

Proceedings of the U.S. Chess Federation Executive Board Meeting February 2-3, 2013 -- Conference Call

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.

Open Session 1

President Ruth Haring called the meeting to order at 10am on Saturday, February 2, 2013. Roll call was taken. Gary Walters, Allen Priest, Mike Nietman, Michael Atkins, Bill Goichberg, Jim Berry and Bill Hall were present on the conference call and represented a quorum.

President's Report

First on the agenda were Officer and Management Reports. Haring began with her President's Report (attachment 1). She said the Board is focusing on fundamentals which will maintain and grow a solid and sustainable organization.

Vice President's Report

Allen Priest, Vice-President of Finance began his report on the state of USCF finances by saying "things are okay, not great". For example – numbers are running ahead of budget, even with the additional Olympiad expenses; lines of credit are being paid off; membership revenues are on target; expense control is working; and tournaments results are better than expected. Paying off the line of credit is his current focus.

Hall led a discussion on the membership numbers. (attachment 2) Berry and Priest participated.

Gary Walters introduced the establishment of a reserve fund in the next budget and asked that it be discussed at the Finance meeting in Saint Louis. Priest agreed that this is the time to start since all legal fees are now paid. Covering summer expenses without borrowing is the first reserve priority.

Priest concluded his report by noting that an accounting error, causing an overpayment to the LMA, has been corrected. Monthly payments to the LMA have been adjusted accordingly.

Executive Director's Report

Bill Hall began the Executive Director's report by stating January 2013 membership revenue was the best in possibly ten years. Total memberships were up 4,000 over last year. Finances are looking solid. SuperNational results are in line and the budget has \$80,000 surplus allowing another \$50,000 payment on the line of credit. Hall referred to Marketing Director, Robert McLellan's report (attachment 9).

He also gave an update on the following Action Items:

- Minutes of the November 2012 meeting were ready for approval
- Questions on the 26 year olds had been handled by Mike Nolan
- The Paul Morphy Grand Prix had been announced
- New FIDE fees had been processed
- Plans for the new Girls Invitational Tournament were proceeding
- Annual Reviews would be finished by next week

IT Director's Report

Phil Smith, IT Director, explained a "Downloads" report he had prepared (attachment 3). After discussion it was agreed additional data was needed.

Action Item: Bill Hall: Report the number of people who read Chess Life and Chess Life for Kids online.

Smith continued with progress on the Infrastructure Upgrades Plan, which had been approved at the previous Board meeting. He presented bids for the project by explaining line items; comparing and contrasting packages; and giving his personal recommendations.

After posing questions about RAM, SAN and the Cloud, Priest counseled the Board to choose a system that has the capacity to grow.

Hall made a management recommendation in favor of the expenditure.

EB13-029 (Priest) Moved, that the IT Director is authorized to complete the negotiations of a four lease agreement for a Dell Based IT system in accordance with the DataSource proposal presented to the EB at the 2/2/13 phone meeting. The lease agreement will provide for transfer of ownership of the equipment to the USCF at the end of the lease term at a price not to exceed \$1. The monthly lease price shall not exceed the monthly amount presented to the Board of \$2,663.67. The Executive Director will present the final contract to the EB for final approval before signing the contract. Passed 7-0

The meeting was recessed until 12:10pm Central time

Committee Business

A suggestion to reinstate the Prison Chess Committee was discussed. Hall gave background and suggested a separate 501(c)3 for this outreach. President Haring suggested setting up a workshop at the U.S. Open to gauge interest. Defining the function of the committee and finding a chairperson the Board has confidence in to take action are actions the Board will pursue.

Action Item: Bill Hall: List Prison Chess Committee meeting at US Open workshop.

Action Item: Bill Hall: Send out emails to locate a chair.

Gary Walters began a discussion on support for clubs and a need to re-energize the Clubs Committee. Haring, Berry, Goichberg and Hall added their thoughts.

Action Item: Jim Berry: Ask the committee chairman for an update on activity.

The discussion was then moved to closed session.

A correction to the agenda brought the next motion to the floor.

Governance

EB13-030 (Nietman) Moved, to accept the minutes of the November meeting, as distributed via email. Passed 7-0

An update on the 501(c)3 status was given by Allen Priest. He advised that May 2012 applications were being assigned to agents. Ours was sent in May-June 2012. Priest predicted the process would be complete by the end of the year.

Walters suggested that plans for transition to a 501(c)3 business should be made especially in the areas of fundraising and compliance. After discussion it was agreed that a committee should be formed. The item was then moved to Closed Session for discussion on the composition of the committee.

Use of the BINFO System was discussed. Hall gave a brief history on the system. Bill Goichberg said everything that would be discussed by the Board in Open Session of a meeting was to be on BINFO. Walters advocated for greater control on who can post to the system.

Action Item: Bill Hall: compile a list of who can post to BINFO and email it to the Board.

President Haring introduced the topic of Chess Programs for the handicapped. Hall said USCF affiliates do an excellent job of accommodating all players. Chess Life is planning a feature story about differently-abled players.

