

**ANCILLARY ACTIVITIES OPERATING BUDGETS FOR THE
FISCAL YEAR ENDING JUNE 30, 2016**

A Recommendation

1. **Division and Department:** President's Office, Academic Affairs, Finance and Administration, and Student Affairs
2. **Introduction:** Proposed budgets for the following ancillary activities are presented for approval for the fiscal year ending June 30, 2016:

Intercollegiate Athletics
Lowry Center for Early Childhood Education
Meadow Brook Music Festival
Meadow Brook Theatre
Oakland Center
University Housing

The ancillary activities presented here represent a broad range of operations connected with and in support of the educational mission of Oakland University. Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and transfer categories. The "all funds" budget model has been used to construct the presentation of these budgets. The all funds model is intended to provide 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 these endowments are income in the Expendable Restricted Funds and are included.

3. **Previous Board Action:** The Board of Trustees (Board) approved the FY2015 ancillary budgets on May 7, 2014.
4. **Budget Implications:** See individual ancillary program descriptions for budget implications.
5. **Educational Implications:** See individual ancillary program descriptions for educational implications.
6. **Personnel Implications:** See individual ancillary program descriptions for personnel implications.

**Ancillary Activities Operating Budgets for the
Fiscal Year Ending June 30, 2016
Oakland University
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7. **University Reviews/Approvals:** The ancillary activities operating budgets were prepared by the ancillary units, reviewed by the Financial Performance Review Committee, Budget and Financial Planning Office, Senior Vice President for Academic Affairs and Provost, Interim Vice President for Student Affairs, Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees approves the FY2016 budgets for Intercollegiate Athletics, Lowry Center for Early Childhood Education, Meadow Brook Music Festival, Meadow Brook Theatre, Oakland Center, and University Housing, with expenditures and transfers not to exceed the expense total for each unit as reflected in the attached budgets, except as set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved expense total must have the prior approval of the President or his/her designee and these amounts will 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 appropriate Vice President, 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 FY2016 budgets and the ongoing administration of the FY2016 budgets; and, be it further

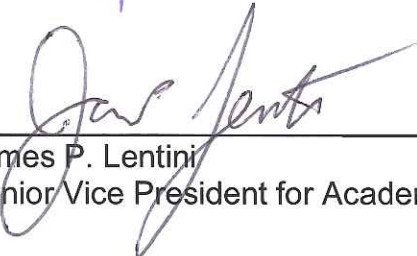
RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of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

9. **Attachments:**


1. Description of Programs and Proposed Budgets, FY2016

**Ancillary Activities Operating Budgets for the
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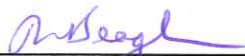
Submitted to the President
on 3/24, 2015 by



James P. Lentini
Senior Vice President for Academic Affairs and Provost

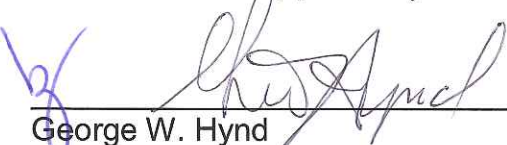


Glenn McIntosh
Interim Vice President for Student Affairs



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

Recommended on 3/27, 2015
to the Board for approval by



George W. Hynd
President

Department of Intercollegiate Athletics

Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics (Athletics) has been fully participating in Division I athletics since 1999-2000. In sixteen years the Golden Grizzlies have won 26 regular-season conference championships, 53 conference tournament titles and have had 39 NCAA tournament appearances.

OU has 18 varsity sports - baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis, men's indoor & outdoor track, women's indoor & outdoor track and women's volleyball.

The Golden Grizzlies play their court sports (volleyball, men's and women's basketball) at the Athletics Center (O'rena) which has a capacity of 3,000, with baseball, softball and soccer games played at the Oakland Athletic Fields. Oakland swimming and diving competes in the Oakland Aquatics Center, which has a capacity of 1,000. OU's Katke-Cousins golf course is the home course for the men's and women's golf teams. The track & field and tennis programs compete at the new Outdoor Recreation and Athletic Complex.

<u>Key Performance Indicators</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
RPI Tier 1 Athletic Teams			
Men's Basketball	151	151	134
Women's Basketball	293	293	238
Men's Soccer	113	113	72
Women's Soccer	106	106	251
Men's Swimming/Diving	4*	48#	11*
Women's Swimming/Diving	24*	31*	31*

* Mid-Major Ranking

National Ranking

RPI (Ratings Percentage Index) is a rating system utilizing three factors: Division I winning percentage; schedule strength; and opponents' schedule strength.

