

**Agendum  
Oakland University  
Board of Trustees Formal Session  
December 1, 2014**

**MEADOW BROOK HALL OPERATING BUDGET  
FOR CALENDAR YEAR ENDING DECEMBER 31, 2015**

**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 2014 year-end budget performance and proposed budget for 2015, 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 2013, MBH revenues exceeded expenses. Projections for 2014 suggest that revenues will once again exceed expenses.
3. **Previous Board Action:** The Meadow Brook Hall 2014 calendar year budget was approved by the Board on December 9, 2013.
4. **Budget Implications:** For the calendar year 2015 budget, an operating surplus of \$1,051 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:** None
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, 2015  
Oakland University  
Board of Trustees Formal Session  
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8. Recommendation:

RESOLVED, that the Board of Trustees approve the 2015 Budget for Meadow Brook Hall.

9. Attachments:

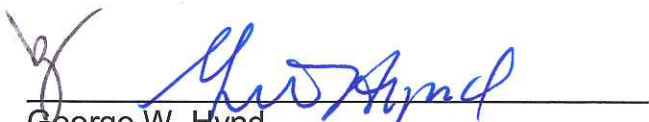
- A. Meadow Brook Hall Proposed Budget – All Funds 2015
- B. Meadow Brook Hall Budget Notes and Assumptions
- C. Proposed Major Capital Expenditures
- D. Meadow Brook Hall/Oakland University 2014 Program Integration

Submitted to the President  
on 11/18, 2014 by



Geoffrey C. Upward  
Executive Director  
Meadow Brook Hall

Recommended on 11/14, 2014  
to the Board for approval by



George W. Hynd  
President

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Meadow Brook Hall**  
**Proposed Budget - All Funds**  
**Calendar 2015**

	2014 BUDGET	2014 PROJECTED ACTUAL	2015 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue	\$ 2,435,515	\$ 3,230,699	\$ 2,556,175
Allowance for Bad Debts	(10,000)	-	-
Retail Sales	70,000	70,533	77,000
Student Tuition Allocation	-	-	-
Gifts and Grants	114,000	207,359	114,000
Investment Income	10,000	17,342	10,000
General Fund Support	200,000	205,348	208,960
Total Revenue	<u>\$ 2,819,515</u>	<u>\$ 3,731,281</u>	<u>\$ 2,966,135</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 958,299	\$ 961,236	\$ 1,000,332
Supplies and Services	468,958	532,463	478,233
Food Service	1,250,000	1,647,639	1,297,000
Repairs and Maintenance	24,000	35,503	26,000
Cost of Retail Sales	25,000	28,925	28,000
Equipment	10,000	10,705	10,000
Insurance	50,000	49,776	50,000
Utilities	186,000	186,000	186,000
Debt Service	-	-	-
University Overhead	(163,360)	(163,360)	(110,481)
Other Transfers	-	(8,406)	-
Total Expenditures	<u>\$ 2,808,897</u>	<u>\$ 3,280,481</u>	<u>\$ 2,965,084</u>
Net Revenue	<u>\$ 10,618</u>	<u>\$ 450,800</u>	<u>\$ 1,051</u>
<b>Restricted Funds Activity:</b>			
Restricted Funds Received	\$ 391,000	\$ 401,305	\$ 391,000
Restricted Funds Expended	519,000	427,598	391,000
Net Restricted Funds Activity	<u>\$ (128,000)</u>	<u>\$ (26,293)</u>	<u>\$ -</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ 167,123	\$ 245,711	\$ 245,711
Unrestricted Fund Balance	1,694,659	2,305,240	2,091,503
Less: Major Capital Expenditures	-	214,788	-
Total Fund Balance	<u>\$ 1,861,782</u>	<u>\$ 2,336,163</u>	<u>\$ 2,337,214</u>
Fund 35122 Chrysler		\$ 27,256	
Fund 33751 Wilson Fund		131,404	
Fund 43712 Publishing		52,408	
Fund 30230 Garden Club		21,012	
Fund 40560 Dress Conservation		13,074	
Fund 30250 Organ Fund		557	
Restricted Fund Balance *		<u>\$ 245,711</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>2012</u>	<u>2013</u>	<u>Projected 2014</u>
Number of Facility Rental Events	607	595	650
Gross Facility Rental Revenue	\$2.6M	\$2.4M	\$2.6M
Number of Museum Visitors	19,680	20,449	21,000
Museum Revenue	\$397,407	\$488,801	\$493,000
Net Revenue	\$347,699	\$457,738	\$450,800

## 2014 Explanation of Major Changes

1. 2014 projected operating performance is based on actual revenue and expenses booked through September 30, 2014 and a revenue and expense forecast for the remainder of the year.
2. The "Major Capital Expenditures" for 2014 are estimated to be \$214,788.

