

Alumni Board Meeting
August 26, 2021

I. Roll Call

Pop, Meathouse, Bill, Wes Hollenberg, Steven Hong, Chip, Eugene, Neal, Jon Lester, Todd, Jeremy, Randy

II. Alpha Report

a. #1 - Wes

24 guys living in, 22 in spring. 2 graduating. 3 new-I's right now who initiated over the summer, 2 of whom are living in. Recruitment started, great first few events. 5 bids given out, lots of guys expressing interest. 20-25 PNM's right now. Really good spot.

No guidelines from U of I or IFC, but keeping current via the app. All brothers fully vaccinated. Sam is new alumni relations chair, Carter Hian is special events chair.

Alumni weekend, most brothers haven't had much interaction with alumni, hopefully it will be a good weekend and brothers can meet alumni.

Thinking of adding mental health chair next semester.

Events with sororities planned, ramping up all aspects of the Alpha.

b. #4 - Steven

Rent payments for July and August to Alumni board were deferred because of unforeseen expenses. Reserves depleted over the summer. End of July, rent of \$13k was not feasible. Were only able to pay 1/2 of that, mostly because of insurance.

That was made up this semester in the budget, brothers are happy. Things are on track. Insurance, Convention fee, debt to CO has all been accounted for in the budget. We were able to slash \$150/month off of the Lodge bill, competitive with dorm prices.

Steven and the 4.5 plan on being more transparent. Jacob Berg is 4.5.

III. Alumni Corporation Report

a. Treasurer - Eugene

Proposed FY 2021 budget submitted. (See attached.) FY 2020 through August. Rental income – right now, \$13.3K per month. When discussed, it was decided that we needed income of \$16.5K per month to make ends meet and build a reserve. (Original rent price based on DZ numbers was \$18.3K). So starting November 1, rent needs to be \$16.5K per month. Based on comments of Steven, a conversation will need to take place re: rent.

Expenses are going up a lot because more people living in. One thing to help out, be mindful of electricity.

Motion to adopt – Matt. Second: Bill.

Discussion: Chip – how to absorb shortfall if undergrads can only pay \$13k through the end of the year? Eugene: Discussion to take place but we should be ok. Chip: commend the undergrads for what’s going on.

Eugene: a lot of costs are fixed. For next year, it’s really year 0 because of Covid, we can re-evaluate.

Jeremy: landscaping, if we get into tight spot, we can probably handle ourselves. I can come down to help out a few times a year.

Wes: What is the building reserve? Eugene: it is basically our savings, for e.g. the roof, and other major items.

Vote: Budget passes unanimously.

b. President - Property

Past few years have sucked because of Covid, hopefully back to normal. Upward swing past couple of years.

IV. Committee Reports

a. Property - Neal

i. Goals and Priorities

Lodge furnishing – doing well. Only missing 3 bedroom drawers, and 2 library chairs because our guy is weird, so our furnishings are fine. The basement is a different project. Some items are beat up that we need to plan for.

Routine maintenance, have done well. Kept up with initial plan, added a few things. Have added batteries for emergency lights to be replaced every 3 years (\$70 total). Emergency lights also to be replaced.

We have been doing bare minimum, replace doors, etc. No money for those things. But as years go on, will need to save money for those things.

12 bedroom drawers purchased this summer, replaced LED lights, in ground b-ball hoop.

Big projects upcoming – roof. Another small issue, already missing one ridge cap, to left of building. Another chunk missing. No active leak, but not a great sign. Area behind gutters rotted, leading to small leaks. It may be time to get a new roof. Have one quote from local company, other quotes to be coming.

New roof, fascia and gutters, initial quote is \$85k.

Ask: pursue to see if possibilities for funding. ABF? TDS fund?

b. Scholarship – Matt H.

- i. Buell**
- ii. Grant Request**
- iii. Goals/Priorities**

See attached report.

c. Alpha Relations

- i. Live-in Advisor – Jon Lester**

Matty B and brothers are crushing it. The Alpha is definitely on an upward trajectory.