Number of Student Athletes	312	320	327
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Department of Intercollegiate Athletics

<u>Key Performance Indicators (continued)</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Graduation Rates-All Students/Student Athlete	40%/68%	43%/58%	43%/57%
Graduation Success Rate – Student Athletes	84%	81%	80%

Freshman-Cohort 2005/2006, 2006/2007 & 2007/2008 Graduation Rates: These are the most recent graduating classes for which the required six years of information is available. "All Students" represents all undergraduate students who were enrolled in a full-time program of studies for a degree. "Student Athletes" represents those student athletes who received athletics aid from the university for any period of time during their entering year.

Graduation Success Rate takes into account the successful completion of graduation requirements for transfer students.

FY2015 Explanation of Major Changes

Operating revenues are reflective of an increase in men's basketball team guarantee revenue, an increase in NCAA allocations, and less than expected sponsorship sales.

Gift revenue increases are due to the recording of a long term naming rights pledge to the basketball court.

Increases in supplies and services are due to increased spending in operations and general equipment for new facilities.

Other transfers consist of a one-time transfer for the field events area and storage facilities for the track and field complex.

Major capital expenditures for FY2015 are estimated to be \$430,000.

Upper fields - storage facility	\$125,000
Upper fields - field events area	125,000
Track equipment	100,000
Office renovations	50,000
Tennis van	<u>30,000</u>
Total	\$430,000

Department of Intercollegiate Athletics

FY2016 Budget Assumptions

The proposed Athletics' budget reflects the revenues and expenditures of its continuing participation in NCAA Division I and league affiliation to the Horizon League. Budget assumptions for FY2016 have been projected based on Horizon League competition:

1. External revenues have been modified to reflect future expectations in the areas of tickets sales, NCAA and Horizon League revenues and a new third party sponsorship agreement.
2. Student Tuition Allocation reflects anticipated enrollment growth, related to Horizon League participation.
3. Gift revenue changes are reflective of future expectations.
4. Compensation and operation budget increases are offset by an increase in General Fund support, funded primarily by projected increased enrollment related to participation in the Horizon League.
5. Capital Expenditures consist of equipment for the Track & Field programs.
6. FY2016 expected deficit is due to one time travel expense for Men's basketball taking an international trip to Spain. Proceeds to fund the trip were received in FY2015 and are reflected in the FY2015 Estimated Actual (Team Guarantees).

Oakland University
Ancillary Activities Operating Budget
Department of Athletics
Proposed Budget - All Funds
FY2016

	FY2015 BUDGET	FY2015 ESTIMATED ACTUAL	FY2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue:			
Ticket Sales	\$ 132,500	\$ 132,000	\$ 150,000
Team Guarantees	340,000	445,000	340,000
NCAA Revenues	395,000	440,000	460,000
Other	762,500	708,000	797,500
Total Operating Revenue	<u>\$ 1,630,000</u>	<u>\$ 1,725,000</u>	<u>\$ 1,747,500</u>
Retail Sales	27,000	35,000	29,000
Student Tuition Allocation	1,959,609	1,959,609	2,252,802
Gifts and Grants	450,000	755,000	500,000
Investment Income	1,000	1,000	1,000
General Fund Support	3,747,765	3,798,765	3,940,381
Total Revenue	<u>\$ 7,815,374</u>	<u>\$ 8,274,374</u>	<u>\$ 8,470,683</u>
EXPENDITURES:			
Compensation	\$ 4,939,664	\$ 4,954,664	\$ 5,416,825
Supplies and Services	1,659,450	1,706,450	1,797,950
Travel	1,100,000	1,150,000	1,265,000
Repairs and Maintenance	-	-	-
Cost of Retail Sales	12,000	16,000	12,500
Equipment	-	-	-
Insurance	93,500	87,500	90,000
Utilities	-	-	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	(250,000)	-
Total Expenditures	<u>\$ 7,804,614</u>	<u>\$ 7,664,614</u>	<u>\$ 8,582,275</u>
Net Revenue	<u>\$ 10,760</u>	<u>\$ 609,760</u>	<u>\$ (111,592)</u>
Ending Balances prior to Major Cap. Expenditures:			
Restricted Fund Balance *	\$ 272,111	\$ 463,182	\$ 370,000
Unrestricted Fund Balance	1,182,918	1,590,847	1,142,436
Less: Major Capital Expenditures	100,000	430,000	50,000
Total Fund Balance	<u>\$ 1,355,029</u>	<u>\$ 1,624,029</u>	<u>\$ 1,462,436</u>
Athletic Programs		\$ 223,000	
Endowments / Scholarships		46,834	
Facility Development		100,277	
Student Athlete Funds		93,071	
Restricted Fund Balance *		<u>\$ 463,182</u>	