Implementation Issues and Updates

Blitz Rating System should be implemented March 1, 2013 as planned. Bill Goichberg offered to send out a proposal for a Quick rating formula and a Blitz rating formula.

Mike Nietman asked about the moneymaking possibilities for the USCF in handling tournament entries for other organizers. Bill Goichberg gave insights from his experience. Bill Hall expressed concern and recommended further discussion on the subject. Allen Priest explained service fees involved. Features of the system re-write impacting this possible service offering were discussed

Hall addressed the topic of "Invitational Rating List" stating it was a work in progress and should be complete next week. Future updates will be done on a regular schedule.

Results of the K-factor studies were then considered. Bill Goichberg gave historic background on K-factors and summarized the report. (attachment 4)

EB13- 031 (Goichberg) Moved that USCF revises the formula for determining the effective number of games to the following:

$$N_{eff}(r) = \begin{cases} 50 / \sqrt{0.662 + 0.00000739(2569 - r)^2} & \text{if } r \leq 2355 \\ 50.0 & \text{if } r > 2355 \end{cases}$$

where N(r) is the effective number of games and r is the pre-tournament rating.

EB13- 032 (Goichberg) Moved that USCF reduces the K factors for the regular rated part of dual rated play for players rated over 2200, which will cause these ratings to change more slowly at time controls of G/30 to G/65. The formula enacted to implement this change is as follows:

$$K_{new}(r) = \begin{cases} K(6.5 - 0.0025R) & \text{if } 2200 < R < 2500 \\ K/4 & \text{if } R \geq 2500 \end{cases}$$

where K is the starting K factor, K(r) is the new K factor and R is the pre-tournament rating. Passed 7-0

Contracts and Commitments

Gary Walters introduced the next agenda items concerning the upcoming SuperNationals. See Pat Smith's report (attachment 5) for details. The subjects of sub-vending; guests; TD procedures; and status of capturing tournament organization checklist spreadsheet were moved to Closed Session for further discussion.

The Board then turned to the timeline for letting B&E bids. Feedback on a proposed form is needed before more action can be taken.

Action Item: Board: review proposed vendor feedback form.

Forward View for the USCF

Updating the USCF Mission Statement and USCF Vision Statement was suggested by Gary Walters. Assistance of Marketing Director, Robert McLellan, will be enlisted. The Board will brain storm the topic and plan for a work session at the May meeting in Saint Louis. Discussing USCF services will also be included in that workshop.

International Discussion

President Haring advised that FIDE Zonal President, Franc Guadalupe, and FIDE Delegate, Michael Khodarkovsky have submitted reports to be included in the minutes (see attachments 6 & 7). Mike Nietman commented that the World Youth Regulations were already being worked on by the Scholastic Council.

Action Item: Bill Hall: Post the USCF policy concerning transfer fees on the USCF website.

Invitational regulation changes were presented by Haring on behalf of the Invitation Requirements Advisory Committee. Goichberg, Hall and Haring discussed medal bonus, averaging in peak ratings, and junior bonus. It was suggested to use USCF ratings for USCF and national events and FIDE ratings for international events.

Gary Walters offered his vision for the Web Site Advisory Committee. Committee members include Ruth Haring, Mike Nietman, Phil Smith, Robert McLellan and Bill Hall. An equal number of volunteers are yet required.

The Board briefly discussed an official response to the new FIDE regulations on registration and licensing of players and whether they will sign onto the letter of protest. (attachment 8) Additional discussion on this subject will take place in Closed Session.

The meeting was recessed for 20 minutes to reconvene in Closed Session at 4:55pm Central time.

Session 2

The meeting was called to order in Open Session at noon Central time on Sunday, February 4, 2013 by President Haring and roll call was taken. Gary Walters, Allen Priest, Mike Nietman, Michael Atkins, Bill Goichberg, Jim Berry and Bill Hall were present. Harold Winston, U.S. Chess Trust Chairman and Jim Eade, U.S. Chess Trust President, were guests on the conference call.

Harold Winston furnished a brief history of the Trust, noting that it had been created “to have a 501(c)3 way of getting donations for chess”. Trust monies have been expended on USCF projects and projects the USCF did not have the money to fund. Winston gave an overview of programs the Trust supports and answered questions about the amount of funding passed on to the USCF; the amount of money raised annually; over-all fundraising efforts; the decision making process for accepting new projects; and business overhead costs.

President Haring thanked the Trust for its continuing support of chess. She advised that plans were just beginning for the transition to 501(c)3 status and it was premature to make decisions about how the USCF will interact with “sister” organizations like the U.S. Chess Trust.

Haring, Priest, Hall, Berry, Goichberg, and Walters participated in the follow-up discussion. It was agreed that better communication with the Trust is needed.

Action Item: Bill Hall: Investigate what Olympiad donations have been received this year.

Action Item: Bill Hall: Send the Board the current policy for donations.

The meeting was moved to Closed Session and adjourned without reconvening in Open Session.

