

Central Michigan University

Capital Budget 2005-2006

**Central Michigan University  
Capital Budget**

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# Capital Budget

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## Overview and Process

The capital budget process is designed to provide a long-term perspective of the capital needs of the university. The annual review and update of the capital budget provides a four year projection concerning capital needs in the following areas:

- capital construction
- deferred maintenance
- renovation and remodeling
- utilities and infrastructure
- life, fire and safety
- ADA accessibility and compliance
- parking
- major equipment acquisition

The capital budget is designed to present and integrate the capital expenditure needs and funding availability.

The sources of funds available for the capital needs are State capital outlay, bonds, gifts, the parking services operating budget, the residences and auxiliary services operating budget, the general fund operating budget, and other miscellaneous funding sources. This budget document separates the restricted dollars, which must be used for specified projects and then pools the internal revenue sources committed to the capital budget process.

The resources that do not have restrictions are pooled in one account per year. A separate pooled account is used for each year of the capital budgeting process. As the President or his designee authorizes the initiation of individual projects, specific project accounts are then created for the expenses and funds are moved to the project account from the pool. Once the project is completed, any excess funds will be moved back to the pooled account to be used for other capital project priorities.

This budget documents the 2005-2006 capital budget for administrative and Board approval. Approval of this document includes the 2005-2006 projects and the multi-year projects. The other future year projects are listed as planning information and will be revisited annually for changes in content, priorities, and funding.

This comprehensive review of the capital needs and funding sources of the University allows for systematic prioritization on an institutional basis. The capital budget process is useful for documenting capital needs across the university and prioritizing projects within the funding constraints. The priorities are established based on anticipated future funding and a general categorization to do maintenance related projects before new initiatives. Many projects have been recommended but, due to limited resources, cannot be funded at this time. This document includes items identified as needed over the four-year future window.

The campus has many deferred maintenance needs as documented in a detailed audit of each building that was done

in 1997 and updated in 2001. Beginning with 1998-99, \$4,500,000 per year was to be dedicated toward addressing these needs. The plan that was approved is a fifteen-year plan. Funding will be from a variety of sources, including the capital budget, general fund, and residences and auxiliary services.

Part of this process involves an opportunity for divisional input regarding institutional capital needs. The process includes an annual window for requests to be presented as part of the overall documentation of needs. The annual process in which new items are brought forward for consideration is based upon the following procedures.

- The account director submits a project request to the individual vice president via a formal project request/authorization form.
- Prioritized requests supported by the respective vice president are compiled into one list of institutional priorities by the Financial Planning and Budgets Office and forwarded to the Capital Planning Committee, the Budget Review Advisory Council, and the President for review and final University prioritization.
- After the President has reviewed and approved the document, a final recommendation is forwarded to the Board of Trustees for approval.

Board approval of this capital budget gives the President, or his designee, the authority to move forward with budgetary implementation at his discretion. Individual

projects will not move forward for implementation until approved by the President or his designee.

As of June 30, 2005 the estimated replacement value of University facilities was estimated to be \$682,068,903. This includes over 100 buildings, some of which date back to the early nineteen hundreds. Most of the utilities link into a utility infrastructure providing heating, ventilation, and in some cases, air conditioning. A number of these facilities also include elevators.

## **Funding Sources**

### **Restricted Funds**

The anticipated restricted sources of funds come from bond proceeds from the bond issue of January 2005, reserves set up for the East Complex project.

Construction of the new East Complex Residence Hall begins in FY 2004-05 and has a projected opening date for fall 2006. Sources of funds include the 2005 bond issue with an approved level for the residence halls construction of \$30,000,000 for construction and renovation. Final project completion is scheduled for January 2007 with an occupancy move-in date of August 2006.

### **Other University Resources**

There are several sources of University dollars shown in this section of the capital budget. Sources include funding from the parking services budget, the general fund, the

residences and auxiliary services budget, and unused dollars from the prior year capital budget. Also included are repayments to the capital budget from previously funded items.

Specific funding for deferred maintenance is as follows.

	2004-05	2005-06	2006-07	2007-2008
Capital Budget	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
General Fund	1,400,000	1,400,000	1,400,000	1,400,000
Auxiliary Rm. & Bd	900,000	900,000	900,000	900,000
	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000

The \$4.5 million funding for deferred maintenance is comprised of \$2.2 million from capital budget, \$1.4 million from the general fund and \$900,000 from Auxiliary Services.

