

Proceedings of the February, 2008, USCF Executive Board Internet/Conference Meeting

Saturday Open Session

The February, 2008, USCF Executive Board meeting was held over the Internet via a VOIP conference call rather than a physical meeting. Randy Bauer, Jim Berry, Joel Channing, Bill Goichberg, Bill Hall, Randy Hough, Susan Polgar, and Paul Truong participated. Also present were Myron and Rachel Lieberman, Mike Nolan, Joe Nanna, and possibly others. Co-chair Steve Shutt represented the Scholastic Council.

President Bill Goichberg called the meeting to order at 11:03 AM CST. He welcomed the group to the meeting.

Chairman Randy Bauer presented the recommendation of the Subcommittee created to consider charges made by Brian Mottershead. He proposed a motion in which Paul Truong's title be removed and Paul Truong would be removed as the liaison to all of his committees. Bill Goichberg offered an amendment to the motion, which was accepted by Randy Bauer, to abolish all EB titles not specified in the Bylaws (not just Paul Truong's).

EB08 – 026 – Bauer/Goichberg – Abolish all titles for EB members other than those specified in the Bylaws. It is further moved that Paul Truong is removed as liaison to any and all Board or Delegate appointed USCF committees. **PASSED 5-0-2** with Truong and Polgar abstaining.

Officer reports were next. President Bill Goichberg stated that there could be a loss of around \$100,000 although January numbers are encouraging. Adult, Senior, and Scholastic memberships are up. Bill Goichberg stated that November and December numbers were not good. Chuck Unruh and Grant Perks sent forecasts. Both felt that non essential expenses need to be cut. Both anticipated that National Scholastic entries could be off. One employee has been let go.

Cuts to “Chess Life” were discussed. It was noted that a cut of eight pages might save \$2400, while a cut of sixteen pages might save twice that figure. The March issue will feature Bobby Fischer. Eight pages could be cut from that issue and then sixteen pages each in April, May, and June. Joel Channing disagreed with reducing the size of “Chess Life” and asked that the internet insurance and forum be canceled instead. Bill Goichberg suggested that the insurance be cut and the forum maintained. Joel Channing asked to see in writing a statement by a lawyer that the forum could remain open without insurance. The following Action Item resulted after discussion:

ACTION ITEM - BH0802-001 – Bill Hall will get all communications from our attorney regarding the need for Internet insurance in writing and send a copy to Joel Channing.

Another idea for increasing revenues this fiscal year was to offer email services to affiliates.

Bill Goichberg discussed the passing of Bobby Fischer. It was noted by the Board that while Mr. Fischer made some public statements that were reprehensible, there could be no doubt that he was a great chess player. The Board expressed sorrow at his passing.

Gata Kamsky can compete for the World Chess Championship if he wins two more preliminary games. His foundation requested assistance to enable him to properly train for the competition. The Board passed the following motion:

EB08 – 027 – Board - USCF endorses the Gata Kamsky International Chess and Sports Foundation, will provide it substantial free publicity, and urges our members and affiliates to contribute in order to help Gata train properly for his effort to win the World Championship. **PASSED 7-0.**

The Financial Report was next. Vice President of Finance Randy Bauer gave the report. He discussed a memo written by Joe Nanna on January 14, 2008. It was noted that the finances are back loaded. This causes difficulty in forecasting results. Money should be more available for the rest of the year.

Randy Bauer stated that he and Chuck Unruh feel that it is important to budget for contingency. A concern is that we are likely to see reductions in revenue from major tournaments, therefore it is essential to develop a contingency fund. Randy Bauer stated that the loss could be \$40,000 and that the contingency fund could not be put in place before next fiscal year.

Executive Director Bill Hall gave his report next. He stated that we have a plan in place but that we are understaffed. No help has been hired for Mike Nolan.

Bill Hall addressed the cuts to “Chess Life”. He does not feel that cutting eight pages would cause a disconnect with the members, but does feel that sixteen pages might be a heavy cut. Another idea was to put “Chess Life for Kids” on the web, but that will not affect finances this fiscal year.

