

**Agendum
Oakland University Board
of Trustees Formal Session
April 11, 2025**

**MEADOW BROOK ESTATE OPERATING BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2026**

A Recommendation

1. **Division and Department:** University Advancement, Meadow Brook Estate
2. **Introduction:** The proposed budget for Meadow Brook Estate (MBE) is presented for approval for the fiscal year ending June 30, 2026.

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 28, 2024, the Board of Trustees (Board) approved the FY2025 budget for MBE.
4. **Budget Implications:** See attachment A for budget implications.
5. **Educational Implications:** See attachment A for educational implications.
6. **Personnel Implications:** See attachment A for personnel implications.
7. **University Reviews/Approvals:** The Meadow Brook Estate budget was prepared by the Meadow Brook Estate Director of Administration and Finance as well as the Executive Director. It has been thoroughly reviewed by the Budget and Financial Planning office, Financial Performance Review Committee, Vice President for University Advancement, Senior Vice President for Finance and Administration, and President.
8. **Recommendation:**

RESOLVED, that the Board of Trustees approve the FY2026 Budget for Meadow Brook Estate, with expenditures and transfers not to exceed the total as reflected in the attached budget, except as set forth; and, be it further

**Meadow Brook Estate Operating Budget For
Fiscal Year Ending June 30, 2026
Oakland University
Board of Trustees Formal Session
April 11, 2025
Page 2**

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 the Board of Trustees authorizes the President, the Executive Director, 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 FY2026 budget and the ongoing administration of the FY2026 budget; and, be it further

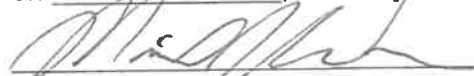
RESOLVED, that all contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with university policies and regulations and conform to the legal standards of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

9. Attachments:

- A. Meadow Brook Estate Budget Notes and Assumptions
- B. Meadow Brook Estate Proposed Budget – FY2026
- C. Meadow Brook Estate Proposed Major Capital Expenditures – FY2026

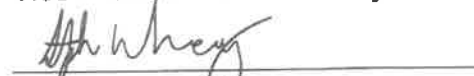
Submitted to the President

on March 28, 2025 by



Michael J. Westfall

Vice President for University Advancement

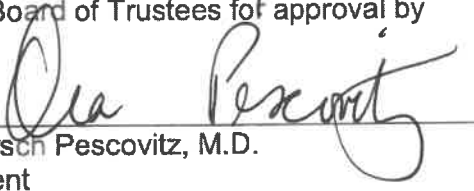


Stephen W. Mackey

Senior Vice President for Finance and
Administration, and Treasurer to the Board of
Trustees

**Meadow Brook Estate Operating Budget for
Fiscal Year Ending June 30, 2026
Oakland University
Board of Trustees Formal Session
April 11, 2025
Page 3**

Recommended on 4/4, 2025
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

Meadow Brook Estate

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 Estate'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 their Estate, the 1,500-acre Meadow Brook Farm 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 Estate and the surrounding 127 acres until both passed away; Alfred in 1962 and Matilda in 1967. Oakland University took possession of the Estate in 1971. Since that time, the complex has been open to the public as a museum and cultural center, per Matilda's wishes.

The Estate 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 Estate 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.

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.

Meadow Brook Estate

Key Performance Indicators

	<u>FY2023</u>	<u>FY2024</u>	<u>Projected FY2025</u>
Number of facility rentals	546	496	505
Number of museum visitors	56,921	62,607	57,200
Gross Facility Rental Revenue	\$3.6M	\$3.6M	\$3.9M
Museum Revenue	\$2.8M	\$2.8M	\$2.5M
Total Revenue	\$6.4M	\$6.1M	\$6.4M

FY2025 Explanation of Major Budget Impacts

1. FY2025 projected operating performance is based on actual and anticipated expenses and booked revenue through the end of the year.
2. Gross revenue budget to actual variance of \$540,450 includes:
 - \$289,118 increase (5%) in Operating and Retail Sales revenue, primarily due to facility rental, ticketed events, Holiday Walk and Winter Wonder Lights revenue increases
 - \$214,833 increase in Gifts and Grants revenue due to receiving a National Park Service grant. The project will repair and restore critically buckled stained glass windows, improve environmental conditions, and expand interpretation for objects that are currently stored or displayed in substandard environments. The project also includes the fabrication and installation of various UV filtering and light-blocking technologies to protect irreplaceable interior objects.
3. Restricted gifts represent \$536,431, or 75%, of projected actual FY2025 gross gift and grants revenue primarily given for the gardens, collections and conservation, the Matilda Wilson preservation maintenance grant, and the aforementioned National Park Service grant.
4. Repairs and Maintenance budget to actual variance of \$46,582 is primarily due conservation projects which were budgeted from restricted funds in FY2024 but did not occur until FY2025.

5. Debt Service includes the first annual payment on the Activating Meadow Brook Loan in the amount of \$353,400. The annual payment reflects a \$2,480,000 loan at 4.25% interest, based on a 10-year amortization schedule.
6. The Major Capital Expenditures for FY2025 are projected to be \$3,539,505, detailed below.

