

**AUXILIARY SERVICES COMPACT
2004-05**

A. INTRODUCTION

Auxiliary Services is a diverse collection of thirteen service organizations. These thirteen departments are self-supporting with the exception of Campus Mail, Campus Streets (a division of Parking & Transportation) and Concerts & Lectures, which each receive some O&M funds.

Auxiliary Services reports to the Vice President for University Services and is responsible for the overall management, planning, budgeting, staffing, and directing of the departments of Housing & Residential Life, University Dining Services, Parking & Transportation Services, University Bookstores, University Stores, Fleet Services, Concerts & Lectures, General Services (Printing Services, Office Equipment Services, Addressing and Mailing Services, University Bindery Services, Campus Mail) and the U Card Office.

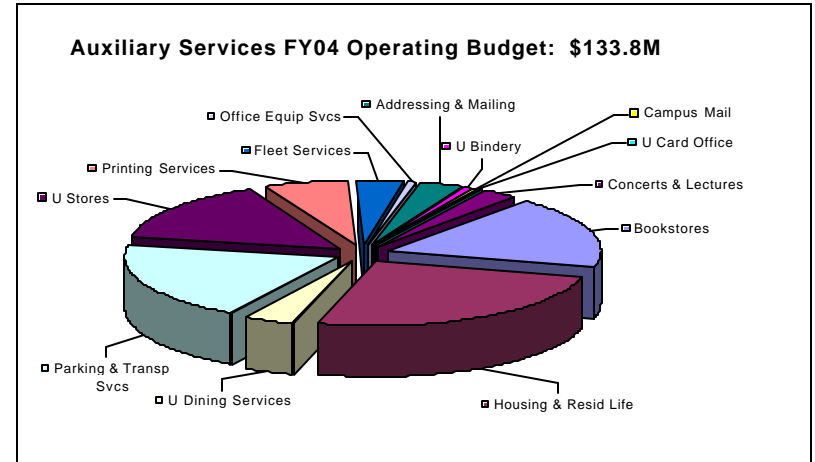
Auxiliary Services is responsible for establishing operating policies, standards and controls to maintain fiscal accountability within the framework of University policies and procedures, and assisting the University in meeting its stewardship responsibilities. Auxiliary Services is also responsible for providing staff and student development opportunities, educational initiatives, and

cultural programs for the University community. Delivering high quality customer service remains a top priority for Auxiliary Services units.

Auxiliary Services serves the University of Minnesota community by providing academic departments, administrative units, students, faculty, staff, parents, visitors and guests of the institution with goods and services that are 1) essential to academic and administrative success; 2) convenient; 3) user friendly; 4) customer driven; and 5) readily available at a quality-for-cost ratio that is not consistently available in the community. Additionally, Auxiliary Services must be constantly interactive with academic, administrative and student groups throughout the planning, delivery and evaluation of products and services offered. Finally, our mission includes the responsibility to judiciously budget for planned operating costs, debt service, reasonable contingencies, approved margins and reserve requirements so that services can be fully self-supporting and not constitute a future liability against institutional resources. By continuing to identify and build upon best practices and avoiding duplication of infrastructure and services, Auxiliary Services strives for continuous improvement in all its services, programs and product offerings.

Auxiliary Services Departments Include:

- Housing & Residential Life (H&RL) (Area 590)**
- University Dining Services (UDS) (Area 589)**
- Parking & Transportation Services (PTS) (Area 592)**
- University Bookstores (Area 593)**
- University Stores (Area 557)**
- Fleet Services (Area 805)**
- General Services (Area 591)**
 - Printing Services**
 - Addressing & Mailing (A&M)**
 - Campus Mail**
 - Office Equipment Services (OES)**
 - University Bindery**
- Concerts & Lectures (C&L) (Area 311)**
- U Card (Area 791)**
- Auxiliary Services Administration & Technology (Area 588)**



H&RL:	\$33,625M
A&M:	\$4,508M
PTS:	\$25,968M
C&L:	\$3,675M
Bookstores:	\$24,218M
OES:	\$856M
U Stores:	\$20,411M
CM:	\$729M
Printing:	\$8,670M
Bindery:	\$594M
UDS:	\$5,469M
U Card:	\$586M
Fleet:	\$4,535M