Online delivery in general was discussed. It was felt that services can be delivered online and that we can offer lower cost memberships online. Paul Truong suggested that the Board discuss the online transition of “Chess Life for Kids” with the scholastic community before it occurs. Mike Nolan stated that he can produce numbers regarding online transitions. Bill Hall stated that those numbers need to be considered. Bill Goichberg noted that any change needs to be approved by the Delegates.

Bill Hall stated that this is all part of a comprehensive plan. This may be a place where there is room for a contingency fund.

It was noted that a break even cash flow year would make a huge difference in profit and loss. Cash reserves dry up in the summer. Also, there is currently \$10,000 more in legal expense than last year. Bill Hall stated that expenses are lower even though costs for ink and paper are up. The focus is to improve service, improve value, improve membership numbers and drive revenue.

Joel Channing suggested that it might be beneficial to hold more meetings by conference call. Bill Hall felt that this might save \$5,000 per meeting. He felt that there is a benefit to holding the next meeting at the US Championship, but that in the future two meetings per year could be held online or by conference call. Randy Bauer noted that it would be hard to develop a budget via conference call. In general, however, the Board agreed that two meetings out of four could be held this way.

Revenue was discussed. It was suggested that strategies be built into the budget that will create revenue. Bill Goichberg stated that it is difficult to budget more revenue next fiscal year. There is an Olympiad and Frank Berry will not be hosting the US Championship. It was noted that we need to take advantage of the fact that young people are more into the internet than older adults. A "Chess Life for Kids" presence online could be a reason to lower dues. Bill Hall suggested that in the beginning online services could be offered for those 25 and under. Later, online services could be offered for adults. Viewing games with a game viewer was discussed. Bill Hall stated that this could be provided at an attractive cost, and at the same time be more profitable.

Membership classes and the appropriate magazine for those classes were discussed. Bill Goichberg stated that it is confusing to have too many membership classes. Online options for Young Adults and Youth could be combined. The charge could be \$17.00 with a \$2.00 commission. Ideal would be to have one membership class with an online publication. Bill Hall suggested that there is a need to run the numbers before determining the cost of the online membership. Paul Truong stated that some children are poor and might not have access, but at the same time, they would also want to see the TLAs. Bill Hall felt that most children would have access. It was noted that making the scholastic publication part of "Chess Life" has already been tried.

Group memberships were discussed. Bill Goichberg suggested that we try an experiment in which everyone in a school or district can be included in the group membership. Bill Hall stated that with large memberships there is no way to ensure against cheating. Bill Hall noted that a 50,000 member school district could charge \$2.00 per member. This type of program would create \$100,000 in revenue. Bill Hall stated that he will try to promote this next year. It was noted that some current group memberships have had administrative problems. The costs were disclosed as follows: Groups of 400 pay \$7.00 apiece, 300 pay \$8.00 apiece, and 100 pay \$9.00 apiece. These rates include "Chess Life" in hard copy. This program is being organized by Scholastic Director Jerry Nash. Joel Channing suggested that some incentive be built into the program to benefit the schools that are offering these programs to their students. It was noted that our rating system is the most credible and is recognized nationally and internationally. Each student would need to give their name, address, telephone number, and age, but the children could fill out their own information. The problem here is that if the local administrator leaves, the program could fall apart. Another problem is that it very time consuming on the local level to maintain the data and the program. It was noted that converting scholastic members to adults is a large problem. We need to either retain them or find ways to get them back. It was suggested that we send online magazines to scholastic players after they cease to be members.

Cuts to "Chess Life" were again discussed. Bill Goichberg felt that tentatively the eight page cut should be permanent. Susan Polgar and Paul Truong agreed with an eight page cut. Joel Channing was not comfortable with cutting content. Bill Hall asked the Board to grant him the option to cut sixteen pages if he feels it is needed. He wants the cut to be limited to eight pages with an option to cut sixteen. Joel Channing and Paul Truong were against this request. Bill Hall stated that the current publications staff is at bare bones level. The Board consensus was that eight pages could be cut.