- ii. Chairman – Colin**
 - 1. Gentlemen’s Panel Date**
 - 2. Goals/Priorities**

d. Events – Jeremy

- i. Alumni Weekend**

September 17-18. Golf Friday morning at 10 am.

- ii. Homecoming**
- iii. Goals/Priorities**

Deposit at St. Andres for Founders Day, we should do that again, book something next May.

e. R&T - Todd

i. Spring Initiation Overview

Lightly attend but Initiation went very well. A-room modifications discussed.

V. Old Business - None

VI. New Business

a. Brother Will Harrington Art Donation

Proposed by Dave Romoser. No objection.

b. Nominations

Annual meeting on September 18. 3 spots need to be filled:

President: Matt

VP: Randy

Secretary: Bobby Ennesser

Treasurer: Randy

Trustee: Colin (1 year left)

Trustee: Chip

Trustee: 1 year term - Michael Rivkin, Kaleb Sather, Sam Kluber

Trustee:

AZD of Chi Psi Corp.
Income Statement

| | FYE 2019A | FYE 2020E (3) | FYE 2021B |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenue | | | |
| Rental Income | \$ 105,023 | \$ 153,217 | \$ 198,000 (5) |
| Education Trust | - | 7,760 | 11,000 |
| Alumni Dues | 1,192 | 1,958 | 2,000 |
| Donations | 10,000 | 6,000 (4) | - |
| Misc/Other | 8,529 | 4 | - |
| Total Revenue | \$ 124,743 | \$ 168,938 | \$ 211,000 |
| Expenses | | | |
| <u>Lodge-Related</u> | | | |
| Electricity | \$ (15,802) | \$ (18,184) | \$ (20,912) |
| Sewage | (2,143) | (2,965) | (3,113) |
| Water | (2,399) | (2,877) | (3,164) |
| Waste Disposal | (1,312) | (1,119) | (1,231) |
| Internet | (5,218) | (5,221) | (5,317) |
| Pest Control | (95) | (295) | (380) |
| Security / Alarm Monitoring | (744) | (744) | (744) |
| Landscaping | - | - | (3,400) (6) |
| Utilities Total | \$ (27,712) | \$ (31,405) | \$ (38,262) |
| Mortgage | (78,526) | (77,486) (4) | (72,486) |
| Property Insurance | (8,626) | (10,110) | (11,627) |
| Property Taxes | (32,048) | (38,062) | (43,771) |
| Certified Housing / Inspections | (653) | (300) | (300) |
| Repairs and Maintenance | (4,545) | (2,695) | (2,697) |
| Improvements | - | - | (6,500) (7) |
| Building Reserve | - | - | (24,000) |
| Lodge-Related Total | \$ (152,110) | \$ (160,058) | \$ (199,642) |
| <u>Admin</u> | | | |
| Software | (196) | (480) | (480) |
| Alumni Communication | (125) | - | - |
| Scholarships - Buell | (844) | (3,020) | (3,500) (8) |
| Scholarships - Undergrads | - | - | (4,500) |
| Social | - | - | (500) |
| Nationals | - | (3,785) | (275) |
| Misc. | (2,664) | (298) | (1,800) |
| Admin Total | \$ (3,829) | \$ (7,583) | \$ (11,055) |
| Total Expenses | \$ (155,939) | \$ (167,641) | \$ (210,697) |
| Net Surplus / (Deficit) | \$ (31,196) | \$ 1,297 | \$ 303 |

Notes:

- (1): Fiscal year is November 1 - October 31
- (2): Cash basis accounting
- (3): FY 2020 is actual for November - July 2021 and budget for August - October 2021
- (4): Includes one-time \$5,000 donation applied to mortgage
- (5): Monthly rent increases from \$13,667 to \$16,500 starting November 2021
- (6): Corp takes over responsibility for landscaping starting in FY 2021
- (7): Education equipment and technology with funds from education trust
- (8): Funds received from education trust in FY 2020

AZA Scholarship Committee Report

August 26, 2021

1. Members. The Scholarship Committee consists of the following members: Matthew Hess, ZΔ '00 (chair); Steve McFarlin, ZΔ '96; Bill Novak, ZΔ '03; Kaleb Sather, ZΔ '19; and Michael Rivkin, ZΔ '20.

