

**US Chess
Minutes of Executive Board Meeting
August 3rd, 2017
Norfolk, Virginia**

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 audio files online.

The following Executive Board members were present:

Gary Walters
Chuck Unruh
Allen Priest
Anjelina Belakovskaia
Mike Hoffpaur
Mike Nietman
Jean Hoffman

The following guests were present:

Hal Sprechman
Lakshmana Viswanath
Franc Guadalupe
Dan Lucas
Delegates and members

OPEN SESSION #1, Thursday, August 3, 2017, Norfolk, VA

President Gary Walters welcomed everyone to the meeting in Norfolk, VA and remarked what a great location it was. A quorum was established. He stated there were no motions to report from closed session today.

OFFICER AND MANAGEMENT REPORTS

President's Report

President Walters commented on the annual report. As an outgoing Executive Board member this year, he stated there were three big accomplishments he wanted to acknowledge. He began by sharing how he was urged to come on board in 2008/2009 by Bill Goichberg during a time when things were not so good for US Chess due to a costly litigation. He said his goals were simple. "Let's get some stability politically, let's get back in the black, and let's make ourselves a charitable foundation". President Walters gave credit to the group of Delegates who helped put US Chess on the right path and a good board that was in place who could deliver their message and stay the course. Highlighting our financial stability and our 501(c)(3) non-profit status, he conveyed it was "astounding" how far we've come and he was very proud of what's been accomplished at US Chess. He described Executive Board service as a privilege and reminded Executive Board members that the loyalty and care of fiduciary duties should ultimately lie with US Chess and have no constituencies. He advised though they may serve as committee liaisons and should faithfully represent what their committee thinks should be done, their decisions must be in the balance with all committees in mind, with all members in mind, and with the good of chess in mind.

His final comments were those of caution to the federation to not become engaged in “bullet voting” or what some call “under voting”. As an opponent of bullet voting, he clearly expressed he believes this “smacks” of constituencies. He further commented he understands why someone may want to under vote if they do not feel there is a qualified number of people for the number of seats that are open but to let that be the only reason why. He urged voters to vote for as many seats as were available so that we could get the best number of people into those seats.

President Walters called on the Vice-President of Finance, Allen Priest, to give his report.

Vice-President of Finance’s Report

Allen Priest began his report bringing attention to how finances will be reported this year at the annual meeting. Rather than giving the same report at the Executive Board meeting, the Delegates’ meeting and the Financial Workshop, the Annual Report will be handed out in the meeting today where he has written an extensive report. He also made aware that financial statements and analyses are posted every month on the Issues Forum and every quarter on the Governance webpage. Other topics discussed were: the purpose for being on the Board; budget and revenue; operational fund and our need for a continued stable financial base; LMA Trust; US Chess as an educational organization; memberships; the acceleration of the website project; and the Olympiad and expansion of events.

Executive Director’s Report

Jean Hoffman, Executive Director, echoed the sentiments President Walters and Vice-President of Finance Priest expressed of the accomplishments made at US Chess. She stated she was very proud of the work that we as a chess community have done during her time here. With a record breaking year for the organization, she said we have a lot to celebrate. Ms. Hoffman commented that this year, like other years, we have continued to rate more “rated” games and more chess tournaments than ever before. She announced she is excited to share more about our successes at the Delegate’s meeting. She emphasized she firmly believes these accomplishments are the results of years of hard work from people on the ground floor working to build up the local affiliates. Addressing the attendees, she said, “that’s you, that’s our volunteers, our organizers, and our Delegates”.

At this time, Executive Director Hoffman called on Dan Lucas, Director of Publications, and Franc Guadalupe, Director of Events, to give their reports.

Director of Publications’ Report

Dan Lucas, Director of Publications, gave a brief report starting with a quarterly update to the Executive Board on what’s to come in *Chess Life* magazine and stated he will give a more thorough report at the Delegates’ annual meeting on Saturday. He announced what would be in the following monthly issues:

September: A very nice cover story on chess in Cuba as well as features on Norway chess, the National Open and the World Team Event.

October: The US Senior Open, US Junior Open, the World Open and 1st FIDE World Junior Chess Championship for the Disabled, organized by Beatriz Marinello.

November: Coverage of the US Open and the Sinquefield Cup.

Other topics Mr. Lucas discussed were digital downloads, the Delegates Call and Annual Report publications, and the new changes coming to *Chess Life Kids*.

President Walters pointed out how Publications was the one staff section of US Chess that has not jumped forward in leaps and bounds during his time here and stated that was because Dan Lucas has been operating his staff at such a level, that he has been pulling the rest of the organization for a long time and we're "still trying to catch up to him".

