

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action

Requested: Authorization for the University of Michigan to transact with The James and Grace Lee Boggs Center to Nurture Community Leadership, a Michigan nonprofit corporation (University of Michigan Employee, Stephen Ward, President of The James and Grace Lee Boggs Center to Nurture Community Leadership)

Background:

The University of Michigan seeks approval to transact with The James and Grace Lee Boggs Center to Nurture Community Leadership ("BCNCL") for a lease agreement for University of Michigan use of meeting room space at The Boggs Center located at 3061 Field Street, Detroit, Michigan 48214. The space will be utilized for conducting classroom instruction for the LSA Residential College, Semester in Detroit ("SiD") program.

The proposed lease agreement falls under the State of Michigan conflict of interest statute as Stephen Ward is a University of Michigan employee and party to the lease agreement by virtue of his acting as an officer of BCNCL. However, the statute allows university employees to participate in such lease agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease agreement to the official body that has power to approve the lease agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The lease agreement is approved by a vote of not less than two-thirds of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the lease agreement.
 - ii) The terms of the lease agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease agreement.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

i) The parties to the lease agreement are the Regents of the University of Michigan and The James and Grace Lee Boggs Center to Nurture Community Leadership, a Michigan nonprofit corporation.

ii) The service to be provided is the lease of the following:

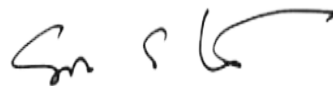
Meeting room space at The Boggs Center located at 3061 Field Street, Detroit, Michigan 48214 for SiD use on certain days and times (each day and time a "Use Period") to be determined during each academic term during a 3-year period beginning August 30, 2023 and terminating August 29, 2026. The fee for each Use Period shall be \$300.00.

iii) The pecuniary interest arises from the fact that Stephen Ward, a University of Michigan employee, is an Officer of The James and Grace Lee Boggs Center to Nurture Community Leadership.

Stephen Ward has met state law requirements with the disclosure of his pecuniary interest and his formal appointment arrangement with the University of Michigan.

We recommend that the Board of Regents approve the agreement between the University of Michigan and The James and Grace Lee Boggs Center to Nurture Community Leadership, subject to the requirements, if any, of a conflict management plan required by the employees' supervisor, and any requirements imposed by the conflict of interest committees of the LSA Residential College.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

October 2023