Oakland University
Department of Athletics
Proposed Major Capital Expenditures
FY2016

<u>Item Description</u>	<u>Estimated Cost</u>
Track & Field Equipment	50,000
FY2016 Total	<u><u>\$ 50,000</u></u>

Lowry Center for Early Childhood Education

Description of Program

The vision of the Lowry Center for Early Childhood Education is to cultivate and maintain an environment where faculty, students, staff and parents collaborate to provide a model center which exhibits best practice in the field of early childhood education and development. It has three related components, described below, with purposes that are congruent with the goals of the School of Education and Human Services (SEHS) and the mission of Oakland University:

- To provide high quality, developmentally appropriate early childhood experiences for young children and families.
- To provide learning and teaching environments for students and practitioners in Education, Human Services and related fields.
- To expand knowledge in Education, Human Service and related fields through research and service.

These components are based on the belief that learners of all ages should have meaningful, interesting and challenging experiences. Child and adult development are fostered by active participation of the learner.

Key Performance Indicators

Overall Center Enrollment

March 30, 2011	March 30, 2012	March 2013	March 2014	March 2015
72%	79%	83%	80%	82%

Enrollment by Category

	Winter 2011 Participants	Winter 2012 Participants	Winter 2013 Participants	Winter 2014 Participants	Winter 2015 Participants
Community	102	116	105	97	114
Students	27	28	23	18	11
Faculty & Staff	25	21	25	27	32
Total	154	165	153	142	157

Lowry Center for Early Childhood Education

Daily Rates

Age Group	FY 2012	FY 2013	FY 2014	FY 2015	FY2016
Toddlers	\$57.50	\$57.50	\$57.50	\$57.50	\$60.00
	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
	\$47.50	\$47.50			
	9am-2 pm	9am-2pm			
	\$33.50	\$33.50	\$33.50	\$33.50	\$36.00
	9am-12pm	9am-12pm	9am-12pm	9am-12pm	9am-12pm
Preschool	\$48.50	\$48.50	\$48.50	\$48.50	\$52.00
	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
	\$28.50	\$28.50	\$28.50	\$28.50	\$32.00
	9am-12pm	9am-12pm	9am-12pm	9am-12pm	9am-12pm
Pre-K	\$48.50	\$48.50	\$48.50	\$48.50	\$51.00
	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
	\$28.50	\$28.50	\$28.50	\$28.50	\$31.00
	9am-12pm	9am-12pm	9am-12pm	9am-12pm	9am-12pm

All Age Groups

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Before Care	\$5.00 per	\$5.00 per	\$5.00 per	\$5.00 per	\$5.00 per
7:30 -9:00 am	½hour	½hour	½hour	½hour	½hour
After Care	Community	Community	Community	Community	Community
4:00-5:30 pm	\$3.00 per	\$3.00 per	\$3.00 per	\$3.00 per	\$3.00 per
	½ hour OU	½ hour OU	½ hour OU	½ hour OU	½ hour OU

- Registration/Deposits for community members will be \$200 per year; \$150 will be deducted from the final payment (\$50 non-refundable)
- Registration charges for OU affiliates will be \$75 per year, \$25 will be deducted from the final payment of the school year (\$50 non-refundable per school year)
- Schedule change charges of \$25.00 per occurrence will be applied to families with frequent schedule changes.
- A late charge of \$25.00 will be applied to families who have not paid their monthly tuition by the 10th of the month.

Lowry Center for Early Childhood Education

FY2015 Explanation of Major Changes

The success of the Early Childhood practicum program is reflected in the estimated actual FY2015 General Fund Support total. The estimated actual is \$12,167 or 25.7% higher than budgeted. This is due to 11 more students enrolling in the program than projected.