A recess for lunch was called at 1:04 PM CST. The meeting resumed at 1:45 PM and went into closed session at 1:57 PM CST. Closed session ended at 3:14 PM CST, at which time the following business was brought forward:

Susan Polgar was named liaison for all of the committees for which Paul Truong was previously liaison.

EB08 – 028 – Board – Susan Polgar is named the liaison for the Scholastic, College Chess, Cramer Awards, Denker Tournament and Polgar Tournament Committees. **PASSED 7-0.**

ACTION ITEM - BH0802-002 – Bill Hall will report to the Board regarding (timeliness of the news on) the website within three weeks (From closed session).

Randy Hough, liaison to the TDCC, requested that Frank Guadalupe be added to the committee.

EB08 - 029 – Hough – Frank Guadalupe is added to the Tournament Director Certification Committee (TDCC). **PASSED 7-0.**

Free "Chess Life" content on the web was discussed. In general, the Board was in favor of restricting the content. Bill Goichberg introduced an idea by Hal Bogner in which an individual could receive 100 pages of "Chess Life" on the web if they register. The same individual would need to pay if they did not. Bill Hall recommended that at most one older issue be made available, but not the entire issue. Joel Channing suggested that current news be made available online. Bill Hall felt that two articles per week could be posted. One could be reached by registration. The other would be for members only. Paul Truong

suggested that a “teaser” be made available online for each article, perhaps containing the first one or two paragraphs of each article rather than one article in its entirety. Joel Channing noted that people could rate articles after they read them. This way we can learn what people like and dislike. The following Action Item resulted:

ACTION ITEM BH0802-003 – Bill Hall has one week to determine a strategy to have the vast majority of “Chess Life” behind membership walls (on the website).

Mike Nolan noted that it will take time to analyze data and write a program. Taking polls was suggested as a way to obtain data, which can then be analyzed.

At 3:38 PM CST Steve Shutt joined the call for the purpose of discussing scholastic issues. The Supernationals were discussed. Bill Goichberg stated that many people would like to discontinue the Supernational chess tournaments. Steve Shutt explained that the problems include overcrowding and registration, however, these problems are being resolved. Another problem, however, is that by 2021 the costs might be so high that they drive people away. Steve Shutt said that the Scholastic Council is interested in trying the Supernationals again. It was noted that there have been some problems with the Nashville site. The room rate is high and should be renegotiated. Steve Shutt said that he would go back to the Scholastic Council and try to get an opinion on what needs to be done. He will get back to the Board as soon as possible. The role of Meeting Link in the Supernationals was also an issue.

Promotion of the Supernationals was discussed next. Paul Troung stated that this is the biggest chess tournament in the world. Money needs to be put in it and a film crew needs to be on hand. Bill Hall stated that the event has been promoted this way by the USCF. Joel Channing asked to see a breakdown of expenses and revenues for each tournament. Bill Hall stated that he will get Joel Channing a copy of the US Open breakdown by Monday.

Online magazine for young members was the next topic. Bill Goichberg stated that surveys show that most children get their information online. The most popular source of information for adults is their (hard copy) “Chess Life”.

Rules for online play were considered. Bill Goichberg stated that cheating is a problem. He wants to contact the Rules Committee for feedback. He stated that some tournaments need more than one Director. Joel Channing felt that online play in which people go to a specific location rather than play from home should be in place right now. Bill Goichberg noted that schools could get together with other schools and play in matches that could then be submitted for rating. It was noted that cheating could be an issue in online play between schools.

Rating of online matches was also discussed. They could be Quick Rated, but it was noted that slow rating might be better. Here again, coaches could be accused of cheating and caution is needed. Bill Goichberg stated that the availability of Quick Rating for online matches should be publicized, as well as the availability of slower rated matches. He committed to the following Action Item:

ACTION ITEM BG0802-001 – Bill Goichberg will consult with the appropriate committees and present a proposal for regular rated online play to the Executive Board as soon as possible.

