

*AUXILIARY SERVICES
FISCAL YEAR 2011
BUDGET PLAN*



Meeting financial success through resource allocation

University of Idaho

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EXECUTIVE SUMMARY

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The reengineering of our budget process for Auxiliary Services outlines the foundation for long term strategies that will guarantee fiscal discipline. The days of simply recording numbers have ended as unsustainable deficits are no longer reasonable. The implementation of this budget process enables the Auxiliary units to fully encapsulate all aspects of their budget.

Defined within this budget process is an outline for fiscal reform and the “do no harm” philosophy. The adoption of a budget process that will rein in unidentified spending and reduce overall expenditures will free up resources for long term growth. The initiation of a 5% operating reserve and a 5% strategic reserve will create favorable circumstances and momentum that will greatly improve strategic outcomes.

The significant capital projects that are present across Auxiliary Services require additional attention. Therefore, action has been taken to include capital investment in our operating budget and will allow for reinvestment into our facilities. These plans will solidify our ability to maintain facilities that are crucial to our success. The opportunity to strengthen our infrastructure will be achieved by addressing these issues as part of our multiyear budget. Additionally, the capacity to combine net revenues within Auxiliary Services will permit project completion that would otherwise be hindered by both time and monetary constraints.

The effect of current economic conditions has certainly placed an additional burden on the business aspects associated with Auxiliary Services. These difficulties have highlighted the need for fiscal responsibility, and it is in this area that I have asked for the help of the Auxiliary Directors. Specifically, to identify within their units entrepreneurial opportunities that will strengthen our ability to achieve our vision. I know that I can count on the Auxiliary team to utilize their budget plan to not only make necessary course corrections but also respond to any and all challenges that may lie ahead.

Sincerely,

Tyrone Brooks



Mission: *To provide self sustaining quality essential services in support of the University of Idaho living, learning and working environment.*

Vision: *"Your Success is our Success"
Anticipating and Delivering Customer Expectations.*

Values:
*Quality
Integrity
Stewardship*

IN SUPPORT OF AUXILIARY'S MISSION, VISION, & VALUES:

- Employee Orientation Program
- Customer Success Program
- Resource Allocation Plan

Auxiliary Services Operating Budget

Purpose

The operating budget is the engine which powers our organization towards achieving its vision. All too often, the operating budget is viewed as important and yet is not given adequate energy for development and monitoring. This results in inefficient resource allocation to achieve the desired outcomes; creating an environment of average performance at best. Auxiliary Services is not allowed this luxury as a self supporting entity. We must put our resources to critical strategic needs and achieve results.

The need for high performance and efficient resource deployment demands a flexible operating budget model. As such, Auxiliary Services will utilize a hybrid budgeting model with the following elements:

- Initiative based with off the top funding at 5% of gross income.
- Performance based evaluation of programs to determine progress towards the vision.
- Flat funding for those important programs but which are not critical.
- Decremental funding or program elimination for those programs with low priority and/or low performance.
- Establishment of operational reserves.
- No carry-over.
- Net income flows to the bottom line and then is transferred into the Capital R&R fund.

This model places a premium on visional alignment, clear objectives, and dominant performance measures. It systematically de-emphasizes average performance and eliminates poor performance.

The operating budget model outlined above requires a different approach to building the budget. We must start with the end in mind for both achieving our vision and financial performance numbers. The following steps should be followed to build a budget using this process.

1. Determine realistic revenues for the budget year.
2. Calculate net income target from goals with these minimum targets: 5% for operating reserve, 5% for strategic initiatives, and 5% for capital reinvestment.
3. Add G&A and net income target together.
4. Subtract the sum of step 3 from revenues determined in step 1. This equals your allowed operating expenditures including all salaries, benefits, OE, travel, capital equipment, and debt service.
5. Budget operating expenditures according to step 4 calculation.
6. Evaluate revenue targets and adjust budget at a minimum each quarter. Unexpected increases in revenue are expected to flow to the bottom line as net income.

Things to remember:

- Operating reserves do not have expenditures budgeted against it.
- Strategic initiatives are not budgeted at the department level, but rather at the central Auxiliary Services level as approved by the AVP.
- Net income does not have expenditures budgeted against it.

The operating budget is a two year rolling budget. That is, once a budget year is complete it drops off, the year two budget becomes the current year budget, and a new budget drops into the year two position. These budgets are detailed down to the account code level. Successful resource allocation requires long range planning. A two year operating budget moves Auxiliary Services towards a longer time horizon.

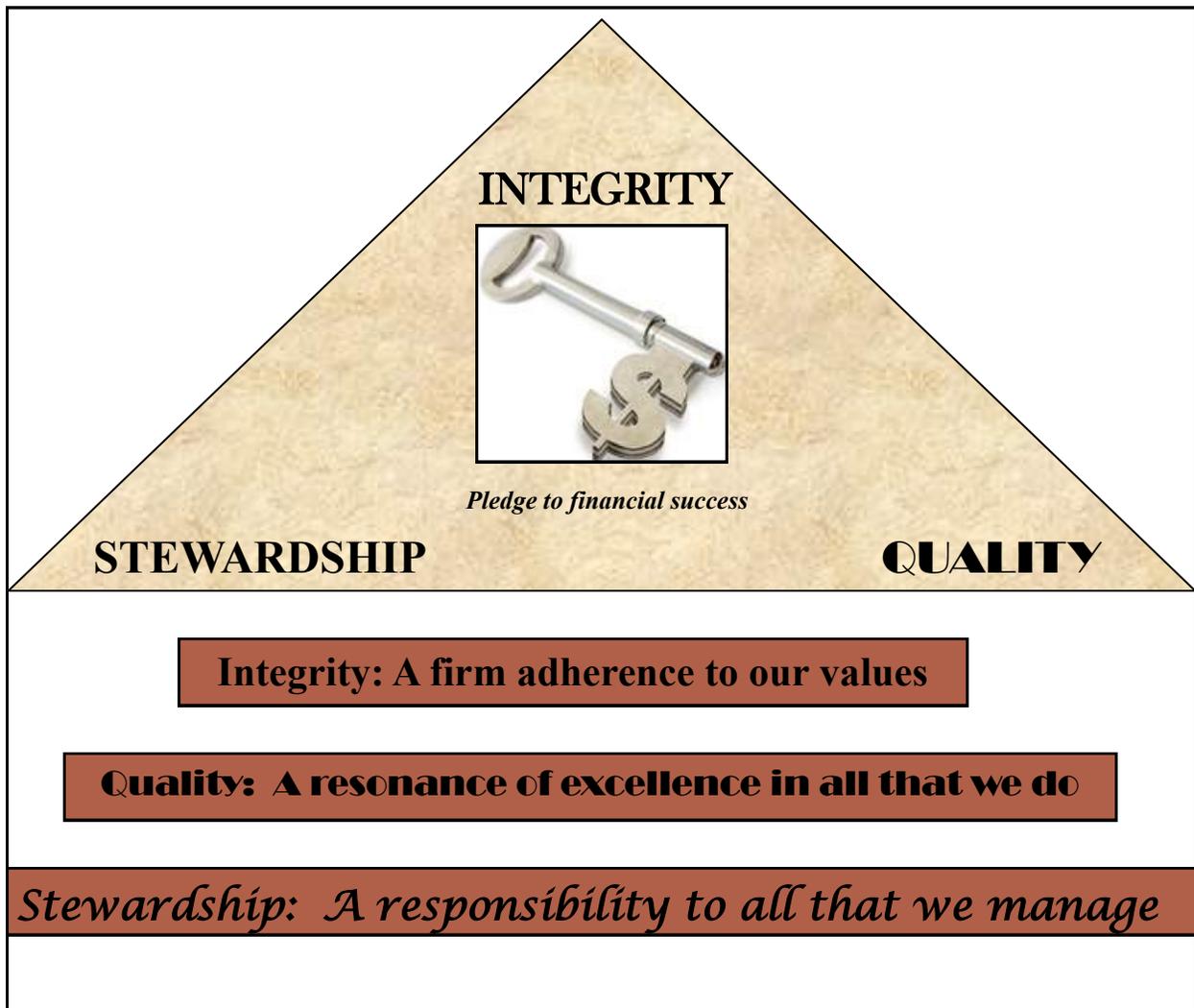
The operating budget cycle will be based upon a budget calendar and includes the following components:

