

# **My Year-End 2018 Message to SAE Cal Beta Alumni & Undergraduate Parents**

## **Introduction**

Cal Beta has just begun its 125th year of operation since being founded by Vance C. Osmont on November 24, 1894. I am optimistic that 2019 is going to be the BEST year EVER in the history of Cal Beta. The purpose of this message is to explain 1) why I am so optimistic and 2) why I am putting so much time and energy in making sure it happens.

As President of the Housing Corp, I have the rare privilege of being connected to over 600 Cal Beta alumni via some combination of social media (LinkedIn, Facebook & Instagram), personal contact at Duck Dinners and Jack Leathers luncheons, attending Cal football and basketball games, or just plain old-fashioned email, phone calls, and face-to-face contact.

Based on these connections, I can say with a high degree of confidence that we have an amazing group of alumni that are achieving GREAT things in their careers, communities and families.

Every time I scroll through Cal Beta alumni LinkedIn profiles and see your Facebook posts, I get goosebumps. Who would have ever thought that living at 2772 Bancroft Way and experiencing Cal as a brother of SAE would prepare us so well for the real world? There must be some special sauce in the water supply ☺ This runs 180 degrees opposite to how the national news media portrays fraternity life, in general, and SAE specifically.

## **A Bit About JW**

For those of you who don't know me, let me briefly introduce myself. I pledged Cal Beta in the fall of 1971. Our 14-person pledge class outnumbered the 10 returning actives. The late 1960s took its toll on Greek life across the country, but especially at UC Berkeley during the days of Mario Savio and the Free Speech Movement. I lived in the house all 3 ½ years before graduating early with a B.S. in Accounting in December 1974. I held pretty much every officer position, but most importantly Treasurer in 1973 and EA in 1974. It was my role as Treasurer that convinced me to switch from pre-med to the business school, now called BerkeleyHaas.

More importantly, I met my future bride (the former Liz Reiss) following a fraternity function my freshman year. Liz became a Kappa Alpha Theta (and a Little Sister) her sophomore year and we were married in October 1975 after we had both graduated and started our careers in San Francisco. Liz went to work at Macys on Union Square and I started in a large public accounting firm (now called Deloitte) at 44 Montgomery St. Little did I know at the time how this chance encounter after a routine Thursday night drinking excursion to Cy's, our favorite watering hole on Durant, was going to change the rest of my life.

I will spare you the rest of the details in this letter, although as many of you know, I am more than happy to elaborate over a few beers, especially on the golf course or immediately thereafter. Long story short, Liz pulled a classic bait and switch on me. My beautiful Cal party-girl evolved over the years into an apparel industry guru and ultimately the CEO of a 300-store specialty chain, Avenue Stores, which she turned around out of bankruptcy on behalf of its new private equity owners.

Liz's career success allowed me to back-off of my own career and become a stay-at-home dad, helping raise our two sons Kyle and Lance, born in 1984 and 1986, respectively. I got involved in a variety of projects (some paid, some volunteer) including running the Babe Ruth baseball league in Princeton, NJ and helping turnaround Cherry Valley CC, a private country club near Princeton that was teetering on the edge of bankruptcy and where I had gone back to play golf in 2004.

I got re-involved with Cal Beta in 2009 after tracking down the EA and asking for a spreadsheet of alumni from my era of '71 to '74. After weeks of delay, what I finally received was complete garbage. When it became clear there was no centralized database, just some very old printed directories and scraps of paper with updated addresses, I went to work on implementing a solution. I quickly found a company that specializes in maintaining databases for fraternities aptly named Fraternity Management Group (FMG). We have been using FMG's custom database software ever since. We also use FMG's programmers to maintain our website.

Beginning in 2017, we terminated the contract with the previous management company, and Jeff Koblick '73 and I agreed to volunteer our time and expertise to run day-to-day Cal Beta operations. I have been paying the bills, keeping track of rent collections and preparing detailed monthly financials ever since. Jeff handles all property-related issues and most of the conversations with the undergraduate officers and UC Berkeley officials. This keeps both of us rather busy. And just in case you are wondering, Jeff and I do not charge anything for these services. This results in savings of approximately \$30,000 per year compared to using a third-party management company.

Let me also briefly acknowledge our six other Board members and their roles. Bob Leslie '51 runs the Hall of Fame committee. Bill Rodgers '60 handles donations. Perry Haviland '60 advises us on chapter house maintenance issues. Bob, Bill and Perry have all been involved with the Board since the house re-opened in 2003. Pete Marshall '77 is the Chapter Advisor and handles all our communications with SAE National. Rocky Gunderson '72 provides strategic consulting and Angelo Genasci '06 keeps us in touch with our younger alumni. Beginning in 2019, Robert Locke will join the Board as our ninth member and be in-charge of the Parents Club. His son Auston has been elected EA effective spring 2019.

