



ETA IOTA HOUSE CORPORATION NEWSLETTER

Sigma Chi Fraternity
Embry-Riddle Aeronautical University

Spring 2004

2004-05 OFFICERS

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Visit us online at
www.etaiota.org

-2004 HOUSE CORPORATION MEETING

The annual meeting of the Eta Iota House Corporation was held on Sunday, March 7, 2004 at 1:00 p.m. at the chapter house.

Elections were held for 2004-2005 officers and two of six Trustee positions.

Officers:

President	John Wrightington
Vice President	Erik Visser
Treasurer	Mike Gehman
Secretary	Ryan Carson

Trustees (3 year term)

Walt Sharpe
James Ahrens

Appointed Officers/Chairpersons:

Fund Raising	Dave Fraser
35 th B'day Chair	Ryan Carson
Webmaster	Bill Palmer
RMF	Mike Gehman
1855 Club Administrator	John Banta

- 2004 / 2005 OBJECTIVES

Perform house renovation and maintenance to retain/enhance value, and provide safe and desirable living accommodations for the active chapter.

Explore opportunities to raise funds to pay down mortgage ahead of the 2008 payoff.

Plan and lock in 35th Birthday Party (2006) facilities and agenda by March 2005.

Invigorate fund raising efforts including renewed emphasis on the 1855 Club (both one time and periodic donations), new initiatives to assist in mortgage payoff and accumulation of funds for other housing options.

Develop a strong working relationship with the Active Chapter and Chapter Advisor.

- CHAPTER HOUSE STATUS -

As early as the 30th Birthday Party, the university has downplayed their role in organizing and developing the infrastructure of a Fraternity Row. The current plans for the property originally targeted for the Row are geared more towards trading that land to acquire land adjacent to the campus for further expansion of the athletic complex. University Development staff have confirmed that we may not expect any assistance from the school for at least 10 years

Our past fund raising and renovation strategy has been to maintain the existing house while gearing toward acquiring another property either in a Fraternity Row environment or simply finding a location to build a new house. In doing so, we may have deemphasized the value of maintaining our existing house to accumulate funds for major renovation, new housing and other long term objectives.

There are several KEY short term requirements for the chapter house that require our immediate attention. These short term requirements are having a detrimental effect on our ability to maintain house occupancy, orchestrate a meaningful Rush, or allow the chapter to operate efficiently.

These requirements are broken down into four distinct projects / areas.

Kitchen Renovation

The current kitchen was last 'renovated' in the early '90s with the rest of the house. Other than the chapter recently installing a tile floor (extending into the chapter room), the cabinets, stove / microwave and sink are all well past their expected life.

The existing drop ceiling must be replaced; condensation from the central air unit, combined with 15 years of normal wear requires replacement (other than the floor). The stove is barely functioning and the microwave should be replaced as well.

The cabinets have either rotted out (internally) or need to be taken out simply to work on the electric and plumbing needs. There are at least 3 electric circuits feeding through the kitchen that are also tied to outside lights, individual rooms or the fire alarm system.

Estimated cost of renovation: \$6-8,000

Deck Renovation

This year the chapter replaced the existing stereo / PA closet underneath the back stairs. The deck floor itself is in good shape, just requiring a fresh coat of paint every I-week. The basic problem here is that the railing and seating around the gray deck has begun to rot out. The structure of the railing needs to be replaced similar to the existing configuration. This must be replaced by Rush in September – unlike the older rushes back in the 70's and 80's, we now have several hundred show up at various Rush parties – the railing area is a very popular (and now dangerous) place.

Estimated cost of renovation: \$3,000

Central Heat / Air Conditioning

The main structure of the house (chapter room, kitchen and all upstairs rooms) has central air/heat. This was installed in the early 90's. We deliberately delayed installation in the two wings because the earlier work done on the house included installation of individual HVAC units in the 7 rooms on each wing. The units installed were basic air conditioning units with a hole cut out in each room for the units to allow windows to be locked/secure.