- Budget assumptions will be developed to establish expected increases in costs, changes in student enrollment, fees, G&A, pricing, and other conditions which influence budget performance.
- Budget instructions will provide specifics regarding timelines, forms, analysis, changes in overall priorities, appeals process, and budget finalization.
- Budget calendar gives the overall milestone dates and deadlines for budget development.
- Operating reserves will be forecast as part of the budget process to maintain 5% of expenditures reserve.
- Operating funds are expected not to have deficits. For those where a deficit is unavoidable, an immediate plan of corrective action to include deficit reductions will be developed for AVP approval. This plan will provide a new budget for the affected area.
- Auxiliary Services will not budget for operating losses. It is expected that operating losses will not occur and when they do occur, a plan for corrective action will be immediately implemented to replace the existing budget.

Goals and Expectations:

The underlying premise for Auxiliary Services is “do no harm.” This means that all budgets are expected to at a minimum break- even, and as a whole, to contribute net revenue to the bottom line. Further goals are set to encourage overall unit growth and stabilization.

- Fund balance deficits are to be eliminated by June 2014.
- Annually, have a net income generation of 5% of gross sales.
- Annually contribute to capital and strategic investments to total 5% of gross sales by 2017.
- Annually contribute to reserve balances to establish 5% of operating expenses by 2016.



Timeline & Planning Calendar:

November 12, 2009	Preliminary work on two year rolling budgets; optional work on all six years
December 4, 2009	Submission of FY11 -FY16 budgets to Auxiliary Administration
January	Review FY10 budgets based on 2nd quarter results and spring semester enrollment counts
January 25, 2010	3 rd quarter FY10 budget revisions due to Auxiliary Administration
February 2, 2010	Auxiliary Financial Team to submit 3 rd quarter changes in Banner
March	Revise FY11 and FY12 budgets based on new information from state. Adjust for any salary increases, holdbacks, etc.
	Work on editing of FY 14, FY 15, and FY16 to budget document.
	Review FY10 Budgets for final adjustments and corrections
March 26, 2010	Final FY11 and FY12 budgets due to Auxiliary Administration
April 2, 2010	FY 11 Budget submitted to UI Budget Office
April 16, 2010	4th quarter FY10 budget revisions due to Auxiliary Administration
May	FY11 UI Budget Book published by UI Budget Office
June	FY11 Budgets entered in Banner by UI Budget Office
June 30	FY10 Period 12 closes
July 1	FY11 Fiscal Year begins
July 14	FY 10 Fiscal Year closes
September	Review current year budget and adjust for actual enrollment.
October	Assumptions reviewed and developed for revision of FY12 and 13 budgets
November December	Submission of FY12 and 13 budgets to Auxiliary Administration

Instructions:

Budgets are contained in an Excel spreadsheet located on the Auxiliary shared drive: S:\Auxiliary\Budget and Finance and are saved using the first three digits of the budget number and the unit name.

Each operating budget is a separate worksheet and is linked to the summary page. Any new budgets that are added must manually be linked to the summary page so that your fund total will be automatically updated. The spreadsheets contain FY09 End of Year (EOY) actual balances and the FY10 column contains Year to Date (YTD) balances as of September 30. There is also a column for your use to calculate FY10 EOY balances. If these columns are not of use to you, they may be hidden or deleted.

Each summary page contains a calculation to help you plan for the 5% net income, operating reserve, and strategic investment. Individual units will need to develop their own plan for meeting the other budget goals and targets.

1. Determine realistic revenues for the budget year.
2. Calculate net income target from goals with these minimum targets: 5% for operating reserve, 5% for strategic initiatives, and 5% for capital reinvestment.
3. Add G&A and net income target together.
4. Subtract the sum of step 3 from revenues determined in step 1. This equals your allowed operating expenditures including all salaries, benefits, OE, travel, capital equipment, and debt service.
5. Budget operating expenditures according to step 4 calculation.
6. Evaluate revenue targets and adjust budget at a minimum each quarter. It is expected that these budget adjustments are downward budget adjustments. Unexpected increases in revenue are expected to flow to the bottom line as net income.

Revenues and Transfers In:

Any transfers recorded under T9122 must have a funding source identified. Ex: T9122 from NBY040 for Utility Support. Each fund source should be listed on a separate line.

Revenues associated with Student Fees should be calculated using the enrollment numbers from the student fee schedule published by the Budget office.

Expenses:

Salaries and Fringe Benefits: The Salary worksheet tab is not linked to each operating budget. Any changes made to the salary tab, must manually be entered into the appropriate worksheet.

Transfers Out: Any non-mandatory transfers out (F9222) should be itemized: Example: F9222 to QIY200 - RHA Annual Membership Dues.

Auxiliary Overhead: Posts in F9222 with an activity code of AUXGA2. This amount is calculated on actual expenses for the Auxiliary Administration Team, the Finance and HR Group, and Business Technologies, and is allocated to the auxiliary units on an effort based percentage.

Central Administration G&A: Posts in F9223. An annual amount is given to Auxiliary Services and again is allocated to each unit on an effort based percentage.

New lines for additional expense categories may be added at any time. Please keep the account codes in sequential order.

Revenue and Expense detail (account code) should be provided for FY11, FY12, and FY13.

FY14, FY15, and FY16 may be budgeted at the summary level, using a percentage escalator if desired. Departments may also budget at the account code level.

Recommendations:

Overall, the Budget Team recommends that each Auxiliary unit budget conservatively for the next two fiscal years; until our economy stabilizes and we have a clearer understanding of state funding as it could impact Auxiliaries. These are general assumptions. If there are unit specific changes, Director's should change the assumptions accordingly, and note on the summary page.

Enrollment: It is recommended to leave student fee numbers flat over the next two years. While the University has aggressive enrollment targets, it is prudent to budget these revenues conservatively.

Salary Increases: Plan for 2% increase in FY12.

Fringe Benefits: Assume no increase.

Utilities: Listed below are the FY10 changes. Assume the same, no change for FY11.

