

## **Proceedings of the U.S. Chess Federation Executive Board Meeting May 22-23, 2010 St. Louis MO**

This document is a summary of the proceedings of the meeting. It includes motions made, action items accepted and subjects discussed. Details of discussions, etc., may be obtained from the sound files online.

### **Saturday, May 22, 2010 – Open Session**

At 9a.m. Board President, Jim Berry, called the meeting to order in open session. All Executive Board members were present – Ruth Haring, Mike Atkins, Randy Bauer, and Bill Goichberg which created a quorum. Also attending were Executive Director, Bill Hall; Assistant Executive Director and Director of National Events, Pat Knight Smith; Chief Financial Officer, Joe Nanna; IT Director and Webmaster, Phil Smith; and Scholastic Council Co-chair Mike Nietman.

Minutes of the February Executive Board meeting were briefly discussed. Bill Hall reviewed the method of approving minutes using the objections procedure.

**EB10-041** (Berry) Move to approve the minutes as distributed from the February EB meeting.  
**Passed 5-0**

A last minute addition to the agenda, Formation of a FIDE Subcommittee, was then addressed. Bill Goichberg recommended using subcommittees because they make discussing ideas easier.

**EB10-042** (Board) The Executive Board appoints a FIDE Subcommittee consisting of Ruth Haring, Bill Goichberg and Mike Atkins. Passed 5-0

### **Reports**

**President's Report:** Jim Berry stated that this is the best U.S. Championship ever. GM's are asking to return to St Louis next year. Karpov is running well for FIDE Presidency. A win in October should generate chess publicity throughout the world and help boost USCF membership. An important EB election is coming up. Governance taskforce is storming ahead. Finances are challenging, but tremendous progress has been made. "Good Job" to staff in Crossville.

**Executive Director's Report:** Bill Hall started by saying that the lawsuits are behind us and a recovery plan is in place. Fallout from difficult period impacted staff with tremendous stress resulting from a period of 20% pay reduction, workforce reductions and additional workload, eroded health benefits and now no retirement benefits, all of which should be corrected. A good plan is in place for the budget and our position is better than anticipated. It will take several years to recover with tight periods ahead.

Hall went on to cover Action Items including IOC Funding, a FIDE Arbiter's Seminar at the US Open, Chess Life Promotions, 10 to10 Wild Card Proposal, \$2 Rating Fee for Scholastic Non-Members; TD Certification, Girls Junior Open details, Grant Writing, Operations Review, New Organizational Structure, Finalizing B&E Contract, and Implementing Gold Memberships. Other Action Items were E-mail Notification to Regular members when *Chess*

*Life and Chess Life for Kids* is available, Providing Affiliates E-mail Services, Promotional Plan for Long Expired Via E-mail, Sponsorships, Commission Appointment, Top Tens, Phil Smith's Priority List, Proposal for Activity Requirements for Under Sections at National Scholastics, Quick Chess List Top Lists, Risk Assessment of Phone System Failure, and Temperature Monitoring for Server. Hall requested that "Contact Ratings Committee About 104 on Correspondence" be carried over on the list. He said he would follow up with Alex Dunn and Mike Nolan regarding their Action Items.

Regarding Spring Nationals, Hall reported that all were very successful with strong numbers and solid financials.

President Berry welcomed Chess Life Editor and Director of Publications Daniel Lucas, and Garrett Scott to the meeting. He then called for the next report.

Vice-President of Finances Report: Randy Bauer explained that the current years finances have seen a major improvement and are materially in a much better place than this time last year. Eleven-month figures are in the black and the year may end with a balanced budget. This has been accomplished on the expenditure side of the budget. Revenues have not grown in several years. Looking to the next fiscal year Bauer remarked that it is important to seek opportunities to grow revenues; find other revenue sources; shore up current revenue streams; and be mindful of their impact on cash.

