

**MEADOW BROOK ESTATE OPERATING BUDGET**  
**FOR FISCAL YEAR ENDING JUNE 30, 2025**

**A Recommendation**

1. **Division and Department:** University Advancement, Meadow Brook Estate
2. **Introduction:** The proposed budget for Meadow Brook Estate (MBE) is presented for approval for the fiscal year ending June 30, 2025.

The ancillary activity presented represents an operation connected with and in support of the educational mission of Oakland University (University). Each ancillary budget is presented in a similar format, using common terminology and revenue, expense, and University Support categories. The “all funds” budget model is used to construct the proposed budget. The all-funds model provides 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 endowments are included.

3. **Previous Board Action:** On June 26, 2023, the Board of Trustees (Board) approved the FY2024 budget for MBE.
4. **Budget Implications:** See attachment A for budget implications.
5. **Educational Implications:** See attachment A for educational implications.
6. **Personnel Implications:** See attachment A for personnel implications.
7. **University Reviews/Approvals:** The Meadow Brook Estate budget was prepared by the Meadow Brook Estate Director of Administration and Finance as well as the Executive Director. It has been thoroughly reviewed by the Budget and Financial Planning office, Financial Performance Review Committee, Vice President for University Advancement, Vice President for Finance and Administration, and President.
8. **Recommendation:**

RESOLVED, that the Board of Trustees approve the FY2025 Budget for Meadow Brook Estate, with expenditures and transfers not to exceed the total as reflected in the attached budget, except as set forth; and, be it further

**Meadow Brook Estate Operating Budget  
For Fiscal Year Ending June 30, 2025  
Oakland University  
Board of Trustees Formal Session  
June 28, 2024  
Page 2**

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; and, be it further

RESOLVED, that the Board of Trustees authorizes the President, the Executive Director, 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 FY2025 budget and the ongoing administration of the FY2025 budget; and, be it further

RESOLVED, that all 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.

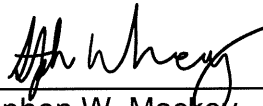
**9. Attachments:**

- A. Meadow Brook Estate Budget Notes and Assumptions
- B. Meadow Brook Estate Proposed Budget – FY2025
- C. Meadow Brook Estate Proposed Major Capital Expenditures – FY2025

Submitted to the President  
on JUNE 19, 2024 by

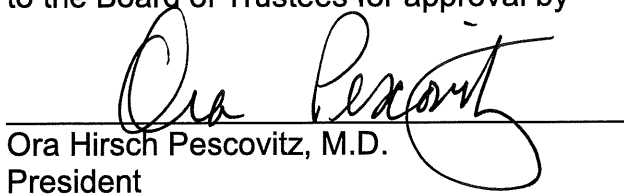


Michael J. Westfall  
Vice President for University Advancement



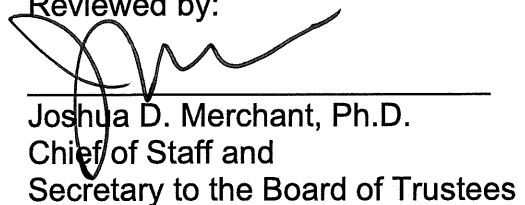
Stephen W. Mackey  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 6/21, 2024  
to the Board of Trustees for approval by



Ora Hirsch Pescovitz, M.D.  
President

Reviewed by:



Joshua D. Merchant, Ph.D.  
Chief of Staff and  
Secretary to the Board of Trustees

## Meadow Brook Estate

### 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 Estate'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 their Estate, the 1,500-acre Meadow Brook Farm 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 Estate and the surrounding 127 acres until both passed away; Alfred in 1962 and Matilda in 1967. Oakland University took possession of the Estate in 1971. Since that time, the complex has been open to the public as a museum and cultural center, per Matilda's wishes.

The Estate 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 Estate 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.

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.