The deferred maintenance expenditure detail includes a contingency of approximately \$100,000 to \$300,000 per year to provide flexibility needed in this program.

The years beyond 2005-2006 include estimates of the amount of funding required for each general deferred maintenance category. These amounts will be revised and individual projects will be identified as each year approaches.

**Repayment to the Capital Budget**

This is the ninth year that the budget includes a summary of the projects that have been funded and have a repayment to the capital budget for some or all of the dollars that were pre-funded. There are two projects for 2005-06 that fall into this category and the details of the amount funded and the repayment stream can be seen on the schedule provided.

**Capital Expenditures**

Individual projects to be funded by other University resources have been identified and documented in priority order. Except for the deferred maintenance projects, this capital budget is designed to address projects of \$25,000 or more. Other small projects under this threshold are to be accommodated via the departmental budgets within the University operating budget. This \$25,000 threshold was increased from \$10,000 effective July 1, 1999.

The projected carry forward deficit at the end of the four-year window is at the level indicated based on continuing the \$4.5 million deferred maintenance program, making reductions to general fund contributions and including the identified unrestricted projects approved to date. The strategic planning for capital expenditures will have to be adjusted to account for the planned reduction of capital budget revenue sources.

Unfunded items brought forward, but not approved for funding are included on an additional schedule. These unfunded projects are being shown to alert the Board these outstanding projects exist, but are not approved for funding.

**CENTRAL MICHIGAN UNIVERSITY  
CAPITAL BUDGET  
SUMMARY OF SOURCES AND USES OF FUNDS**

	Total Estimate	Prior Year Projects In Process	2005-06	2006-07	2007-08	2008-09
<b><u>FUNDING SOURCES</u></b>						
Parking Services	\$4,962,000	\$0	\$1,240,500	\$1,240,500	\$1,240,500	\$1,240,500
Athletics	321,600	0	80,400	80,400	80,400	80,400
Residences and Auxiliary Services	36,482,400	1,699,170	19,821,379	11,720,651	1,620,600	1,620,600
General Fund	6,225,144	0	1,556,286	1,556,286	1,556,286	1,556,286
Carry Forward from Prior Year	1,613,198	1,613,198	0	0	0	0
<b>Total Sources</b>	<b>\$49,604,342</b>	<b>\$3,312,368</b>	<b>\$22,698,565</b>	<b>\$14,597,837</b>	<b>\$4,497,786</b>	<b>\$4,497,786</b>
<b><u>USES OF FUNDS</u></b>						
Restricted Projects	\$30,000,000	\$1,699,170	\$18,200,779	\$10,100,051	\$0	\$0
Other Projects	19,290,400		5,125,700	4,564,700	4,800,000	4,800,000
<b>Total Uses</b>	<b>\$49,290,400</b>	<b>\$1,699,170</b>	<b>\$23,326,479</b>	<b>\$14,664,751</b>	<b>\$4,800,000</b>	<b>\$4,800,000</b>
<b>Net Surplus (Deficit)</b>		<b>\$1,613,198</b>	<b>(\$627,914)</b>	<b>(\$66,914)</b>	<b>(\$302,214)</b>	<b>(\$302,214)</b>
<b>Cumulative Surplus (Deficit)</b>	<b>\$313,942</b>	<b>\$1,613,198</b>	<b>\$985,284</b>	<b>\$918,370</b>	<b>\$616,156</b>	<b>\$313,942</b>

## RESTRICTED SOURCES AND USES OF FUNDS

	Location	Total Estimate	Prior Year Projects In Process	2005-06	2006-07	2007-08	2008-09
<b>FUNDING SOURCE</b>							
Bond Funds for East Complex		\$30,000,000	\$1,699,170	\$18,200,779	\$10,100,051	\$0	\$0
<b>Total Resources</b>		\$30,000,000	\$1,699,170	\$18,200,779	\$10,100,051	\$0	\$0
<b>USES OF FUNDS</b>							
East Complex		\$30,000,000	\$1,699,170	\$18,200,779	\$10,100,051	\$0	\$0
<b>Total Uses</b>		\$30,000,000	\$1,699,170	\$18,200,779	\$10,100,051	\$0	\$0
<b>Net Available Resources</b>		\$0	\$0	\$0	\$0	\$0	\$0
<b>Cumulative Surplus (Deficit)</b>			\$0	\$0	\$0	\$0	\$0

