

# **Central Michigan University**

## **Capital Budget 2000 – 2001**

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**Central Michigan University  
Capital Budget**

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# Capital Budget

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## Overview and Process

The capital budgeting 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
- special maintenance
- renovation and remodeling
- utilities and infrastructure
- life, fire and handicap safety
- 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, 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 2000-2001 capital budget for administrative and Board approval. Approval of this document includes the 2000-2001 projects and the multi-year projects included on page 13. 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 only items that can likely be done in the four-year future window covered by this budget.

The campus has many deferred maintenance needs as documented in a detailed audit of each building that was done in 1997. Beginning with 1998-99, \$4,500,000 per year was 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 Budget and Planning Office and forwarded to the Capital Planning Committee, the Vice Presidents, and the President for review and final University prioritization.
- After the Capital Planning Committee, Vice Presidents, and the President have reviewed and modified 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, 1999 the cost of University facilities was estimated to be \$638,012,691. This includes over 100 buildings, some of which date back to the early part of the century. 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 are coming from the State capital outlay process, bond proceeds from the bond issue of April 1997, reserves set up for the Library expansion and baseball field relocation projects, and gifts for the athletic and Health Professions projects.

The State capital outlay for the Library addition and remodeling is shown, based on the approved level of \$37,500,000. The project requires a twenty-five percent match or \$12,500,000 from the University. Site preparation began in FY 1998-99, with construction commencing in FY 1999-2000. This project includes approximately \$220,000 of additional unrestricted 1998-99 funds for projects related to the Library addition and remodeling. This is over and above the original budget of \$50,000,000.

State capital outlay for the Health Professions Building is also shown, based on the approved level of \$37,500,000. University matching of twenty-five percent (\$12,500,000) is

also required for this project. A gift from the Dow Foundation has been secured toward this match. Construction is scheduled to commence in May, 2001.

The location selected for the Health Professions Building will require demolition of the current baseball stadium. This budget includes capital reserve funding of \$4,000,000 for this demolition and the construction of a new baseball stadium, to be located at the south end of the campus.

**Other University Resources**

There are several sources of University dollars being brought together 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. There are also repayments to the capital budget from items previously funded.

Specific funding for deferred maintenance is as follows.

	<b>2000-2001</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
Capital Budget	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
General Fund	1,500,000	1,500,000	1,400,000	1,400,000
Auxiliary Rm & Bd	800,000	800,000	900,000	900,000
	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000

The \$4.5 million funding for deferred maintenance stabilizes in 2002-03 with \$900,000 from Auxiliary Services and \$1.4 million from the general fund.

The deferred maintenance expenditure detail includes a contingency of approximately \$500,000 to \$600,000 per year as an estimate of the flexibility needed for this program. This amount will be revisited in the future after some experience with deferred maintenance funding at this level.

The years beyond 2000-2001 include estimates of the amount of funding that will be spent in 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 fifth 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 fronted for the projects. There are four projects that currently 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 the 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. Facilities Management has been allocated \$50,000 each year from this budget to address the small maintenance and emergency projects under \$25,000 each. 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. This change is due to the additional flexibility that centers have under the operating budget due to Budget Restructuring.

The projected carry forward surplus at the end of the four-year window is at the level indicated to allow some flexibility for unforeseen projects that may arise during the year.

### **Technology Resource Allocations**

This is the fifth year that the technology resource allocation summary is also provided in this capital budget. This document provides a summary of the funds which have been specifically approved by the Board of Trustees and committed for technology needs to provide a comprehensive view of these projects. The funding sources for these technology projects are from various areas. This list does not include the numerous individual departmental acquisitions of computer hardware or software.

