

PROCEEDINGS OF THE 08/11/05 MEETING OF THE USCF EXECUTIVE BOARD IN PHOENIX, AZ

The meeting was called to order in closed session at 09:13 AM on 08/11/05 by President Beatriz Marinello. Board members present were Beatriz Marinello, Don Schultz, Elizabeth Shaughnessy, and Steve Shutt. Also present were Executive Director Bill Hall, Executive Assistant Pat Knight and Secretarial assistants Myron and Rachel Lieberman.

The closed session ended at 09:44 AM. No motion was brought forward at this time.

The meeting went into open session at 10:09 AM. Those present for at least a portion of the meeting included (but may not have been limited to) the following people in addition to those mentioned above: Dewain Barber, Phyllis Benjamin, Joel Channing, Joan Dubois, Gerry Dullea, Bill Goichberg, Roger Gottschall, John Hallahan, Guy Hoffman, Michael Khodarkovsky, Jack Mallory, Mike Nietman, Tony Pabon, Susan Polgar, Diane Reese, Harry Sabine, Greg Shahade, Robert Tanner, Hal Terrie, Paul Truong, and Harold Winston. The incoming Board joined the outgoing Board at the table.

Tiebreaks for state elections were brought up. No action was taken.

CROSSVILLE

Harry Sabine answered questions from the Board regarding the Crossville land. He pointed out that the land is in an industrial park area and the city wants it to be used. If the owner of the land fails to build within one year, the city has the option to take it back at cost. He indicated that the Tennessee Chess Federation wants to help build a tournament hall at the back of the building. There is the ability to expand. He explained that all documents related to the transaction were furnished to USCF two to three years ago. A certified appraisal of \$264,000 was made at the time the land was given to USCF. Further discussion took place later in the meeting.

NATIONAL SCHOLASTIC CHAMPIONSHIPS

The involvement of the Scholastic Council in any outsourced National Scholastic Championship events was then discussed. Steve Shutt explained that the office took over the organization of the 2001 Super Nationals in Kansas City in consultation with the Scholastic Council. The Scholastic Council was heavily involved. He and Mike Nietman wanted to be sure that the Scholastic Council continues to be involved with any outsourced National Scholastics. A motion was prepared to address this issue. While the wording was being finalized the meeting continued.

FINANCIAL STATEMENTS

Executive Director Bill Hall provided the audited financial statements. They showed that the bottom line was that net assets improved by \$1,009, 068 from a deficit of (\$997,656) as of May 31 last year to a positive balance of \$11,412 as of May 31 this year. The audited financial statements are included with the minutes of the August 2005 meetings.

Please note that the assets include the appraised value of the Crossville land (\$264,000), which will be an unrestricted asset once the building is constructed. The assets also include the amount receivable from Chess Cafe. The budget was discussed later in the meeting after copies were made and distributed.

Steve Shutt offered the following motion regarding the Scholastic Council with Mike Nietman's support. The motion received unanimous approval.

EB05 – 54 – Marinello, Shaughnessy, Shutt – The Scholastic Council will be consulted and involved in any negotiations for the sale or leasing of any national scholastic tournament. Compliance with the Scholastic Regulations shall be guaranteed by the contract. **PASSED 4-0**

TIM HANKE RESIGNATION

Vice President for Finance Tim Hanke submitted a letter of resignation to the Board. Beatriz Marinello offered the following as a Board motion to accept the resignation with thanks.

EB05 – 55 – Board – The Executive Board accepts the resignation of Tim Hanke and thanks him for his valuable service, particularly in regard to turning around the financial situation of the USCF. **PASSED 4-0**

BUDGET

Executive Director Bill Hall indicated that the budget in the *Delegates' Call* was incorrect and provided

copies of the corrected 2005 – 2006 budget worksheet. The figures in the *Delegates' Call* show a profit of over \$600,000 budgeted for 2005 - 2006, however the *Chess Life* expenses of over \$600,000 were listed but not included in the Total Expenses line. The budget should have projected a deficit of (\$15,000) instead of a large profit. He reviewed the budget by line item and suggested some modifications. The revised budget is included with the minutes of the August 2005 meetings. The expenses of the election insert and the reprinted ballots actually come in June. Bill Hall wants a website pro on staff to oversee improvements and has budgeted \$25,000 for website design.

CROSSVILLE REVISITED

Further discussion ensued regarding the industrial zoning for the Crossville land. Currently the land can only be sold for industrial or membership organization purposes. Joel Channing pointed out that this is very limiting and that we should have the right to sell it as an office building. Harry Sabine replied that it was originally zoned recreational but was changed when the soccer organization that originally was interested in the property backed out and USCF became a factor. It required all owners in the tract to agree to allow the change. Renegotiation would again require the same process. All owners would need to be located and agree to the change. A single objection would prevent the change in zoning.

The meeting recessed at 11:41 AM and resumed in closed session at 12:03 PM. Present were Joel Channing, Bill Goichberg, Bill Hall, Beatriz Marinello, Don Schultz, Greg Shahade, Elizabeth Shaughnessy, Steve Shutt, and Robert Tanner. Michael Khodarkovsky made a presentation to the Board. No motions arose from the closed session, which was adjourned at 12:58 PM