Director of Publications Report: Dan Lucas advised that as requested he had studied the spike in pre-teen and scholastic memberships and looked for ways to retain those members. He determined that *Chess Life* magazine is not the vehicle. His recommendation was to beef-up *Chess Life Online* and USCF's overall web presence. *Chess Life* magazine was said to be better suited for long-form journalism including instructional, human interest and "news you can use" articles. The web works best for items readers need now including TLA's. Lucas also discussed advertising, searching for women columnists, selection of magazine cover and supporting stories, and results of readership surveys Bill Goichberg had conducted. Bill Hall commented that Lucas maintains a fresh creativity and has done a lot to make *Chess Life* relevant.

Next, in answer to previous Board questions, Mike Nietman presented additional information on a Madison, WI bid for the U.S. Open. He detailed the facility, amenities, infrastructure, airport, regional attractions, number of local players and survey results. This opened a discussion of locations in general with questions addressed to Pat Smith and Bill Hall. Haring proposed having a thoughtful, in depth discussion to determine guiding principals for the tournament.

Joe Nanna then reported on finding a new audit firm. Bauer commented that the recent Finance Workshop supported this choice.

**EB 10-043** (Board) The USCF Executive Board, based on recommendation from the Audit Committee, directs the office to engage the firm of Bible, Harris and Smith of Knoxville, TN for the 2010FY audit. **Passed 5-0**

Discussion moved on to the 2011 Budget. Bauer explained that the budget is very austere, but has more upside than downside and that it contains a sustainable and achievable unreserved balance. Suggestions to grow much needed top line revenue included new

sponsorships, new technologies, and new services. Nanna stressed the need to increase the number of dues paying memberships. Hall observed that increasing new memberships is tied to creating a mechanism to incentivise the development of next generation organizers, chess coaches and club sponsors. Bauer noted we still have a lot of work to do and need to get creative in ways to grow top line revenue.

**EB10-044 (Board)** The Executive Board approves and recommends the 2011 FY Budget for approval by the Delegates as presented at the May meeting. **Passed 5-0**

Achieving 501(C)3 status was the next topic. Strategies and roadblocks were discussed. Charter issues and the need for more information from the IL lawyer were referred to Bill Hall for investigation and action.

Bill Hall then addressed the subject of the Delegates List. He advised that it has been online for some time. The states have recently been emailed for updates. Current contact information for the Delegates is available.

The Board clarified the U.S. Championship format. Qualifications and changes were examined.

Ways to update or modify the USCF Rulebook were the next item considered. Hall indicated that several options are in the works including a possible E-book version, CD version or/and simplified player version.

At 5pm the Board went into Closed Session.

### **Sunday, May 23, 2010 - Open Session**

President Berry called the meeting to order. The Board voted on business discussed in Closed Session.

**EB10-045 (Board)** The Executive Board approves the list of Annual Awards as follows:

Committee of the Year – Tournament Director Certification Committee

Honorary Chess Mates – Phil Smith, Joan Schlich

Distinguished Service Award – Steve Shutt, Dr. Frank Brady

Tournament Director of the Year – John Shacter

Special Service Award – Jay Stallings, John Blackstone

Outstanding Career Achievement Award – Val Zemitis, Hal Terrie, Chuck Ensey, Mike Nagaran

Gold Koltanowski Medal – Rex Siquefield, Phil LeCornu

Chess City of the Year – Nashville, TN

GM of the Year – Hikaru Nakamura

Frank J. Marshall Award – Michael Aigner

Organizer of the Year – Tony Rich

Meritorious Service Award – Jim Stallings, Dewain Barber, Richard Buchanan, Alan Anderson, Danny Rensch

