

**MINUTES OF
THE COMBINED MEETING
OF
THE WESTERN ILLINOIS ALUMNI
OF DELTA UPSILON, INC.
AND
THE WESTERN ILLINOIS ALUMNI CHAPTER
OF DELTA UPSILON**

April 26, 2014

The combined Meeting of the Board of Directors of the Western Illinois Alumni of Delta Upsilon, Inc. and the Western Illinois Alumni Chapter of Delta Upsilon was held Saturday, April 26, 2014 in the Lincoln Room of the Western Illinois Union, Macomb, Illinois per written notice sent to the members in accordance with the By-Laws of the Corporation and the Alumni Chapter.

Call to Order and Attendance

The meeting was called to order at 3:08 P.M. by Vice President Sean Kraus '74. Secretary Keith G. Hill '04 took the minutes of the meeting.

Corporation Board Members in attendance:

Dillon Caplinger '08
Keith G. Hill '04
Tom Kaster '74
Sean Kraus '05
Dave Maguire, SILL '73

Chuck Mooney '74
Eric Leiterman '15, Chapter President
Joshua Zumarraga '15, Chapter Vice
President of Finance

Alumni and Undergraduate Members in attendance:

Antonio A. Asevedo '96
David Behnke '97
Mark Blakey '05
Kip Bordeau '05
Dan Brown '04
Patrick Bruhn '02
Jim Colella '93
Jim Dexter '06
Sean Diven '00
Scott Fain '01
Tom Feldman '02
Justin Ford '95
Frank Garcia '04
Tom Glisson '02
Justin Hall '05
Brandon Harvey '01
Derek Hiland '98
Garret A. Hill '07
Bill Hipkins '94

James Hobson '15
Paul Jaeckle '99
Joe Kessel '01
Jan Klein '11
George Lyon '73
Shawn Miner '01
Rob Pavlis '94
Dan Nafziger '06
Scott Northop '93
Jason Nuyttens '98
Mike Pamperin '01
Gary Richter '74
Roger Taylor, '01
Kyle Thomas '98
Doug Turner '03
Lee Smith '15
Brian Wells '02
Josh Wilderson '00

Vice President Kraus, in accordance with the Alumni Corporation By-Laws, declared that a quorum of Alumni Corporation Board was present for the meeting. In addition, in accordance with the Alumni Chapter By-Laws, he declared that a quorum of the membership of the Alumni Chapter was present for the meeting.

Minutes

Upon motion duly made by Brother Chuck Mooney, seconded by Brother Tom Kaster, and adopted, the reading of the minutes of the January 18, 2014 and the April 13, 2014 meetings of the Board of Directors of the Alumni Corporation were waived and approved as distributed.

Officer reports:

Alumni Corporation President:

The Alumni Corporation has been working closely with the Undergraduate Chapter on current facility needs. As a result of this, Brother T.J. Rinaldi has accepted the position of facility manager with responsibilities including repairs, scheduling work weekends and the opening/closing of the Fraternity House. Brother Tony Asevedo visited the Fraternity house 5 weeks ago to inspect and perform some cursory repairs. President Caplinger has begun working on fundraising and will continue with those efforts. Acting on behalf of the Alumni Corporation the Chapter Advisors have retained the services of the current graduate assistant, Justin Wilson, for the 2014-2015 school year. Additionally, several alumni have contributed to the Famighette Trust Fund to underwrite the educational expense of seven undergraduate members to attend the International Fraternity's Regional Leadership Academy (RLA).

Undergraduate Chapter President:

Undergraduate President Eric Leiterman reported that following the initiation tomorrow of 3 new brothers, the Chapter membership will be at 17 members. There should only be one undergraduate member graduating. There are currently 13 signed contracts for undergraduates to live in the Fraternity house for the 2014-15 school year. The current break-even point for the Chapter and Alumni Corporation is between 11-13 signed contracts depending on total Chapter membership numbers. The undergraduate Chapter reports that they have been struggling with recruitment and ways to assist the undergraduate Chapter will be addressed tonight at the 40th Anniversary Banquet. It was asked if the undergraduate Chapter has someone assigned for the task of Alumni Relations. The Alumni Chair position, which is under the Vice President of External Relations, is currently held by Brother Lee Smith.

Alumni Corporation Treasurer:

The Alumni Corporation Chapter Treasurer Dave Maguire gave a historical perspective of the Chapter and Alumni Corporation's current position. He reported that based upon incidents that occurred in November 2011 and before, membership of the undergraduate Chapter had dropped from over 50 members to 7 in less than a year. This was the result of major loss prevention policy violations and actions that caused the University and the International Fraternity to temporarily suspend the chapter and after investigation perform a membership review putting the Chapter into reorganization status. The International Fraternity conducted membership interviews resulting in the removal or moving to alumni status approximately 25 members. At the end of the Fall 2011 semester 10 of the remaining members graduated and by the start of the Fall 2012 the Chapter membership was down to 7 members.

He reported that as a result of the membership drop, all financial reserves of both the undergraduate Chapter and the Alumni Corporation were depleted. This led to the Alumni Corporation being unable to pay almost \$20,000 in accumulated expenses. Part of that unpaid expense is \$15,000 in back property taxes from the past two years. The taxes are about \$6,000 per year plus penalties and interest. Going forward the immediate financial concern will be the back taxes as must be paid by 2015. In September of 2013, the property insurance on the Fraternity house had lapsed. Through efforts of Vice President Kraus we were able to get the insurance reinstated and are current for the 2014-2015 year.