B. UPDATE - MAJOR LONG-TERM GOALS & PRIORITIES

1. Enrich the Undergraduate Experience

Housing & Residential Life will continue to offer co-curricular experiences for students residing on campus in an effort to strengthen and support the undergraduate student experience. In 1996, two on-campus Living Learning Communities (LLC) existed, Residential College and Honors housing. As of fall 2003, twenty-two LLCs housing between 900 and 1,200 first-year students exist on the Twin Cities campus. For fall 2004, one additional LLC will be added, the Transfer Student House. This new LLC option will be geared toward first-year transfer students, and the LLC will offer assistance and programs to ensure transfer students' acclimation to Minnesota's academic and extracurricular environment. H&RL continues to identify ways to increase faculty and alumni participation in the halls and increase involvement of returning residential students as leaders in the first-year experience program. The current Living Learning Communities structure will continue to be reviewed, reevaluated and modified, as appropriate, in conjunction with the Vice Provost and Associate Vice Provost for Undergraduate Education, the Associate Vice Provost for Student Affairs and other faculty leadership. The Director, H&RL, will continue to represent H&RL as a member of the Student Affairs Director group to

ensure a strong link exists between H&RL and other student oriented offices and programs across campus. In addition, H&RL will continue to provide in-hall Academic Service Centers, tutors, computer labs, cyber cafes, leadership development opportunities, and on-going educational, cultural and social programs for residential students.

2. University Dining Services Plans in the Renovated Coffman Union

In January 2003, Coffman Memorial Union reopened after an extensive, three-year renovation. The new CMU dining operations, including a main food court and two satellite operations (Starbucks and M deli), opened and were very positively received by students, staff and faculty. UDS plans to open the CMU First Floor Café in September 2004. The build-out of the Café was originally placed "on-hold" due to CMU project budget restraints. The Café's product offerings and hours of operation are currently under discussion. During FY05, UDS, CMU management and students will continue to evaluate CMU hours of operation and food offerings in an effort to best meet the needs and expectations of the campus community.

3. Bookstores Facilities Consolidation

The new 45,000 square foot CMU Bookstore opened in March 2003. By combining the East Bank, West Bank and Health Sciences bookstores into one store,

many improvements and efficiencies have been achieved including; enhancing the bookstore's academically-oriented selection of books; creating one-stop shopping for students/customers; improving efficiencies in staffing, systems and inventory; and improving the University's position to support expanding e-commerce.

In order to ensure the success of the new CMU Bookstore, financial commitments made during the planning process must be honored and implemented. These commitments include limiting the escalator on annual rent increases, the exclusion of common space charges in annual rent charges, the development of temporary warehouse space to replace the lost Williamson Hall space at no cost to the Bookstores, and the identification, construction and/or relocation of permanent warehouse space at no cost to Bookstores. During FY05, solutions for the temporary and permanent Bookstores warehouse needs will be explored and, ideally, finalized. Discussions and decisions regarding the future scope and role of the St. Paul Campus store will take place, including the feasibility of closing the store, or developing a primarily retail (no textbooks) operation for the St. Paul Campus.

4. Continue to Assess Demand for Student Housing

Increasing the number of residence hall spaces on the Twin Cities campus has been a priority for H&RL

since the mid-1990s. The May 1st deadline to house all first-year students, the shrinking housing rental market in the Twin Cities, and the growing retention rates of students living in the residence halls necessitated incredible on-campus growth in individual student housing. In fall 1995, standard capacity was 4,568 beds. With the opening of Wilkins Hall (1996), the Territorial (1999), Middlebrook (2001) and Frontier Hall additions (2001), University Village (lease 1999) and Riverbend Commons (fall 2002), standard on-campus capacity is 6,310, with the capability of adding 349 "expanded housing" beds. Few institutions in the nation have experienced such rapid growth in their individual student housing programs. With this growth, the housing system has assumed \$55 M of new debt, which, in turn, has impacted room and apartment rates. Numerous private developers continue to build new housing near campus (1,077 new units in 2002 and approximately 1,000 new unit in 2003). H&RL will closely monitor the impact of the recent on and near campus new housing developments over the next 2-3 years and assess future needs, if any, at that time. During FY05, H&RL will continue to work closely with representatives from the Graduate School to identify affordable housing opportunities, both on and near campus, for graduate and professional students.