During the 30th Birthday Party, a significant amount of discussion regarding expansion of the Central Air was tabled due to lack of capital to pursue the conversion.

The units that were installed were not appropriate for the environment. We basically installed conventional window units whereas we should have installed 'blow back' units which provide for two-way circulation. What we have now allows for internal condensation which has caused mold buildup and condensation around the periphery of the units.

We currently replace a unit (or spend considerable money repairing a unit) every two years. The cost of the blow back units we should have installed is approximately \$600 wholesale. For all 14 of the rooms targeted for HVAC our replacement costs will be \$8,400.

The quoted cost to replace these units with Central HVAC is \$14,000 with an additional cost of \$3,000 to cover the existing holes. While there is a significant cost differential, the most noteworthy concept here is the operational cost savings of one centrally located singularly monitored thermostat vs. 14 individual units. The existing unit in the main house is on one thermostat set at 74 degrees; many of you may remember our own rooms being set at HIGH all day while we were at school. Enough said ...

Estimated cost of renovation: \$17,000

Security / Fire Alarm System

The library and chapter room doors are not properly secured; last month, two homeless men were sitting in the library smoking cigarettes and drinking beer because the library door was broken in; we installed wood doors for their aesthetic looks yet they have relatively short service life. Locks need to be upgraded/replaced on all exterior doors.

The back yard is currently fenced off from the back; there is a combination lock at the back entrance. This gate area needs to be upgraded with a self locking gate with combination lock to prevent incursions.

The steps leading up to the house from the pump room need to be repaired/replaced. Large chunks of stones are missing and could result in accidents.

Fire alarm system must be fixed – currently we are not in code for this.

Estimated cost of renovation: \$4,000

- 2004 BUDGET/FINANCES-

House Corporation Budget

The 2004/2005 House Corporation operating expenses are projected to be constant. Any increase in insurance premiums (unlikely) would carry over to the Active Chapter. Feedback from

National is that the premium will likely be the same.

The chapter rent revenue is currently \$5,000 / month. Of that, \$2,560 is designated to mortgage payments to Embry-Riddle; \$1,500 to RMF for the property/liability coverage; \$630 to chapter maintenance and the remaining \$310 applies to all other House Corporation expenses including fund raising, mailings and any remaining balance typically rolls over to any maintenance needs of the chapter.

Assets

We currently have approximately \$57,000 in funds in the Capital Improvement Fund. Of that, at least \$20,000 is restricted as a covenant of our mortgage with the University. Available funds for capital improvement are \$37,000. Most of these funds have been generated from the Honor Wall and the 1855 Club.

Operating funds are held in a checking account whereas Capital Improvement Funds are held in a separate savings account. We are exploring short term money market funds as an alternate 'home' for these funds. Interest rates are less than 1%

- 1855 CLUB -

The 1855 Club is our primary fund raising effort – and will continue to be for the foreseeable future – with the express purpose of funding capital renovations and funding new or existing housing options.

Our current monthly revenue from the direct money transfer program is about \$550. Over a full year, including one time donations, we are accumulating \$7,000 + toward future needs.

We have not actively requested donations from our alumni in the last two years other than web site or newsletter references. Initially, the 1855 Club brought significant support - specifically from the **1988 – 1994 graduating classes**.

Over the next month, our efforts to expand the 1855 Club base will be brought to everyone's attention. You can learn more about the program at the etaiota.org website.

Based on our current projections for 2004 renovation needs, we will need to expand our donor base by at least 120 alumni to not deplete our current reserves.

With over 750 Eta Iota alumni, our existing donor base has fallen to approximately 6%; most of those being alumni donors graduating in the last 10 years. Our efforts to communicate information, need and action will be geared to expand the 1855 Club with a new sense of urgency.

- THE MORTGAGE -

Our currently mortgage payment is \$1,720 per month to Embry-Riddle. We have approximately 4 years remaining on the mortgage with an overall payout of \$67,000 (interest rate of 6.75%). The chapter has remained current on rent obligation throughout the year and we have paid the mortgage on time throughout the year. We prepaid the summer mortgage payments in the Spring Semester.

