

September 14, 2009

Dear KU DU Parents:

We are approaching one month into the semester and the initial flurry of activity has died down. The brief respite has afforded some time to provide thoughts to you as we head into the 2009/2010 school year.

### **Food Service**

Napoleon said “An army moves on its stomach.” and our fraternity is no different: keeping 70-some growing, energetic young men fed is an important part of what we do. We went through our budget for the coming year and determined that we were able to allocate more resources to food for the young men. Hopefully they are enjoying the difference. We have also created a structure whereby one of the Undergraduate Chapter officers works with Judy (housemom) and Yvonne (cook) to plan the meals a month in advance. This allows for more input from the members through their elected officer and takes some of the pressure off Judy and Yvonne, including having to deal with complaints. Finally, we have implemented a “family style” evening food service. We believe this will allow for more equitable distribution of the food as well as a more civilized and brotherly experience than the buffet style has in the past. This has not been an easy transition and there are still some kinks to work out but kudos to the Chapter, Judy, and Yvonne for soldiering through. Napoleon would be proud.

### **Chapter House Maintenance**

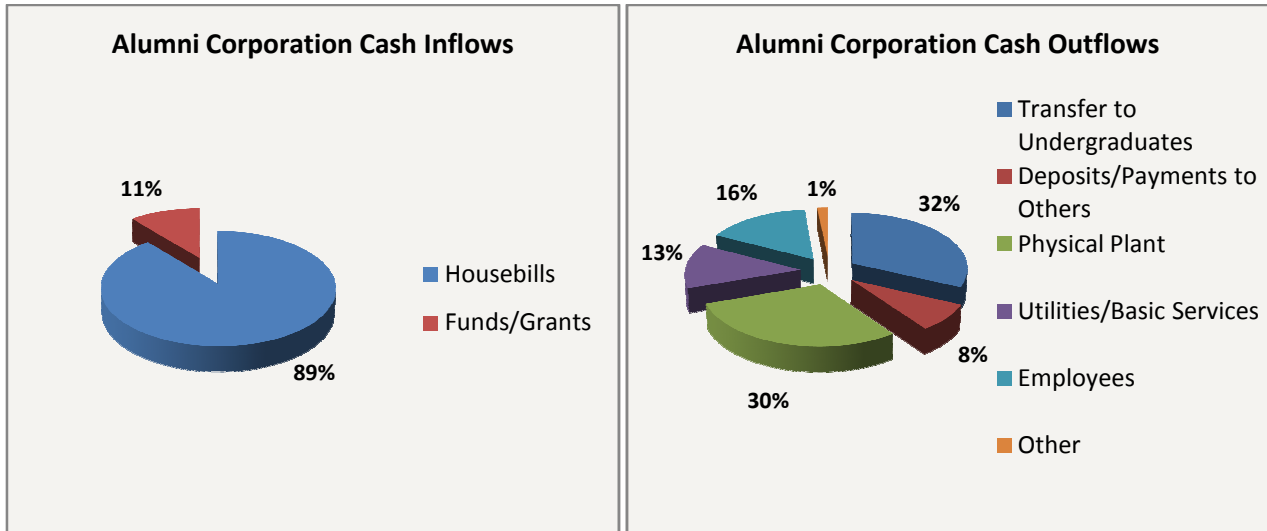
In addition to the food service, there was another area that we, you, and the Undergraduate Chapter noted as an area of concern – Chapter House cleanliness and condition. Our board had planned on bringing the facility up to our highest standards over the summer. Unfortunately the mess that was left at semester’s end forced us to divert more resources to cleaning instead of maintenance and repair. All totaled we spent over \$10,000 this summer just on cleaning and removing items that were left behind like couches, TVs, clothes, and personal items (that filled more than one construction dumpster!). We spent another several thousand dollars on repairs, maintenance, and new items including over 30 new mattresses.

It was disheartening that we were not able to achieve our objective but we continue to persevere. Going forward we will be implementing more strict policies and oversight to avoid a repeat of last year. Also, one of our board members is focused on facility maintenance and will be working with the Undergraduate officers to make sure the Chapter House is maintained to parental standards. Frankly the house is becoming worn but we are hoping that we will be able to deliver some marked improvements in the coming years to provide a pleasant, clean, and safe environment for your son.