5. U-PASS / Metropass Program

In the fall of 2000, Parking and Transportation Services fully implemented a deeply-discounted bus pass program that provides metro wide, 7 day a week transit access for the University community, including students, staff and faculty. With the U-PASS/Metropass initiative now in its fourth year, transit ridership has increased 114%, from 7,000 to 15,000 riders, since fall 2000. A federal CMAQ grant and student fees funded the first three-plus years of this program. For FY05, PTS will recommend a \$2.50/semester student transportation fee increase and a \$5.00/semester Pass price increase to replace previous grant funding and ensure continuation of the programs. Parking and Transportation will also continue to explore various federal and state funding avenues in an effort to financially support the U-PASS/Metropass programs in the future.

6. Continue to Advance the Partnership between the University and ARAMARK

ARAMARK operates and manages residential dining, retail dining, catering and vending services on the Twin Cities campus. In fall 2000, the University and ARAMARK recommitted to making food service both successful and exciting for students, staff and faculty by identifying and remedying contract-related roadblocks, developing strategies to improve food quality and customer satisfaction, and identifying

ways to improve the financial return to the U and ARAMARK. The relationship continues to grow, service improvements have been implemented, venues have been remodeled and menus refreshed. FY05 plans include upgrading production facilities and differentiating menu offerings in the Pioneer Hall residential restaurant; exploring the opening of a new retail venue in the Vet Clinic; and examining the feasibility of opening a new coffee venue in Architecture. UDS (both ARAMARK and Contract Administration) will continue to seek student, staff and faculty input on dining related changes and upgrades that customers view as essential.

7. Continue to Identify Ways to Streamline Operations

All Auxiliary Services departments will continue to develop ways to streamline business practices, eliminate duplicative infrastructure and services, and leverage resources where appropriate and possible. All departments will continue to develop and implement ways to provide efficient and cost effective services and products for all internal University departments and collegiate units. FY05 initiatives include: utilizing current staff to support Concerts & Lectures operational needs; determining with Facilities Management personnel whether their supply and equipment room/tool crib acquisition and distribution needs can be met via University Stores; the merger of Addressing & Mailing and Campus

Mail; the alignment of Fleet Services within Parking and Transportation Services; and utilizing the U Card Office ID badge production capabilities to assist departments in producing employee ID badges, eliminating the need for departments to purchase and/or maintain ID production equipment.

C. NEW LONG-TERM GOALS & PRIORITIES

1. Reorganize On-Campus Mail Services

Effective July 2004 the departments of Campus Mail and Addressing & Mailing will be merged under the leadership of Neil Grass, Director A&M. The new department will retain the title of Addressing & Mailing. Campus Mail sortation will move from its current location in South Stores to the Printing Services Building. All mail related delivery/distribution and Campus Courier operations will be dispatched via University Stores. This consolidation of mail related departments into PSB, and the realigning of mail distribution operations under U Stores will save approximately \$100,000 in O&M funding over the next two years and reduce the number of delivery vehicles on campus.

2. Investigate Ways to Reduce Fleet-Related Insurance Costs

15-Passenger Van Usage

In April of 2001 the National Highway Traffic Safety Administration (NHTSA) issued a warning of the rollover risks of 15-passenger vans. In November 2002, Fleet Services initiated a training program for all drivers of 15-passenger vans on all campuses. Currently, departments are not allowed to reserve 15-passenger vans unless they have a designated driver who has completed the required training program. Further review is required to determine if training positively impacts driver performance, and whether the benefits of providing the convenience of 15-passenger vans for customers outweigh the potential liability and financial risks associated with these vehicles. A recommendation on the continued use or elimination of 15-passenger vans will be made once the assessment of the required training program is completed.

Vehicle Loss Control Program Review

Fleet Services is in the process of updating and revising the policies and procedures associated with the University's "Vehicle Loss Control Program". Part of the review process will include a recommendation that annual driver licenses checks be conducted for individuals who routinely drive University vehicles to ensure U drivers have valid licenses. The Vehicle Loss Control Board is also

considering mandatory driver training for employees who regularly drive University vehicles.