We are projecting a \$2,513 increase in compensation due to a higher volume of on call substitute teachers needed this year.

FY2016 Budget Assumptions

Revenue – \$929,413

Operating Revenue

- Based on 82% projected enrollment for the 2015-2016 school years, and a tuition increase per age group.
- Families will be offered a 5% discount on the oldest sibling when enrolling two or more children. This discount is common practice among preschools.
- \$8,300 in projected gifts and investment income from endowments

General Fund Budget Support

- Based on number of practicum students enrolled for Summer 2015 (graduate) and Fall 2015 as of March, 2015 (graduate =10; undergraduates = 37)

Expenditures – \$888,740

Compensation

- Includes salary increases for staff
- Includes liaison teacher stipend
- Includes stipends for teachers obtaining masters and post-masters degrees
- Includes salary adjustments for three (3) teachers

Repairs and Maintenance – cleaning services contract based on current trend

Oakland University
Ancillary Activities Operating Budget
Lowry Center for Early Childhood Education
Proposed Budget - All Funds
FY2016

	FY2015 BUDGET	FY2015 ESTIMATED ACTUAL	FY2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 790,747	\$ 790,747	\$ 867,290
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	3,000	3,120	3,500
Investment Income	4,725	4,960	4,800
General Fund Support	47,441	59,608	53,823
Total Revenue	<u>\$ 845,913</u>	<u>\$ 858,435</u>	<u>\$ 929,413</u>
EXPENDITURES:			
Compensation	\$ 772,187	\$ 774,700	\$ 811,890
Supplies and Services	39,865	41,000	43,350
Repairs and Maintenance	31,313	31,020	33,500
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	-	-	-
Utilities	-	765	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 843,365</u>	<u>\$ 847,485</u>	<u>\$ 888,740</u>
Net Revenue	<u>\$ 2,548</u>	<u>\$ 10,950</u>	<u>\$ 40,673</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	406,225	419,723	460,396
Less: Major Capital Expenditures	-	-	-
Total Fund Balance	<u>\$ 408,773</u>	<u>\$ 419,723</u>	<u>\$ 460,396</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Meadow Brook Music Festival

Description of Program

Meadow Brook Music Festival (MBMF), Oakland University's (University) outdoor summer amphitheater, has been managed by Palace Sports & Entertainment (PS&E) since 1996. During that time, PS&E has overseen all aspects of the facility, including entertainment bookings, rentals, advertising, staffing, concessions, parking and grounds.

In October 2014, the Board of Trustees (Board) authorized a new long term agreement for PS&E to continue its management of MBMF. Financial highlights of the agreement with PS&E include:

- \$500,000 up-front payment
- \$1,500,000 minimum investment in MBMF facility improvements
- \$165,000 annual license fee
- \$35,000 annual subsidy to DSO programming at MBMF
- Ten-year initial lease term

PS&E continues to build the visibility and reputation of MBMF by booking nationally known acts, such as renowned violinist Joshua Bell, who performed with the Detroit Symphony Orchestra for the MBMF 50th anniversary concert in July 2014. MBMF performances typically include rock, indie rock, jazz, country, comedy, adult contemporary and family entertainment.

Key Performance Indicators

	<u>FY2013</u>	<u>FY2014</u>	<u>Projected FY2015</u>
Attendance	69,856	71,841	73,000
Gross Revenue	\$2,166,037	\$2,459,797	\$2,600,000

FY2015 Explanation of Major Changes

As noted in Projected FY2015 Revenue, operating revenue will increase by \$500,000 compared to budget due to receipt of the up-front payment required by the new PS&E agreement.

At the expiration of the prior agreement with PS&E, the University took over management of the electronic sign at the corner of Walton and Adams so that the sign can be updated, both technically and aesthetically; \$42,000 has been allocated for the design and engineering phase of the new sign.

Meadow Brook Music Festival

FY2015 Explanation of Major Changes (continued)

In FY2015, per the endowment requirements, \$12,000 will be disbursed from the L. Clifford Goad Memorial Concert Endowment to support a concert, and \$43,000 will be disbursed from the Trumbull Terrace Endowment to support repairs and maintenance of the Trumbull Terrace.