Steve Shutt asked to see whatever input is provided by the committees.

Chess Coach Certification was discussed next. Joel Channing stated that his insurance agent is looking at national carriers to create a package that will provide low cost and high coverage for the chess coach certification program. He stated that clubs, affiliates, and coaches need to be covered. He wants everything in one package, including child molestation. Bill Hall stated that he has spoken with Harry Sabine on this. Bill Goichberg stated that he had spoken with an insurance agent who quoted \$265 per year for one million dollars in coverage. Joel Channing emphasized that all advice must be gotten in writing and that coaches and directors must be covered. Nobody wants to see an action go to a Jury. He said he would like to know more about Bill Goichberg's quote. Joel Channing stated that this is a question of liability and agreed to the following Action Item:

ACTION ITEM JC0802-001 – Joel Channing will call his insurance agent Monday regarding insurance for certified chess coaches and send his agent's report to the Board.

The meeting recessed for the evening at 4:42 PM CST.

Sunday Open Session

The meeting resumed at 11:15 AM CST on Sunday, February 3, 2008. During the interim between 11:00 and 11:15 it was noted that Joel Benjamin has been given a three week trial as a columnist for the “New York Times”. (Congratulations, Joel).

Cuts to “Chess Life” were again discussed. Bill Hall had wanted the option of cutting sixteen pages if needed but the Board consensus was that the Executive Director must come to the Executive Board for more than an eight page cut. Bill Hall was granted the right to cut eight pages as needed.

Bill Goichberg noted that mailing costs of “Chess Life” to foreign countries have risen. He pointed out that Glen Petersen recommends that we charge more to foreign members. Members from Canada and Mexico could pay \$5.00 more while other

foreign members would be charged \$25.00 more. Mike Nolan stated that periodical rates are based on zones. We currently have 372 Canadian members and 52 members from Mexico. Bill Goichberg was opposed to raising rates or adding extra surcharges on Canadian memberships.

The USCF Issues Forum was the next topic discussed. It was noted that the FOC had six members but now only has four as two resigned. Steve Jones was added. Most recently Polly Wright resigned. Bill Goichberg noted that the FOC is now an appeals committee to which sanctions voted by the Moderators Committee may be appealed. At least five members are desired. The following motion resulted:

EB08 – 030 – Goichberg - Michael Mulford is added to the Forum Oversight Committee (FOC). **PASSED 5-0-2** with Polgar and Truong abstaining.

Bill Goichberg pointed out that Michael Mulford is willing to serve.

Penalties were discussed. The Moderators want the latitude to determine those penalties. Bill Goichberg pointed out that the Moderator Committee has control over the queue. Joel Channing stated that he would resign if the Internet Insurance is cancelled.

Financial Reporting was discussed. Randy Bauer stated that most corporations operate on quarterly financial reports for the membership rather than monthly reports. He supports this concept. Regular monthly reports should be made available for the Board and Finance Committee only. He stated that answering member questions can be difficult under the current monthly reporting system because the revenue is back loaded. Bill Goichberg was opposed to the concept of quarterly financial reports because it might lead to feelings of “secrecy” among the members. He stated that the numbers should not be treated as confidential. He also said that he wants to be able to participate in financial discussions on the forum and work with the most current numbers. Paul Truong agreed with Randy Bauer on this issue. Joel Channing was also in favor of quarterly reports. Randy Hough asked to hear Bill Hall's opinion. Bill Hall pointed out that there are business cycles that affect the numbers. Bill Goichberg suggested that Joe Nanna's numbers be posted monthly and that he (Bill G) could be available to answer questions regarding those numbers. He said that he wants the latest figures revealed and that people will understand that USCF is seasonal. Myron Lieberman pointed out that reports have always been released monthly and that when reports are released quarterly the Board's hands are tied because they can't respond to things that are being said on the outside. Randy Hough asked Randy Bauer if there was Committee feedback on this issue. Mike Nolan stated that the vote was 5 – 2 in favor of quarterly reports. Bill Hall stated that he prefers quarterly reports but can live with monthly.

