



Budget and Finance Committee

December 11, 2024

Minutes

The meeting was called to order at 10:18 a.m. by Governor Barnhill in the Student Center Ballroom. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governors Barnhill, Gaffney, Kelly, Kumar, and Stancato; Linda Beale, Faculty Representative; Darnecia Donahue, Faculty Alternate Representative; Cordelia Krajewski, Student Representative, Christopher Roberts, Student Alternate Representative

Committee Members Absent: Hayden Johnson, Student Representative

Also Present: Governors Atkinson and Busuito, President Espy, Provost Clabo, Vice Presidents Gielczyk, Lindsey, Obasi, Poterala, Ripple, and Schweitzer, Chief of Staff Smiley, Senior Vice Provosts Baltes and Ezzeddine, Vice Provosts Cotton, Ellis, Interim Vice Provost Padgett, Acting Vice President Thompson, Associate Vice Presidents Davenport and Hafner, Assistant Vice President Phillips, Director Wallace, and Secretary Miller

APPROVAL OF MINUTES, OCTOBER 23, 2024

ACTION: Upon motion made by Governor Stancato and supported by Professor Beale, the minutes of the October 23, 2024 meeting of the Budget and Finance Committee were approved as submitted. The motion carried.

CONTINGENCY RESERVE

There were no changes to the Contingency Reserve. The balance remains at \$375,000.

HILBERRY GATEWAY PERFORMANCE COMPLEX

Associate VP Davenport provided background on this recommendation, which addresses additional design services, materials, equipment, and labor costs for the Hilberry Gateway/Valade Performance Complex. The project faced significant delays and price increases due to the pandemic, which began after the project was awarded for construction in early 2020. These delays and price increases were compounded by changes in site conditions, such as the separation of the Hilberry Gateway Theater from the Gretchen Valade Jazz Center into two separate buildings, and unexpected changes in sewage connections and fiber optics and electrical services. These challenges led to fee escalation, additional design work, and increased construction time and effort. The funding request also addresses a slight gap in the philanthropy component for these two

projects. In total, the recommendation requests just over \$5 million to address the issues outlined.

ACTION: Upon motion made by Governor Kumar and supported by Governor Stancato, the Budget & Finance Committee recommended that the Board of Governors authorize the President, or her designee, to approve spending for additional design services, materials, and labor costs for the renovation of the Gretchen C. Valade Jazz Center and Hilberry Gateway Performance complex, and to backfill unrealized philanthropic funding, in an amount not to exceed \$5,361,000 to be funded from the Reserve for Special Non-Recurring Funds. The motion carried.

KEAST COMMONS REVITALIZATION

AVP Davenport advised that the goal of the next project, revitalization of the Keast Commons, is to activate the green space south of Towers Residence Hall and west of Chatsworth Apartments, transforming it into an inviting and vibrant gateway to campus. The project is consistent with the university's campus plan and addresses issues with the current undeveloped space. A suggestion was offered on possible pursuit of donors to support this initiative. VP Gielczyk advised that this project was included as part of a larger EPA community change grant request, which may provide an alternate source of funding. The project is still in the design phase, with significant progress expected through the summer and into the fall. The goal is to have the project completed by the fall of the following year, with some final touches possibly extending into the spring.

ACTION: Upon motion made by Governor Kelly and supported by Governor Stancato, the Budget & Finance Committee recommended that the Board of Governors authorize the President, or her designee, to approve spending to design, solicit bids, and award contracts for the design and construction of the Keast Commons Revitalization project at a cost not to exceed \$4,300,000, to be funded from the Reserve for Special Non-Recurring Funds and the Housing Authority Office Account. The motion carried.

INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY

There were no questions on this informational report.

PURCHASING EXCEPTIONS

There were no questions on this informational report.

OTHER BUSINESS

Prior to adjournment, SVP Gielczyk introduced Brad Dick, the new Senior Associate Vice President and Deputy Chief Business Officer at the University. SVP Gielczyk is excited about his addition to the Finance and Business Operations team. SAVP Dick provided an overview of his background and experience, which included 18 years with the City of

Detroit in executive roles and prior work in the automotive industry and in the Peace Corps.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted,

Julie H. Miller,
Secretary to the Board of Governors

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Detroit in executive roles and prior work in the automotive industry and in the Peace Corps.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted,



Julie H. Miller,
Secretary to the Board of Governors

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