Director of Events' Report

Franc Guadalupe, Director of Events, also gave a brief report covering the following events held within the past year: the K-12, 2016 US Open, the Supernationals, US Championship, US Women's Championship, Gold Medal Olympiad team, and the World Cup. He also commented on the World Chess Championship held in New York in which he was honored to be the Deputy Chief Arbiter at this event, a highlight of his arbiter career. He remarked on the outstanding opening ceremony and the success of the Supernationals and as well as the "all-star cast" of chess players that were present who shared their stories and expertise. He received great comments from both parents and players alike.

President Walters expressed that Franc Guadalupe was one of his "non-GM" chess heroes as Franc has done everything needed of him from being an Executive Director to directing our largest tournaments and watching over our chess players from world champions to kindergartners.

He called on the Executive Director to continue with her report.

Jean Hoffman focused on the following action items from previous meetings: the reserve fund and the establishment of a bank sweep account at Ameritrade/Scottrade; the drafting of a development plan by the Development Committee and consultant Ron Chambless; budget for the complete redesign of our website and the RFP reviews by the Website Advisory Committee; creation of a new webpage for the Women's and Girl's Initiative that allows donors to make donations specifically for that initiative; and the development plan she and Franc Guadalupe are working on for the formation of a committee for the purpose of preparing a comprehensive plan of National and FIDE International events participation and budgetary support. She stated the Website Advisory Committee will report more on the website redesign in their committee meeting on Friday.

President Walters moved on to committee items that were on the agenda. He called on Anjelina Belakovskaia, EB Liaison for the Top Players Committee, to report on the Top Players Committee item relating to the increase in honorarium for the US Women's Team. She conveyed that they, along with the Women's Chess Committee, would like to postpone this until November so they can better create a consensus of what they would like to propose.

President Walters called on Anjelina Belakovskaia to address the Scholastic Council's committee item concerning the FIDE U-16 Olympiad Team Formation. She reported a comprehensive plan is being created by the Scholastic Council which will include recommendations for funding support, criteria for players and how to promote the game. She expressed the need for a long-term plan rather than changes being made each year so that players can "plan ahead". Allen Priest and Gary Walters also commented on budget support and selection criteria needed for participation in international events which were also discussed in the Scholastic workshop yesterday.

Gary Walters turned to Vice-President Chuck Unruh to report on the LMA Trust. Vice President Unruh, as Chairman for the LMA Trust, conveyed that in the past Life Member Assets were managed through the Life Member Asset Committee (LMAC), and the successor to LMAC became the Grantor Trust formed in January 1, 2013. He stated this structure has worked very well and LMA Trust is now an "investment arm" for US Chess which can support Life Member expenses. He gave credit to the financial leadership of Allen

Priest and his financial predecessors replenishing the reserves of the LMA along with the team effort of the LMA Trustees, Operations and Publications.

President Walters wanted to clean up a motion that was not on the agenda and asked Allen Priest to present the amended language for EB 17-028 on page 27 of the 2017 Delegates Call. Mr. Priest stated the new language would clarify the intent of the motion concerning the Scholarship Reserve Funds. President Walters called on the Executive Board to vote on the following motion:

EB17-067 – Priest – I move to amend EB17-028 to state “Move that US Chess national events are prohibited from awarding any direct scholarships as prizes unless the event sets aside the full amount of the scholarship awards from the event proceeds at the time of the event. Such deposit can be made to US Chess or to the US Chess Trust. The scholarship total is to be deposited in the Scholarship Reserve Fund within two weeks after the conclusion of the event. Any scholarships awarded must contain the following restrictions:

- A. An expiration date of no later than the winner’s 24th birthday
- B. Payments can only be made directly to an educational institution upon proof of enrollment.

PASSED 6-0

Gary Walters announced the Executive Board will meet again at 7:00am Saturday morning with Lakshmana “Vish” Vishwanath joining the Board. Mr. Vishwanath will be replacing Randy Bauer and serve for the one year remaining on that term. He also announced Hal Sprechman will be joining the Board Sunday evening which will begin his three-year term.

President Walters called on Allen Priest to introduce the following motion. Discussion ensued among the Board and a vote was taken.

EB17-068 – Priest – I move to increase the amount of the reserve fund deposited in the Scottrade/Ameritrade account to a minimum of \$1,000,000. **PASSED 6-0**

No further motions were made.

President Walters opened the floor for questions and comments.

The meeting was adjourned.