

BOARD ACTIONS BETWEEN MEETINGS

The following motion was presented through the objections procedure:

EB 02-29: (McCrary):“ The Executive Board affirms that the position of Chief Financial Officer is vacant as of October 29, 2001.” **PASSED BY THE OBJECTIONS PROCEDURE**

On a conference call of the Executive Board held on November 13, 2001, the following motions were passed:

EB 02-30: (Warren):” The Executive Board approves borrowing from the LMA to the legal limit as defined by the LMA Committee.” **PASSED 7-0**

EB 02-31: (McCrary): “ The Executive Board authorizes the Executive Director to execute necessary loan arrangements from a bank, subject to approval by the President and the Vice President for Finance.” **PASSED 5-2**, Barry and Warren opposed.

On a conference call of the Executive Board held on December 11, 2001, the following motions were passed:

EB 02-32 (McCrary): “ The Executive Board authorizes the President to assign the duties and responsibilities of the position of Executive Director to Frank Niro, and to appoint him as Interim Executive Director, until a permanent Executive Director is hired and begins employment.” **PASSED 6-0-1**, Warren abstaining.

EB 02-33: (McCrary): “The Executive Board approves signing the contract regarding the Think-Like-A-King project, in accordance with the recommendations of the Vice President.” **PASSED 7-0** (Note that the Vice President’s recommendations, as presented during the call, included some changes from previous contract drafts.The Board vote was based on the understanding that these recommended changes would be incorporated.)

MINUTES OF THE FEBRUARY 9-10, 2002 MEETING OF THE EXECUTIVE BOARD OF THE UNITED STATES CHESS FEDERATION

The USCF Executive Board Meeting convened at 9:00 am on February 9, 2002, at the Ramada in Newburgh, NY. All current Executive Board members were present throughout the two-day meeting, as follows:

Dr. John McCrary, President
Steve Shutt, Vice President
Frank Camaratta, Vice President for Finance
Bob Smith, Secretary
Dr. Frank Brady, Member-at-Large

Also present was Interim Executive Director Frank Niro.

A number of visitors attended all or part of the open sessions, including the following: Joan Dubois, Tom Brownscombe, Judy Misner, Barbara Vandermark, Don Schultz, Linda Legenos,

Bill Goichberg, Anne Ashton, Mark Levy, Jami Anson, Carol Jarecki, Peter Kurzdorfer, Larry King, Bill Kelleher, Ron Burnett, Diane Reese, Beatriz Marinello, Dana Belcher, and Barbara DeMaro.

The Board met in Closed Session until about 10:30 a.m. on February 9, and then conducted the rest of the meetings in Open session.

MOTIONS FROM THE FEBRUARY 9-10, 2002 EXECUTIVE BOARD MEETING

EB 02-34: (McCrary) “The agenda is approved.” **PASSED 5-0**

EB 02-35: (McCrary) “ The Minutes of the October 27-28, 2001 Executive Board meeting are approved as published.” **PASSED 5-0**

EB 02-36: (Board) “ The USCF Executive Board appoints Joe Ippolito as a Trustee of the US Chess Trust.” **PASSED 5-0**

EB 02-37: (McCrary) “ The USCF Executive Board commends the FIDE Advisory Committee for its outstanding work, looks forward to its future recommendations, and invites comments for discussion at the May Board meeting.” **PASSED 5-0**

EB 02-38: (McCrary) “ The Executive Board authorizes the Executive Director to make changes in the USCF Invitational Event Requirements, consistent with the recommendations of the USCF Scholastic Director that were offered to the Executive Board on this date. The US Champion and US Women’s Champion will be automatically invited to play on the US Olympiad team and US Women’s team, respectively.” **PASSED 5-0**

EB 02-39: (McCrary) “ The Executive Board appoints the list of committees circulated to the Executive Board on this date.” **PASSED 5-0**

TOPICS DISCUSSED

In addition to the motions passed as given above, the Board discussed a number of other topics:

1) Report of the Interim Executive Director: Frank Niro, who began as Interim ED in late December 2001, gave a detailed report, which is available in its entirety at this time at www.uschess.org Highlights of the report are as follows:

a) Finances: The USCF shows a substantial loss from May 2001 through December 2001, but this loss has been overstated on the records by about \$106,777. That is because of unrecorded liabilities and reconciliation of accounts receivable related to the previous fiscal year. As a result, expenses related to fiscal year 2001 were not recorded until fiscal year 2002, thus overstating expenses for the current fiscal year by \$106,777, while understating them for the prior fiscal year by the same amount. Changes are being made in determining cost-of-sales which will also impact financial reporting. Because of the cost of obtaining revised audited figures, at this time the Board will note the above for planning and evaluation purposes, but will not seek a corrected

audited statement.

It should be noted that the new Board implemented a plan to reduce annual spending by \$200,000 last September. As a result, substantial cuts in the cost of US Chess Live, and in personnel spending, have occurred and will approximate the \$200,000 amount. The USCF Operations will move into a single building at the end of May, saving about \$36,000 annually.