We currently have several alumni donating money specifically to pay down the mortgage balance. In particular, we would like to thank **Nick Cornwell** for his very generous donation specifically for the mortgage paydown. This money was transferred to ERAU upon receipt.

SHORT TERM OBJECTIVES FOR 1855 CLUB FUNDS

Since inception, the objective of the 1855 Club has been to gradually accumulate money to support the capital needs of our house as well as use towards future undefined housing needs.

In the early 1990's, Embry-Riddle laid out several plans to support the infrastructure of a Fraternity Row on school owned land at various locations at/near Clyde Morris Boulevard or Beville Road. Since then – as we witnessed during the 30th Birthday Party presentation – the school has had to adjust to the current economic environment. Plans for Fraternity Row have been shelved to address these other needs.

Since the 30th Birthday Party, repairs have been made to the house as needed; however, improvements and enhancements to the house have been delayed or shelved to allow accumulation of funds for other housing options. As a result, there are several renovation projects necessary this summer that require our immediate attention. **Regardless of our long term housing objectives, maintaining and improving our current house is imperative.**

Several key issues support this directive. The current house must have 100% occupancy to support the infrastructure costs of the chapter. Brothers now choose to move out of the house because of inferior HVAC, a functionally inoperative kitchen, gradual deterioration of the premises (wear, not abuse), and inferior living conditions relative to university housing or other housing options within the community.

The House Corporation will be presenting in late May a proposal to the Board of Directors and Trustees to utilize a significant percentage of the existing 1855 Club Capital Improvement Funds to complete the four primary projects this summer. While the current unrestricted assets of the Fund are adequate to achieve this goal, our intention is to **revitalize the 1855 Club** fund raising campaign to augment these costs as possible.

Our summer fund raising campaign will be focused on appealing not only for long term periodic donations as originally intended, but also to appeal for one time donations at the Constantine, White Cross, Gold an Blue levels to provide short term funding for the renovations required this summer.

Already we have received commitments and actual contributions in excess of \$7,000 with little publicity for the need. Most of these donations were one time (yearly) donations to address our short term needs

My objective is to utilize the existing unrestricted money to get the projects done **before the CRITICAL Fall Rush** and then replenish the 1855 Club balance through a broadened fund raising campaign. Even with the limited exposure so far, we already have almost 50% of the money required for the Central Heat / Air system in the wings of the house.

Check **our** progress on the website – etaiota.org – and consider your ability to contribute to **our future**.

In hoc

John

-1855 CLUB AUTHORIZATION FORM-

Name & Address: _____

Your Name on the Account: _____

Bank Name: _____

Bank Address: _____

Bank Routing Number: _____

Bank ABA Number: _____

(see example check below)

(see example check below)

Bank Account Number: _____

(see example check below)

Contribution Level:

(please circle one)

Blue..... \$9.27 per month (\$18.55 bi-monthly)

Gold \$18.55 per month

White Cross \$42.24 per month

Constantine \$154.58 per month (\$1855 per year)

Your monthly draft will remain in full force and effect until revoked by you, your financial institution, or The Eta Iota House Corporation. This option is offered at no charge by The Eta Iota House Corporation for fundraising purposes. To request adjustments to incorrect charges or to cancel this option, contact The Eta Iota House Corporation Treasurer or Fundraising Chairman. Current contact information can be found at www.etaiota.org.

Signature Required: _____

Date: _____

(must be the authorized signer for the account indicated above)

Ben Runkle 520 South Ridgewood Ave Daytona Beach, FL 32114		DATE _____	1855 32-2/1110 FL (Bank ABA Number)
Pay to the Order of _____	\$ <input type="text"/>		
_____ Dollars			
(9 Digit Bank Routing Number)	(Account Number)	(Check Number)	
111000252	001658415976	1855	_____