

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

**GOLF AND LEARNING CENTER OPERATING BUDGET FOR  
CALENDAR YEAR ENDING DECEMBER 31, 2015**

**A Recommendation**

1. **Division and Department:** Finance and Administration, Golf & Learning Center
2. **Introduction:** The operating budget for the Golf & Learning Center (G&LC) is presented annually to the Board of Trustees (Board) for approval. Attached is a description of the G&LC (Attachment A) which outlines the previously approved business plan; the 2015 G&LC Budget Assumptions (Attachment B); the Registration and Golf Fees 2015 (Attachment C); the Oakland University (University) G&LC Proposed Budget – All Funds, 2015 (Attachment D) and the G&LC Proposed Major Capital Expenditures 2015 (Attachment E).
3. **Previous Board Action:** On December 9, 2013, the Board approved the 2014 budget for the G&LC.
4. **Budget Implications:** The G&LC is an auxiliary operation and is self-supporting. Under the proposed budget, there is a projected increase to the G&LC fund balance of \$45,561.
5. **Educational Implications:** The G&LC is used by student athletes on the men's and women's intercollegiate golf teams.
6. **Personnel Implications:** The proposed budget includes salary and wage adjustments per University authorization, staffing changes as required for the G&LC, as well as payment of the General Fund Administrative Charge.
7. **University Reviews/Approvals:** The G&LC Operating Budget was prepared by the Director of the G&LC and reviewed by the Financial Performance Review Committee, Budget and Financial Planning Office, Vice President for Finance and Administration, and President.
8. **Recommendation:**  
RESOLVED, that the Board of Trustees approves the Oakland University Golf & Learning Center Budget for the fiscal year ending December 31, 2015, with budgeted operating expenditures of \$3,271,790 and capital improvement expenditures of \$348,700; and, be it further

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.

**Golf and Learning Center Operating Budget for  
Calendar Year Ending December 31, 2015  
Oakland University  
Board of Trustees Formal Session  
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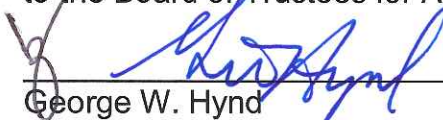
**9. Attachments:**

- A. G&LC Description of Program
- B. G&LC 2015 Budget Assumptions
- C. G&LC Registration & Golf Fees 2015
- D. G&LC Proposed Budget – All Funds, 2015
- E. G&LC Proposed Major Capital Expenditures, 2015

Submitted to the President  
on 11/12, 2014 by

  
\_\_\_\_\_  
John W. Beaghan  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 11/14, 2014  
to the Board of Trustees for Approval by

  
\_\_\_\_\_  
George W. Hynd  
President



## Golf and Learning Center

### Description of Program

The Oakland University Golf and Learning Center (G&LC) was originally conceived in 1975 as a recreation amenity for the University community through the generous contributions of Mr. and Mrs. Katke and Mr. and Mrs. Cousins. The Katke-Cousins course opened on May 1, 1977 and it quickly took on a broader role in the community, serving also as a major vehicle to attract Oakland University (University) donors, and, through golf outings, local corporate support for the University and its educational programs. In 1999, construction of a second course began, which was added to further enhance this successful University program. Mr. and Mrs. Sharf made possible the R & S Sharf golf course which opened for play on August 25, 2000. The 36 hole golf course facility along with a short game and learning center practice range has continued to grow and develop with the addition of the Steve Sharf Clubhouse in 2012 and the new Banquet facility has the capability of hosting events for up to 250 guests. Currently Cranks Catering is the foodservice operator under agreement for 5 years (through Nov. 2017). Also, beginning in 2013 the Rick Smith Golf Academy was added to provide top quality golf instruction. The facility continues to attract student, faculty and staff golfers along with a broad spectrum of community minded individuals who support Oakland. The new Clubhouse and Banquet buildings have increased the community interest in Oakland with a continued increase in special events and meeting requests. Additionally new OU golf team facilities were added and funded by Mr. & Mrs. Tooman, and are also located on the property.

The G&LC is located on the University's east campus. The property is maintained by its own professional staff including administrative and grounds employees specially trained to operate and maintain a first-rate facility. Recently, the complex has registered approximately 33,000 annual rounds of golf. Golf rounds are comprised of student, faculty, staff, alumni, as well as registered golfers from the community, and a number of corporate and charitable golf outings. The G&LC is a self-sustaining auxiliary entity within the University. Its buildings and facilities include a Clubhouse, Banquet building, two maintenance buildings, one on-course food service building, a golf range learning center, a golf car storage garage, and several ancillary environmentally required structures for storage and equipment washing.

The G&LC serves an important role by providing an entry point for developing community and University relationships. The G&LC's long-range plan is to continue to maintain first-rate championship golf courses that provide all University constituencies with a pleasant recreational experience, and sustain a high-quality image while representing Oakland University as an outstanding educational institution.

### **Key Performance Indicators**

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Rounds of golf	34,915	35,233	33,000
Golf Registrations – full status	629	690	663
G&LC Fund balance	\$675,364	\$494,869	\$663,640

## Golf and Learning Center

### **2014 Explanation of Major Changes**

The opening of the Steve Sharf Clubhouse and restaurant in the summer of 2012 and the Banquet facility in 2014 continues to generate interest in the property. Major Capital expenditures in 2014 include \$165,000 for the construction of the Sharf #1 Tee Garden, \$87,000 for additional improvements to the Sharf Clubhouse and \$73,600 for the construction of a stairway from the Sharf Clubhouse to the Banquet Facility.