3. Web/Technology Improvements (Improved Customer Service)

In FY05 Auxiliary Services' units will continue to investigate and implement technology enhancements to better serve customers and/or improve business performance. Planned enhancements include the following:

- Provide on-line, detailed billing information to customers. (U Stores – completed; PTS and Fleet currently being developed).
- Replace the current Housing Management System.
- Investigate a U Card associated on-line, declining balance program.
- C&L upgraded ticketing system to include on-line seat selection and ticket printing.
- Fleet Services on-line vehicle rental reservations.
- Integrate the “Books in Print” database, health sciences area, and the school and art supplies areas into Bookstores e-commerce website.
- In conjunction with U Libraries and Disability Services, examine and develop digital book scanning capabilities (Printing, Bindery).
- Expand the functionality of U Stores web page by adding split distributions for orders; back-

order information; and upgraded product search capabilities.

- Develop an online contract parking lottery system for residence hall students and online PTS customer surveys.
- Provide on-line access for UDS catering orders.

4. Define and Align Campus Food Service Core Competencies and Contract End Dates

Dining related services on-campus are currently managed across three vice presidential units; the Vice President for University Services (UDS), the Vice President and Chief of Staff (athletic concessions), and the VP and EVP for Faculty and Academic Programs (recreational sports concessions). University Dining Services currently manages residential dining, retail dining, catering, vending and beverage related services via the University's ARAMARK Campus Services (effective through June 2008) and Coca-Cola (effective through June 2006) contracts. Effective March 16, 2004, UDS/ARAMARK will begin providing concessions for Northrop auditorium (concessions previously provided by Blue Bell.). This contract is an initial two-year contract with possible renewals through June 2008. ARAMARK Sports & Entertainment is contracted to provide concession services in athletic and rec sports venues through June 2004. The RFP for these two concession areas was released in

February 2004 and includes terms for a three-year contract, with the possibility of a one-year renewal through June 2008.

As the University continues discussing and identifying core competencies of departments and collegiate units across campus, further discussion needs to occur regarding how all food service related areas on campus can be better coordinated and leveraged. Better coordination and oversight can lead to financial and operational efficiencies for both the University and the successful contractor. In FY05, UDS will continue to explore how the U can more effectively and efficiently provide food and beverage related services to the Twin Cities campus community. In addition, as of March 2004, all food contracts have been coordinated and aligned with a June 2008 end-date. Discussions are underway regarding the possible extension of the Coca-Cola beverage agreement for an additional two years, through June 2008. UDS leadership believes that the University could realize economic and programmatic benefits in the future by simultaneously bidding all Twin Cities campus and/or coordinate campus food and beverage requirements.

5. Reorganize Transportation Services

In FY05, Fleet Services will be more closely aligned with the department of Parking and Transportation Services (PTS). Fleet Services and PTS will work to

develop ways to leverage their resources and eliminate duplicative infrastructure and/or services in an effort to provide internal University departments and collegiate units the most cost effective and efficient services possible.

6. Work to Ensure the Success of Coffman Memorial Union

University Dining Services, University Bookstores, Printing Services and the U Card Office all play a significant role and have a vested interest in the success of the newly renovated CMU. Auxiliary Services leadership will work closely with the Chief Student Affairs Officer to ensure that policies and procedures are in place that provide CMU management and the Auxiliary Services departments housed in CMU the greatest opportunity for operational success and financial viability. The AVP, Auxiliary Services and the AVP, Student Affairs will continue to provide leadership for the newly created “Coffman Steering Committee”. During FY05, the Steering Committee will work to develop informational and financial reporting mechanisms; explore joint marketing efforts; identify customer survey and assessment needs; develop a renewal and replacement plan and timeline; and offer support to CMU’s Late Night Programming Initiative.

7. Enhance Residence Hall Security Efforts

During FY05, Housing & residential Life staff in conjunction with the department of Public Safety will identify ways to enhance security in the University's on-campus residence halls and apartments. A weekend access-monitoring program will be implemented beginning fall 2005 in all eight residence halls at a cost of \$110,000. Residents and their guests will need to show identification before gaining entrance to the halls on Thursday, Friday and Saturday nights. The Director, H&RL, and the AVP, Public Safety will continue to work together to improve and enhance on-campus housing safety and security.