## UNRESTRICTED SOURCES OF FUNDS

Line No	Funding Source	Account Number	Total Estimate	2005-06	2006-07	2007-08	2008-09
1	Parking Services	50130	\$4,602,000	\$1,150,500	\$1,150,500	\$1,150,500	\$1,150,500
2							
3	General Fund	27030	6,225,144	1,556,286	1,556,286	1,556,286	1,556,286
4							
5	Residences and Auxiliary Services	74998	6,482,400	1,620,600	1,620,600	1,620,600	1,620,600
6							
7	Carry Forward Funding from 2004-05	70207	1,613,198	0	0	0	0
8							
9	Field Hockey Repayment (5 year commitment)	55000	321,600	80,400	80,400	80,400	80,400
10							
11	Parking Services Parking Lot Repayment	50130	360,000	90,000	90,000	90,000	90,000
<b>Total Resources</b>			<u>\$19,604,342</u>	<u>\$4,497,786</u>	<u>\$4,497,786</u>	<u>\$4,497,786</u>	<u>\$4,497,786</u>



## OTHER PROJECTS

Line No.	Project	University Priority	Location	Total Estimate	2005-06	2006-07	2007-08	2008-09
<b><u>DEFERRED MAINTENANCE PROJECTS</u></b>								
1	Remove Open Sanitary Pits	1	Barnes Hall	\$25,750	\$25,750			
2	Quad Partial Electric Distribution Panel Replacement	2	Robinson	15,450	15,450			
3	Annual - Fire Safety Repairs/Improvements	3	Campus	123,600	123,600			
4	Brooks Hall Domestic Water Pipe Replacement	4	Brooks	309,000	309,000			
5	Electrical System Upgrade	5	Brooks	10,300	10,300			
6	TVA Audit Response	6	Brooks	10,300	10,300			
7	Annual - Preventative Maintenance	7	Campus	144,200	144,200			
8	Exterior Doors Replacement Program - Res Life	8	Campus	51,500	51,500			
9	Tower Two Torque Arm	9	PBS	154,500	154,500			
10	Roof Maintenance and Replacement Program	10	Campus	538,000	538,000			
11	Replace Batteries with Generators Program	11	Campus	30,900	30,900			
12	Barnes Kitchen Remodel	12	Barnes Food	386,000	386,000			
13	Electrical System Upgrade	13	Foust	103,000	103,000			
14	Replace LPX FS Panel	14	Woldt	51,500	51,500			
15	Domestic Water Replacement - part 1	15	Barnes Hall	154,500	154,500			
16	PM Filter Change Program	16	Campus	20,600	20,600			
17	Clean Ventilation Ducts	17	Ronan	10,300	10,300			
18	Electrical System Upgrade	18	Grawn	309,000	309,000			
19	Roof Top Furnace Replacement	19	Barnes Food	28,000	28,000			
20	Exterior Doors Replacement Program - Academic	20	Campus	25,750	25,750			
21	PM Annual - Sewer Maintenance and Restoration	21	Campus	41,200	41,200			
22	Grawn Hall South Mechanical Room	22	Grawn	5,150	5,150			
23	Boiler Stack Repairs	23	Kelly/Shorts	6,400	6,400			
24	Boiler North Mechanical/Laundry Room	24	Northwest Apt	12,350	12,350			
25	Locker Room Drains	25	Rose Arena	10,300	10,300			
26	Repair Attic Coils in AHU 1	26	Wightman Hall	20,600	20,600			
27	PM Elevator Maintenance	27	Campus	258,530	258,530			
28	PM Wood Boiler	28	CEF	206,000	206,000			
29	Valve Reliability and Maintenance	29	Campus	14,400	14,400			
30	Mosaic Tile Replacement Program	30	Campus	51,500	51,500			
31	Annual - Asphalt Restoration	31	Campus	51,500	51,500			
32	Annual - Carpet Replacement	32	Campus	10,300	10,300			
33	Annual - Ceiling Tile Replacement	33	Campus	5,150	5,150			
34	Annual - Environmental, Health and Safety	34	Campus	51,500	51,500			
35	Annual - Masonry Restoration	35	Campus	10,300	10,300			
36	Annual - Parking Lot Striping and Sealing	36	Campus	10,300	10,300			
37	Annual - Sidewalk Repairs	37	Campus	25,750	25,750			
38	PM Annual - Tower Inspection Program	38	PBS	40,000	40,000			
39	Annual - Wood Floor Maintenance	39	Campus	25,750	25,750			
40	Electrical Harmonic Problem Upgrade Program	40	Campus	10,300	10,300			
41	PM Ice Melt System Program	41	Campus	89,000	89,000			
42	Outdoor Lighting Controls	42	Campus	25,750	25,750			
43	Window Caulking Program	43	Campus	10,300	10,300			
44	IAC Coil Replacement	44	IAC	25,750	25,750			
45	Track Resurfacing on IAC Track Bay	45	IAC	30,900	30,900			