**CENTRAL MICHIGAN UNIVERSITY  
CAPITAL BUDGET  
SUMMARY OF REVENUE AND EXPENDITURES**

	Total Estimate	Prior Year Projects In Process	2000-01	2001-02	2002-03	2003-04
<b><u>REVENUE/FUNDING</u></b>						
State Capital Outlay	\$75,000,000	\$12,700,000	\$17,800,000	\$25,800,000	\$18,700,000	\$0
Gifts for Athletic Projects	1,936,000	1,294,000	253,000	248,000	140,000	1,000
Reserve for Library Project	800,000	800,000	0	0	0	0
Bond Funds	17,000,000	10,000,000	0	7,000,000	0	0
Est Interest on Bond Funds	1,700,000	1,700,000	0	0	0	0
The Herbert H. & Grace A. Dow Foundation *	3,000,000	0	0	1,000,000	1,000,000	1,000,000
Parking Services	4,907,600	0	1,226,900	1,226,900	1,226,900	1,226,900
Residences and Auxiliary Services	6,282,400	0	1,520,600	1,520,600	1,620,600	1,620,600
Reserve for Baseball Stadium	4,000,000	0	1,000,000	3,000,000	0	0
General Fund	10,056,800	0	2,514,200	2,514,200	2,514,200	2,514,200
Carry Forward from Prior Year	3,046,000	3,046,000	0	0	0	0
Payback from Prior Projects	344,000	0	244,000	100,000	0	0
<b>Total Revenue/Funding</b>	<b>\$128,072,800</b>	<b>\$29,540,000</b>	<b>\$24,558,700</b>	<b>\$42,409,700</b>	<b>\$25,201,700</b>	<b>\$6,362,700</b>
<b><u>CAPITAL EXPENDITURES</u></b>						
Restricted Projects	\$104,231,000	\$25,000,000	\$21,231,000	\$34,000,000	\$24,000,000	\$0
Other Projects	23,010,800	0	6,485,500	5,525,300	5,500,000	5,500,000
<b>Total Capital Expenditures</b>	<b>\$127,241,800</b>	<b>\$25,000,000</b>	<b>\$27,716,500</b>	<b>\$39,525,300</b>	<b>\$29,500,000</b>	<b>\$5,500,000</b>
<b>Net Surplus (Deficit)</b>		\$4,540,000	(\$3,157,800)	\$2,884,400	(\$4,298,300)	\$862,700
<b>Cumulative Surplus (Deficit)</b>	<b>\$831,000</b>	<b>\$4,540,000</b>	<b>\$1,382,200</b>	<b>\$4,266,600</b>	<b>(\$31,700)</b>	<b>\$831,000</b>

\* Total grant from The Herbert H. & Grace A. Dow Foundation to be \$5,000,000 over a five year period, starting in 2001-02

## RESTRICTED SOURCES AND USES OF FUNDS

Location	Total Estimate	Prior Year Projects In Process	2000-01	2001-02	2002-03	2003-04
<b>FUNDING SOURCE</b>						
State Capital Outlay - Library	\$37,500,000	\$12,700,000	\$17,800,000	\$7,000,000	\$0	\$0
Bond Funds for Library	10,000,000	10,000,000	0	0	0	0
Interest on Bond Funds - Library	1,700,000	1,700,000	0	0	0	0
Reserve for Library Project	800,000	800,000	0	0	0	0
State Capital Outlay - Health Professions Bldg	37,500,000	0	0	18,800,000	18,700,000	0
Gifts/Bond Funds - Health Professions Bldg	7,000,000	0	0	7,000,000	0	0
The Herbert H. & Grace A. Dow Foundation	3,000,000	0	0	1,000,000	1,000,000	1,000,000
Reserve for Baseball Stadium Relocation	4,000,000	0	1,000,000	3,000,000	0	0
Gifts for Football Stadium/IAC	1,936,000	1,294,000	253,000	248,000	140,000	1,000
<b>Total Resources</b>	<b>\$103,436,000</b>	<b>\$26,494,000</b>	<b>\$19,053,000</b>	<b>\$37,048,000</b>	<b>\$19,840,000</b>	<b>\$1,001,000</b>
<b>USES OF FUNDS</b>						
Library Project	(A) Park Library	\$50,000,000	\$25,000,000	\$18,000,000	\$7,000,000	\$0
Health Professions Building		50,000,000	0	2,000,000	24,000,000	24,000,000
Relocation of Baseball Stadium		4,000,000	0	1,000,000	3,000,000	0
Football Stadium/IAC		231,000	0	231,000	0	0
<b>Total Uses</b>		<b>\$104,231,000</b>	<b>\$25,000,000</b>	<b>\$21,231,000</b>	<b>\$34,000,000</b>	<b>\$24,000,000</b>
<b>Net Available Resources</b>		(\$795,000)	\$1,494,000	(\$2,178,000)	\$3,048,000	(\$4,160,000)
<b>Cumulative Surplus (Deficit)</b>			\$1,494,000	(\$684,000)	\$2,364,000	(\$1,796,000)
					(\$1,796,000)	(\$795,000)
(A) In addition to this project budget, an additional \$220,000 from 1998-99 unrestricted capital funds have been allocated for related work.						