<u>Commodity</u>	<u>Rates</u>	<u>%Change</u>	<u>Units</u>
Electricity:	\$0.0542	+9.05%	(\$ per kWh)
Steam:	\$8.94	-8.31%	(\$ per kilo-pound of steam)
Chilled Water:	\$0.1074	+2.19%	(\$ per Ton-Hour)
Domestic Water:	\$0.00290	+4.19%	(\$ per Sq.Ft. of building per month)
Sewer:	\$0.01688	+6.11%	(\$ per Sq.Ft. of building per month)

Auxiliary Admin Overhead: Assume 2.5% increase.

Central G&A Fees: Assume 5% increase.

Go to S:\Auxiliary\Budget and Finance\FY11 Budget Templates for templates.

A

uxiliary Administration

Auxiliary Administration is comprised of the Assistant Vice President's management team; Finance and Human Resource and Business Technologies. Auxiliary Administration provides support to each of the Auxiliary units in the timely and accurate processing of documents and coordination of computing systems.

Two Year Goals (Personnel, Operating, Capital and Debt):

Auxiliary Administration Finance & HR services were consolidated in fiscal year 2010. This consolidation created opportunities to increase business continuity, segregation of duties, and strengthen internal controls. Over the next two years we will focus on complete cross training in all HR, budget, and financial reporting support. Additionally, we are assessing the support units effectiveness to ensure transparency, integrity, and stewardship of limited resources.

Business Technologies support across all Auxiliary Services were also consolidated in fiscal year 2010. This combined separate support units residing in Central Auxiliaries and University Housing. The unit has quickly developed improved outcomes in system hardware support and reliability. They have also continued third party systems integration for mission critical applications in the Parking & Transportation Services and Bookstore operations. Over the next two years, we expect to provide even more system integration support as demand for third party solutions by our departments are expected to increase. This results in streamlined front of the house operations, reduced staffing workload on mundane and routines work, and frees up scarce resources to achieve our Customer Success strategic goal.

Auxiliary's accumulated critical deferred maintenance backlog continues to jeopardize operations. The following areas continue to plague our state of being:

- Tower Elevator Modernization \$1.5 M
- Wallace HVAC pumps and controls \$500k to \$1.5 M
- Wallace Elevator Modernization \$2 M

These three areas have the ability to limit or even shut down building operations resulting in gross revenue losses in the \$1.5 M to \$3 M range annually.

Long range capital planning continues to address planned student enrollment growth, student retention, and overall constituency needs. Areas of focus include:

- Wallace Room Renovations
- Bookstore Renovations and Expansions
- Dining Equipment Replacement
- Parking & Transportation Services Office

Stabilizing operational needs continues to be the dominant priority for the next two years. Once basic operations are stable, we will then reinvest in support of President Nellis' strategic themes. Themes we can directly support in Auxiliary Services include:

- Engagement
- Entrepreneurship
- Diversity
- Sustainability

Limited access to the utilization of debt has caused Auxiliary Services to change its capital reinvestment view point. Our focus is on converting net income to capital reinvestment funding. This is a crucial reason why we have adopted a 5+% net income of gross sales target for all Auxiliary Services. However, focusing on net income alone does not achieve the President's themes. We continue to evaluate all opportunities using the above themes and anticipated customer needs as a lens to focus through. Each year we prioritize new opportunities to grow top line sales by 10+% annually while not sacrificing the bottom line goal. This is a delicate balance as we negotiate in an operationally risk adverse environment.

Unit Assumptions:

Fiscal year 2011 operating budget assumptions include:

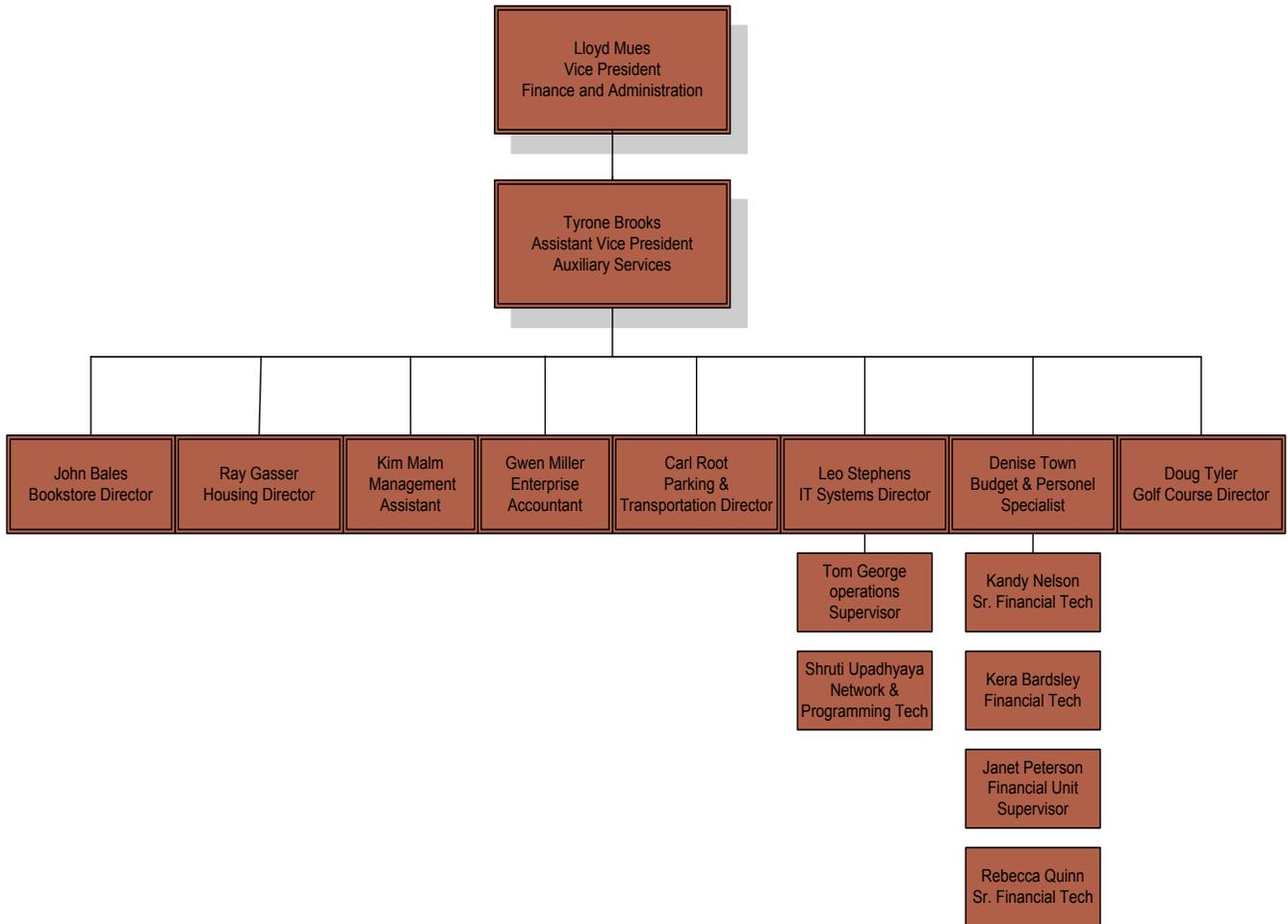
- Renovations of four Dining Services locations to grow sales by 30%.
- Operational efficiencies from the consolidations of the Finance & HR Unit and Business Technology.
- Support of the new Vandal Store Boise to achieve a 10% gross sales increase over fiscal year 2010 in Bookstore operating results.
- Stable operating results from Golf Course, Parking & Transportation Services, and University Housing.