## Meadow Brook Estate

### Key Performance Indicators

	<u>FY2022</u>	<u>FY2023</u>	Projected <u>FY2024</u>
Number of facility rentals	469	546	504
Number of museum visitors	55,755	56,921	62,362
Gross Facility Rental Revenue	\$3.3M	\$3.6M	\$3.6M
Museum Revenue	\$3.2M	\$2.8M	\$2.5M
Total Revenue	\$6.5M	\$6.4M	\$6.1M

### FY2024 Explanation of Major Budget Impacts

1. FY2024 projected operating performance is based on actual and anticipated expenses and booked revenue through the end of the year.
2. Gross revenue budget to actual variance of \$700,255 includes:
  - \$380,641 increase (8%) in Operating and Retail Sales revenue, primarily due to facility rental, ticketed events, Holiday Walk and Winter Wonder Lights revenue increases
  - \$157,239 increase in Investment Income due to a delay in spending related to the Activating Meadow Brook project, resulting a higher than anticipated fund balance for the duration of FY2024
  - \$162,374 increase in Gifts and Grants revenue primarily due to raising additional funds for the Visitor Center Project
3. Restricted gifts represent \$340,604, or 58%, of projected actual FY2024 gross gift and grants revenue primarily given for the gardens, the new Visitor Center project, and the Matilda Wilson preservation maintenance grant.
4. Other transfers include the transfer of \$449,000 from the MBH Development quasi-endowment to cover the major capital expenditures related to the Activating Meadow Brook project which was approved by the Board in February 2022. This transfer was reviewed and approved by the Vice President for Finance & Administration in April of 2023.

5. The “Major Capital Expenditures” for FY2024 are projected to be \$1,851,090.

- \$1,607,695 for the Visitor Center Project
- \$100,000 New Adams Rd Sign
- \$45,771 Elevator Repairs
- \$30,000 Grounds Vehicle & Equipment
- \$28,624 Roof & Gutter Repairs
- \$20,000 Flagstone Repair Project
- \$19,000 New Garden Chairs

6. University Support in the amount of \$200,000 represents the fourth-year match pursuant to the \$1M Matilda Wilson Fund grant terms.

#### FY2025 Budget Assumptions

1. Operating revenue for FY2025 is projected based on estimates from the Hall’s catering partner including an anticipated increase in facility rental, as well as an increase in ticketed community events and touring. Facility rental revenue accounts for 75% of operating revenue and 82% of FY2025’s budgeted facility rental revenue has already been secured.
2. Proposed FY2025 gift revenue is in alignment with the average of gifts and grants revenue received over a 3-year period, as well as year five of the \$200,000/year matching grant provided by the Matilda Wilson Fund. Restricted gifts represent \$223,000 of gross gift and grants revenue for collections care/conservation, Garden Club, and the Matilda Wilson preservation maintenance grant.
3. Compensation will increase 5% from the FY2024 budget, or \$103,043, primarily due to university wage and fringe benefit adjustments (\$38K), an adjustment to the full-time staffing model (-\$50K), an increase of 15% in pay for all part-time staff due to increases in the local prevailing minimum wage as well as an increase in hours to optimize the guest experience (\$97K) and an updated operating model due to the implementation of the new Visitor Center (\$15K).
4. Repairs and Maintenance is estimated to decrease 86% from the FY2024 budget due to a large project funded by previously-received restricted revenues which was budgeted in FY2024 and did not occur. The project has now been budgeted in FY2025 major capital expenditures (flagstone repair project).

5. Insurance is estimated by OU administration to increase 41% over the FY2024 actual cost due to economic conditions and associated premium increases, as well as increased square footage due to the new Visitor Center.
6. Utilities are estimated to increase 11% from the FY2024 projected actual due to the implementation of the new Visitor Center and electric cost allocation increases.
7. Proposed FY2025 debt service includes the first annual payment on the Activating Meadow Brook loan in the amount of \$353,400. The annual payment reflects a \$2,480,000 loan at 4.25% interest, based on a 10-year amortization schedule.
8. FY2025 University Support projection in the amount of \$2,680,000 represents:
  - \$200,000 for the fifth-year match pursuant to the Matilda Wilson Fund grant terms.
  - \$2,480,000 for the anticipated loan amount from the University which is financing the Hall's \$4.5M Activating Meadow Brook project. Payments to the University will begin in FY2025 as noted in bullet 7.
9. FY2025 major capital expenditures are detailed in Attachment C. \$2,480,000 is funded by a university loan, \$606,595 is funded by restricted gift funds, and \$105,000 is funded by MBH's Maintenance Reserve (i.e., the unrestricted fund balance that has been carried forward from surplus of previous years).

