



The Sig House

A Quarterly Newsletter from the Board of Grand Trustees - Spring 2007

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Who Cares Out There?

From time to time, a feeling is expressed by house corporations that the fraternity doesn't care about chapter housing. As a matter of fact, safe and adequate housing is one of Sigma Chi's highest priorities and will receive even more attention during Bob Jones' Grand Consulship. The Mission Statement of the Grand Trustees is "...assist our house corporations in the acquisition, construction, renovation and maintenance of chapter houses that are appropriate residences for our brothers and worthy of the reputation of Sigma Chi". Key areas of expertise include:

Fundraising. Providing safe and adequate housing costs money. Often, rent revenues are inadequate to pay for maintenance and improvements so house corporations must look to other fund raising methods. Fortunately, the Grand Trustees have developed several effective fund raising strategies that range from self-help to hiring a professional depending on the amount and reason for the need.

Communication. Keeping in contact with alumni can be a challenge. Some house corporations have either an inaccurate or incomplete mailing list, if they have one at all. While the university may be some help, level of cooperation in providing the information is not consistent because the university may view the fraternity as fund raising competition. The General Fraternity has a database that can be helpful for getting started but having a complete and accurate list is largely up the chapter. It takes time, effort and persistence. That said, having a complete mailing list is absolutely essential to garnering volunteers and funds. An email list is ideal since it drastically reduces communication costs.

Renovation Planning. Your house corporation may be considering renovating or replacing an existing facility. Fortunately, you do not have to reinvent the wheel. The Grand Trustees have considerable combined experience in design, financing, construction, scheduling and fund raising. Also, other chapters have successfully executed such plans and can be very helpful in guiding a house corporation which is entering uncharted waters.

Education. In 2005, the Grand Trustees launched its first House Corporation Officer Training Seminar (HCOTS). HCOTS is a weekend training session held at a central location where house corporation members are provided training in key aspects of a house corporation management. The program is provided at no charge to attendees and generously underwritten by the Risk Management Foundation. It has received rave reviews from attendees and the plan is to host an annual HCOTS to expand the impact of this valuable resource.

Getting & Staying Legal. House corporations are designed to be legal entities (thus the "corporation" part of the title). As legal entities, being incorporated in your state is absolutely necessary. Being incorporated provides certain legal protection for house corporation members. Getting incorporated is usually inexpensive and requires little more than a form and a filing fee. An annual renewal fee must be paid to the state to keep the corporation in force. Each house corporation should have a set of Bylaws which describes its scope of authority and Standard Operating Procedure (SOP) which describe how the corporation operates. The Grand Trustees have developed a sample set of Bylaws which can be adapted for use.

Before enacting Bylaws of any kind, they should be reviewed by a knowledgeable attorney in your state.

The Sig House. The Grand Trustees publish a quarterly newsletter to educate, stimulate and encourage house corporations. **The Sig House** has wisdom of the ages and resources like legal, fund raising, how to attract volunteers, obtaining financing, risk management and other areas that every house corporation needs to know about to be successful. If you are not receiving this newsletter, email Editor Rich Thompson at rich@regenesi.net to be put on the distribution list.

A Personal Resource. Each Grand Trustee is assigned several provinces to oversee. (See Page One of **The Sig House** for a list of Board of Grand Trustees by name and province assignment. Both Grand Trustee and assigned provinces can change from time to time so always check the latest newsletter for the current information.) Your Grand Trustee is there to provide the resources you need.

Who cares? The Grand Trustees do. For proof of that, contact your assigned Grand Trustee and watch him perform.

Burnables

Each year, brothers return to school with clothes and other personal items that may include candles and smoking material. Burnables like these carry substantial health risk to the user and other residents.

The National Fire Protection Association (NFPA) reports that an estimated 18,000 home fires were started by candles in 2002, which included 130 fatalities and an estimated property loss of \$333 million. 40% of home candle fires start in the bedroom and 18% of the fires occur when the candle was simply left unattended or controlled.