Liz asked me the other day why I work so hard on Cal Beta issues. My answer is a rather simple one. No other organization in my lifetime has had more of an impact on my life than SAE Cal Beta. It helped me not only find my career but also my wife. My best friends are SAE's. I have fabulous memories of my undergraduate years and lots of stories to tell. I am proud to be part of an organization that has already lasted 125 years. I consider it an honor and privilege to play a significant role in helping build a leadership team and creating a new organizational structure that will outlast me and allow Cal Beta to thrive for another 125 years. Phi Alpha.

# Our Key Assets

So where exactly do we stand at the end of 2018? Here is my summary.

We own the land and chapter house at 2722 Bancroft Way, one of the BEST locations on campus. It would be appraised at over \$4 million if we were to ever think about selling it which we are NOT.

We have a mortgage on the property with Boston Private Bank (BPD) of \$910,594 at a fixed interest rate of 4.5% and monthly debt service payments of \$6,121.95. Our current agreement with BPD expires January 2022 and the loan will have to be repaid or refinanced at that time, if not before.

We have annual rental revenues of approximately \$500,000 per year and try to finish each year at slightly better than break-even. We try to keep all 40 rooms at 100% occupancy during both the spring and fall semesters as well as the 10-week summer session.

The house is in great shape, perhaps the best it has ever been. There is no significant deferred maintenance even though it was built in 1926. We invested approximately \$200,000 in the house this year alone including a \$23,000 state-of-the-art WIFI system that allows 40+ devices to connect to the Internet simultaneously at blazing fast speeds.

We have slowly increased our cash reserves to a little over \$300,000 by carefully managing our expenses and being very diligent in collecting rent from the undergraduates and their parents.

My background as a CFO / CPA enables me to produce detailed, monthly financial statements and send them to the Board each month along with appropriate commentary. This keeps us all on the same page and allows us to monitor financial issues on a timely basis.

FMG and I have been building and maintaining the Cal Beta Alumni database since 2009. There are currently over 1,200 living alumni that we are keeping track of. This is a bigger challenge than you might think. Our alumni are mobile. You switch jobs a lot and move to new addresses. Your email addresses change. Keeping all this information current requires a lot of behind-the-scenes effort. You can help us out greatly by going online and completing the Update Profile form whenever your info changes.

We have a website ([www.SAECalBeta.org](http://www.SAECalBeta.org)) that has lots of interesting information including links to our photo albums, profiles of each Hall of Fame member, our new one-page directories by class year, excerpts from the Cal Beta History Book by Paul Manolis, and much, much more. It also serves as the portal for the online member directory. As a reminder, the username is CALBETA and the password is phialpha.

We have a very active Facebook page (SAE Cal Beta Alumni) that is your one-stop destination for keeping up-to-date on all things related to Cal, Cal Beta, and UC Berkeley. I would appreciate your liking the page if you have not already done so. We try to embarrass you at least once per year by posting a photo on your birthday. We also share other photos that I spot on social media. I currently have over 300 Cal Beta Facebook friends and am always looking for more.

We have an active LinkedIn Group (SAE Cal Beta Alumni) where you can see the profiles of 275+ alumni. I see no reason this group should not increase to over 600 alumni in the next few years. It is the primary way we keep track of your current position and employer. We then have to make sure this info is

accurately entered into the database. As you might imagine, this is a time-consuming process but a very necessary one. If you are on LinkedIn and we are not personally connected, please send me a request.

To help Cal Beta classes stay in touch with each other, we are in the process of creating 1-page class directories for every year from 1950 to the present. These directories include your name, email, cell phone number, city and state, initiation date, and pin number. We should be done with this project by the end of March 2019 if not sooner. These downloadable directories (in pdf format) are posted to the website behind a password-protected page.

One way we plan to keep the information current in these directories is to assign to each of the 50+ actives a single class year. The actives will then be responsible for reaching out to all the alumni in their assigned class year and obtaining their current info. Any new info will then be transmitted to FMG for entry into the database. This process has the added benefit of helping our actives get to know 25+ alumni which could, in turn, lead to an internship, a job recommendation, or perhaps even a new lifelong friend.

The undergraduate chapter has 51 actives and only a handful of upperclassmen. This number should grow to 70+ in the next two years assuming successful spring and fall rushes.

We have a new Parents Club under the direction of Robert Locke, father of Auston Locke, the new EA beginning in 2019. The parents donated \$8,000 this Fall to help with a variety of projects including new washers and dryers in the laundry room that will NOT be coin operated. Our undergrads will no longer have to make trips to the bank to buy rolls of quarters starting in 2019!

Duck Dinner 2018 was a smash hit. Legendary Cal rugby coach Jack Clark was our keynote speaker, the Cal Band made its usual appearance, and we inducted two more members into the Cal Beta Hall of Fame, now up to 53 total members since being launched in 2010.