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Meadow Brook Estate**  
**Proposed Budget - All Funds**  
**FY2025**

	FY2023 ACTUAL	FY2024 BUDGET	FY2024 ESTIMATED ACTUAL	FY2025 PROPOSED BUDGET
<b>Revenue:</b>				
Operating Revenue	\$ 4,982,761	\$ 4,731,750	\$ 5,069,103	\$ 5,075,000
Retail Sales	186,679	171,000	214,288	192,000
OU Purchased Services	13,321	27,992	27,992	17,012
Gifts and Grants	1,097,444	422,600	584,974	500,000
Investment Income	168,831	59,000	216,239	100,000
<b>Total Revenue</b>	<b>\$ 6,449,036</b>	<b>\$ 5,412,342</b>	<b>\$ 6,112,597</b>	<b>\$ 5,884,012</b>
<b>Expenditures:</b>				
Compensation	\$ 1,663,320	\$ 1,725,661	\$ 1,783,821	\$ 1,828,704
Supplies and Services	1,086,338	1,041,689	1,092,987	1,215,294
Food Service	2,144,772	2,056,568	2,124,000	2,241,202
Repairs and Maintenance	96,567	450,550	89,922	63,200
Cost of Retail Sales	84,068	75,840	96,430	87,660
Equipment	25,680	7,500	18,775	7,500
Insurance	76,758	85,540	89,152	125,708
Utilities	162,492	147,000	142,590	157,644
Debt Service	-	-	-	353,400
Overhead charged by OU	143,014	185,708	185,708	185,708
Other Transfers	(15,150)	(377,000)	(449,000)	-
<b>Total Expenditures</b>	<b>\$ 5,467,859</b>	<b>\$ 5,399,056</b>	<b>\$ 5,174,384</b>	<b>\$ 6,266,020</b>
<b>Net Income</b>	<b>\$ 981,177</b>	<b>\$ 13,286</b>	<b>\$ 938,213</b>	<b>\$ (382,008)</b>
<b>University Support:</b>				
Wilson Fund Grant Match	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Activating Meadow Brook Loan	-	3,500,000	-	2,480,000
<b>Total University Support</b>	<b>\$ 200,000</b>	<b>\$ 3,700,000</b>	<b>\$ 200,000</b>	<b>\$ 2,680,000</b>
<b>Net Income with University Support</b>	<b>\$ 1,181,177</b>	<b>\$ 3,713,286</b>	<b>\$ 1,138,213</b>	<b>\$ 2,297,992</b>
<b>Ending Balances prior to Major Cap. Expenditures:</b>				
Restricted Fund Balance *	\$ 895,687	\$ 70,798	\$ 1,008,335	\$ 70,798
Unrestricted Fund Balance	1,610,564	5,536,730	2,164,757	3,549,196
Less: Major Capital Expenditures	471,372	4,475,838	1,851,090	3,191,595
<b>Total Ending Fund Balance</b>	<b>\$ 2,034,879</b>	<b>\$ 1,131,690</b>	<b>\$ 1,322,002</b>	<b>\$ 428,399</b>
Activating Meadow Brook Fund			\$ 482,395	
OU Match to Wilson Grant Fund			220,184	
Matilda Wilson Grant Fund			186,411	
Garden Club Fund			65,712	
Collections Conservation Fund			25,074	
Adopt an Artifact Fund			17,072	
Organ Fund			7,633	
Gate Lodge Fund			2,854	
Publishing Fund			1,000	
Restricted Fund Balance *			<u>\$ 1,008,335</u>	

**Oakland University  
Meadow Brook Estate  
Proposed Major Capital Expenditures  
FY2025**

<b>Item Description</b>	<b>Estimated Cost</b>
Visitor Center Project	2,480,000
Flagstone Repair Project	380,000
Steam Trap & Pneumatic Control Replacement	122,489
Woodland Path Paving & Front Drive Resurfacing	60,000
Banquet Chairs	55,000
Winter Wonder Lights Investment	50,000
Carpet Replacement	37,695
Pegasus Fountain Restoration	6,411
<b>FY2025 Total</b>	<b><u>\$ 3,191,595</u></b>