

ALPHA THETA CHAPTER OF SIGMA CHI FRATERNITY, INC.

Alpha Theta Chapter
founded 1882

M.I.T.
founded 1861

November 26, 2007

Minutes of the Annual Meeting and Board of Director Meeting of the Alpha Theta Chapter of Sigma Chi Fraternity, Inc. held November 6, 2007.

The annual meeting was called to order at 7:27 PM in the Chapter House Library.

ROLL

Present - 8 of 15 Board Members

Alumni Board Members – 6 of 8

- Karl Büttner '87, President of the Corporation
- Josh Littlefield '81, Treasurer of the Corporation
- Daniel Craig '03, Clerk of the Corporation
- Herb Mower '65, Alumni Risk Manager
- Jay Krone '74, Board Member

Undergraduate Board Members – 3 of 7

- Thatcher Clay '09, Consul
- Luke Cummings '10, Co-House Manager
- Jeff Mekler '10, Board Representative

Others

- Mark Curtiss '87
- Kurt Gerstner, Gamma Pi '78

Absent – 7 of 15 Board Members

Alumni Board Members – 3 of 8

- Doug Bailey '72, Board Member
- Mike Delaus '82
- Chris Johnson '02('03), Board Member

Undergraduate Board Members – 4 of 7

- Doug Halket '09, Quaestor
- Ben Pope '08, G.Z.
- Neil Zimmerman '09, Board Representative
- Jeff Mekler '10, Board Representative

REVIEW OF MINUTES

Minutes of the November 14, 2006 annual meeting were accepted as distributed by e-mail.

Minutes of all previous meetings are available on the chapter website at <http://sigmachi.mit.edu>.

CORPORATE REPORTS

President – Karl Büttner

1. Past year good for corporation, appears good for the chapter too.
2. Chapter seems happy with pledge class, despite smaller than hoped for size.
3. Academics, athletics going well.
4. Very successful reunion, largest ever. 358 total in attendance, including actives, alumni, and guests.
5. Restarted work on renovation. Began detailed planning with Tom Hecht, our architect, and Shawmut Construction, our contractor.
6. Good progress in lead gift phase of capital campaign. Work with Charlie Frick going well, though schedule will slip to early Q1 08 due to scheduling and travel constraints.
7. Annual campaign doing well for the last few years. As of yesterday, 132 donations (some may be from the same donor) as opposed to 145 last year. \$25,097 total. (handout)
8. There were additional donations specific to the reunion and advanced gifts for the renovation that are not included on the annual fund list.
9. Communication tool improvements for reunion. Began using Constant Contact, which was successful. Used it for the annual meeting announcement for the first time this year.
10. Submitted FY06 IRDF operating grant application. Thanks to Thatcher for stepping in to help.
11. Senior dinner held in May, Pledge dinner held in September.
12. MIT, from the top down, continues to pledge its support for the FSILG system.

Treasurer – Josh Littlefield

1. Switched to new accounting system, Peach Tree as opposed to Quicken. More comparable to QuickBooks.
2. Transition was difficult to import history, so only have FY06 in this system. FY07 will formally close in the new system.
3. Balance Sheet
 - a. Assets
 1. Assets look good, but this is due to the \$100,000 IRDF loan, so liabilities increased accordingly.
 2. Receivables from chapter has amount they were behind from previous rent, plus some other items like dinners.
 - b. Liabilities
 1. Accts Payable is some Stewart Howe capital campaign, pending mortgage payment. Pre-construction is tallied elsewhere.
 2. Will pay off first mortgage very soon.
 3. Use restricted assets is the set-aside fund for educational expenses.
 4. Net income of the loss of 78,000 is the net amount we spend on operations last year.
4. Revenues
 - a. Rent increased by \$3000 over previous year.
 - b. Annual fund was slightly lower than last year, but not significantly.