FY2016 Budget Assumptions

The FY2016 budgeted revenue is consistent with the new agreement and historical investment income. PS&E's annual license fee will increase to \$165,000. Budgeted expenses include insurance, supplies and services, and compensation.

The Major Capital Expenditure for FY2016 will be the reconstruction of the Walton & Adams electronic sign, estimated to cost \$475,000.

In FY2016, per the endowment requirements, \$12,000 will be disbursed from the L. Clifford Goad Memorial Concert Endowment to support a Detroit Symphony Orchestra concert at the Festival, and \$6,000 will be disbursed from the Trumbull Terrace Endowment to support repairs and maintenance of the Festival's Trumbull Terrace.

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Music Festival
Proposed Budget - All Funds
FY2016

	FY2015 BUDGET	FY2015 ESTIMATED ACTUAL	FY2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 135,000	\$ 635,000	\$ 165,000
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	10,000	11,600	10,000
General Fund Support	-	-	-
Total Revenue	<u>\$ 145,000</u>	<u>\$ 646,600</u>	<u>\$ 175,000</u>
EXPENDITURES:			
Compensation	\$ 6,000	\$ 5,900	\$ 6,000
Supplies and Services	14,500	14,500	14,500
Repairs and Maintenance	40,000	43,000	6,000
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	5,038	5,038	-
Utilities	-	2,560	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 65,538</u>	<u>\$ 70,998</u>	<u>\$ 26,500</u>
Net Revenue	<u>\$ 79,462</u>	<u>\$ 575,602</u>	<u>\$ 148,500</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ 51,896	\$ 50,496	\$ 42,496
Unrestricted Fund Balance	958,346	1,455,886	1,612,386
Less: Major Capital Expenditures	-	42,000	475,000
Total Fund Balance	<u>\$ 1,010,242</u>	<u>\$ 1,464,382</u>	<u>\$ 1,179,882</u>
L. Clifford Goad Memorial Concert Endowment		\$ 44,107	
Florine E. Trumbull Meadow Brook Music Festival Endowment Fund		<u>6,389</u>	
Restricted Fund Balance *		<u>\$ 50,496</u>	

**Oakland University
Meadow Brook Music Festival
Proposed Major Capital Expenditures
FY2016**

Item Description	Estimated Cost
Walton and Adams Electronic Sign	\$ 475,000

FY2016 Total \$ 475,000

Meadow Brook Theatre

Description of Program

Oakland University (University) entered into an Agreement with The Theatre Ensemble (Ensemble), a non-profit corporation, to lease Meadow Brook Theatre (MBT) facilities in 2002. In March 2012, the University Board of Trustees approved a renewal of the original Agreement through June 30, 2016, which will allow the Ensemble to continue in the MBT facilities through the MBT Fiftieth Anniversary season (2015-2016). Highlights of the Agreement include the following:

- Continued professional theatre productions and related events at Meadow Brook Theatre, including a full-season of plays.
- Guaranteed weekly fixed rent payments each production season, with a guaranteed number of weeks each year.
- Additional rent payments based on tickets sold.
- Opportunities for a strong relationship between the Ensemble and University students, particularly those in the academic theatre program.

All contractual payments to the University from the Ensemble continue to be paid in a timely manner.

The Ensemble is committed to presenting high quality productions, geared to inspire, educate and entertain a diverse audience base. This year, the season included three musicals, two comedies and one drama. The Ensemble continues to share its resources with the University's Department of Music, Theatre and Dance in professional and artistic avenues and a number of students are employed by the Ensemble in a variety of professional and operational positions.

Key Performance Indicators

	<u>FY2013</u>	<u>FY2014</u>	<u>Projected FY2015</u>
Total Attendance	75,379	64,979	70,000

FY2015 Budget Assumptions

FY2015 revenue is expected to exceed budget due to a strong turnout for "A Christmas Carol". Increased attendance has increased utility usage.

FY2016 Budget Assumptions

Under the current agreement, rent will be \$2,084 per week for the FY2016 season. Rent revenue covers expenses for repairs, maintenance, insurance and utilities to maintain the auxiliary operation and provides net revenue for major capital expenditures.