Treasurer Maguire further reported that since January of this year the Corporation has been to keep

current with all operating expenses and mortgage payments. Given the improvement in numbers of the undergraduate Chapter and signed contracts to live in the Fraternity House, both the Alumni Corporation and the Undergraduate Chapter should be able to remain current on existing bills. This would include paying this year's property taxes and ending the year with a positive cash flow. The \$20,000 of previous years bills would still remain a problem that will need addressed.

The main mortgage on the Fraternity house is currently about \$115,000, which is 8 years into what was a 15 year \$195,000 note. In May of 2013 we amended the agreement to allow a lower payment for four years in order to get our financial position in order. The fair market value of the house and property for the determination of property taxes is 205,950. Last September the reconstruction cost for the building, as determined by a third party inspection ordered by our insurance company, was established at \$1,764,033. The Fraternity House was last appraised in November of 2005 by Larry Skinner Appraisals as part of the last property refinancing and came in around \$250,000. The major debt facing the Alumni Corporation at this time is not the mortgage, but the unpaid expenses from 2011-2013. The Alumni Corporation has a budget projecting a \$7,000 reserve in its operating budget by the end of the calendar year. It should be noted that there are still outstanding A/Rs from alumni and former members totaling approx. \$18,000 not including another \$14,000 in late charges.

Treasurer Maguire further reported that the demographics of WIU have changed which has led to changes in the Greek system to reflect those of the current student body. The number of on campus students have dropped, but several Greek organizations have returned, such as Alpha Sigma Alpha and Theta Xi. To address the changing in the student body, the International Fraternity has instituted changes in its direction and programs. There are new initiatives, such as the Global Service Initiatives, Regional Leadership training, education and career assistance all of which are intended to be less emphasis on the social aspect and more progressive group setting.

Discussion continued about how in the past, communication has been lacking and is currently being addressed. Two years ago, then Alumni Corporation President Tom Kaster, had a letter sent out to all Alumni where contact information was available describing the difficulties facing the Fraternity. A meeting was held in the Naperville area to provide information to Chicago area alumni and was attend by about 30 alumni. The primary failure was not following up with the Alumni base. There were issues with the website, but it is now up and running.

After considerable questions and discussion, Brother Maguire concluded his report.

Alumni Chapter President: The Alumni Chapter will be planning an event in on September 20 at the WIU vs. Northwestern football game in conjunction with the university. A communication will go out this summer about the event and will be the beginning of more regular communications which will be done primarily via e-mail, but will include traditional mail.

Upcoming Alumni Events:

Chapter House – Alumni Work Weekend: Friday, July 11- Sunday, July 13, 2014
Alumni Corporation Board Meeting Sunday July 13, 2015
Alumni Tailgate and Reception (WIU vs. Northwestern Football Game, Evanston): Saturday
September 20, 2014
WIU Homecoming and Annual Alumni Meeting: Friday October 3 – Sunday October 5, 2014
Alumni Corporation Board Meeting (Macomb): Saturday January 17, 2015
2015 Alumni Weekend: Friday April 24 – Sunday April 26, 2015

New Business:

Establishment of Committees:

Vice President Kraus announced the formation of several committees designed to aid in moving the Alumni Chapter and Alumni Corporation forward. He listed each committee giving a brief description of their duties and asked for alumni volunteers. He further announced that they would be reporting on a regular basis to the Alumni Corporation Board and Alumni Chapter officers. The committees are as announced, including the brief description of duties and those who volunteered to serve:

Financial Committee:

- Responsible for developing a strategic financial plan for the Corporation
- Options for repaying current debt
- Recommending how any surpluses will be allocated
- Establish rent and housing contract
- Recouping unpaid debt

Members: Vice President Sean Kraus to chair, Brother Dave Maguire, Brother Derek Gorsuch, Brother Frank Garcia and Brother Doug Turner.

Nominating Committee:

- Responsible for submitting a slate for election of Alumni Corporation officers, directors and Alumni Chapter officers and trustee.
- Will develop a list of potential candidates for next year's Alumni Corporation
- Slate of names to be announced and circulated in advance of the annual alumni meeting
- Election to be held at annual Alumni meeting held during Homecoming

Members: Brother Tony Asevedo to Chair, Brother Justin Ford and Brother Paul Jaeckle

Communication Committee:

- Responsible for sending out regular communication to the Alumni base; could be in conjunction with the Alumni Chapter
- Maintain the Alumni directory

Members: Corporation Secretary Keith Hill to chair, Brother Tony Asevedo, Brother Bruce Peterson, Brother Scott Fain, Brother Garret Hill

Fundraising Committee:

- Responsible for establishing and maintaining an ongoing fundraising effort

Members: Vice President Sean Kraus as chair, Brother Tom Kaster, Brother Brandon Harvey, Brother Mark Blakey

Voluntary Alumni Dues:

Brother Derek Hiland moved to establish voluntary Alumni dues to the Alumni Chapter at an annual rate of \$20. Motion was seconded by Brother Joe Kessel. There was discussion on the motion further clarifying that the dues are to cover the cost of alumni social events and alumni communication efforts such as newsletters. The motion carried.

Good of the Fraternity:

It was announced that the Banquet and social hour for the 40th Anniversary Celebration will begin at 6 PM tonight. It will be held at the Macomb Country Club with a cash bar followed by dinner and program.

Adjournment

There being no further business to come before the meeting, upon motion duly made by Brother George Lyon, seconded by Brother Joe Kessel, seconded and approved the combined meeting of the Board of Directors of the Western Illinois Alumni of Delta Upsilon, Inc. and the Western Illinois Alumni Chapter adjourned at 4:13 P.M.

Fraternally,

Keith G. Hill '04
Secretary