Our alumni from the 1950s continue their December tradition of getting together for lunch at the Jack Leathers Christmas Reunion held in recent years at the Round Hill CC in Alamo, CA. This was the 24<sup>th</sup> consecutive lunch since being started by Jack Leathers '51 back in 1995. Continuing thanks to Jim Kidder '54 and Bob Leslie '51 for organizing the reunion.

## **So What's Next ?**

All I can say is that 2019 is going to be a VERY interesting year.

We are not sure of the details just yet, but rest assured we will celebrate the 125<sup>th</sup> Anniversary in an appropriate way. Stay tuned for details. The official anniversary date is November 24, 2019, one day after Big Game which will be held at Stanford on 11/23. We will probably choose a different weekend to celebrate than Big Game Weekend. FYI - The 100<sup>th</sup> Anniversary was held in mid-October 1994, a good five weeks before the 100<sup>th</sup> anniversary on 11/24/94.

The most important thing we are about to do is create a written strategic plan that will attempt to address all significant issues facing Cal Beta for the next 25+ years. I am pleased to announce that we have formed a small strategic planning team to assist me in this endeavor. Team members include Rich Lyons '79, former Dean of BerkeleyHaas, Craig Walker '83, Founder and CEO of Dialpad, and Ross Biestman '03, VP of Worldwide Sales at ServiceTitan. We expect to have this plan completed by the end of March.

We are also hard at work on an expanded calendar of events for 2019 that will give Cal Beta Alumni multiple opportunities to interact with the undergrads and with each other. I have asked Mark Biestman '76 aka the Biest to lead this endeavor.

The last item I want to address in this letter is fundraising. While we are currently managing Cal Beta operations on a slightly better than break-even basis, there are lots of things we would like to do but simply cannot afford. We have consciously not been asking alumni for money for the last several years. We wanted to make sure that we could get the undergraduate chapter back on solid ground and in the good graces of both UC Berkeley and SAE National. We believe that mission has been accomplished even though the two-year probationary period with SAE National will not technically expire until the end of spring 2019.

The strategic plan will address what our long-term capital needs are. I will not address them in this document other than to say we should probably raise enough money to pay-off the mortgage and build our reserves slightly to help us fund some new initiatives. Items under consideration are hiring a full-time live-in manager, developing a mentorship and leadership training program, offering more scholarships, and hanging pictures and other memorabilia on all the empty walls at 2722 Bancroft to proudly display our 125-year history.

What we do want, however, is to ask all Cal Beta Alumni and Parents to demonstrate your support and loyalty by making a one-time gift of \$125 in honor of our 125<sup>th</sup> Anniversary. Just like the True Gentleman plaque that is currently hanging in the foyer of the chapter house which honors donors from the 2001 campaign, we plan to inscribe your name on a new 125<sup>th</sup> Anniversary plaque that will be placed nearby. It will have to be a bigger plaque, however, because we would like to see 300+ of you step-up and participate. This represents about 25% of the alumni base, a significantly higher percentage than we've experienced in past campaigns.

Chris Watson and David Thomas, pledge brothers from the Class of 1979, have agreed to lead this campaign. You will be hearing from them shortly with additional details. As a reminder, your contributions are tax deductible as we have been organized as a 501(c)3 non-profit corporation since the 1990s.

## **Conclusion**

Well, by now, you have concluded this is not your ordinary year-end letter from SAE Cal Beta. It is time to draw a line in the sand and take a stand. We are going to run Cal Beta more like a business. We are going to make sure a leadership team is in place to replace Jeff and myself when we are ready to move on. We are going to assign alumni mentors to each of the undergrads. We are going to celebrate our 125<sup>th</sup> anniversary year in a variety of ways. We are going to develop a plan to guide our path to the 150<sup>th</sup> anniversary in 2044 and beyond. We are going to do our best to make you proud of being a lifelong member of Cal Beta and make it crystal clear to anyone watching that SAE is the BEST fraternity at Cal.

Can we count on your support? It is important for us to know who is on the team and who is not. This is your chance to show us you care and want to play a role in our future success. Please contribute \$125 (tax deductible) in honor of our 125<sup>th</sup> Anniversary. I can assure you the money will be well spent.

To give using our secure online website, go to [www.SAECalBeta.org](http://www.SAECalBeta.org), click on **Donate**, then choose to either pay by credit card or PayPal. It's that easy.

One last thing. We need more volunteers to help run Cal Beta and to be mentors to the undergrads. Even if it's just a couple of hours per month. Email me at [JW85396@gmail.com](mailto:JW85396@gmail.com) and we'll find something interesting for you to do.

Happy Holidays. Go Bears. Phi Alpha.

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