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Theatre
Proposed Budget - All Funds
FY2016

	FY 2015 BUDGET	FY 2015 ESTIMATED ACTUAL	FY2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 102,500	\$ 108,500	\$ 105,000
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	-	-	-
General Fund Support	-	-	-
Total Revenue	<u>\$ 102,500</u>	<u>\$ 108,500</u>	<u>\$ 105,000</u>
EXPENDITURES:			
Compensation	\$ -	\$ -	\$ -
Supplies and Services	1,000	1,000	1,000
Repairs and Maintenance	2,500	3,500	3,500
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	2,771	2,449	2,571
Utilities	39,000	45,300	43,000
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 45,271</u>	<u>\$ 52,249</u>	<u>\$ 50,071</u>
Net Revenue	<u>\$ 57,229</u>	<u>\$ 56,251</u>	<u>\$ 54,929</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	255,483	254,505	309,434
Less: Major Capital Expenditures			
Total Fund Balance	<u>\$ 255,483</u>	<u>\$ 254,505</u>	<u>\$ 309,434</u>

Oakland Center

Description of Program

The Oakland Center serves as a community center for students, faculty, staff and university guests. It offers a wide-range of services and amenities such as: campus-wide food service, university bookstore, credit union, meeting and conference room facilities, departmental and student organization offices. The Oakland Center continues to experience strong and growing student utilization and to attract a diversity of campus and community programs.

Key Performance Indicators

	<u>FY2013</u>	<u>FY2014</u>	<u>Projected FY2015</u>
Number of meeting room reservations	5,921	6,829	6,950
Number of meeting attendees	293,514	321,333	327,020

- On September 3, 2014 the Oakland Center established a new daily pedestrian foot traffic record of 17,090 entries.
- 247,273 pedestrian entries were recorded during September 2014 a 4.3% increase over the previous year with a total of 1,030,281 entries from July 2014 through February 16, 2015.
- 507 Banquet Room events were held with 75,933 attendees.

FY2015 Explanation of Major Changes

- Revenue projections reflect an increase in annual bookstore commissions and gross conference revenue.
- Supplies and services expenses increased due to additional expenditures related to gross conference revenue gains.
- Major capital expenditures increased by \$60,000 due to a security monitoring system failure requiring replacement.
- Equipment expenses increased due to failures and replacement purchases.

FY2016 Budget Assumptions

1. Food service revenues reflect a onetime \$5,500,000 contract signing bonus and annual commissions of \$400,000.
2. Total transfer activity of \$5,600,000 includes:
 - a. \$5,500,000 transfer to plant fund for future building expansion and food service improvements.
 - b. \$100,000 year one annual food service amortization.

Oakland Center

FY2016 Budget Assumptions (continued)

3. The Barnes and Noble Bookstore contract expires May 31, 2016. The bookstore agreement will be rebid according to Board policy.
4. The budget reflects a \$70,000 plant renewal project as detailed in the proposed major capital expenditures attachment.
5. University Overhead includes \$153,423 from bookstore commission to General Fund support.

Oakland University
Ancillary Activities Operating Budget
Oakland Center
Proposed Budget - All Funds
FY2016

	FY2015 BUDGET	FY2015 ESTIMATED ACTUAL	FY2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue			
Bookstore Commissions	\$ 620,000	\$ 678,231	\$ 680,000
Conferences	164,500	197,175	200,000
Food Service	430,000	433,076	6,005,000
Other	157,000	154,837	150,092
Total Operating Revenue	<u>\$ 1,371,500</u>	<u>\$ 1,463,319</u>	<u>\$ 7,035,092</u>
Retail Sales	-	-	-
Student Tuition Allocation	\$ 1,111,811	\$ 1,111,811	\$ 1,122,929
Gifts and Grants	410	1,206	550
Investment Income	200	229	250
General Fund Support	-	-	-
Total Revenue	<u>\$ 2,483,921</u>	<u>\$ 2,576,565</u>	<u>\$ 8,158,821</u>
EXPENDITURES:			
Compensation	\$ 1,105,047	\$ 1,106,241	\$ 1,128,300
Supplies and Services	262,775	282,550	291,000
Travel	11,500	12,500	12,875
Repairs and Maintenance	204,790	188,941	194,600
Cost of Retail Sales	-	-	-
Equipment	67,000	93,483	70,000
Insurance	24,686	19,718	18,929
Utilities	371,168	362,753	356,825
Debt Service	80,866	80,866	80,866
University Overhead	168,552	168,552	178,426
Other Transfers	-	(6,100)	5,600,000
Total Expenditures	<u>\$ 2,296,384</u>	<u>\$ 2,309,504</u>	<u>\$ 7,931,821</u>
Net Revenue	<u>\$ 187,537</u>	<u>\$ 267,061</u>	<u>\$ 227,000</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	1,199,963	1,199,963	1,255,459
Less: Major Capital Expenditures	(151,000)	(211,565)	(70,000)
Total Fund Balance	<u>\$ 1,236,500</u>	<u>\$ 1,255,459</u>	<u>\$ 1,412,459</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Oakland University
Oakland Center
Proposed Major Capital Expenditures
FY2016

