

**Agendum  
Oakland University  
Board of Trustees Formal Session  
December 9, 2013**

**MEADOW BROOK HALL OPERATING BUDGET  
FOR FISCAL YEAR ENDING DECEMBER 31, 2014**

**A Recommendation**

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** The FY 2014 operating budget for Meadow Brook Hall (MBH) is presented to the Board of Trustees (Board) for approval annually. Attached is the projected 2013 year-end budget performance and proposed budget for 2014, 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 2012, MBH revenues exceeded expenses. Projections for 2013 suggest that revenues will once again exceed expenses.
3. **Previous Board Action:** The Meadow Brook Hall 2013 Calendar Year Budget was approved by the Board on December 3, 2012.
4. **Budget Implications:** For the fiscal year 2014 budget, an operating surplus of \$10,618 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 Interim President.

**Meadow Brook Hall Operating Budget  
Fiscal Year Ending December 31, 2014  
Oakland University  
Board of Trustees Formal Session  
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**8. Recommendation:**

RESOLVED, that the Board of Trustees approve the FY2014 Budget for Meadow Brook Hall.

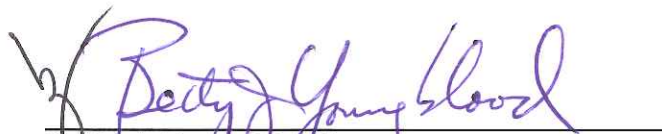
**9. Attachments:**

- A. Meadow Brook Hall Proposed Budget – All Funds FY2014
- B. Meadow Brook Hall Budget Notes and Assumptions
- C. Proposed Major Capital Expenditures
- D. Meadow Brook Hall/Oakland University 2013 Program Integration

Submitted to the Interim President  
on 12/5/13, 2013 by

  
\_\_\_\_\_  
Geoffrey C. Upward  
Executive Director  
Meadow Brook Hall

Recommended on 12/5, 2013  
to the Board for approval by

  
\_\_\_\_\_  
Betty J. Youngblood  
Interim President

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Meadow Brook Hall**  
**Proposed Budget - All Funds**  
**FY2014**

	2013 BUDGET	2013 PROJECTED ACTUAL	2014 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue	\$ 2,350,205	\$ 2,706,296	\$ 2,435,515
Allowance for Bad Debts	\$ (10,000)	\$ -	\$ (10,000)
Retail Sales	50,000	79,172	70,000
Student Tuition Allocation	-	-	-
Gifts and Grants	110,000	95,909	114,000
Investment Income	8,000	10,086	10,000
General Fund Support	-	52,403	200,000
Total Revenue	<u>\$ 2,508,205</u>	<u>\$ 2,943,866</u>	<u>\$ 2,819,515</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 722,110	\$ 711,350	\$ 958,299
Supplies and Services	450,610	368,324	468,958
Food Service	1,200,000	1,434,180	1,250,000
Repairs and Maintenance	22,000	39,893	24,000
Cost of Retail Sales	19,000	38,322	25,000
Equipment	10,000	27,178	10,000
Insurance	50,000	46,502	50,000
Utilities	186,000	172,009	186,000
Debt Service	-	-	-
University Overhead	(173,386)	(173,386)	(163,360)
Other Transfers	-	(7,845)	-
Total Expenditures	<u>\$ 2,486,334</u>	<u>\$ 2,656,527</u>	<u>\$ 2,808,897</u>
Net Revenue	<u>\$ 21,871</u>	<u>\$ 287,339</u>	<u>\$ 10,618</u>
<b>Restricted Funds Activity:</b>			
Restricted Funds Received	\$ 391,000	\$ 397,039	\$ 391,000
Restricted Funds Expended	\$ 421,000	\$ 377,450	\$ 519,000
Net Restricted Funds Activity	<u>\$ (30,000)</u>	<u>\$ 19,589</u>	<u>\$ (128,000)</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ 245,534	\$ 295,123	\$ 167,123
Unrestricted Fund Balance	1,647,148	1,912,616	1,694,659
Less: Major Capital Expenditures	250,000	228,575	-
Total Fund Balance	<u>\$ 1,642,682</u>	<u>\$ 1,979,164</u>	<u>\$ 1,861,782</u>
Fund 35122 Chrysler	\$ 14,883		
Fund 33751 Wilson Fund	\$ 194,847		
Fund 43712 Publishing	\$ 47,827		
Fund 30230 Garden Club	27,257		
Fund 40560 Dress Conservation	10,112		
Fund 30250 Organ Fund	197		
Restricted Fund Balance *	<u>\$ 295,123</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>2011</u>	<u>2012</u>	<u>Projected 2013</u>
Number of Facility Rental Events	581	607	600
Gross Facility Rental Revenue	\$2.4M	\$2.6M	\$2.4M
Number of Museum Visitors	16,180	19,680	19,680
Museum Revenue	\$356,755	\$397,407	\$400,000
Net Revenue	\$263,000	\$347,699	\$287,339