## Unrestricted Sources of Funds

Line No	Funding Source	Account Number	Total Estimate	2000-01	2001-02	2002-03	2003-04
1	Parking Services	50130	\$4,907,600	\$1,226,900	\$1,226,900	\$1,226,900	\$1,226,900
2							
3	General Fund	27030	10,056,800	2,514,200	2,514,200	2,514,200	2,514,200
4							
5	Residences and Auxiliary Services	74998	6,282,400	1,520,600	1,520,600	1,620,600	1,620,600
6							
7	Food Court Payback from Auxiliary Services	74998	200,000	100,000	100,000	0	0
8							
9	Mainframe Payback from Comp Serv/Util		144,000	144,000	0	0	0
10							
11	Carry Forward Funding from 1999-00	70214	3,046,000	0	0	0	0
12							
13							
14							
15	<b>Total Resources</b>		\$24,636,800	\$5,505,700	\$5,361,700	\$5,361,700	\$5,361,700
16							
17							

## General Uses of Funds

Line No.	Project	University Priority	Location	Total Estimate	2000-01	2001-02	2002-03	2003-04
<b>DEFERRED MAINTENANCE PROJECTS</b>								
1	Replace air handling unit #6	1	Anspach	\$45,000	\$45,000			
2	Upgrade auditorium lighting	2	Anspach	6,000	6,000			
3	Repair masonry (advance funded)	3	Anspach	85,000	85,000			
4	Repair/replace interior light fixtures (advance funded)	4	Barnes Hall	12,000	12,000			
5	Repair/replace exterior and interior light fixtures	5	Barnes Kitchen	2,300	2,300			
6	Repair/replace interior light fixtures	6	Beddow	60,000	60,000			
7	Repair/replace roof sections 3 and 6	7	Brooks	10,000	10,000			
8	Upgrade lighting	8	Brooks	198,000	198,000			
9	Repair/replace roof section # 2 (advance funded)	9	Brooks/Greenhouse	7,000	7,000			
10	Repair/replace roof sections 1, 4, 6, 7, 8, 9, 10 (advance funded)	10	Bush Theater	344,000	344,000			
11	Repair/replace interior light fixtures	11	Calkins	3,000	3,000			
12	Pavement condition survey	12	Campus	40,000	40,000			
13	Remove old underground oil and salt brine tanks	13	Campus	200,000	200,000			
14	Replace south section condensate line-main tunne	14	Campus	8,000	8,000			
15	Replace fixtures along East Campus Drive	15	Campus	30,000	30,000			
16	Improve outdoor and parking lot lighting (safety)	16	Campus	50,000	50,000			
17	Replace fixtures along West Campus Drive	17	Campus	30,000	30,000			
18	Repair/replace interior light fixtures	18	Carlin Alumni House	6,500	6,500			
19	Install dampers and A/C in Printing Services/warehouse office (advance funded)	19	Combined Services	20,000	20,000			
20	Upgrade fluorescent lights	20	Dow Science	325,000	325,000			
21	Replace leaking and pitted water pipes	21	Emmons	130,000	130,000			
22	Replace intake shelter on roof	22	Finch	10,000	10,000			
23	Repair/replace East concession	23	Kelly/Shorts Stadium	14,000	14,000			
24	Replace 30 year old boilers at complexes	24	Kewadin	50,000	50,000			
25	Scrape and repaint existing wood eave boards	25	Kewadin	46,000	46,000			
26	Paint exterior doors, frames, replace weather stripping	26	Kewadin Village	36,000	36,000			
27	Replace leaking and pitted water pipes	27	Larzelere Hall	140,000	140,000			
28	Replace exterior lights	28	Lot #10	15,000	15,000			
29	Replace exterior lights	29	Lot #22	175,000	175,000			
30	Repair masonry (advance funded)	30	Merrill	125,000	125,000			
31	Replace inlet air dampers on AHUs 1-4	31	Moore	12,000	12,000			
32	Repair/replace interior light fixtures	32	North Art Studio	8,200	8,200			
33	Replace 30 year old boilers at complexes	33	Northwest Apts	75,000	75,000			
34	Replace guy wires on Channel 14 PBS tower	34	PBS Towers	25,000	25,000			
35	Paint the five PBS towers	35	PBS Towers	25,000	25,000			
36	Replace AHUs second and fourth floors	36	Pearce	40,000	40,000			
37	Modify chilled water return piping on office loop	37	Pearce	3,000	3,000			
38	Repair masonry	38	Pearce	128,000	128,000			
39	Upgrade auditorium lighting	39	Pearce	13,000	13,000			
40	Install zone control for broadcasting area	40	Public Broadcasting	5,000	5,000			