Item Description	Estimated Cost
Replace north and west entry frames, doors and glass	70,000
FY2016 Total	<u>\$ 70,000</u>

Department of University Housing

Description of Program

The Department of University Housing has administrative oversight for on-campus housing operations including budget, facility operations, maintenance, programming, support services and personnel. The department also has property management responsibilities for the Meadow Brook Subdivision.

Key Performance Indicators

	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Opening Occupancy	2,087	2,277	2,611
Renovation and Refurbishing Projects	\$1,745,469	\$3,145,700	\$2,546,708
Chartwell's Board Rate Increase	3.7%	2.8%	3%

FY2015 Explanation of Major Changes

The decrease in operating revenue over the Board approved FY2015 budget is due to a phased elimination of Vandenberg triple rooms creating a lower than budgeted occupancy.

The decrease in compensation is due to positions that are currently vacant. The intent is to fill these positions in FY2016. These areas include skilled trades, project management, accounting and assignment management.

The decrease in Major Capital Expenditures is due to a delay in the first phase of the Vandenberg Hall Plumbing Renovation project. Detailed project engineering determined that fire safety compliance would require an emergency generator and fire pump to be added to this project in order to power the fire suppression component of the plumbing renovation. The Harley, Ellis, Devereaux infrastructure study of 2011 included a recommendation to modernize and upgrade the electrical service and switchgear within Vandenberg Hall. The addition of an emergency generator and fire pump will necessitate such an electrical upgrade within the first phase of the renovation. This will increase the scope and cost of the first phase of the Vandenberg renovation from \$4,236,500 to \$7,091,580. The additional year will allow University Housing to increase the fund balance necessary to absorb the additional cost.

Department of University Housing

FY2015 Explanation of Major Changes (continued)

The capital expenditures made during FY2015 include the architectural, design and commissioning fees related to the Vandenberg renovation, a Housing and Dining master plan, an upgrade to the residential furnishings of Hill and Van Wagoner student rooms, Aruba wireless project as well as initial repairs to the Hill, Van Wagoner and Vandenberg balconies.

Vandenberg hall plumbing	\$ 644,920
Housing and dining master plan	93,000
Hill and Van Wagoner furniture and wall repairs	856,915
Aruba wireless project	565,972
Hill, Vandenberg and Van Wagoner balcony repairs	<u>385,900</u>
Total	\$2,546,707

FY2016 Budget Assumptions

1. The **Standard Residence Hall** budget reflects a 4 percent double room rate increase in room and board. The proposed room rates position Oakland University Housing at the middle tier among other Michigan Universities. The recommended rates are as follows:

Year	FY2015	FY2016
Academic Year Rate (double room)	\$8,895	\$9,250
Academic Year Rate (single room)	\$9,675	\$10,062
Summer Semester – Base Rate (double room)	\$2,795	\$2,906
Summer Semester – Base Rate (single room)	\$3,020	\$3,140
Percentage Increase (Acad. Yr – double)	3.75%	4%

Department of University Housing

FY2016 Budget Assumptions (continued)

2. The **Oak View Hall** budget reflects a 4 percent room rate increase in room and board. The recommended rates are as follows:

Year	FY2015	FY2016
Academic Year Rate (freshmen double room)	\$9,350	\$9,724
Academic Year Rate (upper class single room suite)	\$9,700	\$10,088
Summer Semester Rate (freshmen double room)	\$3,275	\$3,406
Summer Semester Rate (upper class single room suite)	\$3,395	\$3,530
Percentage Increase (Acad. Yr- 3&4 BR)	N/A	4%

