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

Facility use

- MBH discounts school/departmental meetings, receptions, dinners
- Academic Affairs facility rental waiver for one conference annually
- Donor cultivations
- University events, signings, etc.

Meadow Brook Greenhouse

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

Shotwell Pavilion

- Limited rentals and servicing of Shotwell Pavilion, sharing revenue with OU

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Hall
Proposed Budget - All Funds
Calendar 2013

	2012 BUDGET	2012 PROJECTED ACTUAL	2013 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 2,242,255	\$ 2,695,804	\$ 2,350,205
Allowance for Bad Debts	\$ (10,000)	\$ -	\$ (10,000)
Retail Sales	45,000	45,000	50,000
Student Tuition Allocation	-	-	-
Marketing Support	49,000	49,000	-
Gifts and Grants	110,000	79,558	110,000
Investment Income	8,000	9,059	8,000
General Fund Support	-	72,070	-
Total Revenue	<u>\$ 2,444,255</u>	<u>\$ 2,950,491</u>	<u>\$ 2,508,205</u>
EXPENDITURES:			
Compensation	\$ 679,453	\$ 684,415	\$ 722,110
Supplies and Services	432,784	418,288	450,610
Food Service	1,182,750	1,439,306	1,200,000
Repairs and Maintenance	22,500	24,905	22,000
Cost of Retail Sales	19,000	23,081	19,000
Equipment	10,000	10,000	10,000
Insurance	50,000	47,271	50,000
Utilities	186,000	186,000	186,000
Debt Service	-	-	-
University Overhead	(138,637)	(138,637)	(173,386)
Other Transfers	-	(18)	-
Total Expenditures	<u>\$ 2,443,850</u>	<u>\$ 2,694,611</u>	<u>\$ 2,486,334</u>
Net Revenue	<u>\$ 405</u>	<u>\$ 255,880</u>	<u>\$ 21,871</u>
Restricted Funds Activity:			
Restricted Funds Received	\$ -	\$ 393,289	\$ 391,000
Restricted Funds Expended	-	466,895	421,000
Net Restricted Funds Activity	<u>\$ -</u>	<u>\$ (73,606)</u>	<u>\$ (30,000)</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Funds Balance *	\$ 190,000	\$ 110,308	\$ 80,308
Unrestricted Funds Balance	1,195,148	1,603,455	1,625,326
Less: Major Capital Expenditures	110,000	-	250,000
Total Fund Balance	<u>\$ 1,275,148</u>	<u>\$ 1,713,763</u>	<u>\$ 1,455,634</u>
Fund 35122 Chrysler		\$ 18,835	
Fund 33751 Wilson Fund		\$ -	
Fund 43712 Publishing		\$ 48,156	
Fund 30230 Garden Club		43,000	
Fund 30250 Organ Fund		317	
Restricted Fund Balance *		<u>\$ 110,308</u>	

Oakland University
Meadow Brook Hall
Proposed Major Capital Expenditures
Calendar 2013

Item Description	Estimated Cost
Guest Elevator	250,000
Calendar 2013 Total	\$ 250,000
Wilson Fund Projects (Timber Restoration, Lighting, Other)*	281,000

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