

ALPHA THETA CHAPTER OF SIGMA CHI FRATERNITY, INC.

Alpha Theta Chapter
founded 1882

M.I.T.
founded 1861

September 10, 2003

Minutes of the meeting of the Corporate Board, held September 4, 2003.

The meeting was called to order at 7:35 PM in the Chapter House Library.

Present: Karl Büttner '87 (Board) Josh Littlefield '81 (Board) Doug Bailey '72 (Board)
P. K. Hadley '72 (Board) Herb Mower '63 (Board) Mike DeLaus '82 (Board)
Rory Foster '04 (G.Z., Board) Mark Curtiss '87 Joe Sikoscow '06 (House Mgr, Board)
Neel Kantak '05 (Consul, Board) Ian Sigalow '01 Soojin Lee '05 (Quaestor, Board)
Bryan DeLeon '06 (Fall Rep.) Mike Kahan '03 Brady Young '05 (Work Week Mgr)
Brian Guerrero '06 (Fall Rep.) Devjit Chakravarti '04 Alex Chernyakov '06 (Spring Rep.)

Absent: Dan Kim '04 (Rush Chair) Tom Faust '80 (Board) Adam d'Amico '99 (Chapter Advisor)
Eric Zhang '04 (Pro Consul) Jay Krone '74 (Board)

Minutes of the April 16, 2003 meeting were accepted as distributed.

CHAPTER REPORTS

Consul Report – Neel Kantak

1. There are now 25 people living in the house, including a Sig from DePauw staying for one term. Our goals include: 1. Have a good rush, 2. Integrate pledges well with a good pledge program. 3. Hold more hangouts 4. Increase communication and initiative among officers.
2. Cook: We are working on finding a full-time cook because not enough brothers want to cook. Initial quote from Phi Kappa Sigma's cook: \$1100 / week (food is included).
3. No Herbies: there will be no trip to the YMCA camp in N.H. this year due to various factors. We are looking to go to Acadia National Forest instead for a weekend getaway.
4. Derby Days: we are starting to plan now. Soojin Lee '05 is the chairman of the committee.
5. Danny Craig '03 is a Balfour Fellow for our Chapter this year.

Rush Report – Neel Kantak for Dan Kim

1. Rush is the second week of classes (9/5 – 9/12). We are shooting for 10-15 pledges. We held rush retreat at the house during work week (because we didn't hold one last spring). Rush is dry (as usual). We are expecting a bid yield of about 50-75%, thus we are hoping to be able to give around 20-25 bids. We'll be doing the big draw events (F1 racing, rock climbing) early in rush, but we have already started talking to freshmen and created a hot list. Next year, we should be done with Work Week before Orientation begins so that we can rush freshmen from the first time they get to campus!

Quaestor Report – Soojin Lee

1. Chapter finances are doing well. We have about \$20k in savings, \$30k in checking accounts.
2. We raised the house bill by \$50/term to \$2700/term (~\$675/month). Rushees don't seem to be too worried about the house bill cost. Our house bill is about the same as the other fraternities and dorms.

3. We plan on charging pledges \$150 for the first term in addition to the usual pledge fees.

Work Week Manager Report – Brady Young (1 handout)

1. Several projects were scrapped: 1) Banister work: missing a major component that we could not make. This is not affecting the safety of the 4th floor banister. 2) 0 floor stairway step: we can't fix it and it is not that loose. 3) 4th floor show drip. 4) Fixing of radiators: those that need work/fixing include: bar, library, vestibule, music room, dining room.
2. Came out well under budget because of the large, scrapped projects.
3. Food expense is not reimbursable. Whatever expenses not covered by Corporate Board will go on House Manager's budget. Buying vacuums is the Corporate Board's responsibility (normal wear and tear clause).
4. Front door re-hanging and pending items: we'll call same people who did the bar door, probably cost \$500 – \$600 dollars. P.K. Hadley will work with Brady on other pending items.
5. Basement electrical work: a breaker blew during IAP. P.K. and Manoj rerouted the circuit onto another breaker in the basement. The electrician said we need to replace the entire breaker box (very costly and very invasive, probably around \$2000). The electrician estimated we have 28 circuits on 18 breakers. If the electrician does work on the box, he would need to bring it up to code. We called MIT's electrician (an independent 3rd party)... still waiting for his opinion. The corporate board should pay for any work done (it's a safety issue). If the box is older than 15 years, we might have to replace it. During renovation, we would probably add a box and rewire lots of the house anyway. P.K. Hadley has the power to speak for the board regarding fund allocation for fixing this problem. The house manager will get a price check first then go ahead and have the electrician fix it.
6. *The board approved a motion to spend \$2400 (\$3250 in expenses, minus \$900 on food) for the completed and pending items.*