Long Range Assumptions:

Auxiliary Services expects to have stabilized critical operational needs by fiscal year 2013. Our long-range planning calls for:

- Aggressive reinvestment in housing infrastructure in support of President Nellis' student growth initiative.
- Aggressive growth in Bookstore satellite operations to include expanding Vandal Store offerings within Coeur d'Alene area, Treasure and Magic Valleys.
- Moderate growth in Dining Services gross sales of 10+% annually.
- Sustained growth in Golf Course and Parking & Transportation Services in the 3% to 5% range annually.
- Fully funded operating reserves of 5% of operating expenditures by June 2015.
- Fully funded strategic reinvestment fund of 5% of gross revenues by June 2017.

Auxiliary Services Organizational Structure:



Auxiliary Services Budget Summary:

Org	Description	FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget
QDY014	Aux Services Management	185,870	190,447	195,257	200,319	205,617
QDY023	Aux Services Info Tech	(211,773)	(238,267)	(250,835)	(263,897)	(277,474)
QDY370	Pouring & Vending Rights	66,903	64,228	25,803	22,453	19,103
QKA000	Dining Services	312,931	348,251	516,031	685,623	868,929
	Total Net Income (Loss)	353,931	364,659	486,255	644,497	816,175
	<u>Expected Central Contribution</u>					
	Operating Reserve	50,000	50,000	75,000	75,000	75,000
	Strategic Initiatives	100,000	150,000	150,000	200,000	280,000
	Net Income	280,000	310,000	425,000	560,000	680,000
		430,000	510,000	650,000	835,000	1,035,000
	<u>Aux Central Targets</u>					
	Operating Reserve	325,000	350,000	375,000	400,000	425,000
	Strategic Initiatives	450,000	500,000	550,000	600,000	650,000
	Net Income	450,000	500,000	550,000	600,000	650,000
		1,225,000	1,350,000	1,475,000	1,600,000	1,725,000
	<u>All Aux Combined Targets</u>					
	Operating Reserve	1,200,000	1,250,000	1,300,000	1,350,000	1,400,000
	Strategic Initiatives	1,530,000	1,630,000	1,730,000	1,830,000	1,930,000
	Net Income	1,530,000	1,630,000	1,730,000	1,830,000	1,930,000
		4,260,000	4,510,000	4,760,000	5,010,000	5,260,000

Bookstore

Provides a comprehensive and innovative selection of products, technologies and services to support the living, learning and research community throughout the state and region. The Bookstore provides excellent customer service and outstanding value for lifelong education.

Two Year Goals (Personnel, Operating, Capital and Debt):

With the opening of two new locations, Boise Vandal Store and Commons convenience store, the Bookstore will be adding five new positions. For the Vandal Store we will be adding two temporary board appointed, benefitted positions, one NFE and one classified. For the Moscow operations we are adding three full-time temporary help (PERSI eligible) employees. As the operations become established and prove to be sustaining, we will request that these positions become permanent.

With regard to capital improvements, there will be substantial investments into the start up of the Vandal Store. The Commons convenience store will need some refreshing. As we look further out, we are still exploring a coffee concept for the Moscow bookstore as well as considering other locations on the UI campus.

Unit Assumptions:

In our goal to establish a realistic multi-year budget we have projected as accurately as possible using recent historic and trend data and factored in impacts based on our strategic planning. In general, we lean conservatively on our revenue expectations and more aggressively on our expenditure estimates.

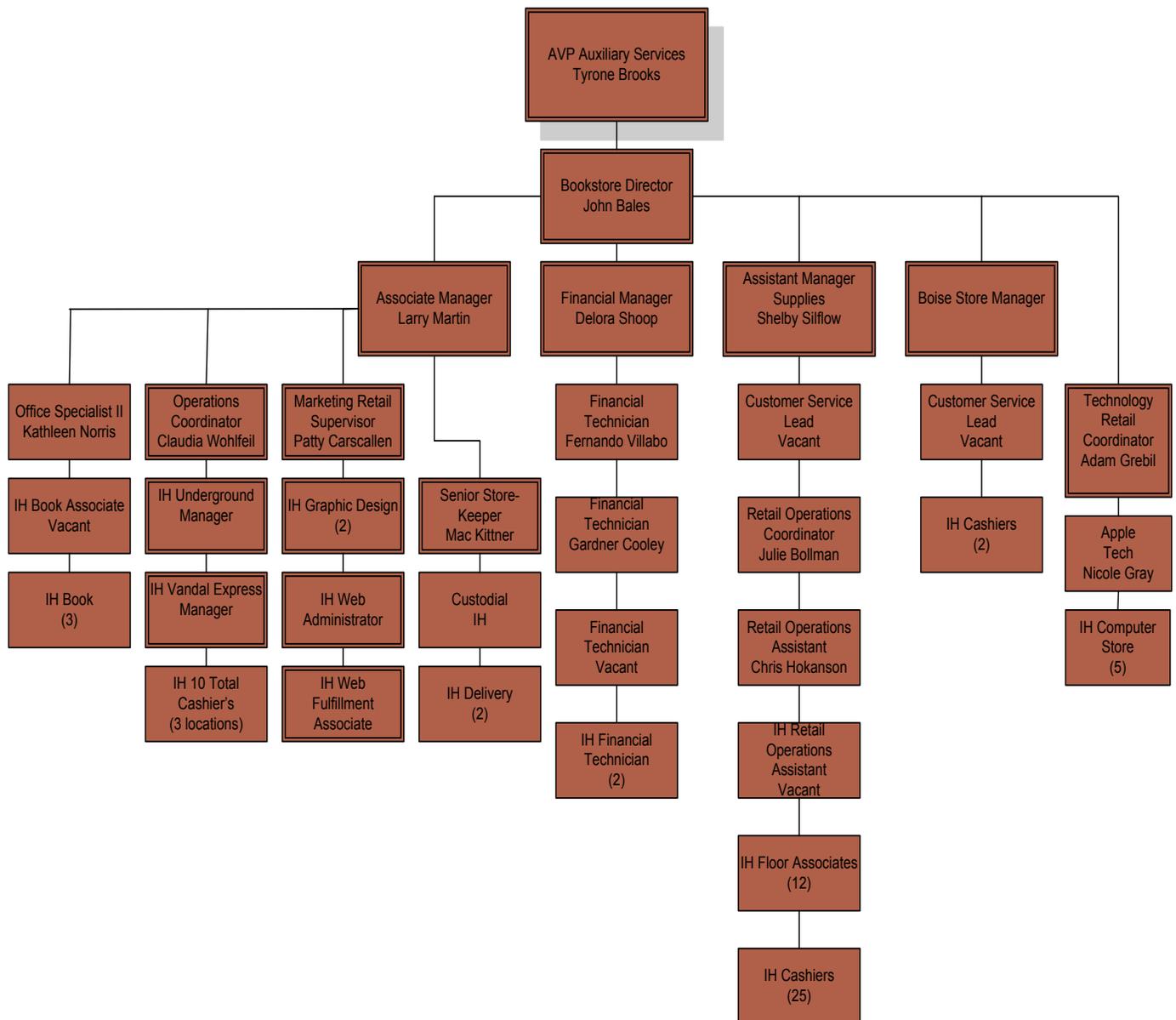
Two major estimates in this budget include the creation of a store in Boise during the fiscal year and the adoption of the Common's convenience store operations during the fiscal year. Those revenues and expenses are either aggregated or line itemed and included in this budget.