Smoking is the leading cause of fire deaths in the United States. An NFPA report states that in 2001, 770 fire deaths from smoking occurred in the home resulting in \$386 million in property damage.

The effects are real. In 2004, an

unattended candle caused \$1.2 million damage in a San Jose State chapter house. In 2005, three students were killed in a residence fire at Miami University caused by smoking. Ed Comeau, editor of *Campus Fire Watch* and former chief investigator for NFPA states, "...in Greek housing, the policy should be a No Smoking and No Candles."

House corporations can and should prescribe both no smoking and no candle policies in rental agreements. Those provisions should include the stipulation that fire damage resulting from candle or smoking will be borne by the member(s) who caused it.

Placing cigarette waste disposal stations outside the building both encourages smokers to "take it outside" and a safe disposal site. A variety of options are including wall mounted and free standing are offered by Barco Products www.barcoproducts.com and other similar companies.

Providing safe housing is a key charge for all house corporations. To address this very real and urgent safety issue, establish and enforce no smoking and no candle policies and place personal accountability on those that violate them.

Seven Successful Habits

House corporations are designed to provide safe and adequate chapter housing. To be successful, consider the following habits:

1. Operate Like a Business

- ◆ File for incorporation.
- ◆ Conduct regular meetings.
- ◆ Prepare minutes for all meetings and mail them to all stake holders.
- ◆ Prepare an annual budget, as well as a five-year finance and expenditure plan.
- ◆ Review all expenses annually to determine where costs and revenues can be adjusted.
- ◆ Develop a well-balanced board of directors with a mix of ages, experience and backgrounds.

2. Execute a Rental Agreement

- ◆ Specify the amount of rent for each period (monthly, semester, or annually).
- ◆ Establish rules and policies (like alcohol/substance free and no smoking).

◆ Specify the right of the house corporation to terminate the agreement if tenants breach the agreement.

◆ Require the chapter to obtain written rental agreements from all tenants which includes a security deposit.

◆ Conduct regular property inspections for both cleanliness and maintenance

◆ Have a check-in and check-out procedure.

◆ Provide professional cleaning of the facilities at least once a year.

3. Charge Fair Market Rent

◆ Charge fair and competitive market rent. If you are fortunate enough to collect more than you need, put it into a reserve fund. You'll need it.

4. Establish a Reserve Fund

◆ Establish a maintenance and replacement reserve fund.

◆ Update the reserve analysis every year.

◆ Schedule projects during the summer or winter break to avoid disruption.

5. Reduce the Debt

◆ Have a plan to pay off debt.

◆ Continue to charge fair market rent even when debt is paid off.

6. Fill the House

◆ Establish a minimum base rent based on what is needed to pay house corporation expenses (insurance, maintenance, debt, etc. and reserves). Add rent for additional occupants based on fair market rents.

◆ Close the house in the summer unless it will raise more revenue than the maintenance costs required to repair the damage inflicted.

7. Promote a Sense of Ownership

◆ Allow undergraduates to attend board meetings to promote "buy in".

◆ Solicit recommendations and needs of the undergraduates to provide a facility that will be competitive in amenities.

◆ Speak at a chapter meeting every year to reacquaint the undergraduates with the purpose and functions of the house corporation.

Successful house corporations don't happen by accident. Follow these time tested habits and become one of the success stories.

Health & Safety Inspections

The Board of Grand Trustees with assistance from the Risk Management Foundation is encouraging house corporations to have a full inspection of housing facilities. Although there are many types of fraternity houses within Sigma Chi, these inspections are primarily directed toward those chapters living a house owned by the house corporation, regardless of how the land is owned, and leased the chapter or individual members. In those instances, a house corporation has a duty and a desire to provide a safe and adequate housing facility.

There are several levels of inspection that are available:

1. The house corporation can perform a simple walk-through and look for dangerous conditions. See the helpful checklist that follows.
2. The Risk Management Foundation can arrange to have a representative from the current insurance underwriter to visit the property and perform an evaluation. The results of the evaluation will be provided to the house corporation.
3. A private contractor (like a building inspector, engineer or architect) can be retained to examine the housing for any defects or deficiencies.
4. A evaluation can be obtained from the local building department or fire marshal. While these inspections can be very helpful they may trigger required corrections on a time table dictated by the inspector. Tread carefully.