CORPORATE REPORTS

President – Karl Büttner

1. AILG meetings since last Corporate Board meeting (2): President Vest put together a task force made up of MIT administration, faculty, and Greek community Alumni/ae. Task force is chaired by Steve Immerman and Patrick Winston (an MIT Phi Delta Theta alumnus) with the goal of looking at the FSILG system and making a recommendation on what MIT can/should do to better student life in these places and MIT in general. Task force helped Vest draft an upcoming letter that expresses his opinions about ILG system at MIT... letter says system is good overall and provides the students with many opportunities. Ongoing task force meetings can be attended by anyone. See <http://alum.mit.edu/alc> for details.
2. Vest's task force will present at the MIT Alumni Leadership Conference (9/20/03). Some content at the conference will focus on Fraternity system specifically.
3. IFC cooperative buying initiative was kicked off: houses will consolidate purchases to negotiate for buying power and better prices. About 12 houses that have/will join so far. Note: they might have a list of electricians and rates. See <http://www.fsilg.coop> for details.
4. We should get a Presidential citation for our 125th reunion at MIT's Alumni Leadership Conference that year. Theta Chi is getting one this year for their 100th anniversary.

Treasurer – Josh Littlefield (1 handout)

1. Corporation's cash balances have gone down dramatically over the last couple of years (\$68k in architect-related expenses, 2002's differed expenses, made 2002 look better than it was). We have lost a lot of money over the last 4 years (we are operating at a deficit now). We have only \$9k in the bank now. We need to operate on cash *positive* basis.
2. We haven't raised the Chapter's rent over last 2 years due to various reasons.
3. We need to raise the Chapter's rent: 1) insurance keeps rising (should be FY02 \$700 higher, FY03 \$700 lower on the handout), 2) annual fundraising is lower this year than FY02 (we held Reunion in FY02), 3) interest income is lower lately, 4) fixed cost expenses are rising.
4. We have not drawn down on the \$100k loan for architecture fees as of yet.
5. We paid 5 quarters worth of taxes in FY03 because of a late payment for FY02 (ditto for 02).
6. We paid more on our mortgage this year. Our mortgage is structured so that we have slightly higher payments with each quarter. We are getting about a 3% interest rate on our mortgages.
7. FY02-03 is representative of FY03-04, but there are higher Beaver Sig expenses in FY02-03 than we would expect, ditto for mortgage expenses.

Capital Campaign – Doug Bailey

1. We have publicly deferred (but not cancelled) the capital campaign due to the current economic situation. Market indices affect people's ability to give (when, how much, etc). We are shooting for 100% participation.
2. The steering committee will look at the critical needs of chapter (their expenditure schedule) in the next months and ways to cultivate major gifts beyond our alumni pool.
3. Raising the necessary money will probably happen over a 12 month period. Earliest the renovation could happen: 2005 time frame.
4. There is bill in the House to make donating to physical plants of fraternities/sororities tax deductible.

NEW BUSINESS

Corporation's Financial Solvency / Chapter's Rent

1. Having only 25 actives in the house is not financially sustainable. The house needs to be as full as possible. We need about 30 people living in the house (especially with a 5th floor) for coordination of rush, work week labor and a healthy Chapter income.
2. A 5th floor costs roughly \$900k, but we need more space than we have now to attract people to the house. We need to revisit these concerns when the architecture plans come up.
3. Corporation should strive to set the Chapter's rent (now \$44,000/year) to cover the Corporation's operational expenses (now roughly \$52,000/year), annual donations should go towards special projects. We need to communicate the vital role that annual campaign plays in helping balance our books.
4. *The board approved a motion* to raise rent by \$4,000 to \$48,000/year, and peg future increases relative to the level of the corporation's operational expenses.

Annual Scholarship Dinner

1. Corporation's expense regarding scholarship dinner: about \$2100 in net. We've had reasonable success to get alumni to pay for their meals in past (we had around 20 alumni meals paid for by alumni last year).

2. Support of the scholarship dinner is a good investment. The Corporation should not have to pay a hefty bill. The Corporation should subsidize the undergrads but not pay for the entire thing. Alumni should be charged for their meals.
3. There should be more formal planning of the dinner in the fall (Chapter committee)... event planning, set date, send out invitations. Jim Black and others are usually willing to help.

Pre-Renovation Building Needs

1. Building Needs committee should get together and look at physical plant issues tackled by the renovation which will need to be done over the next couple of years (in case the renovation is put off any longer). Building Needs committee should meet and talk with House Manager, P.K. Hadley and get back to us at the next meeting.

The next meeting will be **October 28, 7:15 PM** at the Chapter house.

The meeting adjourned at 10:15 PM.

Respectfully submitted,
Mike Kahan, class of 2003
Corporate Clerk