- c. Gifts from Class of '65 who held their reunion at the house, netted about \$700, which they requested we keep.
 - d. Had a loss on grants because credited the chapter \$5000 for educational equipment purchases that expect to receive back from IRDF operating grants.
 - e. \$5400 in donations for reunion.
5. Expenses
- a. Doug's gift paid for initial feasibility study. Additional expenses have been for quiet phase fixed and travel expenses.
 - b. Had hoped to receive some donations to help cover the campaign, but the tax issue of donating to a 501(c)7 has reduced that. Have been using IRDF loan and reserves to cover costs.
 - c. Reunion cost \$7200, which is more than expected. Budgeted \$4600 total. But it seems to have helped with fundraising, so it was a good investment.
 - d. Joined Society for the Preservation of Greek Housing, which has \$300 annual fee and initial fee. This will allow donations to move through it for a very small fee.
 - e. Corporation is funding house IS&T backup of webserver. Not sure if it's been set up yet.
 - f. Net went pretty well into red this year, but most of that was capital campaign. Beside that and the reunion, much closer to budget.
6. Looking to separating accounts for campaign. Specifically, looking at Unified Charter Accounts from California non-profit council. Provides templates and helps generate reports and tax forms. Still need to work this out. Mark would like to help.
7. Cash Flow
- a. Lists out spending items, like CO system, new furniture, etc.
8. Current Balance Sheet
- a. Monthly payments to architects.
 - b. Chapter owes net only \$15,000 after their spending on our behalf.
 - c. Grants receivable is what we expect from the FY05 and FY06 IRDF operating and educational grants.
 - d. SPGH grants receivable. Fully expect to get reimbursement for pre-construction costs. Have pledges to donate to SPGH lined up for costs that they have approved.
 - e. With grants receivable, assets look good, which will improve our cash position.
 - f. Current liabilities are mostly pre-construction costs.
 - g. Members and directors payable is for expenses for reunion like paying for the band.
 - h. Have spent \$196,000 in pre-construction costs since restarting renovation project.
9. Will be learning more from other house treasurers as we move into this new accounting system.

CHAPTER REPORTS

Thatcher Clay – Consul

1. Shakeup at FSILG administration. David Rogers is gone. Kaya Miller is now filling his role mostly, though there is someone officially in Dean Rogers's old role. Reasons for Rogers's departure are unclear.
2. House has gone well so far.
3. Stayed on FSILG honor role, so at top 1/3 of FSILGs.
4. Brotherhood is strong. Had some rough spots in the spring, but have pulled together well in the fall.
5. Taking charge of on-campus community service event called Splash that brings high school kids to MIT. Chapter brothers are running most of the administration of this project this year.
6. Neighborhood community service
 - a. Soup kitchen
 - b. Neighborhood clean up "Alley Rally"
 - c. (Karl: information about this participation is being used in community relations effort for renovation)

Magister – Thatcher for Eugene Jang

1. Thanks to board for pledge dinner
2. Investiture on February 3, 2008.

Quaestor – Thatcher for Doug Halket

1. Paid corporation for the fall.
2. A few fall term house bills outstanding, though straightening this out now.
3. New expenses. TV had a bug in it that would have been more expensive to fix than to replace. New TV has extended warranty.
4. Planning to replace couches soon. Will be looking at more modular seating. Should be reimbursable as furnishing for educational areas.
5. Tried to start aluminum recycling plan, but had some problem with an application. MIT says it will add us to their pickup service and pay for it, but that is still being arranged.
6. Josh: with latest check, the chapter is square with the corporation through Oct 31.

House Manager – Luke Cummings

1. Had several inspections, should be all set now for the fall
 - a. SLI website helps a lot tracking that.
2. Broken items:
 - a. Doorbell is flaky
 - b. Front stoop light is out
 - c. Door knob in 0 floor bathroom

BUSINESS

Election of Corporate Members

The following table contains the full list of corporate members. Members serve in three year terms.

<u>Elected in 2004 (expiring)</u>	<u>Elected in 2005</u>	<u>Elected in 2006</u>
Adam D'Amico	John Piotti	Doug Bailey
Tom Faust	Mads Schmidt	Mike Delaus
Jay Krone	Nick Bogovich	Peter Hadley
Josh Littlefield	Will Stockwell	Pete Warren
Charlie Wykoff	Neel Kantak	Sean Beckett
Rory Edwards	Kevin Wang	Daniel Craig
Joe Cheng	Albert Chan	Jim Black
Chris Johnson	Mitch Hesley	Rolf Brauchler
	Kurt Gerstner	Ken Dinovo
		Matt Sither
		Ken Dinovo

Dan moved to nominate:

- Tom Faust
- Jay Krone
- Josh Littlefield
- Charlie Wykoff
- Rory Edwards
- Chris Johnson
- Rory Foster
- Matt Sither
- Josh Lake

Mark seconded. Herb moved that the nominations be closed and the secretary place one ballot in favor. No objection.

Election of Alumni Representatives to the Board of Directors

The current Alumni Representatives to the Board are:

1. Karl Büttner
2. Josh Littlefield
3. Daniel Craig
4. Herb Mower
5. Jay Krone
6. Doug Bailey
7. Mike Delaus
8. Chris Johnson

Dan moved to nominate:

1. Karl Büttner
2. Josh Littlefield
3. Daniel Craig
4. Herb Mower
5. Jay Krone
6. Doug Bailey
7. Mike Delaus
8. Kurt Gerstner

Jay seconded. Herb moved that the nominations be closed and the secretary place one ballot in favor. No objection.