Once an evaluation is performed, the question is what to do with the information. If significant safety problems are detected, the house corporation must be prepared to act. Moreover, once a house corporation is made aware of a dangerous condition, it has a *legal duty* to act. An approach of "ignorance is bliss" may provide some legal justification, but allowing conditions to exist that endanger undergraduate brothers and guests is unbecoming for a high minded man and gentleman.

If your house corporation could benefit from an evaluation, first determine what

level of evaluation you believe is most appropriate. If finances are a problem (almost always the case), you may wish to have a simple walk-through or request a safety inspection through Risk Management Foundation. Once you know the scope of the problems, you can formulate a plan to gather the financial resources you need. Your Grand Trustee can assist in evaluating options.

Loft Liability

Many chapter houses have sleeping "lofts" or "platforms" that were constructed by undergraduate residents. If not properly designed and installed, they present dangerous life safety issues.

Typical safety considerations include:

1. Distance to Ceiling. Lofts typically are constructed close to the ceiling. Fire code is typically 4 feet clearance to avoid a "smoke pocket" and to be visible and accessible to fire and rescue attempting to locate occupants.
2. Material Combustibility. Wood structures and privacy curtains are highly combustible.
3. Block Egress. Lofts often block access to windows and other fire egress.
4. Structural Capacity. The design may be inadequate for load and collapse.

If these structures exist in your chapter house, consider removing and banning future installations.

Summer Security

It's that time of year again. If the chapter house will be vacant for the summer, it's time to secure the building. Do a walkabout and:

1. Check all doors and locks; secure all windows and remove all personal valuables from the chapter house.
2. Arrange to have the house checked at least weekly during the summer to make sure all is in order. Make sure to leave emergency contact information with all neighbors.
3. Turn off the water and natural gas supply.

4. Have a certified heating professional inspect your furnace operation, automatic shut-offs and venting.

5. Remove all combustibles such as paint and spray cans from the furnace area and store in a cool, dry place.

6. Empty all garbage and ensure no combustible items such as trash and paper are left in any public areas.

7. Make sure no electrical outlets are overloaded or potential fire hazards are left unattended.

Renovation Funding

Sigma Chi offers a great alternative for funding chapter house fire/life safety improvements and renovations. Constantine Capital, Inc.(CCI) has loan programs that can lend up to \$250,000 at competitive interest rates with up to a 30 year amortization schedule.

Go to www.sigmachi.org then **Members** then **Housing** then **Constantine Capital**.

We're Here to Help

Your Board of Grand Trustees is here to assist Sigma Chi house corporations in a myriad of ways. Besides many years of service to Sigma Chi in various capacities, there is almost 500 years of combined professional expertise in such things as real estate development, property management, project administration, politics, maintenance, renovation, insurance, tax planning, accounting, construction, fund raising, legal, education, housing, risk management and more.

While each Grand Trustee is assigned specific provinces to oversee, this combined expertise is available to all house corporations. The key to tapping this gold mine is to contact your province's Grand Trustee with a specific request for assistance. If your request is out of your Grand Trustee's specific area of expertise, other colleagues will assist in providing real solutions.

Give us a try. The Grand Trustees are here to help your house corporation be the very best that it can be. Please use the contact information on the cover page.

Sigma Chi Chapter House Life Safety Inspection Checklist

1. Fire Alarm System (Central) Not Applicable (go to next item)

- a. Is system monitored by a monitoring service? Yes No
- b. Does system have an emergency battery backup? Yes No
- c. Does system have current inspection/service card? Yes No
- d. Are all alarm pull stations operational? Yes No
- e. Are all smoke and heat detector heads operational? Yes No
- f. Are all horns and strobes operational? Yes No

2. Smoke & Carbon Monoxide Detectors

- a. Are all smoke detectors operational? Yes No
- b. Are smoke detectors located in every code-required location? Yes No
- c. Are carbon monoxide detectors provided in every code-required location? Yes No
- d. Are all carbon monoxide detectors operational? Yes No
- e. Does the central HVAC system have internal smoke detectors? Yes No