Bill Goichberg moved to increase members' accessibility of timely financial information by resuming the release of financial information on a monthly basis, rather than quarterly.

EB08 – 031 – Goichberg – Financial reports will be released monthly (instead of quarterly). **FAILED 1-6** (Goichberg in Favor)

Emailings for affiliates was discussed. Mike Nolan stated that we do not give email addresses to third parties.

Election Methods was the next topic. Bill Goichberg introduced a new proposal. He stated that it was suggested to him that individuals be allowed to vote for up to the number of candidates on the ballot. Mike Nolan said that the procedure would be for the highest vote getters to win. Joel Channing recommended that this procedure be examined by the appropriate committees.

The idea of allowing voters to vote for as many candidates as were on the ballot (rather than the number of positions) was attributed to Bill Smythe. This would provide a way for a voter to vote against a candidate. It was referred to the Bylaws and Elections Committees.

EB08 – 032 – Goichberg – Move to refer the idea of allowing voters in EB elections to vote for any number of candidates they choose to the Bylaws and Elections Committees. **PASSED 4-3** with Bauer, Polgar and Truong opposed.

Bill Goichberg noted that many years ago the names and addresses of Delegates were made available in “Chess Life” and that later this practice was dropped. Members elect Delegates and should be able to contact them. Information, including email addresses, could be made available on the website but email addresses should not be made available to spammers. Bill Hall stated that currently people who want names and addresses of Delegates in their states pay for a mailing list. Mike Nolan pointed out that the list of Delegates should be published in the yearbook per Delegate mandate. There will be a notice in the April “Chess Life” stating that Delegate addresses will be published. It was noted that there are 150 Delegates and that a quorum is 50. Myron Lieberman stated that there is a Delegate election this year.

Bill Goichberg suggested that Delegates be given a chance to opt in or out with listing their email address. Privacy concerns were discussed. Mike Nolan recommended that we require Delegate mailing addresses on the website and tell Delegates that we may publish their email address. When someone is a Delegate they should be reachable. Candidates should be aware that contact information may be made public if they are elected. The objection was exposure of Delegates to excessive e-mail spam. Also, to do this the Privacy Policy must be modified.

EB08 – 033 – Board – The EB votes to amend the Privacy Policy as follows: (1) Delegates' mailing addresses may be published

on the USCF website. (2) Delegate mailing addresses will be published in "Chess Life" per Delegate mandate. (3) USCF may publish Delegate e-mail addresses at its discretion. **PASSED 7-0.**

The following Action Item resulted from the motion:

ACTION ITEM - BHMN0802-001 – Bill Hall and Mike Nolan will craft an ADM to address the Delegate mandate of publication of Delegate contact information in "Chess Life".

The meeting went into closed session at 12:54 PM CST and returned to open session at 3:16PM CST. The following motion from the closed session was read in open session:

EB08 – 034 - Board – USCF requirements for submitting International Arbiter (IA) or FIDE Arbiter (FA) title applications are as follows: (1) The office will submit applications on request for those already certified as USCF Senior TD or higher and for Grandmasters (GMs) and International masters (IMs). (2) The applicant must fulfill all FIDE requirements. **PASSED 7-0.**

Bill Hall's Action Items were reviewed next. With regard to Item 4 concerning moderators and nondisclosure agreements, Bill Hall stated that he has consulted an attorney. On Item 5, a letter for Susan Polgar, Bill Hall stated that it is best not to put something in writing. With regard to the Action Item that would make news available on the website as it occurs, Bill Hall stated that he has not been able to identify anyone he trusts to complete the task. With regard to Item 7, Bill Goichberg discussed election methods. Item 8 was declared moot.

Item 9 concerned Bill Hall and Mike Nolan working on the website. Bill Goichberg stated that there were problems with AOL. Brian Mottershead was working on them. It was decided that this Action Item should continue specific to the AOL problems.