Sheep Barn Renovation	\$200,000
Security Assessment	\$ 20,000
Garden Tent HVAC	(\$ 188)
Master Plan	(\$ 235)
Danny's Cabin	(\$ 4,789)

3. The "Restricted Funds Expended" for 2014 are estimated to be \$427,598. The following projects were funded by the Matilda Wilson Fund Matching Gift and other restricted funds received:

Danny's Cabin	(\$181)
Preventive Maintenance	\$80,000
Curatorial & Fundraising Support	\$40,000
Exterior Lighting	\$150,000
Miscellaneous	\$157,779

Miscellaneous includes garden expenses, HVAC and electrical upgrades, fountain repair, masonry repair, etc.

4. General Fund Support represents one-time funding from the office of the president of \$201,414 for executive director's compensation. \$3,934 is a transfer from the president's matching funds for All-University Fund Drive contributions to Meadow Brook Hall.
5. Other Transfers represent \$8,406 from Meadow Brook Writing Camp for administrative and compensation costs for the writing camp hosted at Meadow Brook Hall.
6. 2014 Wilson Fund match of \$366,000 has been submitted in full to the Wilson Fund.

### **2015 Budget Assumptions**

1. Operating revenue for 2015 is projected to be \$120,660 more than the 2014 budget, based on estimates from our catering partner and an anticipated increase in facility rental and an increase in Holiday Walk, Ticketed Events and Touring for 2015.
2. Retail sales are projected to increase 10% due to increase in Meadow Brook product development and expansion of the Museum Store.
3. 2015 compensation is expected to increase due to projected raises and an increase in the number of tours and events provided on a daily basis.
4. 2015 General Fund Support will increase as a continuation of university support of the executive director compensation that qualifies as a match for the Matilda Wilson Fund Matching Gift.
5. Net revenues from operations will be distributed as follows:  

Operating/Maintenance Reserve	100 percent
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6. **2015 Restricted Funds Received**

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

**2015 Restricted Funds Expended**

Wilson Fund Capital Projects	\$340,000
Wilson Fund Miscellaneous Expenses	\$ 26,000
Garden Club Expenses	<u>\$ 25,000</u>
	<u>\$391,000</u>

**Oakland University**  
***Meadow Brook Hall***  
**Proposed Major Capital Expenditures**  
**Calendar 2015**

<u>Item Description</u>	<u>Estimated Cost</u>
	-
<b>2015 Total</b>	<u>\$ -</u>
*Wilson Fund Projects (Timber Restoration, Lighting, Other)	340,000

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

# Meadow Brook Hall/Oakland University 2013-14 Program Integration

## STUDENT INVOLVEMENT

### Internships

- 3-4 students enrolled either in Art & Art History, Anthropology or History utilized annually as curatorial research and exhibit assistants, including one paid assistantship position.
- 1 student employed as paid intern through OU Summer Student Campus Corps program (grounds and house maintenance)

### Part-time employment

- 21 students employed in part-time capacities (docents, front desk, facilities maintenance, youth programs, Archives)
- Engaged 2 OU Music, Theatre & Dance students to perform at Meadow Brook's "Decade of Dress" fashion show event co-sponsored by Neiman Marcus
- 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 286 in 2014
- 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

- Sponsored branding project (Fall 2013 to Spring 2014) with OU Art & Art History Department students (3 selected Graphic Design majors) to design logos and graphics for new Dodge Brothers Museum and related entities
- Class projects/sessions hosted by MBH in 2013-2014 included: Advanced Photography (two sessions), Journalism and Anthropology, History and Theatre.

### First-year students' evening mansion visit

- Offered by Student Affairs for new first-year students during Welcome Week
- Hundreds attended....gaining in popularity (Fall 2014)

### Meadow Brook Ball

- Student formal held at MBH by Student Affairs, Winter 2013 and Spring 2014
- Hundreds of students participate...popularity requires tickets through a lottery



### **Honors College**

- Fall 2013 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 (17<sup>th</sup> Century by Esteban Murillo) loaned to DIA was conserved and hung in the European Painting Gallery at a special event in February 2014.
- As part of project, 20 OU students and faculty were invited by MBH to observe and participate in the conservation process at the DIA, including two on-site sessions.
- The project was videotaped by OU Communications & Marketing, and is now showing on DIA, MBH and OU websites, YouTube, etc.
- Educational programming continues to be built around the project.

### **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
- 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

### **Brooksie Way**

- Collaboration with OU & race organizers in Fall 2013 and 2014 to use MBH roadways/grounds