## OTHER PROJECTS

Line No.	Project	University Priority	Location	Total Estimate	2005-06	2006-07	2007-08	2008-09
46	Repair Wall in Men's Restroom	46	Moore	10,300	10,300			
47	HVAC - complete scope of work D	47	Sloan	185,000	185,000			
48	PM Exterior Wall	48	Music	31,300	31,300			
49	University Center Domestic Water Piping	49	University Center	370,800	370,800			
50	Window Replacement Program - Part 1	50	Moore	169,970	169,970			
51	North Tile	51	Brooks	15,450	15,450			
52	North End Drain Tiles	52	Finch Hall	43,250	43,250			
53	Drain Piping	53	Towers	20,600	20,600			
54	RO System for Humidifiers	54	Health Professions	30,900	30,900			
55	Pool and Spa Ceiling Clean Up	55	SAC	9,500	9,500			
56	Replace Boiler Stacks	56	Washington Ct	61,800	61,800			
57	Roofing	57		1,593,000		\$515,000	\$531,000	\$547,000
58	Masonry	58		1,113,000		360,000	371,000	382,000
59	Mechnaical and plumbing	59		3,183,000		1,030,000	1,061,000	1,092,000
60	Electrical	60		3,183,000		1,030,000	1,061,000	1,092,000
61	Architectural	61		2,397,000		775,000	799,000	823,000
62	Preventative Maintenance	62		1,437,000		465,000	479,000	493,000
63	Contingency	63		594,000		325,000	198,000	71,000
<b>SUBTOTAL DEFERRED MAINTENANCE</b>				<b>\$18,000,000</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>

## OTHER PROJECTS

Line No.	Project	University Priority	Location	Total Estimate	2005-06	2006-07	2007-08	2008-09
<b><u>OTHER PROJECTS</u></b>								
64	IET Engineering Programming Remodeling	1	IET Building	\$115,400	\$50,700	\$64,700		
65	Bovee Venue upgrade/Barnes Equipment and Ventilation & Dish Room	2	Bovee UC	575,000	575,000			
66	Kitchen Equipment Replacement - Residential Dining	4	Campus	600,000			300,000	300,000
<b>SUBTOTAL OTHER PROJECTS</b>				<b>\$1,290,400</b>	<b>\$625,700</b>	<b>\$64,700</b>	<b>\$300,000</b>	<b>\$300,000</b>
<b>TOTAL PROJECTS</b>				<b>\$19,290,400</b>	<b>\$5,125,700</b>	<b>\$4,564,700</b>	<b>\$4,800,000</b>	<b>\$4,800,000</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>					<b>(\$627,914)</b>	<b>(\$66,914)</b>	<b>(\$302,214)</b>	<b>(\$302,214)</b>
<b>CUMULATIVE SURPLUS (DEFICIT)</b>				<b>**</b>	<b>\$985,284</b>	<b>\$918,370</b>	<b>\$616,156</b>	<b>\$313,942</b>
**Includes prior year carryforward plus current year sources, less current year projects.								