2. Status of Scholarship Account. There is currently \$6,792.96 in the Scholarship Account. Our 2021-22 grant request was submitted to the Educational Trust (the "Trust") in July, but remains pending until we determine how much of our Dedicated Fund we would like to withdraw (see below).

3. Roles of Committee Members. The following are the roles that each committee member is filling this year:

- a. Oversight of committee, preparation of grant request to the Trust, manage educational funds and oversee Buell Scholarship – Meathouse
- b. Assist with overseeing the Buell Scholarship – Kaleb
- c. Oversight of the in-house scholarships – Bill
- d. Work with the undergraduate scholarship chairman to assist the undergrads with their academics – Rivkin
- e. Oversee the technology needs and educational space in the Lodge – Steve and Rivkin

4. Buell Scholarship

We had 39 applicants for the Buell Scholarship this year. The undergraduates have completed the first round of interviews and have selected 22 finalists. Final interviews were conducted on the weekend of August 20-21. We have identified 6 potential winners and are going to determine the three winners in the near future.

Overall, the crop of applicants this year was much stronger than in the past two years. The only difference I can tell is that we distributed the applications to high schools later this year – in January as opposed to September or October. I don't know if that's the reason, but we should continue sending out the applications in January from now on.

5. In-House Scholarship Update:

Since our last meeting, Bill has developed an application to be used by the undergrads in applying for the in-house scholarships. See attached. I have also conferred with Rob Donat regarding the criteria for his scholarship. I offered him two

possibilities – we either recognize a brother who excelled in recruitment, or we give the award to the brother who exhibits a strong entrepreneurial spirit and achievement. Rob is an entrepreneur, and he would like to go with the latter option.

I have tried reaching out to Bob Quade but have not yet been able to talk to him regarding the scholarship he endowed. However, my recommendation would be to make this a philanthropy scholarship and recognize the brother who did the most for the community.

6. Technology Needs

Steve and Rivkin determined that the below items are the priority needs for the undergrads at this time, and I included all of these items in our grant request to the Trust:

Educational equipment and technology

| | |
|--|---------|
| Qty 2 Dell PC or Mac (2nd & 3rd floor computer | \$3,500 |
| Epson Ecotank wireless printer | \$500 |
| Mesh Wifi 6 router+ 3 satellites | \$1,000 |
| CAD software for two PCs | \$1,000 |
| Misc accessories, supplies | \$500 |
| <hr/> | |
| Total | \$6,500 |

7. Status of Grant Request to Educational Trust

In our initial grant request to the Trust this year, I acknowledged that the size of our fund was not sufficient to meet all of our needs and simply requested a grant of whatever size the Trust would allow. In response, Sam Bessey called to inform me that, with the advent of Dedicated Funds (DF's) for each Alpha, the Trust is no longer restricting us to withdrawing only the interest earned on our fund each year. Rather, we are allowed to tap into the principal as long as it is for an educational purpose. Therefore, before our grant request is acted upon, I need to inform Sam whether we want to go ahead and withdraw the entire amount of our request or only some lesser amount.

The only restriction we have is honoring the requests of Brothers who have donated a certain amount for the purpose of endowing a scholarship in their own name. So far, we have received two such gifts: Bob Quade and Rob Donat each donated \$25,000 to endow an annual \$1,000 scholarship in perpetuity. Therefore, as long as we maintain the balance of our DF at or above \$50,000, we are able to withdraw as much of our fund as we want to each year.