3. The **Ann V. Nicholson Apartments** budget reflects a 4 percent rate increase. The recommended rates are as follows:

Year	FY2015	FY2016
Academic Year Rate (3 and 4 Bedrooms)	\$7,400	\$7,696
Academic Year Rate (2 Bedrooms)	\$7,775	\$8,086
Summer Semester Rate (3 and 4 Bedrooms)	\$3,510	\$3,650
Summer Semester Rate (2 Bedrooms)	\$3,900	\$4,056
Percentage Increase (Acad. Yr- 3&4 BR)	8.8%	4%

Department of University Housing

FY2016 Budget Assumptions (continued)

4. The **George T. Matthews Apartments** budget reflects a 4 percent rate increase. The recommended rate is as follows:

Year	FY2015	FY2016
Academic Year Rate	\$7,700	\$8,008
Summer Semester Rate	\$3,900	\$4,056
Percentage Increase	7.75%	4%

5. Decrease in operating revenue is due to our full elimination of triple rooms in Vandenberg and George T. Matthews apartments. A decrease in the anticipated average occupancy from 94% to a slightly more conservative 93% was also made. The anticipated decrease in conference revenue is due to a shorter conference season in order to properly prepare facilities for fall opening. Per the new food services contract, revenues also reflect Chartwells' annual commission of \$200,000.
6. Increase in compensation is due to a negotiated increase in MEA wages for skilled trades as well as an upcoming increase in the required student minimum wage rate.
7. Increase in student programming reflects an increase in residence hall student retention initiatives and the incorporation of apartment programming dollars into this line item.
8. Decrease in repairs and maintenance reflects the positive impact of the Hamlin Hall plumbing renovation.
9. Increase in equipment reflects support components for the newly installed Aruba wireless residential network (Aruba monitors, controllers), bandwidth costs and Hamlin Hall computer lab equipment.
10. Increase in debt service is due to the bond payments for Oak View Hall.
11. Increase in transfers reflects the amortization of the Chartwells commissions under the new ten year food service contract.
12. Decrease of \$3,035,882 in the total fund balance is due to the cost and scope of the first phase of the Vandenberg Plumbing and Electrical renovation.

Oakland University
Ancillary Activities Operating Budget
University Housing
Proposed Budget - All Funds
FY2016

	FY2015 BUDGET	FY2015 ESTIMATED ACTUAL	FY2016 PROPOSED BUDGET
REVENUE:			
Operating Revenue:			
Room & Board	\$ 21,505,327	\$ 21,159,638	\$ 20,908,661
Conferences	340,000	340,000	200,000
Other	373,286	373,286	439,953
Total Operating Revenue	<u>\$ 22,218,613</u>	<u>\$ 21,872,924</u>	<u>\$ 21,548,614</u>
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	2,000	2,000	2,000
General Fund Support	-	-	-
Total Revenue	<u>\$ 22,220,613</u>	<u>\$ 21,874,924</u>	<u>\$ 21,550,614</u>
EXPENDITURES:			
Compensation	\$ 4,557,225	\$ 4,280,054	\$ 4,724,730
Supplies and Services	525,762	525,762	527,358
Student Programming & Retention	433,370	433,370	498,295
Food Service	4,212,414	4,212,414	4,432,222
Travel	35,000	35,000	35,000
Repairs and Maintenance	1,721,108	1,721,108	1,471,108
Cost of Retail Sales	-	-	-
Equipment	260,000	260,000	377,400
Insurance	105,785	105,785	105,785
Utilities	1,538,319	1,538,319	1,540,510
Debt Service	2,723,878	2,733,953	3,206,768
University Overhead	441,232	441,331	464,252
Other Transfers	16,738	16,738	111,488
Total Expenditures	<u>\$ 16,570,831</u>	<u>\$ 16,303,834</u>	<u>\$ 17,494,916</u>
Net Revenue	<u>\$ 5,649,782</u>	<u>\$ 5,571,090</u>	<u>\$ 4,055,698</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	9,232,956	9,321,264	10,830,254
Less: Major Capital Expenditures	4,836,500	2,546,708	7,091,580
Total Fund Balance	<u>\$ 4,396,456</u>	<u>\$ 6,774,556</u>	<u>\$ 3,738,674</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Oakland University
University Housing
Proposed Major Capital Expenditures
FY2016

Item Description	Estimated Cost
Vandenberg Plumbing and Electrical Renovations	\$ 7,091,580
FY2016 Total	<u>\$ 7,091,580</u>