Proposed Changes to the By-laws

1. Josh proposed three changes to the by-laws (handout)
 - a. Board of Directors Votes by Email
 - b. Notification of Board Meetings by Email
 - c. Notification of Annual Meetings by Email
2. Discussion
 - a. Current reading appears to require all directors to affirmatively reply to the vote. This is unworkable in practice. None of the four email votes taken this summer received all 15 replies.
 - b. Could add a dissent clause with a majority or super majority.
 - c. Kurt: writing probably counts as mail for votes, so may not be necessary. Notifications by email should be explicitly called out.
 - d. Could make written or email votes treated same as a vote at a meeting, which could be a majority or otherwise defined in the bylaws.
 - e. Amend proposal as written on notes.

After discussion the proposed changes to the bylaws were (additions are underlined, except for subsection titles):

Section 4. Board of Directors

4.13 **Action By Writing.** Any action required or permitted to be taken at any meeting of the directors as specified in section 4.12 may be taken without a meeting of the directors consent to the action in writing, or by electronic mail, and the written consents and printed electronic messages are filed with the records of the meetings of the directors. Such consents shall be treated for all purposes as a vote at a meeting.

Section 2. Members

2.11 **Call and Notice**

(b) **Sufficient Notice.** Except as otherwise expressly provided, it shall be sufficient notice to a Corporate Member to send notice by mail or by electronic

mail (unless requested otherwise) at least one week before the meeting addressed to him at his usual or last known business or residence or electronic mail address or to give notice to him in person or by telephone at least four days before the meeting.

Herb moved to accept. Mark seconded. Pass unanimously.

The annual meeting was adjourned at 9:12 PM

The board of directors meeting was called to order at 9:13 PM in the Chapter House Library.

ROLL

Same as the annual meeting, with the addition of Chris Bukowski '09, Co-House Manager.

REVIEW OF MINUTES

Minutes of the September 25, 2007 board of directors meeting were accepted as distributed by e-mail. Minutes of all previous meetings are available on the chapter website at <http://sigmachi.mit.edu>.

ELECTION OF OFFICERS

Existing officers:

- Karl Büttner – President
- Josh Littlefield – Treasurer
- Daniel Craig – Clerk

Herb nominated the incumbents for their respective offices. Jay seconded. All said they will serve if elected.

Herb moved that the nominations be closed and the secretary place one ballot in favor. Thatcher seconded. No objection.

CORPORATE REPORTS

Alumni House Manager – Dan Craig

1. Nice job by the Active House Managers getting the inspections done and SLI documents straightened out.

Alumni Risk Manager – Herb Mower

1. Dinner with Consul, Magister.
2. Met with pledges after house meeting.

Renovation and Capital Campaign Report – Karl Büttner

1. Official foundation report is received. Good news as expected. Posted in color PDF on the house website.
2. Changes since last board meeting:

- a. Approved scope at last meeting, handed off to Shawmut to start budgeting
- b. Meeting with Shawmut on Friday to review initial budget
- c. This "value engineering" will be an iterative process until scope and budget are acceptable.
- d. Over summer, filed initial permit to get automatic rejection due to non-standard use of the building. Appeal has been resubmitted.
- e. By summer, hope to hit at least \$5M
- f. Herb: undergraduate buy-in was important to Charlie as symbolic for donors. Thatcher: about 75% signed up so far, will work for rest of chapter and pledges after they are initiated.

Research into Society for the Preservation of Greek Housing (SPGH) – Mark Curtiss