To make matters a little more complicated, we are able to withdraw the operating expenses associated with the educational area of the Lodge directly from the Denny Sanford Fund as opposed to our own DF. If we are able to receive the full amount of our operating expenses from the Sanford fund, our annual grant request in a typical year will look like this:

Annual Scholarships - From our DF

| | |
|---|--------------------|
| Temple Hoyne Buell Memorial Scholarship (3 awards + administration expenses) | \$4,500.00 |
| 4.0 GPA Scholarship (pool to be divided among however many 4.0's we have) | \$2,000.00 |
| Robert Preble Sr. Memorial Scholarship | \$500.00 |
| Robert Preble Jr. Scholarship | \$500.00 |
| George H. Bargh Memorial Scholarship | \$500.00 |
| Thomas L. Humphris Scholarship for Leadership | \$1,000.00 |
| Robert N. Quade Scholarship for Philanthropy | \$1,000.00 |
| Robert J. Donat Scholarship for Entrepreneurship | \$1,000.00 |
| TOTAL | \$11,000.00 |

Building and Equipment - From the Sanford Fund

| | |
|---|--------------------|
| Educational Area Operating Expenses (Sanford Fund) | \$28,515.00 |
| Educational Equipment and Technology (Sanford Fund) | \$6,500.00 |
| TOTAL | \$35,015.00 |

Therefore, we were faced with the question of whether it would be best to tap into our DF in order to fund all of the above, or to continue withdrawing only the interest earned on our DF in order to preserve the fund in perpetuity. After conferring with the executive board, it was decided that we should be conservative with our requests and **only withdraw \$4,500 from our DF** to fund the 6 in-house scholarships. Sam Bessey also suggested that we could **withdraw an additional \$6,500 from our DF** in order to purchase the educational equipment we laid out in our request, and that this \$6,500 could be paid back into the DF from the Sanford Fund next July. That is the request we ultimately made. As of July 1, 2021, we had a little over \$91,000 in our DF, which I believe earned us a match from the Sanford Fund of about \$20,000.

I continue to believe that we should withdraw as much money as we can annually, either from the DF or the Sanford fund, in order to pay down the mortgage, especially since the capital campaign is ongoing and we are going to generate additional gifts in the coming years. However, the Trust will not be deciding on what

requests to grant from the Sanford fund until next July. Once we learn whether we will be able to receive the entire \$35k from the Sanford fund, we will know whether we want to revisit the issue of tapping into our DF for the purpose of paying down the mortgage.

MRH



Alpha Zeta Delta of Chi Psi Fraternity
Undergraduate Scholarship Application
2021-2022

Please select the scholarship(s) for which you are applying (you may choose more than one):

- George H. Bargh Memorial Scholarship** – awarded to the sophomore Brother who demonstrates all-around excellence in scholarship as well as fraternity, campus and community service.
- Robert Preble, Jr. Scholarship** - awarded to the junior Brother who demonstrates all-around excellence in scholarship as well as fraternity, campus and community service.
- Robert Preble, Sr. Memorial Scholarship** - awarded to the senior Brother who demonstrates all-around excellence in scholarship as well as fraternity, campus and community service.
- The Robert N. Quade Scholarship** – awarded to the Brother who exhibits strong campus and community involvement and a commitment to serving the community. Please also prepare a separate document describing your philanthropic experience and why serving the community is important to you.
- Thomas L. Humphris Scholarship** – awarded to the Brother who exhibits strong leadership qualities, both within the Lodge and on campus. Please also prepare a separate document describing your leadership experience and the qualities you believe it takes to be a strong leader.
- Robert J. Donat Scholarship** – awarded to the Brother who exhibits a strong entrepreneurial spirit and achievement. Please also prepare a separate document describing an entrepreneurial venture you have/are/will be participating in, including relevant details, designs, websites, etc. Please also describe challenges you have encountered, how you overcame those challenges, and how you would use the scholarship funding if you were to be selected.

| | |
|--------------------|---------------------------------|
| Name & Year: _____ | Cum. GPA: _____ |
| Address: _____ | GPA this year: _____ |
| Phone #: _____ | Major: _____ |
| Email: _____ | Years lived in the Lodge: _____ |

Please list all of the positions you have held in the Lodge since you were initiated:

List any other honors you have earned or activities you have participated in while at the University of Illinois, including community service activities and leadership positions in other student organizations:
