

**OAKLAND CENTER OPERATING BUDGET FOR THE
FISCAL YEAR ENDING JUNE 30, 2023**

A Recommendation

1. **Division and Department:** Student Affairs and Oakland Center

2. **Introduction:** The proposed budget for the Oakland Center is presented for approval for the fiscal year ending June 30, 2023.

The ancillary activity presented represents an operation connected with and in support of the educational mission of Oakland University (University). Each ancillary budget is presented in a similar format, using common terminology and revenue, expense, and University Support categories. The “all funds” budget model is used to construct the proposed budget. The all funds model provides 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 endowments are included.

3. **Previous Board Action:** On June 21, 2021, the Board of Trustees (Board) approved the FY2022 Oakland Center budget.

4. **Budget Implications:** See the program description for budget implications.

5. **Educational Implications:** See the program description for educational implications.

6. **Personnel Implications:** See the program description for personnel implications.

7. **University Reviews/Approvals:** The Oakland Center budget was developed by the Director of the Oakland Center, reviewed by the Financial Performance Review Committee, Budget and Financial Planning office, Senior Vice President for Student Affairs, Interim Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees approve the FY2023 Budget for the Oakland Center, with expenditures and transfers not to exceed the total as reflected in the attached budget, except as set forth; and, be it further

**Oakland Center Operating Budget
For The Fiscal Year Ending June 30, 2023
Oakland University
Board of Trustees Formal Session
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RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his/her designee and those amounts shall be reported on a periodic basis to the Board of Trustees; and, be it further

RESOLVED, that subject to satisfaction of the requirements set forth in all applicable Board of Trustees policies, the Board of Trustees authorizes the President, the Vice Presidents, 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 FY2023 budget and the ongoing administration of the FY2023 budget; and, be it further

RESOLVED, that any and all such 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 Oakland Center Budget Notes & Assumptions
- B. Oakland Center Proposed Budget – FY2023
- C. Proposed Major Capital Expenditures

Submitted to the President
on June 9, 2022 by



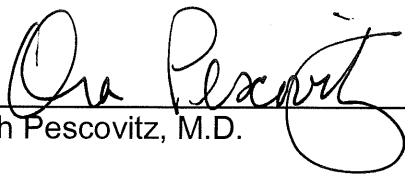
Glenn McIntosh
Senior Vice President for Student Affairs
and Chief Diversity Officer



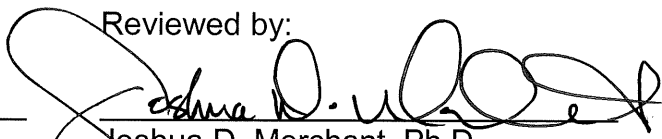
James L. Hargett, Interim Vice President
for Finance and Administration and
Treasurer to the Board of Trustees

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Recommended on 6/9, 2022
to the Board of Trustees for approval by



Ora Hirsch Pescovitz, M.D.
President

Reviewed by:


Joshua D. Merchant, Ph.D.
Chief of Staff and
Secretary to the Board of Trustees

Oakland Center

Attachment A

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 attracting diverse campus programs and external community interest.

Key Performance Indicators

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
Meeting/Event Room Reservations	4,580	1,450	3,929
Overall Foot Traffic	1.08M	0.23M	0.63M

- Annual foot traffic in FY22 was still low due to the COVID-19 pandemic, but a clear increase from the previous year. This is due to an increased amount of in person classes and increases in services available to students.
- As the year progressed there was observable increases in both meeting and event bookings as well as increased foot traffic.

Major Accomplishments

- The Grizz Den, home to for e-sports at Oakland University, opened in February 2022. Since opening, over 400 unique users have used the facility. The Grizz Den required minimal work to convert the former Bear Cave into an enhanced gaming and recreational location. Work was completed during the summer and fall of 2021.
- External groups are returning to the Oakland Center as COVID-19 pandemic restrictions on campus have been lifted. These have not returned to pre-pandemic levels, but is still a positive sign that outside groups are interested in OC spaces for their meetings and events.

Capital Projects Outlook – Next Five Years

- FY23 - Space utilization modifications - \$50,000
 - The Oakland Center budgeted \$50,000 in FY22 for the remodel of the Bear Cave to the Grizz Den for e-sports. Through donations from Oakland University partners and fiscal management the project was funded primarily outside of OC funds and under budget.
 - Moving the same funds forward into FY23 will allow the OC to make minor modifications to allow for space allocation changes. Over the past two years we have observed changes in how students and guests interact with OC spaces, and also moved a student organization permanently into the

OC (Student Video Productions) who had formerly been located in Varner Hall.