ACTION ITEM BHMN0802-002 – Bill Hall and Mike Nolan will continue to evaluate progress on the website, with specific attention to the AOL problem.

Please note: Joel Channing requested information from Bill Hall regarding the responsibilities and compensation of Brian Mottershead. Subsequently Bill Goichberg pointed out that USCF hired Hal Bogner's company, not Brian Mottershead (who worked for Hal Bogner), so that Hal Bogner should be the one to provide that information." The action item becomes:

ACTION ITEM BH0802-004 – Bill Hall will provide a memo regarding what tasks Hal Bogner and his associates were responsible for and what they have been paid for within two weeks

Item 11 regarding foreign federations using our rating system for a fee was discussed next and resulted in a new Action Item.

ACTION ITEM BH0802-005 – Bill Hall will see that someone, probably a member of our FIDE Delegation, will contact FIDE regarding the concept of foreign federations using the USCF rating system for a fee.

Bill Goichberg stated that he would like a mutually acceptable agreement. If a country is interested in working with us we should work with them but there is more potential working in conjunction with FIDE. If the USCF does ratings for FIDE those ratings could be sold around the world.

Joel Channing brought up the concept of a time and motion study. Randy Bauer stated that he has been involved with such studies in the past. He offered to meet Mike Nolan and Bill Hall in Crossville to review the technology that was used in his study.

ACTION ITEM RB0802-001 – Randy Bauer will meet with Bill Hall and Mike Nolan in Crossville prior to May regarding the methodology needed to set up a time and motion study.

With regard to Item 12, rules for online play, responsibility was switched to Bill Goichberg to write a proposal. With regard to Item 13, Jim Berry and Randy Bauer were not aware that a memo was needed.

Randy Bauer stated that he would try to put together materials for a possible workshop in Dallas on organizational self assessment. This is an excellent tool that helps an organization focus on its goals.

ACTION ITEM RB0802-002 – Randy Bauer will put together materials regarding organizational self-assessment with the idea of a possible workshop in Dallas.

The meeting adjourned at 4PM CST.

ACTION ITEMS FROM FEBRUARY, 2008, USCF EB CONFERENCE MEETING

BH0802-001 – Bill Hall will get all communications from our attorney regarding the need for Internet insurance in writing and send a copy to Joel Channing.

BH0802-002 – Bill Hall will report to the Board regarding (timeliness of the news on) the website within three weeks (From closed session).

BH0802-003 – Bill Hall has one week to determine a strategy to have the vast majority of “Chess Life” behind membership walls (on the website).

BG0802-001 – Bill Goichberg will consult with the appropriate committees and present a proposal for regular rated online play to the Executive Board as soon as possible.

JC0802-001 – Joel Channing will call his insurance agent Monday regarding insurance for certified chess coaches and send his agent's report to the Board.

BHMN0802-001 – Bill Hall and Mike Nolan will craft an ADM to address the Delegate mandate of publication of Delegate contact information in “Chess Life”.

BHMN0802-002 – Bill Hall and Mike Nolan will continue to evaluate progress on the website, with specific attention to the AOL problem.

Please note: Joel Channing requested information from Bill Hall regarding the responsibilities and compensation of Brian Mottershead. Subsequently Bill Goichberg pointed out that USCF hired Hal Bogner's company, not Brian Mottershead (who worked for Hal Bogner), so that Hal Bogner should be the one to provide that information." The action item becomes:

BH0802-004 – Bill Hall will provide a memo regarding what tasks Hal Bogner and his associates were responsible for and what they have been paid for within two weeks

BH0802-005 – Bill Hall will see that someone, probably a member of our FIDE Delegation, will contact FIDE regarding the concept of foreign federations using the USCF rating system for a fee.

RB0802-001 – Randy Bauer will meet with Bill Hall and Mike Nolan in Crossville prior to May regarding the methodology needed to set up a time and motion study.

RB0802-002 – Randy Bauer will put together materials regarding organizational self-assessment with the idea of a possible workshop in Dallas.