External factors such as national and state economic conditions, enrollment, athletic performance and weather can impact the budgeted results.

Long Range Assumptions:

Our long range forecasts show consistent revenue growth and controlled expenses based on our strategic growth plan. New opportunities and innovation can cause dramatic shifts in the long range plan.

Bookstore Organizational Structure:



Bookstore Budget Summary:

	FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget	FY16 Budget
Revenues and Transfers In	8,503,850	9,154,437	9,490,663	9,774,232	10,051,766	10,331,963
Salaries & Fringe	1,359,302	1,436,428	1,465,156	1,494,459	1,524,349	1,554,835
Operating Expenses	6,218,219	6,596,816	6,845,822	7,056,750	7,258,378	7,465,431
Capital Outlay	35,000	25,000	10,000	22,500	22,500	30,000
Transfers Out - Non Mandatory	171,610	205,900	210,298	214,805	219,425	224,161
Transfers Out - Central G&A	246,260	258,573	271,502	285,077	299,331	314,297
Subtotal Expenses	8,030,390	8,522,717	8,802,777	9,073,591	9,323,983	9,588,724
5% Operating Reserve	11,260	80,101	90,161	92,855	100,518	103,320
5% Strategic Reserve	21,260	80,101	90,161	92,855	100,518	103,320
Net Income (Loss)	440,940	471,517	507,563	514,930	526,748	536,600



olf Course

Provides and maintains the golf course and facilities to the highest of standards to provide recreational opportunities for students, faculty, staff, and community. The golf course provides marketing opportunities for the University by hosting regional junior competitions and clinics throughout the year. The golf course also fosters goodwill with the local communities by providing golfing opportunities through community enrichment programs and outreach programs for minority groups. Events are hosted for Booster and Alumni fundraising activities. The golf course serves as a learning laboratory for all professional golf management students and as the home course for the Vandal golf teams.

Two Year Goals (Personnel, Operating, Capital and Debt):

The overriding goal of the golf course unit is to break even through FY2013. Entering into FY2014 the golf course will no longer be obligated to the \$68,600 bond debt that it has been carrying since 1993. At this point, being unencumbered by this debt, the golf course can realistically look at potential changes in personnel, equipment purchases and/or capital improvement projects.

Unit Assumptions:

In FY11, we are expecting an 8.6% increase in revenues over our conservatively revised FY10 budget. Anticipated improvements in broader economic conditions encouraging discretionary spending will need to be tempered by increases in competition. WSU's Palouse Ridge has dramatically lowered green fees, which will have a direct impact on our market share. Significant increases in the enrollment of UI students in PE golf will help offset this new source of competitive pressure.

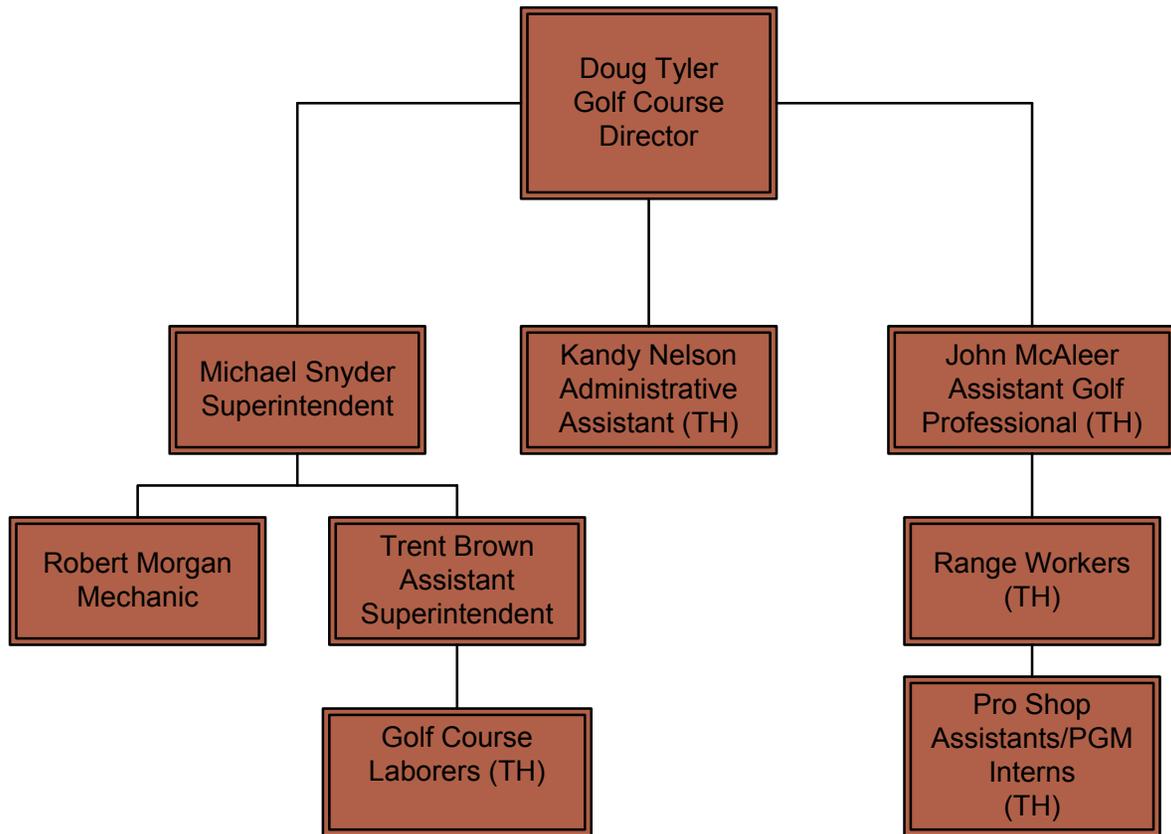
We are making a big push to increase retail sales from \$40,000 in FY10 to \$65,000 in FY11. The increase is expected through (1) better merchandising with a move back into hard goods, (2) networking with the Book Store and expanding product into the new Boise store (3) more aggressive marketing through email and (4) more competitive price structure to motivate local patrons.

Expenses will be kept to a bare minimum consistent with our past efforts. We expect an increase of only a 2.3 % due to upward pressure on energy costs and potential increases in fringe benefits.

Long Range Assumptions:

As previously mentioned, FY14 will find the golf course unencumbered by a \$68,768 bond payment for the first time in twenty years. Immediate attention will need to be directed toward the procurement of new equipment, course improvement projects, and leveraging additional funds to remodel or build a new club house to take advantage of and show case the most pristine view on the UI campus.