**2015 Budget Assumptions**

Budgeted revenues are projected based on the continued success of the current G&LC business plan that was approved in 2006 by the Oakland University Board of Trustees (Board). The 2015 budget is derived assuming the same basic structure as 2014 with increases to the annual registration fees and greens fees. Golf registration options include Bronze (\$1,000 with access to Katke-Cousins (KC)), Silver (\$1,750 with access to KC and R & S Sharf), Gold (\$4,200 for unlimited personal golf fees on both courses) and a Platinum level (\$5,750 for unlimited personal golf fees on both courses, and includes personal golf car fees and personal use of the practice range). The G&LC continues to be financially stable and is positioned nicely within the surrounding region's golf market.

Projections for 2015 golf rounds and revenue for the G&LC were made after review of historical data and with consideration of regional industry data. The revenue budget anticipates 33,000 golf rounds at fees shown in the attached fee schedule. This assumes a conservative approach toward weather conditions (which impact revenue) and registrations (within a "flat" golf industry marketplace).

Supplies and services, repairs and maintenance and utilities budget line items were increased to reflect the new banquet facility that opened in 2014 and anticipated costs associated with operations.

The budgeted compensation line item has been increased to reflect a full staffing level in 2015.

The 2015 budget produces an anticipated increase to the G&LC fund balance of \$45,561 and a fund balance at December 31, 2015 of \$709,201.



## OAKLAND UNIVERSITY GOLF & LEARNING CENTER REGISTRATION AND GOLF FEES 2015

Golf Registration Options:

<b>BRONZE</b>	\$ 1,000
<b>SILVER</b>	\$ 1,750
<b>GOLD</b> (all-inclusive personal golf fees)	\$ 4,200
<b>PLATINUM</b> (all-inclusive personal golf fees, personal golf car fees and practice range fees)	\$ 5,750

<b>KATKE-COUSINS GOLF COURSE</b>	<u>WEEKDAY</u>		<u>WEEKEND/HOLIDAY</u>	
	<b>9 Holes</b>	<b>18 Holes</b>	<b>9 Holes</b>	<b>18 Holes</b>
Students, Full Time	\$13.00	\$14.00	\$14.00	\$20.00
Students, Part Time	\$19.00	\$25.00	\$21.00	\$28.00
Student's Family, Faculty/Staff and Family	\$30.00	\$37.00	\$35.00	\$42.00
<b>BRONZE/SILVER</b>	\$30.00	\$37.00	\$35.00	\$42.00
Guests	\$65.00	\$65.00	\$70.00	\$70.00
Golf Car (per golfer)	\$15.00	\$25.00	\$15.00	\$25.00

<b>R &amp; S SHARF GOLF COURSE</b>	<u>WEEKDAY</u>	<u>WEEKEND/HOLIDAY</u>
	<b>SILVER</b> and Student/Faculty/Staff and Family (includes golf car)	\$70.00
Guests of <b>PLATINUM/GOLD/SILVER</b> /Student/Faculty/Staff (includes golf car)	\$90.00	\$95.00
Guests - non affiliate (includes golf car)	\$125.00	\$130.00
Golf Car for <b>GOLD</b> affiliates	\$25.00	\$25.00

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Golf & Learning Center**  
**Proposed Budget - All Funds**  
**Calendar 2015**

	2014 BUDGET	2014 ESTIMATED ACTUAL	2015 PROPOSED BUDGET
<b>REVENUE:</b>			
Operating Revenue	\$ 3,219,400	\$ 3,248,707	\$ 3,321,751
Retail Sales	327,900	324,201	301,800
Student Tuition Allocation	-	-	-
Gifts and Grants	16,500	36,445	16,500
Investment Income	20,500	25,990	26,000
General Fund Support	-	-	-
Total Revenue	<u>\$ 3,584,300</u>	<u>\$ 3,635,343</u>	<u>\$ 3,666,051</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 1,429,469	\$ 1,370,646	\$ 1,465,215
Supplies and Services	778,770	727,682	801,360
Repairs and Maintenance	352,400	306,191	352,300
Cost of Retail Sales	225,000	241,405	220,000
Equipment	254,394	309,836	231,394
Insurance	26,100	13,291	12,800
Utilities	127,100	115,188	127,500
Debt Service	7,400	7,400	7,400
University Overhead	47,200	47,164	53,821
Other Transfers	-	-	-
Total Expenditures	<u>\$ 3,247,833</u>	<u>\$ 3,138,803</u>	<u>\$ 3,271,790</u>
Net Revenue	<u>\$ 336,467</u>	<u>\$ 496,540</u>	<u>\$ 394,261</u>
<b>Ending Balances prior to Major Cap.Expenditures:</b>			
Restricted Fund Balance *	\$ 10,900	\$ 38,370	\$ 38,370
Unrestricted Fund Balance	770,469	953,039	1,019,531
Less: Major Capital Expenditures	286,500	327,769	348,700
Total Fund Balance	<u>\$ 494,869</u>	<u>\$ 663,640</u>	<u>\$ 709,201</u>
London Annuity		\$ 10,900	
* Restricted Fund Balance		<u>\$ 10,900</u>	

**Oakland University  
Golf & Learning Center  
Proposed Major Capital Expenditures  
Calendar 2015**

<b>Item Description</b>	<b>Estimated Cost</b>
Building Maintenance Grounds - various	\$ 114,050
Deferred Maintenance TBD	80,000
Golf Cart Path Repair/Replace	62,500
Road Widen/Sidewalk Project	72,150
Phase 2 Sharf #1 Tee Garden Landscape	20,000
<b>2015 Budget Total</b>	<b>\$ 348,700</b>