

**Agendum
Oakland University
Board of Trustees Formal Session
December 9, 2010**

**MEADOW BROOK HALL OPERATING BUDGET
FOR CALENDAR YEAR ENDING DECEMBER 31, 2011**

A Recommendation

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** The calendar 2011 operating budget for Meadow Brook Hall (MBH) is presented to the Board of Trustees (Board) for approval annually. Attached is the projected 2010 year-end budget performance and proposed budget for 2011, 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.

In 2005, 2006, 2007, 2008, and 2009 MBH revenues exceeded expenses. Projections for 2010 suggest that revenues will once again exceed expenses.
3. **Previous Board Action:** The Meadow Brook Hall 2010 Calendar Year Budget was approved by the Board on November 9, 2009.
4. **Budget Implications:** For the calendar year 2011 budget, an operating surplus of \$1,684 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 C.)
6. **Personnel Implications:** Meadow Brook Hall will have an increase of student hours for educational programming assistants.
7. **University Reviews/Approvals:** The Meadow Brook Hall Budget Report was prepared by Meadow Brook Hall Business Manager 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. The Finance, Audit and Investment Committee (Committee) also reviewed the report at its December 2, 2010 meeting. The Committee supported the proposed calendar 2011 budget and asked that it be brought forward for Board action at the next Formal Session of the Board.

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8. Recommendation:

RESOLVED, that the Board of Trustees approve the Calendar 2011 Budget for Meadow Brook Hall.

9. Attachments:

- A. Meadow Brook Hall Proposed Budget – All Funds Calendar 2011
- B. Meadow Brook Hall Budget Notes and Assumptions
- C. Meadow Brook Hall Student/Faculty Involvement

Submitted to the President
on Nov. 11, 2010 by



Geoffrey C. Upward
Executive Director
Meadow Brook Hall

Recommended on 11/15, 2010
to the Board for approval by



Gary D. Russi
President

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Hall
Proposed Budget - All Funds
Calendar 2011

	2010 BUDGET	2010 ESTIMATED ACTUAL	2011 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 2,262,690	\$ 2,485,742	\$ 2,214,190
Allowance for Bad Debt	(10,000)	-	(10,000)
Retail Sales	35,000	34,473	35,000
Student Tuition Allocation	-	-	-
Marketing Support	49,000	49,000	49,000
Gifts and Grants	110,000	46,229	110,000
Investment Income	1,000	4,860	1,000
General Fund Support	-	17,267	-
Total Revenue	\$ 2,447,690	\$ 2,637,571	\$ 2,399,190
EXPENDITURES:			
Compensation	\$ 634,838	\$ 569,381	\$ 647,213
Supplies and Services	425,761	306,637	427,520
Food Service	1,182,750	1,391,955	1,182,750
Repairs and Maintenance	29,000	29,040	28,000
Cost of Retail Sales	19,000	20,962	19,000
Equipment	15,000	12,868	15,000
Insurance	50,000	50,000	50,000
Utilities	193,000	193,811	193,000
Debt Service	-	-	-
University Overhead	(106,635)	(106,635)	(164,977)
Other Transfers	-	(111,048)	-
Total Expenditures	\$ 2,442,714	\$ 2,356,971	\$ 2,397,506
Net Revenue	\$ 4,976	\$ 280,600	\$ 1,684
Restricted Funds Received	\$ 366,000	\$ 445,105	\$ 366,000
Restricted Funds Expensed	\$ 381,000	355,078	381,000
Restricted Fund Balance *	\$ 727,830	\$ 88,162	\$ 73,162
Unrestricted Fund Balance	508,924	933,718	935,402
Less: Major Capital Expenditures	623,200		
Total Fund Balance	\$ 613,554	\$ 1,021,880	\$ 1,008,564
Chrysler & Motor Cities Gifts		\$ 13,526	
Garden Club Fund		68,569	
Matilda R Wilson Fund		-	
Costume Support Fund		4,750	
Organ Fund		1,317	
Restricted Fund Balance *		\$ 88,162	

**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 in the United States and the largest in the Midwest.

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 some \$6,500 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.