D. DIVERSITY ASSESSMENT & PLANNING

Auxiliary Services departments strive to provide a work environment that is diverse, humane, respectful, and welcoming for all people. Units strive to provide equal opportunity to all employees and applicants for employment in accordance with all laws and University policies. Departments also attempt to support individual employee career advancement, assist all individuals in achieving their career goals, and provide opportunities for increased responsibilities and skill development whenever possible. Housing & Residential Life remains committed to providing an on-campus living

community for students that values diversity and promotes dignity for all people.

Auxiliary Services supports all departmental diversity related initiatives including the following:

- Offer residential students diverse Living Learning Communities including the Global Studies House; Women in Science & Engineering; Women's Studies Cluster; four language houses (German, Spanish, Italian and French); and the Anthropology House.
- Provide on-going staff training and development in the area of workplace diversity.
- Provide bi-annual Respectful Workplace and Harassment training for employees in all Auxiliary units.
- Offer educational and cultural programming for residential students.
- Support and actively seek out targeted group businesses.
- Develop succession plans.
- Actively recruit applicants from under-represented groups.
- Conduct annual employee surveys in order to assess the workplace environment and develop strategies for improvement.
- Identify workplace opportunities that offer increased responsibility and skill development, typically in augmented employment agreements.

- Parking & Transportation continues to financially support MetroMobility to ensure all students, staff and faculty have easy, convenient and accessible access to the Twin Cities campus.

E. OUTREACH & CIVIC ENGAGEMENT

Auxiliary Services departments continuously work to identify ways to strengthen the University's outreach mission. Departments continue to develop ways to support initiatives that strengthen the University's presence and role statewide and regionally, increase the public's understanding and support for the U and its programs, and enhance the U's research mission. Specific outreach initiatives include:

- The three-year partnership between Addressing & Mailing (A&M) and AccessAbility, a program designed to provide opportunities for self-sufficiency for people with barriers to employment and community inclusion. AccessAbility employees meticulously match and hand-stuff thousands of envelopes that are then processed and mailed via A&M.
- Concerts & Lectures participates in the Statewide Audience Development Initiative and actively attempts to draw K-12 students to Northrop Dance Season events. C&L also routinely shares the resources of visiting artists with area schools and community organizations

- University Stores supports University-related Biotech start-up companies via their on-going supply sales relationship with these companies.
- Printing Services and Addressing & Mailing provide consultation, printing, storage and mailing services to the National 4-H Cooperative Curriculum System through a three-year service agreement.
- Housing & Residential Life and University Dining Services provide on-campus living experiences for youth group camps and events each summer. Many of these youth, all prospective U of MN students, receive their first U of MN experience through these events.
- Residential students volunteer their services at and fundraise for local community events and programs including Ronald McDonald House, local food shelves, and annual clothing drives.
- UDS actively seeks out local and regional Targeted Group Businesses and assists in bringing TGB businesses and products to campus.
- UDS continues to participate in the University's Regional Sustainable Partnership Initiative through their work with the Local Food Growers Group.
- Housing & Residential Life and the Center for Citizenship and Democracy sponsor a Living Learning Community, the Public Achievement House. Students in this community identify areas

they are interested in exploring and changing in order to improve the community around them.

F. ENROLLMENT MANAGEMENT: N/A

G. FACILITIES ISSUES

1. Commonwealth Terrace Air Quality

In winter 2001, a major mold problem was discovered in Commonwealth Terrace (CTC) Phase IV buildings. Conditions currently exist that cause condensation and mold to form on apartment interior walls, corners of ceiling/walls and below the windows. During summer 2002, one building, Building 57, was abated and renovated at an estimated cost of \$672,000. A second building was renovated in summer 2003. H&RL's capital plan includes the renovation of one building per year until all nine units are completed. The Phase IV renovation will impact CTC's capital plan and, subsequently, student rental rates.

2. Housing & Residential Life Fire Safety Upgrades

As of December 2003 all Twin Cities campus residence hall sprinkler and fire system upgrades have been completed.