## General Uses of Funds

Line No.	Project	University Priority	Location	Total Estimate	2000-01	2001-02	2002-03	2003-04
72								
73	<b>OTHER PROJECTS</b>							
74	Darkroom remodel / safety upgrade	64	Wightman	39,000	39,000			
75	Annual ADA urgent changes - mandate	65	Campus	1,200,000	300,000	300,000	300,000	300,000
76	Annual utility/mechanical asbestos abatement (Fed. mandate & safety	66	Campus	360,000	90,000	90,000	90,000	90,000
77	Reserve for emergencies	67	Campus	200,000	50,000	50,000	50,000	50,000
78	Annual wood floor maintenance	68	Campus	80,000	20,000	20,000	20,000	20,000
79	Annual sidewalk repairs	69	Campus	160,000	40,000	40,000	40,000	40,000
80	Upton Drain, Phase 2	70	Campus	51,800	26,500	25,300		
81	Annual asphalt repair (parking lots & roads)	71	Campus	100,000	100,000			
82	Demolition of old track	72	Bennett Track	70,000	70,000			
83	Administrative student system replacement	73	Foust	2,000,000	500,000	500,000	500,000	500,000
84	Information Technology network redundancy and help desl	74	Campus	750,000	750,000			
85								
86								
87	<b>SUBTOTAL OTHER PROJECTS</b>			<b>\$5,010,800</b>	<b>\$1,985,500</b>	<b>\$1,025,300</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
88								
89	<b>TOTAL PROJECTS</b>			<b>\$23,010,800</b>	<b>\$6,485,500</b>	<b>\$5,525,300</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>
90								
91	<b>ANNUAL SURPLUS (DEFICIT)</b>				<b>(\$979,800)</b>	<b>(\$163,600)</b>	<b>(\$138,300)</b>	<b>(\$138,300)</b>
92	<b>CUMULATIVE SURPLUS (DEFICIT)</b>				<b>* \$2,066,200</b>	<b>\$1,902,600</b>	<b>\$1,764,300</b>	<b>\$1,626,000</b>
93								
94								
95								

\* Includes prior year carryforward plus current year sources, less current year projects.

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

Project Name	Total Project Amount	Amount Funded by Capital Budget	When Funded	Repayment Schedule										Total Repayment
				1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04		
Foodcourt Renovation	\$ 1,600,000	\$ 800,000	1994-95	\$ 114,300	\$ 185,700	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 800,000	
Barnard/Tate Demolition (a)	1,445,000	1,445,000	1995-96	-	260,000	260,000	260,000	260,000	-	-	-	-	\$ 1,040,000	
Mainframe Purchase (b)	1,359,500	787,500	1995-96	-	15,800	15,800	215,800	192,000	144,000	-	-	-	\$ 583,400	
Robinson Food Commons (c)	975,000	740,000	1998-99	-	-	-	210,000	210,000	-	-	-	-	\$ 420,000	
<b>Totals</b>	<b><u>\$ 5,379,500</u></b>	<b><u>\$ 3,772,500</u></b>		<b><u>\$ 114,300</u></b>	<b><u>\$ 461,500</u></b>	<b><u>\$ 375,800</u></b>	<b><u>\$ 785,800</u></b>	<b><u>\$ 762,000</u></b>	<b><u>\$ 244,000</u></b>	<b><u>\$ 100,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,843,400</u></b>	

(a) The net capital budget contribution for this project equals \$405,000 for the landscaping and relocation of ROTC as a result of this demolition.