2010 NOTES

1. 2010 projected operating performance is based on actual revenue and expenses booked through August 31, 2010 and a revenue and expense forecast for the remainder of the year.
2. The "Major Capital Expenditures" for FY10 are estimated to be \$0. This differs from the FY10 Budget presented to the Board in November 2009 because the transfer relating to the capital expenditure in the FY10 Budget actually occurred in FY09.
3. \$111,048 in "Other Transfers" reflects the balance of a Term Life Policy from the Lowell Eklund Estate transferred to MBH on 3-04-10.
4. 2010 Wilson Fund match of \$366,000 is expected.
5. \$16,206 for General Fund Support represents one time request for IT enhancements, electrical upgrades, new seating for Loggia Terrace, high top tables, coat racks, and event signage. \$1,061 is a transfer for the president's matching funds for All-University Fund Drive contributions to Meadow Brook Hall.

2011 Assumptions

1. Operating revenue for 2011 is projected to be \$48,500 less than the 2010 budget, based on estimates from our catering partner and an assumption of a continued flat or slightly lower economy as well as the loss of the Concours d'Elegance event. Corporate and OU business projections have been reduced also. However, weddings sold for 2011 are currently on pace with 2009 weddings sold at the same point in time (2009 was a strong year for MBH wedding sales).
2. Retail sales are projected to increase 17% due to increase in Meadow Brook product development.
3. Compensation is expected to increase 3% due to fringe benefit increases and the addition of educational program assistants (offset by revenue from programs).
4. Net revenues from operations will be distributed as follows:

Operating/Maintenance Reserve	100 percent
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Meadow Brook Hall/Oakland University Program Integration

EXISTING PROGRAMMING

Frosh evening mansion visit

- Offered by Student Affairs for new first-year students during Welcome Week
- More than 300 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

Touring

- Discounted museum touring for students (free), faculty and staff. In 2009, 256 Students participated in the Daily Tour Program and 222 students participated in Holiday Walk Tour Program
- OU Night at Holiday Walk – discounted tickets for staff and families with over 100 Faculty/Staff discounts
- More than 100 OU Faculty/Staff tours, 65 OU Parent Orientation tours, 9 OU New Employee tours, and more than 100 Meadow Brook Theatre tours

Facility use

- MBH discounts on school/departmental meetings, receptions, dinners with over 273 OU events and attendance over 8,900
- Academic Affairs facility rental waiver for one conference annually
- Donor cultivations
- University events, signings, etc.

OU Golf & Learning Center

- Collaborations on golf outing food service

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

Internships

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

Part-time employment

- 9 students employed in part-time capacities (docents, front desk, facilities maintenance, marketing and special events)
- Part-time food service employment opportunities routinely offered to students

Brooksie's Way

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

Writing Workshop

- 3 week-long summer writing workshop day camps for area youth in partnership with the OU CAS writing program (grew from roughly 20 youth at one camp in 2009 to nearly 50 in each of three camps in 2010).

NEW PROGRAMMING

Classical Music Series

- Series of three concert performances during the 2010-11 academic year in partnership with faculty from the OU MTD piano program.
- Opportunity for fund-raising cultivation, sponsorships, etc.
- Will be held in the MBH ballroom.

Film production

- OU student production interns (2) included in "Transformers 3" movie shoot at MBH
- New film on the history of Meadow Brook Farms includes interviews with Anthropology Professor Richard Stamps and former OU Engineer George Karas.

Exhibit collaborations

- Collaborated with MTD on creating a replica of a Frances Dodge dress for use in a theatrical production on campus
- Collaborated with Art & Art History to mount an exhibit with MBH collection items in conjunction with an art exhibit at the Anton Art Center in Mount Clemens

Collections Donations

- MBH is making an effort to reach out to faculty and staff to think of The Hall for donations. Recent collection items given to (or returned to) The Hall from OU employees include:
 - Yearbook of the Choate Academy (when Danny Dodge was a student there) – Donor: Biology Professor Doug Hunter
 - Steam measuring instrument belonging to John Dodge
Donor: Retired SECS Dean Howard Witt
 - Furniture from Dodge executive used at Dodge Main Plant
Donor: SECS

Friends of Meadow Brook Student Chapter

- The group will be built through the introduction of MBH's new membership program and annual giving societies in Fall 2010.
- Membership will be free to OU students.