3. East River Road Garage (ERRG) Dewatering Project

When the East River Road parking garage opened in January 2002, a significant amount of ground water continued to flow through the garage's north and east cliff-walls. During the winter of 2002, a significant amount of the ground water turned to ice causing customer safety issues and cliff-wall stability concerns. The initial design of the cliff-walls was inadequate to address the large volume of water flowage leading to the huge ice build-ups, rock fracturing and a large amount of debris filling the designed drainage trench system. Several engineering, geotechnical and construction experts have been consulted for possible solutions. In fall 2003 a temporary wall was constructed covering a part of the effected cliff-face, allowing heated air to be contained between the wall and the ground water flowing from the cliff. Ice did not accumulate where the cliff was heated. The installation of a wall and the introduction of heat have proven to be excellent low cost remedies to prevent ice build-up on the rock-face. During FY05, remediation of the rock face will be initiated, access to perform ongoing maintenance on the drainage trench will be developed and a more permanent heat-containing wall structure will be investigated in an effort to prevent ice accumulation and maintain rock-face stability.

4. Close Sostanza Retail Dining Venue

At the end of the 2003-04 academic year, UDS will close one retail food venue, Sostanza, located in Moos. Sales at Sostanza have declined since the opening of the new food venues in Coffman Memorial Union. Many former Sostanza customers now choose to eat in CMU where a greater variety of food choices are available. Academic Health Center leadership is supportive of UDS' plans to close this venue.

5. Identify Bookstore Warehouse Space

The current Bookstore warehouse and office space located in Williamson Hall needs to be relocated now that the new CMU Bookstore is fully operational. At the time Bookstores' management agreed to build a new 45,000 square foot store in CMU, central administration committed to replacing both the Williamson Hall offices and the Williamson and Blegen warehouse spaces at no cost to Bookstores. A temporary warehouse solution is currently being designed. Discussions continue as to where the new, permanent warehouse space will be located.

6. Consolidation of Superblock Residential Dining Venues

Currently two residential dining facilities serve residence hall students living in the Superblock, one is located in Pioneer Hall and the second is in

Centennial Hall. The Pioneer dining facility is UDS' oldest facility (non-air-conditioned and very out-dated), and Centennial is newer, air-conditioned, and more updated, but it has a much smaller kitchen. Creating one residential dining facility in the Superblock would create significant operating efficiencies, especially in the area of labor. In FY04, H&RL and UDS explored the feasibility of consolidating the two dining facilities into one of the existing facilities versus constructing a new, single facility located in the center of the Superblock. Consolidation into one of the existing facilities, most likely Centennial, was deemed most economically feasible. During FY05, discussions regarding the potential impact of the Clinical District planning on the Superblock will occur and design options will continue to be explored. Pending the outcome of the Clinical District plan, a tentative food service renovation date of 2008 is targeted.

7. Northrop Strategic Plan

Concerts & Lectures has developed a comprehensive strategic plan for Northrop Memorial Auditorium. Northrop, set to celebrate its 75th anniversary in 2005, is a facility in desperate need of renovation. Accessibility and safety issues, outdated electrical and HVAC systems, inadequate stage support and performer dressing facilities, and an outdated auditorium are only a few of Northrop's issues. The projected cost to renovate Northrop currently stands at

\$35 million. Cost estimates are being reviewed and a market analysis has recently been completed.

Northrop with its 4,500-seat auditorium fills a unique Twin Cities market niche. Its competitors are limited to 2,000 to 3,000 seats (State and Orpheum theaters), or over 10,000 seats (Target and Excel Centers). In order for Northrop to realize its operational and financial potential, a major facility renovation is required.

8. On-Campus Stadium

Parking and Transportation Services continues to develop parking and transit plans geared toward the construction of a new on-campus stadium. PTS personnel will continue to assist Central Administration in determining game-day parking needs, identifying temporary campus parking options for customers during construction, street rerouting/reconstruction requirements, and transit/shuttle options.

9. Major Capital Investment Priorities

During 2004-05, Auxiliary Services units are scheduled to initiate 20 capital projects totaling \$7.176 million. A complete list of projects is included in the Report Summary section.

H. OTHER FINANCIAL ISSUES

1. Debt Service Obligations: H&RL, PTS and Bookstores

In FY05, with \$55.8 million in debt obligation, approximately \$3.2 million of Housing & Residential Life room revenue will be committed to bond principal and interest related expenses. For FY05, 11.8% of a student's room cost will be needed to cover the principal, interest and depreciation on Frontier, Middlebrook, and Territorial additions, and the construction of Riverbend Commons. H&RL fall occupancy must remain above 100% in order to generate sufficient revenues to cover annual operating expenses and debt service obligations. During FY05, H&RL will explore options to reduce residential etherjack and/or telecommunication expenses in an effort to keep room rates affordable and competitive with the off-campus housing market.