3. Fire Sprinkler System Not Applicable (go to next item)

- a. Is system working properly? Yes No
- b. Does system have current inspection/service card? Yes No

4. Fire Extinguishers (FE)

- a. Is each FE station equipped with a properly charged FE? Yes No
- b. Is each FE the proper type and size? Yes No
- c. Are FE stations in all code-required locations? Yes No

5. Lighting

- a. Are all light fixtures operational? Yes No
- b. Are exit and emergency lights installed in code required locations? Yes No

6. Exit Doors

- a. Do exterior exit doors meet code requirements? Yes No
- b. Do doors open and close properly? Yes No
- c. Do interior exit doors meet code requirements? Yes No
- d. Do doors open and close properly? Yes No

7. Corridors

- a. Are corridors clear of obstructions? Yes No
- b. Do corridors meet code requirements? Yes No

8. Stairs & Landings

- a. Are handrails in place and secure? Yes No
- b. Do handrails meet code requirements? Yes No
- c. Are stair treads and nosings intact and free of tripping hazards? Yes No

9. Fire Evacuation Plan

- a. Are Fire Evacuation Plans posted in all code required areas? Yes No
- b. Are the Fire Evacuation Plans graphically correct? Yes No

10. Smoke Proof Stair Enclosures

- a. Are smoke proof stair enclosures code-required? Yes No
- b. Are they provided? Yes No
- c. Are they operational? (doors not propped open, etc.) Yes No

11. Emergency Egress – Secondary

- a. Is secondary egress provided to code requirements (windows, fire escape)? Yes No

b. Are all secondary egress means operational? Yes No

12. Floor Openings (stair landings, exterior breezeways, fire escapes)

a. Are railings or parapet walls securely attached? Yes No

b. Do railings or parapet walls meet code requirements? Yes No

13. Electrical System

a. Are all electrical panels circuit breaker type (no fuses)? Yes No

b. Are all breaker slots filed with breakers or covered with blank plates? Yes No

c. Are all circuits correctly labeled? Yes No

d. Are all breakers properly sized for circuit loads? Yes No

14. Electrical Receptacles

a. Are all cover plates in place and undamaged? Yes No

b. Are GFCI receptacles installed in kitchen and bathrooms? Yes No

c. Are there any power strips overloading circuit capacity? Yes No

d. Are extension cords being used that are tripping hazards? Yes No

15. Light & Plug Plates

a. Are all cover plates in place and undamaged? Yes No

16. Electric Space Heaters

a. Are electric heaters being used? Yes No

b. Do all have a "tip-over" auto shut off switch? Yes No

c. Are they properly positioned away from combustible materials? Yes No

17. Bedroom Lofts.

a. Are lofts present? Yes No

b. Do all lofts meet code requirements?

1) 4' from the ceiling to avoid a "smoke pocket" Yes No

2) Egress (adequate permanently mounted ladder)? Yes No

3) Materials combustibility including privacy curtains? Yes No

4) Structurally sound Yes No

5) No interference with fire alarm or sprinklers? Yes No

6) Not mounted over door? Yes No

18. Kitchen Not Applicable (go to next item)

a. Is an operation exhaust hood? Yes No

b. Does hood meet code requirements? Yes No

c. Does hood have an operational fire suppression system? Yes No

d. Does hood fire suppression system have current inspection card? Yes No

19. Storage

a. Are all storage areas accessible and free of stored combustible materials? Yes No

b. Are combustible materials stored in adequately fire rated and ventilated enclosures? Yes No

20. Fireplace(s) Not Applicable (go to next item)

a. Are the fireplaces functioning properly (smoke exhaust draw)? Yes No

b. Are the chimneys clean? Yes No

c. Are properly sized fire screens in place? Yes No

21. Barbeques Not Applicable (go to next item)

a. Are they properly located from combustible materials? Yes No

b. Are rules for use posted? Yes No