### Explanation of Major Changes – FY2013

1. 2013 projected operating performance is based on actual revenue and expenses booked through September 30, 2013 and a revenue and expense forecast for the remainder of the year.

2. The "Major Capital Expenditures" for FY13 are estimated to be \$228,575.

Passenger Elevator Repair	\$119,695
Garden Tent HVAC	\$103,000
Master Plan	\$ 5,880

3. The "Restricted Funds Expended" for FY13 are estimated to be \$377,450. The following projects were funded by the Matilda Wilson Fund Matching Gift and other restricted funds received:

Bridge Repairs	(\$10,291)
Masonry	(\$7,639)
Service Elevator Repair	\$272,561
*Miscellaneous	\$122,819

\*Includes preventive maintenance, curatorial support, fundraising support, garden expenses, etc.

4. General Fund Support represents one-time funding from the office of the president of \$50,000 for 1925 Dodge Brothers Depot Hack and Danny's Cabin Enhancements. \$2,403 is a transfer from the president's matching funds for All-

University Fund Drive contributions to Meadow Brook Hall.

5. Other Transfers represent \$7,845 from Meadow Brook Writing Camp for administrative and compensation costs for the writing camp hosted at Meadow Brook Hall.
6. 2013 Wilson Fund match of \$366,000 has been submitted in full to the Wilson Fund.

### **FY2014 Budget Assumptions**

1. Operating revenue for 2014 is projected to be \$85,310 more than the 2013 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 2014.
2. Retail sales are projected to increase 40% due to increase in Meadow Brook product development and expansion of the Museum Store.
3. 2014 compensation is expected to increase due to the inclusion of the executive director compensation, historically accounted for in the President's division, projected raises and an increase in the number of tours provided on a daily basis (10 in 2014 versus 6 in past years).
4. 2014 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

#### **6. 2014 Restricted Funds Received**

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

#### **2014 Restricted Funds Expended**

Wilson Fund Capital Projects	\$379,000
Wilson Fund Miscellaneous Expenses	\$ 85,000
Garden Club Expenses	\$ 25,000
Publishing Expenses	\$ 30,000
	<u>\$519,000</u>

**Oakland University**  
***Meadow Brook Hall***  
**Proposed Major Capital Expenditures**  
**Calendar 2014**

<b>Item Description</b>	<b>Estimated Cost</b>
	-
<b>Calendar 2014 Total</b>	<u>\$ -</u>
*Wilson Fund Projects (Timber Restoration, Lighting, Other)	379,000

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

# Meadow Brook Hall/Oakland University 2013 Program Integration

## Internships

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

## Part-time employment

- 17 students employed in part-time capacities (docents, front desk, facilities maintenance, youth programs, archives)
- Engaged 2 OU Music, Theatre and 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

- 7 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 326 in 2013).
- 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

- Sponsoring branding project (Fall 2013) with OU Art Department (graphic art majors) to design logos and graphics for Dodge Brothers Museum and related entities.
- Class projects/sessions hosted by MBH in 2013 included: journalism, photography, and archaeology.
- Advanced photography hosted at Hall twice.

## Honors College

- Fall 2013 Downton Abbey Class held at Meadow Brook. MBH Curator was a special lecturer for the class.

## Fred M. Braun Lecture Series

- MBH hosted the Winter 2013 lecture



### **DIA Collaboration**

- Arranged for loan of an MBH painting (17<sup>th</sup> Century by Esteban Murillo) to DIA in exchange for conservation of the painting and frame.
- 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 is being videotaped and will be shown on DIA, MBH and OU websites, YouTube, etc.
- Lectures, special VIP events, educational programming will be built around the project.

### **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

### **Holiday Walk**

- OU men's and women's track teams provided a full day of volunteer services, assisting with decoration set-up.

### **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