Golf Course Organizational Structure:



NOTE: TH=Temporary Help

Golf Course Budget Summary:

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
	Budget						
Revenues and Transfers In	578,730	586,500	589,500	606,500	629,000	630,000	636,000
Salaries & Fringe	306,049	309,473	309,880	328,800	337,507	337,939	338,379
Operating Expenses	136,420	138,420	138,420	148,420	154,420	154,420	160,920
Transfers Out - Debt Service	68,768	68,768	68,768	0	0	0	0
Transfers Out - Non Mandatory	33,407	26,840	27,511	28,199	28,903	29,626	30,366
Transfers Out - Central G&A	33,824	42,003	44,103	46,308	48,623	51,054	53,606
Subtotal Expenses	578,468	585,504	588,682	551,727	569,453	573,039	583,271
5% Operating Reserve				10,000	10,000	10,000	
5% Strategic Reserve				5,000	5,000	5,000	15,000
Net Income (Loss)	262	996	818	39,773	44,547	41,961	37,729

P

arking and Transportation Services

Provides safe, convenient and cost effective parking and transportation services. We are committed to supporting the teaching, research, operational, and public service goals of the University of Idaho. We manage the University's parking and transportation resources to meet current and projected needs of the campus community while providing outstanding customer service. We provide these services through the issuance of permits, enforcement of the University parking regulations, event management and transportation planning.

Two Year Goals (Personnel, Operating, Capital and Debt):

Parking and Transportation Services (PTS) has recently completed a new organizational structure with the hiring of an Office Manager position. This position will manage the day-to-day operations of the Parking Office. This new position is notable due to the anticipated moves that PTS will be involved in this summer. All public interface, permit business and citation payments will occur in, what was previously the Police Sub-station, but what we will now call the Parking Office. The newly filled position of Office Manager will manage all activities occurring in this new location.

The remaining functions of PTS will be moving from our previous location at the North Campus Center to two other locations in addition to the Parking Office. The Director, Information Specialist and a position that will be a hybrid of an Administrative Assistant and Customer Service Representative will now be located in office within the Facilities Complex. The field operations and event support group will move into converted warehouse space owned by Housing, also located within the Facilities group of buildings.

With regards to operating and capital, we are following a 6-year fee schedule and financial plan that is intended to generate revenues necessary to meet future parking and transportation needs. Our recommended rate increases will address transportation needs required to meet overall safety and improvements to the pedestrian, bicycle, transit and parking system. Approval for the proposed fee structure for the Academic year 2011, year 3 of the 6-year plan.

Parking and Transportation Services carries a significant debt load of \$245,000. Roughly 18% of all expenses are debt service that continues until 2016. In 2017 it will reduce to just over \$55,000. Due to our management of the parking system and enforcement, PTS experiences debt from uncollectable citation fines. While we estimate this to be maintained annually in the vicinity of \$10,000 and \$15,000, in 2010 we will realize an increase to approximately \$25,000 due to new processes and efforts to clear up backlogs of unidentified out-of-state license plates that have received citations on our campus.

Unit Assumptions:

Parking permit sales constitute roughly 70% of all revenues in Parking and Transportation Services. Generally, permit prices, both historical and current, have been insufficient to sustain a safe and effective parking and transportation system and do not generate revenues necessary to meet future parking and transportation needs. Through careful planning and the development of a 10-year proforma and 6-year budget, we are confident that the recommended rates in our 6-year plan will allow PTS to address transportation needs required to meet the future needs of the University.

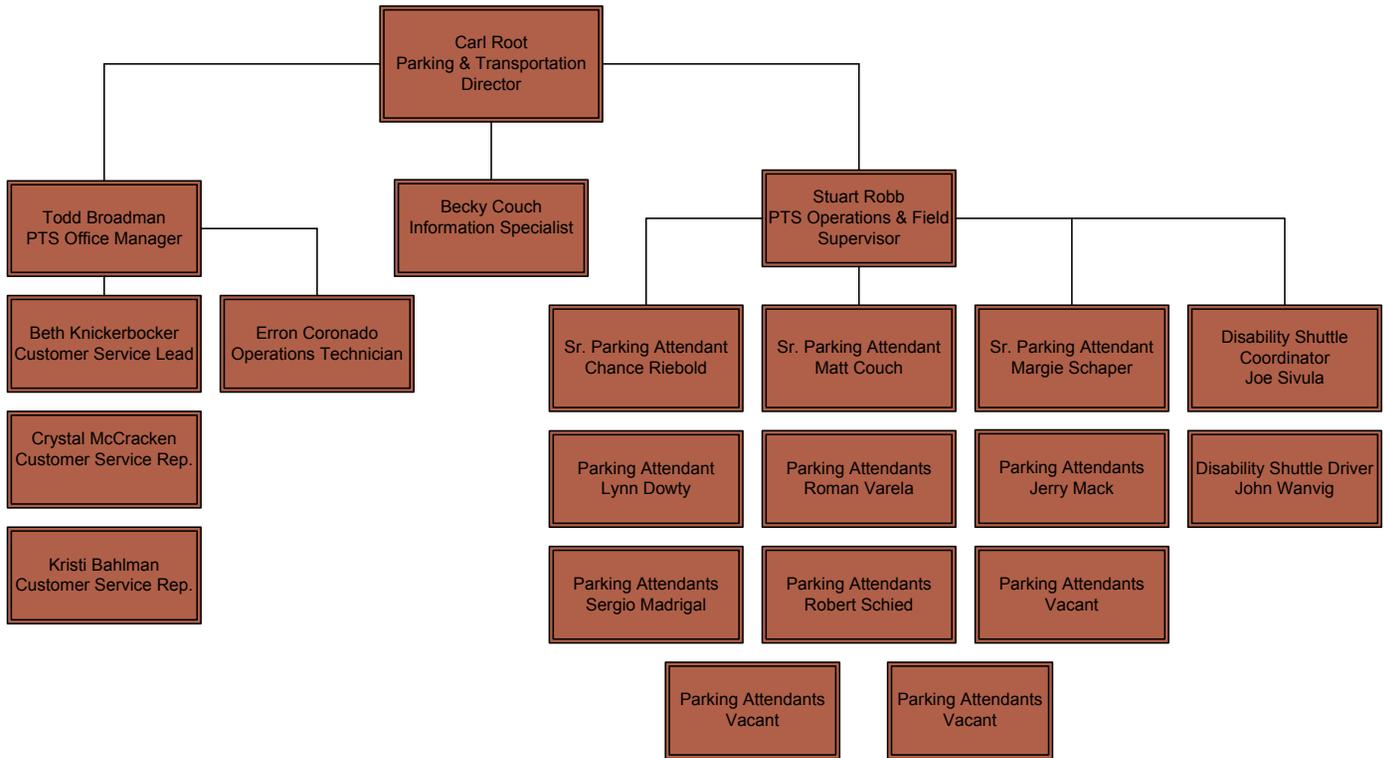
We are shifting our emphasis from development of the parking system toward goals related to a safe and effective transportation system. This new focus prioritizes safe pedestrian infrastructure and mitigating conflicts between vehicles and pedestrians, as well as improved bicycle storage and circulation and facilities necessary to improve public transportation access.

Long Range Assumptions:

By FY13, Parking and Transportation Services expects to be generating revenues necessary to make significant contributions to strategic reserves. These reserves will allow funding for capital projects including pedestrian, bicycle and transit improvements, as well the continued maintenance of the existing parking system.