- The following projects have been identified as likely significant facility upgrades are major projects that will need to be addressed within the next five years. None of these areas have witnessed catastrophic failure, but the expected remaining life makes these very pressing concerns.
 - Old roof (pre-2003 expansion)
 - Original HVAC penthouse (original to building/1969)

FY2022 Explanation of Major Changes

- Conference revenues decreased due to additional event cancellations related to ongoing concerns with COVID-19 gatherings.
- The decrease in food service revenues is a result of limited campus activity resulting in a decline in gross sales. Commissions are received at seven percent of gross sales which includes resident student meal plans as well as retail sales.
- Compensation expenses were reduced due to staff vacancies and the reduction of student employment due to reduced building hours and services.
- Supplies and services, repair and maintenance and utility expense decreased as a result of reduced building activity and a reduction in hours of operation. Repairs and maintenance includes seventy six thousand dollars for major repairs to the chiller.
- PC gaming stations were added to the Bear Cave to support the interest of e-sports on campus at a cost under fifty thousand dollars. The cost was covered in the OC budget line items. Additionally, support was received from Student Congress, Student Activities Funding Board and SPB.

FY2023 Budget Assumptions

- Bookstore contract commissions are expected to slightly decrease. Commissions are guaranteed at ninety percent of the previous year's gross sales. The contract is under review for extension or request for proposals.
- Conference revenue is expected to increase as COVID-19 restrictions on gatherings is lifted.
- The Chartwell's food service commission is calculated at 7% of estimated gross sales with an additional 1% of gross sales, estimated to be \$59,650, which will be used for food service equipment repair across campus. Related expenses are included in repairs and maintenance. Revenue decline is related to lower than expected board adoption rate, based on lower number of students projected to stay on campus in response to COVID-19.
- Compensations expense assumes all six custodial staff vacancies are filled and student employment increases to pre-pandemic levels.
- Total transfer activity, year-seven annual food service amortization is

\$100,000.

- The projected net loss is due to a decline in third party contract revenue and will be funded by Oakland Center reserves.

Oakland University
Ancillary Activities Operating Budget
Oakland Center
Proposed Budget - All Funds
FY2023

	FY2021 ACTUAL	FY2022 BUDGET	FY2022 ESTIMATED ACTUAL	FY2023 PROPOSED BUDGET
Revenue:				
Operating Revenue				
Bookstore Commissions	\$ 580,457	\$ 481,000	\$ 491,513	\$ 455,828
Conference/Camps	20,882	238,500	142,070	238,500
Food Service	56,866	566,666	370,251	338,018
Other	-	-	-	-
Retail Sales	-	-	-	-
OU Purchased Services	239,824	248,130	248,130	251,964
Gifts and Grants	473	-	450	-
Investment Income	2,310	2,500	1,398	1,000
Total Revenue	<u>\$ 900,812</u>	<u>\$ 1,536,796</u>	<u>\$ 1,253,812</u>	<u>\$ 1,285,310</u>
Expenditures:				
Compensation	\$ 919,250	\$ 1,176,820	\$ 932,000	\$ 1,241,074
Supplies and Services	50,052	268,200	190,066	196,608
Repairs and Maintenance	192,067	345,500	323,450	289,823
Cost of Retail Sales	-	-	-	-
Equipment	-	25,000	25,000	25,000
Insurance	39,124	50,862	44,010	57,213
Utilities	376,156	472,630	426,025	491,535
Debt Service	80,866	80,866	80,866	80,866
Overhead charged by OU	338,770	342,367	342,367	307,482
Other Transfers	100,000	100,000	94,537	100,000
Total Expenditures	<u>\$ 2,096,285</u>	<u>\$ 2,862,245</u>	<u>\$ 2,458,321</u>	<u>\$ 2,789,601</u>
Net Income	<u>\$ (1,195,473)</u>	<u>\$ (1,325,449)</u>	<u>\$ (1,204,509)</u>	<u>\$ (1,504,291)</u>
University Support:				
Student Tuition Allocation	\$ 1,022,916	\$ 1,022,916	\$ 1,022,916	\$ 1,022,916
Total University Support	<u>\$ 1,022,916</u>	<u>\$ 1,022,916</u>	<u>\$ 1,022,916</u>	<u>\$ 1,022,916</u>
Net Income with University Support	<u>\$ (172,557)</u>	<u>\$ (302,533)</u>	<u>\$ (181,593)</u>	<u>\$ (481,375)</u>
Ending Balances prior to Major Cap. Expenditures:				
Restricted Fund Balance *	\$ -	\$ -	\$ -	\$ -
Unrestricted Fund Balance	3,097,407	2,486,317	2,607,257	2,125,882
Less: Major Capital Expenditures	136,000	50,000	-	50,000
Total Ending Fund Balance	<u>\$ 2,788,850</u>	<u>\$ 2,436,317</u>	<u>\$ 2,607,257</u>	<u>\$ 2,075,882</u>

Oakland University
Oakland Center
Proposed Major Capital Expenditures
FY2023

Attachment C

Item Description	Estimated Cost
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Space Utilization Modifications	\$ 50,000
FY2023 Total	<u>\$ 50,000</u>