

**Report
Oakland University
Board of Trustees
December 9, 2010**

MEADOW BROOK HALL STATUS REPORT

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** Meadow Brook Hall's (The Hall) projected 2010 financial performance and the 2011 budget were presented to the Finance, Audit and Investment Committee of the Board of Trustees on December 2, 2010.

During the discussion, The Hall's recent operational history was discussed and the Trustees thought it would be helpful to share that background with the full Board.

Operating The Hall as a museum and cultural center – a self-supporting auxiliary of the Matilda and Alfred Wilson's educational legacy – Oakland University – is both a worthy and challenging mission.

When the current staff took charge in 2004, they were faced with a \$1.5 million operating deficit. To right the ship, they adopted a cost-accounting approach . . . cutting unprofitable programs and reducing the staff from 33 to 10.

They then began to concentrate on increasing revenue, hiring a new sales staff and re-aligning administrative functions. And, so far, the business model is working.

The Hall's budget is now roughly \$2.5 million a year. About 85% of needed revenue is generated through facility rental, a good half of that coming from weddings alone.

The other 15 percent of operational revenue comes from a combination of touring, special events, merchandise sales, University support and fund raising.

Beginning in 2005, The Hall has been in the black six years in a row, and the deficit has been paid back to the University. The operation has built up an operational reserve of \$500,000 and is beginning to build a modest quasi-endowment to address long-term preservation and conservation needs.

There are four key reasons for The Hall's recent success. The first three are:

Kim Zelinski, The Hall's Associate Director
Robin Gardner, The Hall's Business Manager, and
Matt Durack, President of The Hall's catering contractor, Cregar Enterprises

**Meadow Brook Hall Status Report
Oakland University
Board of Trustees
December 9, 2010
Page 2**

Like all of The Hall's 8 full-time and 3 part-time employees, the Cregar sales and kitchen staffs and some 300+ volunteers, they have a passion for the building, and a dedication to ensuring that Matilda's legacy and vision succeed.

And, finally, University leadership, including the Board, and many University departments and staff have contributed valuable assistance in such areas as finance, accounting, personnel and legal matters.

What is not covered by operational revenue is preservation of this world-class example of Tudor-Revival architecture, and the conservation of thousands of period collection items, many of them priceless and virtually all of them native to the home the Wilsons lived in.

The foundation Matilda Wilson set up in the 1940s – the Matilda R. Wilson Fund – awarded The Hall a \$7 million grant in 2004, which covered critical systems repairs and restoration of such things as the heating system and roof, a new security system and a long list of architectural detailing needs.

As part of that extensive project, which was completed in 2008, The Hall commissioned a full assessment of the preservation and conservation needs of the building and collections, and baseline curatorial support, for the next decade. The highest priority needs came to \$3.3 million, or \$366,000 a year for nine years.

In December 2008, the Wilson Fund awarded The Hall a \$3.3 million challenge grant for preservation, conservation and interpretation. For every dollar The Hall raises, the Fund will match it with a dollar, up to a maximum of \$366,000 per year through 2016. The Hall has met the challenge in 2009 and 2010.

The major Wilson Fund projects undertaken in 2010 were the renovation and restoration of The Hall's kitchen, which was much needed for facility rental activity, and conservation of the large paintings of Matilda and Alfred Wilson that hang in the Dining Room.

New operational projects this year included the publishing of a new donor magazine, an expanded Wild Game Dinner (doubling net revenue) and the addition of a retail liquor license, allowing the sale of new Meadow Brook Hall-labeled wine in the gift shop.

**Meadow Brook Hall Status Report
Oakland University
Board of Trustees
December 9, 2010
Page 3**

The Hall also received a major gift from John and Matilda Dodge's grandson, John Van Lennep, to launch a new publishing program, which will make possible production of three new books on Hall-related topics in 2011.