The 6-year fee financial plan and fee schedule generates increasing revenues each year and will only allow significant reserves to be established in 2013. Until then revenues will generally be funding the essential maintenance and operations of the parking and transportation system. We continue to look for ways to reduce expenses and identify initiatives that will increase revenues while still ensuring that we meet the needs of the University and provide a safe and effective parking and transportation system.

Parking & Transportation Services Organizational Structure:



Parking & Transportation Services Budget Summary:

	FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget	FY16 Budget
Revenues and Transfers In	1,384,211	1,484,135	1,584,332	1,659,228	1,693,965	1,732,141
Salaries & Fringe	628,009	639,447	651,114	663,014	675,152	687,533
Operating Expenses	204,650	194,650	194,950	206,050	206,250	206,350
Capital Outlay	31,250	68,250	111,250	90,250	90,250	94,250
Transfers Out - Debt Service	245,000	245,000	245,000	245,000	245,000	245,000
Transfers Out - Non Mandatory	137,741	139,291	166,397	202,046	205,969	210,102
Transfers Out - Central G&A	127,581	192,958	205,275	217,962	231,029	245,000
Subtotal Expenses	1,374,230	1,479,595	1,573,986	1,624,322	1,653,650	1,688,235
Net Income (Loss)	9,981	4,540	10,346	34,906	40,315	43,906
	0.72%	0.31%	0.65%	2.10%	2.38%	2.53%
5% operating reserve	69,211	74,207	79,217	82,961	84,698	86,607
5% strategic reserve	69,211	74,207	79,217	82,961	84,698	86,607
	138,421	148,414	158,433	165,923	169,397	173,214



University Housing

Provides academic housing for both undergraduate and graduate students along with guest housing for faculty, staff, conference groups, and guests to the campus. As a department, we strive to provide safe and desirable housing that ultimately helps foster student success while being financially self-supporting

Two Year Goals (Personnel, Operating, Capital and Debt):

University Housing is currently going through a significant reorganization which accomplishes our personnel goals at this point. In terms of operating, capital and debt, we are intending over the next two years to increase our net to the bottom line in order to reduce our fund balance and anticipate zeroing that out in FY13. Second, we are increasing our efforts toward deferred maintenance in order to better serve our facilities and our students. Finally, we are committed to our capital R&R contributions of 5% so that we are able to achieve our most critical capital need in FY11 – Tower Elevator modernization.

Unit Assumptions:

Assumptions have been based on supporting data that recognizes success in recruiting a higher number of current students to return to University Housing and increases in the freshman class based on the live-on requirement which begins fall FY11. Current estimates would suggest that we could easily grow by more than 200 students for fall compared to FY10. However, we underestimated that growth and assumed fall occupancy of 1774 and spring occupancy of 1690. We do anticipate a smaller decline from fall to spring based on our decision this fall to no longer offer “fall only contracts”. This compares to fall FY10 occupancy of 1669. We have estimated rates for both returning and new students into our formulas (1204 new students, 570 returning students).

In the apartments we have projected relatively flat revenues only indicating increases in South Hill Vista and Elmwood as per our rate structure for 2010-2011. With GSR closing, we will be utilizing Syringa Hall for graduate student housing. We have projected occupancy of 30 students in that building although we have the potential to easily exceed that number.

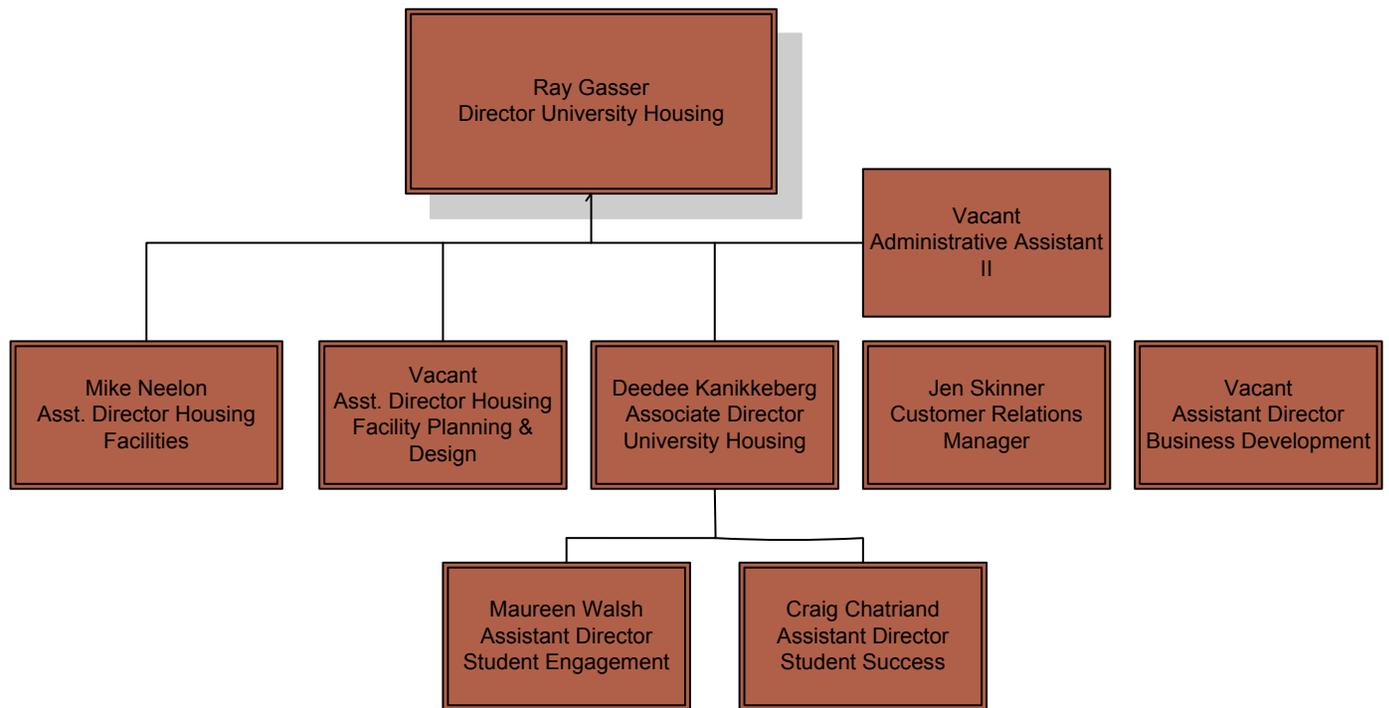
Overall, our budget reflects our revenue increases based on increased rate structures for the appropriate populations but it also reflects the apparent growth that we will be anticipate based on specific business development practices.

Long Range Assumptions:

University Housing anticipates stronger net profits beginning in FY12 which should allow for us to balance our fund balance near FY13. This would then allow for us to achieve an operating reserve of 5% by FY15 and a 5% strategic reserve by FY17. These projections would only increase if we can continue to increase our retention rates which is our goal but not calculated into our projections. Our budget would also see a boost in FY17 as \$1,196,900 in bonds expire allowing for very real discussions on new construction on/around that time. We do anticipate that we would begin to eliminate South Hill apartments by 20 percent per year beginning in FY13 which is reflected in revenue projections.