In FY05, Parking and Transportation Services will have approximately \$85 million in debt obligations. Approximately \$6.1 million of PTS' annual revenues are committed to servicing debt. University Bookstores current debt obligation is \$ 2.9 million.

2. FY03-04 Anticipated Rate Increases

Estimated FY05 rate increases for Auxiliary Services units are included in the Report Summary section as

are the Auxiliary Services Price Level Changes for 2004-05.

3. University Dining Services Revenues

The University's current beverage contract directs significant beverage-related funding to initiatives and programs outside of University Dining Services. To a great degree, the financial viability of food service operations depends upon beverage sales/revenues. The future redirection of beverage-related revenues back to UDS operations would positively and significantly impact UDS' ability to improve campus food quality, upgrade food venues across campus, and increase customer satisfaction with on-campus food service.

4. O&M Funding Issues

In FY05, the only budgeted O&M funding that will remain within Auxiliary Services will be within Campus Mail (\$505,528) and Concerts & Lectures (\$406,805). As O&M reductions continue, the University will need to determine if Campus Mail is an "essential" campus service. If it is "essential", alternative-funding sources may need to be identified in order to provide a reasonable (effective) level of service to the Twin Cities campus community.

5. University Bindery

University Bindery is almost exclusively dependent on University Library revenue. In FY05, approximately 90% of the Bindery's revenue will be derived from the Library (approximately \$507,000). As state funding decreases and Library expenditures are limited, the Bindery will be directly impacted. In an effort to be proactive rather than reactive to changes, it will be critical during the next few years for the Bindery and the Library to develop improved methods of communicating and forecasting workload levels and binding requirements/timeframes.

6. Bolstering the University's Economy

Auxiliary Services units will continue to explore revenue-generating opportunities that will bolster the University's economy. Fy05 initiatives include:

- Continue to attract new summer conference business to the Twin Cities Campus. H&RL and UDS will work to identify and attract one new major summer conference/event per year.
- UDS and Continuing Education Conference Center leadership will work collaboratively to increase CECC dining and Center room rental business by investing in capital improvements and developing more customer-oriented program and dining experiences.

- Fleet Services will investigate the feasibility of servicing faculty and staff personal vehicles.
- University Bookstores will expand e-commerce opportunities by integrating health sciences, school and art supplies, and Books in Print database into Bookstores website.
- University Bookstores will continue to identify and aggressively pursue new lines of business and offer a range of merchandise to increase store sales.
- In conjunction with the Central Budget Office, investigate the U-Bid “business to consumer” proposal and determine whether it is an appropriate and feasible/beneficial business enterprise for the University community.
- In conjunction with the Central Budget Office, investigate the pilot advertising program proposal presented to the University to determine if it is an appropriate and financially feasible/beneficial to the University community.

7. CUFS Replacement

Auxiliary Services units annually process over 180,000 financial transactions via twenty different

billing systems; five types of financial documents; over 59,000 departmental customer (CUFS) numbers; 168 expense (object) codes; and four electronic downloads of CUFS information. As the University’s Electronic Financial System (EFS) is replaced it is critical to Auxiliary units that the current CUFS account structure be maintained. The cost to interface Auxiliary business systems to the new EFS will be minimized if the current account structure is utilized.

I. COMPACT DEVELOPMENT

Auxiliary Services management staffs participate in the development and on-going review of specific departmental goals, priorities and strategic planning, as well as overall Auxiliary Services initiatives. Departmental staffs actively participate in the development of annual operating budgets and annual capital budgets. The Auxiliary Services Compact is compiled from staff developed Strategic Business Plans, budgets and departmental documents.

J. DATA PROFILE

Outcome and evaluation measures for individual Auxiliary Services’ units are contained within each unit’s Strategic Business Plan. Strategic Business Plans are available by contacting the individual department director, or by contacting the Associate Vice President, Auxiliary Services. A list of broad-

based FY03 Auxiliary Services' operating indices is located in the Report Summary section.

**K. REPORT SUMMARY & ALLOCATION
SUMMARY**

Report Summary

FY05 Capital Budget
FY05 Proposed Rate Increases
FY05 Budgeted Price Level Changes
FY03 Operational Indices

Allocation Summary