(b) The net capital budget contribution for this project equals \$204,100

(c) The funding for this project includes \$340,000 of the funds earmarked for deferred maintenance, \$235,000 from Auxiliary maintenance, renovation and remodeling, and the remaining \$400,000 from the general capital budget. Estimated interest charges of \$20,000 will flow to the General Fund interest income account.

## Technology Resource Allocations University Supported Capital Projects

Date	Description	Base	One Time
Dec-95	Mainframe Purchase		\$ 1,359,300
Feb-96	Network Workshop		75,000
Feb-96	University Advancement Upgrade		164,550
Feb-96	Network Completion		273,446
Feb-96	Upgrade Electrical for Network		347,500
Feb-96	Replace DAVOX		180,000
Apr-96	Asst Vice Provost position	89,388	
Apr-96	Student Computer and Classroom Improvements		1,000,000
May-96	Fund Faculty Development for Tech Learn		100,000
Sep-96	Fund Distance Learning Coordinator	84,598	
Sep-96	Student Computer and Classroom Improvements		750,000
Sep-96	Education Technology Grant Program		200,000
Sep-96	Library Technology Plan		100,000
Sep-96	Technology Teaching and Learning Center		100,000
Sep-96	Expand Campus Network		1,300,000
Sep-96	Purchase of Additional DASD for Enterprise Server		400,000
Sep-96	Purchase of Prospect Tracking for Admissions		117,100
Mar-97	Fund partial implementation of SAP HR and FI Systems	332,600	3,496,000
Apr-97	Purchase of UNIX Upgrade for IET and Pearce		245,000
Dec-97	Meridian SL100 Switch Upgrade		700,000
Dec-97	Purchase Library Information System		400,000
Mar-98	Expand Campus Network		450,000
Sep-98	Computer Lab for SAP Systems		200,000
Dec-98	Campus Network Security		300,000
Mar-99	Y2K Remediation		412,000
Jul-99	Upgrade of SAP HR and FI systems	212,200	650,500
Mar-00	Network redundancy and help desk improvements		750,000
	Total	\$ 718,786	\$ 14,070,396

**MULTI-YEAR PROJECTS  
PROJECT APPROVAL TO BE GRANTED WITH THE APPROVAL OF  
THE 2000-2001 CAPITAL BUDGET DOCUMENT**

Line No	Project	Location	Total Estimate	Prior Year Projects In Process	2000-01	2001-02	2002-03	2003-04
1								
2	<b>Restricted Fund Projects</b>							
3								
4	Library Project	Park Library	\$50,000,000	\$25,000,000	\$18,000,000	\$7,000,000	\$0	\$0
5	Health Professions Building		\$50,000,000	0	2,000,000	24,000,000	24,000,000	0
6	Baseball Stadium		\$4,000,000	0	1,000,000	3,000,000	0	0
7	Football Stadium/IAC		\$231,000	0	231,000	0	0	0
8	<b>SUBTOTAL RESTRICTED PROJECTS</b>		<b>\$104,231,000</b>	<b>\$25,000,000</b>	<b>\$21,231,000</b>	<b>\$34,000,000</b>	<b>\$24,000,000</b>	<b>\$0</b>
9								
10								
11	<b>Unrestricted Fund Projects</b>							
12								
13	Administrative student system replacement	Foust	\$3,500,000	\$1,500,000	\$500,000	\$500,000	\$500,000	\$500,000
14	<b>SUBTOTAL UNRESTRICTED PROJECTS</b>		<b>\$3,500,000</b>	<b>\$1,500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>
15								
16								
17	<b>TOTAL PROJECTS</b>		<b>\$107,731,000</b>	<b>\$26,500,000</b>	<b>\$21,731,000</b>	<b>\$34,500,000</b>	<b>\$24,500,000</b>	<b>\$500,000</b>