

**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 to transact with Ann Arbor Symphony
Orchestra, Inc., (University of Michigan Employee, Geoffrey Barnes, First Vice
President, Board of Directors)

Background:

The University of Michigan School of Music, Theatre, and Dance (“SMTD”) seeks approval to transact with Ann Arbor Symphony Orchestra, Inc. (“Ann Arbor Symphony”). The Ann Arbor Symphony will present a concert of piano concerti with four of the SMTD students. SMTD requires a public performance of a complete concerto from all of its Doctor of Musical Arts students, and the best way to attain the full benefit of that requirement is to perform it with an actual orchestra. Ann Arbor Symphony will need to also hire a violinist for the performance and rehearsals, which will be billed to SMTD.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Geoffrey Barnes is a University employee as Assistant Professor of Internal Medicine at the Medical School and would be party to the contract as First Vice President, Board of Directors of Ann Arbor Symphony.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 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 contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

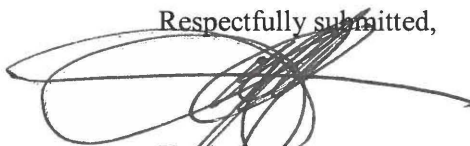
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its School of Music, Theatre, and Dance, and Ann Arbor Symphony.
- ii) The agreement for the concert piano concerti that will also include the cost of hiring a violinist will total \$22,884. Ann Arbor Symphony will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Geoffrey Barnes, is First Vice President, Board of Directors of Ann Arbor Symphony.

Geoffrey Barnes has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisor of Geoffrey Barnes under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and Ann Arbor Symphony subject to requirements, if any, that the supervisor of Geoffrey Barnes or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', with several overlapping loops and a long horizontal stroke extending to the right.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

March 2018