University Housing anticipates contributing \$540,520 to capital R&R reserves for FY11 while continuing to pay down our fund balance. With already over 100 more returning students for Fall 10 versus Fall 09, we believe the ROI on a “locked rate” structure for Housing is a program that should be continued into the foreseeable future and that any rate increases for residence halls be isolated to minimal increases on first-year students. We also have budgeted so that we are able to contribute internally to deferred maintenance (i.e. carpets, paint, furniture, etc) of between \$525,000 and \$700,000 annually over the next several years. We believe University Housing is beginning to reap the rewards of some of its investments over the past few years and that our growth will be reflective of wise business investments.

University Housing Organizational Structure:



University Housing Budget Summary:

	FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget	FY16 Budget
Labor	2,691,228	2,745,053	2,799,954	2,855,953	2,913,072	2,971,333
General Ex- penses	2,243,643	2,281,729	2,335,304	2,360,123	2,400,602	2,439,491
Capital Outlay	525,051	700,000	700,000	800,000	800,000	800,000
Bond P/I	3,934,616	3,920,100	3,920,100	3,920,100	3,920,100	3,920,100
SG&A	344,023	214,466	220,900.	227,527	234,353	241,384
Aux. Services	414,193	426,618	439,417	452,599	466,177	480,163
RHA Transfer	88,966	88,966	88,966.	88,966	88,966	88,966
Revenues	10,766,705	11,064,684	11,275,537	11,405,628	11,545,518	11,710,371
Net	524,983	687,750	770,895.	700,358	722,245	768,932

Completed Projects:

- ⇒ Bookstore paint & fixture replacement
- ⇒ Bookstore security camera replacement
- ⇒ Bicycle rack additions
- ⇒ Dining dishwashing room remodel
- ⇒ Digital campus portal project
- ⇒ Golf Course bunkers & fairway mowers
- ⇒ Kibbie Concession remodel
- ⇒ McConnell exterior painted
- ⇒ Parking pay station implementation
- ⇒ Residential laundry facility upgrades
- ⇒ Residential micro-fridge implementation
- ⇒ Targhee lounge window replacement
- ⇒ Theophilus hallway carpet replacement
- ⇒ Theophilus panic bar replacement
- ⇒ Theophilus shower floor replaced (8th/9th)
- ⇒ Wallace basement remodel
- ⇒ Wallace chilled water condenser
- ⇒ Wallace fire door replacement
- ⇒ Wallace lounge remodels (Wiley 5th/6th Floors)
- ⇒ Wallace freight elevator replacement
- ⇒ Wallace roof replacement

Current Projects:

- ⇒ Bob's remodel (Wallace Dining Center)
- ⇒ Boise bookstore implementation
- ⇒ Commons Convenience Bookstore implementation
- ⇒ Commons Food Court remodel/J-Street concept
- ⇒ Commons Grounds remodel/Einstein's franchise implementation
- ⇒ Housing storage building completion
- ⇒ Parking office relocation (closure of North Campus Center)
- ⇒ Sixth Street Market remodel/Denny's franchise implementation
- ⇒ South Hill apartment remodel
- ⇒ Wallace bed & mattress replacement
- ⇒ Wallace fire alarm replacement

Projected Projects:

- ⇒ Bookstore Point of Sale System
- ⇒ Dining Equipment Replacement
- ⇒ Gooding & Ballard hallway carpet upgrades
- ⇒ Residential security camera replacement (yr. 3 of 5 yr. plan)
- ⇒ Starbuck's Coffee Shop implementation
- ⇒ Theophilus Tower elevator modernization
- ⇒ Walkway zone improvement

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ebt Service Summary

The use of bonds in Auxiliary Services has been advantageous to the reinvestment of our operations. Listed below is the overview of the bond debt throughout Auxiliary Services. Fortunately, within the next six years \$1.4 million of the debt will be paid .

⇒ Series 2003:		
⇒ 2003	\$ 309,000 Housing	Last payment 2016
⇒ 2003	\$ 189,400 Parking	Last payment 2016
⇒ Series 2005A:		
⇒ 1999C	\$ 20,100 Parking	Last payment 2019
⇒ Series 2007A:		
⇒ 1999	\$ 108,400 Elmwood Apts	Last payment 2025
⇒ 1999A	\$ 36,000 Parking	Last payment 2025
⇒ 1999B	\$ 106,600 Wallace	Last payment 2025
⇒ 2001	\$ 337,500 per LLC building (8 total)	Last payment 2041
⇒ Series 2010A:		
⇒ 1996	\$ 68,600 Golf Course	Last payment 2013
⇒ 1997B	\$ 694,500 Family Housing	Last payment 2016
⇒ 1997B	\$ 193,400 Graduate Housing	Last payment 2016
TOTAL	\$4,426,000	

Estimates and projections are under review, and include the assessment that approximately 1,000 additional Resident Hall beds will be needed by 2020.

As Auxiliary Services looks to the future and continues to pay down bond debt, we pledge fiscal stewardship in the reinvestment of our facilities. All Auxiliary departments are committed to fulfilling not only our department vision, but the vision of the University as a whole.

P osition Control Table

<u>Position Class</u>	<u>Postions</u>	<u>FTE</u>
Exempt	19	19.00
Exempt/Temporary	4	4.00
Classified	58	56.50
Classified Temporary	15	15.00
Temporary Help/PERSI	14	14.00
Temporary Help / Non Persi	15	7.00
Student Employees	95	23.75
Resident Assistants	57	28.50
Work Study	20	5.25
TOTAL	297	173.00

Auxiliary Administration	<u>Postions</u>	<u>FTE</u>	Parking and Transportation	<u>Postions</u>	<u>FTE</u>
Exempt	2	2.00	Exempt	1	1.0
Exempt/Temporary	1	1.00	Exempt/Temporary	0	0.00
Classified	11	10.25	Classified	5	5.0
Classified Temporary	0	0.00	Classified Temporary	6	6.0
Temporary Help/PERSI	0	0.00	Temporary Help/PERSI	5	5.00
Temporary Help / Non Persi	0	0.00	Temporary Help / Non Persi	1	0.50
Student Employees	2	0.50	Student Employees	1	0.25
Work Study	3	0.75	Work Study	5	1.25
TOTAL	19	14.50	TOTAL	24	19.00

Bookstore	<u>Postions</u>	<u>FTE</u>	University Housing	<u>Postions</u>	<u>FTE</u>
Exempt	4	4.00	Exempt	10	10
Exempt/Temporary	1	1.00	Exempt/Temporary	2	2
Classified	10	10.00	Classified	30	30
Classified Temporary	1	1.00	Classified Temporary	8	8
Temporary Help/PERSI	4	4.00	Temporary Help/PERSI	0	0.00
Temporary Help / Non Persi	6	3.00	Temporary Help / Non Persi	5	2.50
Student Employees	53	13.25	Student Employees	33	8.25
Work Study	0	0.00	Resident Assistants	57	28.50
TOTAL	79	36.25	Work Study	9	2.25
			TOTAL	154	91.50

Golf Course	<u>Postions</u>	<u>FTE</u>
Exempt	2	2.00
Exempt/Temporary	0	0.00
Classified	2	1.70
Classified Temporary	0	0.00
Temporary Help/PERSI	5	5.00
Temporary Help / Non Persi	3	1.50
Student Employees	6	1.50
Work Study	3	0.75
TOTAL	21	12.45



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