1. Working with an attorney to understand all the minutiae of tax law.
2. Current understanding is that SPGH was innovative at the time, but that it could be setup here independently. Such an entity could be setup for MIT FSILGs, possibly be the AILG.
3. We will probably use SPGH, but need to get a revenue ruling from the IRS to confirm their standing relative to our project. It's actually a private letter ruling where the IRS clears it specifically for our project. It may be overkill, but this is a bigger project than they have done before and could provide comfort for our donors.
4. Kurt: Josh found an example in Montana where a house corporation was able to convert into a 501(c)3 in 1998. The provisions of tax law have not changed since then, so it may be possible to alter our articles of organization to include maintaining a historic property as part of the corporate purpose. The only difference was that their building was specifically listed. We are listed as a contributing member of a historic district, but this should count. Mark: application process is a 90-day process.
5. If we want to do it, we would need to
 - a. Amend articles of organization
 - b. Fill out applicable forms
 - c. Submit and wait
6. Josh: Apparently they have no restriction on what funds can be spent on.
7. How do we change articles?
 - a. Section 9 of bylaws specifies our procedure, then just submit form to state.
8. Mark: is there a downside? More scrutiny. Also have to file with Attorney General and additional forms and work for treasurer.
9. Why have not more fraternities done this? Especially places like Chi Phi? Perhaps a lot of non-MIT fraternities do not own historic buildings. Others, like Chi Phi, unsure.
10. Kurt: might not hurt to have a CPA fill out the forms, just to get their experience.
11. Mark: could we check with Sigma Chi headquarters to find out about any other chapters that have done this? How they maintain it?
12. Josh: most people get kicked off of 501(c)3 when they start acting as a for-profit company. Most risky activity is contributions and income from other sources. In our case, summer house income should not be a risk because it doesn't go to corporation. A typical 501(c)7 is a country club. If they have special events for non-members, that's okay. But if it starts regularly allowing non-members on for a fee, then that puts status at risk. Income in those is supposed to come from members. A 501(c)3 is a public charity, so it's less restrictive in

terms of who can give, but you must use it for your stated purpose. As long as you stay within your stated purpose, you should be okay.

13. Josh and Kurt will act as a sub-committee to plan out an application.

BUSINESS

Work Week

1. Approved budget as was at last meeting, but left open possibility for more if needed. None were presented tonight.

FY08 Budget Approval (handout from Josh)

1. Difficult to budget for the renovation, so the budget excludes any SPGH grant and spending on renovation. This will go on the capital budget.
2. Reason income is different is error in reunion line in FY07.
3. Proposes losing \$24,422, mostly because of capital campaign spending.
4. Last year repairs were much higher because of major heating work.
5. Herb moves accept budget. Jay seconded. None opposed.

Approval of Previous Motions Passed Via Email (handout from Dan)

Four votes were taken over email during the summer. They were:

July 13, 2007:

Resolution:

“To approve the spending of \$42,915 to perform foundation examination and assessment work. In addition, to provisionally approve the other pre-construction services described in this email of July 13, 2007, in the approximate total cost of \$200,000 (including the \$42,915 of foundation examination work approved here), pending the determination of a vehicle (or vehicles) for managing the cash flow associated with these expenditures. Further, that the Board’s final approval will be sought once the details of the cash flow plan are determined and before the Corporation is contractually committed to procuring these other pre-construction services.”

Votes:

Yea: 13

Ney: 0

Did Not Vote: 2

August 8, 2007:

Resolution:

"That the Corporation authorize amendments to the Promissory Note (the Note) and Construction/Term Mortgage and Security Agreement (the Mortgage) by and between Massachusetts Institute of Technology (MIT), and the Corporation, which Note and Mortgage are dated January 11, 2002 and which mortgage is recorded on January 16, 2002, in Book 27815, Page 184; said amendments shall change the Conversion Date as described in the Note and Mortgage from December 1, 2002 to September 1, 2007 and change the Maturity Date as defined

in the Note from September 1, 2032 to September 1, 2037. That the President or Treasurer is duly authorized to sign any and all documentation necessary to effectuate said amendments."

Votes:

Yea: 14

Ney: 0

Did Not Vote: 1

August 10, 2007:

Resolution:

"To approve the borrowing of \$100,000 from the MIT IRDF 30 year loan at 3% interest to help support the Corporation's current cash flow requirements associated with the foundation examination work and other activities."

Votes:

Yea: 11

Ney: 0

Did Not Vote: 4

September 21, 2007:

Resolution:

To approve the spending of up to \$160,000, in addition to the specific amount previously approved for Foundation examination by Haley & Aldrich, for execution of pre-construction services (Hecht & Associates, Consultants to Hecht and Shawmut) that were provisionally approved in the July 13, 2007 resolution and described in detail in the email of July 13, 2007. Such services to be engaged according to expected cash flow and committed pledges, and monies committed according to availability of funds.

Votes:

Yea: 11

Ney: 0

Did Not Vote: 4

Herb move to accept four votes, as documented in the handout. Chris seconded. None opposed.

UPCOMING DATES

The meetings of the board of directors will be held on

Monday, February 11, 2008
Monday, April 7, 2008
Monday, September 15, 2008
Monday, November 3, 2008

The meeting was adjourned at 10:13 PM.

Respectfully submitted,
Daniel R. Craig, Class of 2003
Corporate Clerk