Partly because of these cuts, USCF finances are now approximately balanced in the early months of 2002. However, significant challenges must be faced, as the summer months usually operate at a deficit. Clearly, the USCF must reach a state of profitable operations for the entire fiscal year soon, and USCF Delegates will be asked to address financial issues at this year's meeting.

b) Ratings: USCF ratings are up to date, while FIDE ratings are being caught up. Practical difficulties in implementing a Delegate motion on ratings passed last year were discussed.

c) Management of Information Systems: Meetings with MIS staff of the USCF are occurring, and proposed changes in this area, including website improvements, will be recommended soon.

d) Membership: USCF individual membership was 90,005 at the end of December. The trends of losing regular adult members while gaining scholastic members are continuing.

e) Other issues: *Chess Life* has been expanded again in size. However, TLA's for affiliates, which dropped sharply after TLA fees were raised in October 2000, have only partially recovered despite the fact that TLA fees were dropped to their previous rates by the new Board.

2) FIDE Issues: Don Schultz, Chair of the FIDE Advisory Committee, presented a 19-page comprehensive report from that committee on a number of FIDE-related matters. Also present were the USCF Delegate to FIDE, Bill Kelleher, and Carol Jarecki, who has served in FIDE positions. Committee recommendations were presented regarding the criteria for appointments to the FIDE team from USCF, as well as appointments to various FIDE commissions. The possibility of recommending that the America's Continental Organization be divided, for FIDE purposes, into two continents was discussed. Recommendations were made that the USCF should lobby for a return to a more traditional match-play format for the World Championship. Concern was expressed regarding the possibility that FIDE might provide competition with the USCF rating system.

In general, it was noted that the Board should consider placing motions on the advance agenda of the FIDE General Assembly meeting later this year. The question of appointment of positions on the FIDE team from USCF will also arise later this year.

3) Book-and-Equipment Update: The USCF is increasing its selection of books and equipment significantly, to be most evident by the time of publication of a summer catalog. Temporary alliances of a non-exclusive nature with some major suppliers are being implemented as part of this attempt to enhance this member service.

4) Chess Life matters: Dr. Frank Brady, a former *Chess Life* editor and USCF Business

Manager, presented a report from the Publications Committee. The report included a number of recommendations regarding the appearance of USCF publications, improved proofreading, and other related issues. *Chess Life* editor Peter Kurzdorfer was present during this discussion.

5) US Championship residency requirements: The possibility of reducing the residency requirements to two years was raised, partly because of the number of very strong players entering the United States with the intent of becoming permanent residents. However, two Board members expressed concerns that inadequate sampling of views of top US players had been done. There were also concerns that a change at this time would cause some confusion in the qualifying cycle for the US Championships, which began less than two weeks after the meeting. Thus, no motion to reduce the residency minimum time was introduced.

USCF Scholastic Director Tom Brownscombe presented a revised set of guidelines for Invitational Events to the Board. These were adopted, and were posted almost immediately at www.uschess.org.

6) Scholastic Council Report: Vice President Steve Shutt commented on matters that have been discussed through the USCF Scholastic Council. Beatriz Marinello, a Scholastic Council member, was present during the discussion, as was current USCF Scholastic Director Tom Brownscombe. Mr. Shutt noted that there is support for inclusion of *School Mates* material in some *Chess Life* issues as an alternative to the current practice, if feasible. Making ratings instantly accessible online is a very desirable goal, as is the provision of online crosstables. A number of other initiatives are being considered and evaluated by the Scholastic Council.

7) Matter regarding GM Robert J. Fischer: At the Executive Board meeting of October 27-28, 2001, the following motion was passed: “The US Chess Federation dissociates itself from the remarks made by Robert J. Fischer about the terrorist actions. The USCF Executive Board expresses the deepest sympathy for the victims of the tragedies and the strongest condemnation of the actions of terrorists. Mr. Fischer will be informed that his membership may be revoked.” Subsequently, a letter was sent to GM Fischer but no response had been received by the time of the meeting. The Board agreed to consider an objections-procedure motion at the expiration of the due-process period required by the Bylaws.

8) Website changes: It was noted that some improvements in the website have recently been implemented. These include more timely postings of new items and removal of outdated ones. A convenient link to help locate local clubs has been added, along with a way that members can determine if events in which they played have been received and rated. As noted in the Executive Director’s report above, additional improvements are being considered.

9) Membership drive: Although individual membership topped 90,000 at the end of 2001, (and exceeded 91,000 during February), growth is occurring only in the area of Scholastic memberships. Regular Adult memberships continue to decline at the rate of about 1,000 per year despite various membership incentives such as US Chess Live. Bill Goichberg, Chair of the Membership Growth Committee, recommended that the Membership Appreciation Program be brought back, to replace the Affiliate Incentive Program. It was generally agreed to do this, with additional rewards, such as more *Chess Life* recognition, being given to participating affiliates in

the MAP.

In addition, a Booster program will be implemented, which will reward affiliates that offer three-year USCF memberships as tournament prizes. Both the MAP and the Booster programs will be advertised in *Chess Life* and on the website.

10) E-mail marketing: It was suggested that the Interim Executive Director discuss with Games Parlor the use of their extensive base of e-mail addresses obtained from USCF members to help in marketing efforts.

11) Committee structure: Some changes in committee assignments and the Board liaisons for those committees were made. Committees which have not been active, or whose functions have been superceded by other groups, were deleted, while some new committees were created.

The Meeting of the Executive Board adjourned at approximately 12:30 PM on February 10, 2002.

Respectfully submitted, Bob Smith USCF Secretary