### UNFUNDED PROJECTS (1)

Line No.	Project	Div	Guiding Princ	Priority	Location	Total Estimate	2005-06	2006-07	2007-08	2008-09
1	Admissions Office Remodel	Academic		3	Warriner Hall	\$27,700	\$27,700			
2	New Retail Location at the center of Campus	Auxiliary Services		3	Robinson Courtyard	700,000		700,000		
3	CMU Bookstore Expansion	Auxiliary Services		4	Bovee UC	1,025,000	1,025,000			
4	Bovee University Center Expansion	Auxiliary Services		5	Bovee UC	13,000,000	3,250,000	3,250,000	3,250,000	3,250,000
5	Bovee UC Window Replacement	Auxiliary Services		6	Bovee UC	2,225,000			2,225,000	
6	Remodel Down Under Food Court and Goodies To Go	Auxiliary Services		7	Bovee UC	700,000		\$700,000		
7	Robinson Refresh	Auxiliary Services		8	Robinson Dining Con	600,000				600,000
8	Bovee University Center Main Entry Replacement	Auxiliary Services		9	Bovee UC	215,000				\$215,000
9	Indoor Track Resurfacing	Presidents		1	Indoor Athletic Comp	300,000	300,000			
11	New Police Vehicle #1	CMU Police		1	Campus	34,500	34,500			
12	New Police Vehicle #2	CMU Police		2	Campus	34,500	34,500			
13	New Police and Parking Services Facility	CMU Police		3	Campus	1,500,000				1,500,000
<b>TOTAL PROJECTS</b>						<b>0</b>				
<b>CUMULATIVE TOTAL</b>						<b>\$20,361,700</b>	<b>\$4,671,700</b>	<b>\$4,650,000</b>	<b>\$7,575,000</b>	<b>\$3,465,000</b>
<b>CUMULATIVE TOTAL</b>							<b>\$4,671,700</b>	<b>\$9,321,700</b>	<b>\$16,896,700</b>	<b>\$20,361,700</b>

(1) These projects were requested during the fiscal year 2006 capital budget request process. While funding was not available for FY 2005-06 these projects will be reconsidered in future capital budget request cycles.

## Summary of Projects with a Repayment to the Capital Budget

Project Name	Total Project Amount	Amount Funded by Capital Budget	When Funded							Total Repayment	
				2003-04	2004-05	2005-06	2006-07	2007-08	2008-09		2009-10
Commuter Parking Lot (300 spaces)	\$450,000	\$450,000	2003-04	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000			\$450,000
Athletic Field Hockey	402,000	402,000	2004-05			80,400	80,400	80,400	80,400	80,400	\$402,000
Totals	<u>\$852,000</u>	<u>\$852,000</u>		<u>\$90,000</u>	<u>\$90,000</u>	<u>\$170,400</u>	<u>\$170,400</u>	<u>\$170,400</u>	<u>\$80,400</u>	<u>\$80,400</u>	<u>\$852,000</u>

**MULTI-YEAR PROJECTS  
PROJECT APPROVAL TO BE GRANTED WITH THE APPROVAL OF  
THE 2005-2006 CAPITAL BUDGET DOCUMENT**

Line No	Project	Location	Total Estimate	Prior Year Projects In Process	2005-06	2006-07	2007-08	2008-09
<b>Restricted Fund Projects</b>								
1	Residence Halls		\$30,000,000	\$1,699,170	\$18,200,779	\$10,100,051	\$0	\$0
	<b>SUBTOTAL RESTRICTED PROJECTS</b>		<b>\$30,000,000</b>	<b>\$1,699,170</b>	<b>\$18,200,779</b>	<b>\$10,100,051</b>	<b>\$0</b>	<b>\$0</b>
	<b>TOTAL PROJECTS</b>		<b>\$30,000,000</b>	<b>\$1,699,170</b>	<b>\$18,200,779</b>	<b>\$10,100,051</b>	<b>\$0</b>	<b>\$0</b>

**CENTRAL MICHIGAN UNIVERSITY  
CAPITAL BUDGET  
GENERAL USES OF FUNDS**

<b>PROJECTS</b>	<b>LOCATION</b>	<b>AMOUNT</b>
IET Engineering Programming Remodeling	IET Building	50,700
Bovee Venue upgrade/Barnes Equipment and Ventilation & Dish Room	Bovee UC	575,000
<b>TOTAL PROJECTS</b>		<b>\$625,700</b>