Scholastic Services – Greg Shahade, Berkeley Chess School

Chess Club of the Year – Chess Club and Scholastic Center of Saint Louis

Chess College of the Year – El Centro Community College, Dallas TX

**Passed 5-0**

**EB10-046** (Bill Goichberg) The Executive Board passes revisions to the AUG as follows: (see attached) **Passed 5-0**

**EB 10-047** (Bill Hall) The Executive Board authorizes the Executive Director to enter into a three-year extension of Daniel Lucas' contract per the parameters discussed in closed session. **Passed 5-0**

**EB10-048** (Randy Hough) The Executive Board authorizes the President to enter into a one-year extension of the Executive Director, Bill Hall's contract per the parameters discussed in closed session. **Passed 5-0**

**EB10-049** (Board) In the ethics case Forcella vs. Rochester Chess Center, the Executive Board denies the appeal by Mr. Forcella. **Passed 5-0**

Next Joe Lux reported the progress of the Governance Taskforce. He said they had discussed 3 questions in over 400 e-mails and will submit three proposals for the agenda in Irvine. After exploring the question - "Who is the USCF Board of Directors?" It was concluded that the taskforce would like the Executive Board to be the Board of Directors with the Delegates losing as little power as possible. This action would protect the Delegates from possible lawsuits. An opinion from an IL attorney is needed to determine how best this could be accomplished. It was agreed that Bill Hall should contact the IL attorney and present questions prepared by both the Governance Taskforce and Executive Board. The resulting opinion will determine a timeline for action.

The Board then discussed the proposed 2010 U.S. Open Workshop/ Committee Meeting schedule. Pat Smith answered questions and made adjustments and changes where possible.

Mike Nietman, Co-chair of the Scholastic Council, introduced item 18 on the agenda "USCF Scholastic Blitz Chess – Clock Move or Touch Move?" After discussion the Board recommended the Scholastic Council re-consider the matter.

President Berry then moved to agenda item 13 – and proposed the Board sponsor an ADM "State Chapter Affiliates will use only USCF ratings". Bill Goichberg suggested reviewing and revising the "Duties and Responsibilities of USCF State Chapters" would be a better course of action. Hough stated that he believed in partnering with rather than dictating to State Chapters.

Following lunch the meeting resumed. A course of action for item 13 was determined.

**EB10-050** (Bill Goichberg) The Executive Board refers an ADM to the States Committee for comment, which incorporates the following into DM91-27, Duties and Responsibilities of USCF State Affiliates. (see attachment 2) Replace #5 with the following: Use the USCF rating system for all rated state championship activity, and encourage its use for all other rated chess activity in the state. **Passed 5-0**

The Board finished discussion on the USCF Forums. Hall recommended that due to a change in policy, which eliminated appeals and thereby the need for the FOC a thank you to the committee members for all of their time and effort doing a difficult job was in order.

**EB10-051** (Board) The Executive Board thanks all of the members of the Forum Oversight Committee for volunteering their time, effort and energy on our behalf. **Passed 5-0**

Ruth Haring asked if a cost/benefit analysis had ever been done regarding the forums. As a result of discussion, Bill Hall and Ruth Haring accepted an Action Item to do such an analysis and report their findings to the Board.

President Berry moved to item 15 on the agenda dealing with the USCF Website, updates and MSA changes. Hall reminded that due to negotiations in progress, the topic should be covered in closed session.

A need for improvement in communication from the office was addressed. Hall explained that the current phone system and email server hampers communication. The Board stressed the importance of customer service and Hall accepted an Action Item to set up a procedure for logging phone and email response times, and will report his progress in 3 weeks.

The suggestion that as a TD Affiliate submits a ratings report he/she could also create a human-interest type tournament report, which would be available for players to read online and for publications to use in features was discussed. Hall felt this was a great idea, possible to implement and accepted it as an Action Item.

Next the Board talked about National Chess Day (October 9) activities and sponsorships. Hall will work on this as an Action Item.

Haring reintroduced hosting a FIDE Arbiter's Seminar at the U.S. Open. Pricing, FIDE requirements and logistics were reconsidered with favorable results.

The Board then went into Closed Session.