Visitor Center Project	\$2,480,000
Flagstone Repair Project	\$ 380,000
Stained Glass Window Restoration & UV Filter Install*	\$ 239,470
Steam Trap & Pneumatic Control Replacement	\$ 91,250
Woodland Path Paving & Front Drive Resurfacing	\$ 83,931
Carpet Replacement	\$ 69,090
Rose Tea Terrace Restoration	\$ 58,400
Banquet Chairs	\$ 52,864
Winter Wonder Lights Investment	\$ 48,500
Gutter Repairs	\$ 36,000

**Expenditure related to the National Park Service grant project*

7. University Support in the amount of \$200,000 represents the fifth and final year match pursuant to the \$1M Matilda Wilson Fund grant terms.

FY2026 Budget Assumptions

1. Operating revenue for FY2026 is projected based on estimates from the Hall's catering partner including an anticipated increase in facility rental, as well as an increase in ticketed community events and touring. Facility rental revenue accounts for 73% of operating revenue and 77% of FY2026's budgeted facility rental revenue has already been secured.
2. Proposed FY2026 gift revenue is in alignment with the average of gifts and grants revenue received over a 3-year period, excluding the Matilda Wilson grant received in that time period.
3. Compensation will increase \$115,552 from the FY2025 budget, due to proposed university wage and fringe benefit adjustments, planned wage adjustments for part-time staff for retention purposes, and an updated operating model due to the first full year of having the new Visitor Center.
4. Insurance is estimated to increase by 16% over the FY2025 actual cost due to economic conditions and associated premium increases.

5. Proposed FY2026 debt service includes the second annual payment on the Activating Meadow Brook loan in the amount of \$353,400. The annual payment reflects a \$2,480,000 loan at 4.25% interest, based on a 10-year amortization schedule.
6. FY2026 major capital expenditures are detailed in Attachment C. \$92,297 is funded by restricted gift funds and \$55,589 is funded by MBH's Maintenance Reserve (i.e., the unrestricted fund balance that has been carried forward from surplus of previous years).

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Estate
Proposed Budget - All Funds
FY2026

	FY2024 ACTUAL	FY2025 BUDGET	FY2025 ESTIMATED ACTUAL	FY2026 PROPOSED BUDGET
<u>Revenue:</u>				
Operating Revenue	\$ 5,099,246	\$ 5,075,000	\$ 5,345,772	\$ 5,851,200
Retail Sales	210,760	192,000	210,347	214,000
OU Purchased Services	27,992	17,012	17,012	17,181
Gifts and Grants	593,661	500,000	714,833	239,400
Investment Income	208,748	100,000	136,499	100,000
Total Revenue	\$ 6,140,407	\$ 5,884,012	\$ 6,424,462	\$ 6,221,781
<u>Expenditures:</u>				
Compensation	\$ 1,775,505	\$ 1,828,704	\$ 1,830,895	\$ 1,944,256
Supplies and Services	1,064,328	1,215,294	1,133,082	1,078,228
Food Service	2,161,852	2,241,202	2,317,797	2,433,800
Repairs and Maintenance	77,872	63,200	109,782	54,100
Cost of Retail Sales	102,931	87,660	109,640	104,120
Equipment	33,030	7,500	34,398	11,050
Insurance	89,308	125,708	166,858	193,273
Utilities	140,084	157,644	147,644	150,366
Debt Service	2,938	353,400	353,400	353,400
Overhead charged by OU	185,708	185,708	185,708	144,208
Other Transfers	-	-	(2,203)	-
Total Expenditures	\$ 5,633,555	\$ 6,266,020	\$ 6,387,001	\$ 6,466,800
Net Income	\$ 506,852	\$ (382,008)	\$ 37,461	\$ (245,019)
<u>University Support:</u>				
Wilson Fund Grant Match	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Activating Meadow Brook Loan	829,512	2,480,000	2,480,000	-
Total University Support	\$ 1,029,512	\$ 2,680,000	\$ 2,680,000	\$ -
Net Income with University Support	\$ 1,536,364	\$ 2,297,992	\$ 2,717,461	\$ (245,019)
<u>Ending Balances prior to Major Cap. Expenditures:</u>				
Restricted Fund Balance *	\$ 1,091,031	\$ 70,798	\$ 644,535	\$ 183,539
Unrestricted Fund Balance	2,480,212	3,549,196	3,606,020	282,492
Less: Major Capital Expenditures	2,038,149	3,191,595	3,539,505	147,886
Total Ending Fund Balance	\$ 1,533,094	\$ 428,399	\$ 711,050	\$ 318,145
Activating Meadow Brook Fund			\$ 284,682	
SAT Grant			125,141	
Matilda Wilson Grant Fund			71,886	
Garden Club Fund			60,906	
Collections Conservation Fund			30,042	
Adopt an Artifact Fund			25,618	
OU Match to Wilson Grant Fund			19,411	
Education Fund			18,189	
Organ Fund			5,061	
Gate Lodge Fund			2,854	
Publishing Fund			746	
Restricted Fund Balance *			\$ 644,535	

**Oakland University
Meadow Brook Estate
Proposed Major Capital Expenditures
FY2026**

Item Description	Estimated Cost
Rock Garden Restoration	50,000
Winter Wonder Lights Investment	50,000
Loggia Window Restoration	47,886
FY2026 Total	\$ 147,886