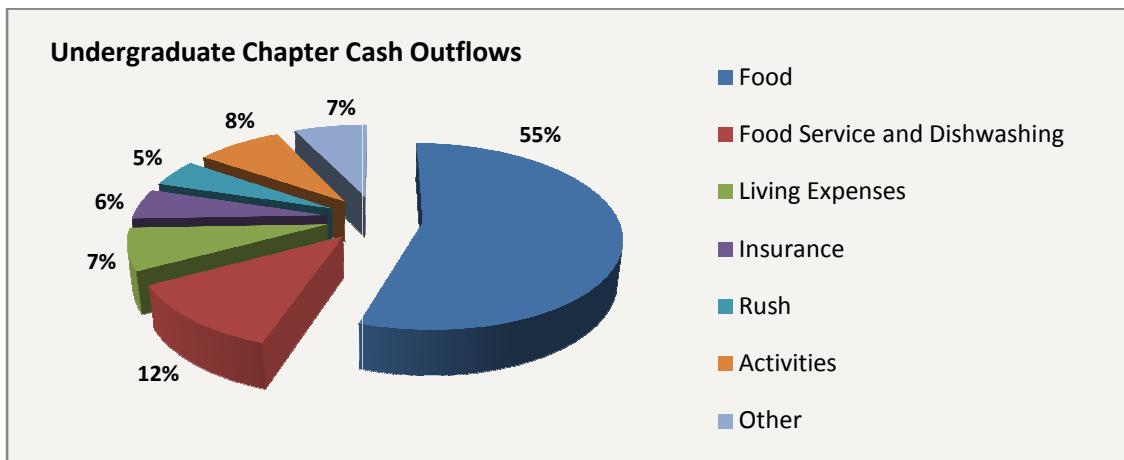
**Finances**

Last spring when I met with the parents, several indicated that they would welcome a little more transparency in regard to finances. As you are stakeholders in this entity, I think you should know how the money is spent.

Below is a pie chart of the overall fraternity finances, that is, the combination of the Alumni Corporation and the Undergraduate Chapter.



Overall the annual budget is roughly \$630,000. As you can see, most of the cash inflow comes from you and your sons but we do receive a material portion from our alumni on an annual basis in the form of loans and grants. On the expenditure side, roughly 43% is for utilities and the physical plant (debt servicing, maintenance & repair, taxes, insurance), 16% is for employees (housemom, cook, Membership Development Advisor), and 32% is for the Undergraduate Chapter operations. Regarding the Undergraduate Chapter operations, the pie chart below provides a detailed breakdown:



As you can see, food and food service are by far the greatest expense, totaling 67% of the Undergraduate Chapter budget. "Living Expenses" are paper goods and disposable supplies including some routine maintenance items

like cleaning supplies and light bulbs. "Activities" include Rockchalk, Homecoming, philanthropy, and the like while "Other" includes the composite picture and other miscellaneous expenses. Overall, roughly 2/3 of the housebill goes towards food and food service, the facility, and utilities; the other 1/3 covers Chapter operations and activities.

The alumni are acutely aware that college costs are rising much faster than incomes and we are constantly trying to keep the Chapter costs as low as possible without sacrificing the DU Experience for our younger brothers. Frankly 90-95% of our costs are fixed so there is only so much we can do. That being said, we are hoping to save maintenance costs as mentioned above, working toward elimination of the mortgage on the Chapter House, and carefully managing food costs. There are at least a couple ways that you can help. First, please encourage your son to take care of the facility. If all the members treated the Chapter House the same as that of their parents, it would hold up a lot longer. We try to reinforce to the members that ultimately the cost of unnecessary wear comes back to them and their parents but perhaps you can help in delivering this message. Second, having a full house helps us to spread costs over more members. That means that a successful rush program and keeping members staying in the house once they arrive is not just a Chapter goal but has real financial implications. If you can help your son make that correlation as well it would be appreciated.

### **Other Matters**

Please give your thanks to Judy for her efforts. She works very hard to make sure the guys are fed and taken care of. She bore the brunt of an impossible food budget the last two years and a lot of what she does is behind the scenes, even to the Undergraduate Chapter. It can truly be a thankless role at times. I'm hoping that some of the changes we are attempting will free her to focus on more pleasant activities than managing the kitchen intensively.

Our board had a "retreat" with the Undergraduate Chapter officers at the beginning of this year. We discussed the vision for the Chapter and specific plans that they will implement to make KU the best DU chapter in the nation. I don't know that we've ever done anything like that before but I believe it was a success. I can tell you that our board was very impressed with the Chapter leaders and believe that they possess the ability to achieve great things.

Our Membership Development Advisor, Joe Snyder, will be expanding his role this year. Last year was his first and Joe focused on getting to know the members and helping them primarily with academic pursuits. Now that he has his "sea legs" he will add responsibilities of developing the Undergraduate Chapter leader capabilities and effectiveness as well as working with the alumni on a career mentoring program that we're attempting to implement in earnest this year. Joe has been a great addition to DU and I hope you will meet him soon if you haven't already.

In closing, this is my first year on the job as well and I have been learning a lot. Mostly what I have learned is that I have more to learn, a lot more. I will be attending the parents club meeting on Saturday September 26 to provide brief comments and answer any questions regarding our activities or those of the Undergraduate Chapter. In the meantime, if you have any suggestions or concerns or if I can be of any assistance, don't hesitate to contact me.

Fraternally,

Eric Gustavson

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