

Proceedings of the U.S. Chess Federation Executive Board Meeting February 21-22, 2015 – Saint 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.

Open Session 1 – Saturday, February 21, 2015

USCF President, Ruth Haring, called the meeting to order.

President Haring then called the roll. All Board members Gary Walters, Mike Nietman, Randy Bauer, Allen Priest (via phone), Mike Atkins (via phone), Chuck Unruh and Executive Director Jean Hoffman were present.

Officer and Management Reports

President's Report

President Haring welcomed everyone to the winter Executive Board meeting in Saint Louis, MO. The Board will continue with organizational and process improvement work. Haring said the USCF faces exciting challenges ahead as it moves to implement programs to fundraise as a national 501(c)(3) non-profit. She looks forward to the day when USCF books a substantial amount in the budget based on success in a national fundraising campaign. Haring reported her pleasure in the USCF's sound financial situation and the solid growth in memberships.

Haring took time to celebrate our players - Nakamura and So in the Top 10 in the World; Kamsky, Onishuck, Shankland and Robson in Top 100 in the World; Naroditsky and Sevian in Top 25 Juniors in the World; with Xiong, Yang, and Chandra all in the Top 100 Juniors. She said our youth is talented which bodes well for American Chess.

President Haring commented that as members strive to better their chess skills, the Board is striving to strengthen the USCF. She urged everyone to keep in mind the USCF mission, vision; core values and goals as they worked on USCF business over the weekend.

Vice-President of Finance Report

Vice President of Finance, Allen Priest, began by referring to his written report and the financial statement. He reported that process has been made in the accounting process with Debra Robison assuming responsibility over the unallocated revenue breakout. Priest is now only doing review and analysis.

He commented that the year is going very well and that conservative budgeting was key. Priest discussed the line of credit and it's pay back; good results from the 2014 K-

12; cautious optimism that the central locations of the Spring Nationals should draw good attendance; costs for the World Team and the importance of sponsor's support in making the budget balance; a demographic shift in memberships; impact of prior membership specials; inconsistencies in TLA and Mailing List sales; FIDE Fees; and minor classification issues with Commission and Event Revenues. Priest said that the bottom line is significantly better than budgeted because costs are significantly lower than budgeted. He then commented briefly on web services cost adjustments; lower spending in promotional areas; the impact of lower headcount on personnel costs; credit card charge expenses rising; slight savings in liability insurance rates; corrections needed in the governance cost area; operating income being over budget; operating expenses being under budget; and the progress in repayment of loans to the LMA. Priest then recommended the Board consider the direction of alternatives for items in the new budget and discuss a membership dues adjustment.

Executive Director's Report

Jean Hoffman welcomed everyone then asked them to consider the purpose of the meeting and their role in the process. It is a time for communication, discussion, updates, and questions. Hoffman suggested it should also spark and engage the Board members and give them a renewed sense of why they are committed to the U.S. Chess Federation.

Hoffman began her report with a video clip about "bringing chess to the masses" from The Late Night Show with Conan O'Brien and Rainn Wilson. She encouraged each to keep that idea in the back of their minds for inspiration.

Hoffman reviewed several key areas. First was Membership with numbers at their highest since 2007; growth in Scholastic and Young Adult categories; and increased participation in the Block Program which generated a discussion about membership revenue degradation. Then Hoffman commented on the Website Design Project mentioning TRAY Creative and Rocket Lift have valuable skills and knowledge; how the discovery phase works; benefits of a technical blog for the EB and WSAC; and rolling-out a demo at the Delegates' Meeting in August which generated a discussion about taking advantage of this transformative opportunity for branding/re-branding USCF and the need to communicate the changes to our members. Next Hoffman covered the 501(c)(3) transition including the goal of doubling the number of donors and that national fundraising efforts are pending registration approval from IL and VA. She asked the Board to consider the following questions: Where are we going in terms of being a new 501(c)(3)? How much money do we want to raise? Who is going to raise it? What programs are we raising the money to support? Who do we want involved with our organization? Who would be an asset to the USCF?

ED Hoffman outlined some low cost, minimal risk, simple steps that will be taken as soon as IL and VA give approval. They include adding donation opportunities to

renewal emails; using a new logo on renewal postcards; and revising all materials available to include a bid to donate to US Chess.

She encouraged the Board to consider doing a 3-month feasibility study with a non-profit consultant next year. Results to include assessment of our funding feasibility, how receptivity our community is to fundraising; and recommendations for the structure of a development department.

Hoffman then gave the status of pending items from the Delegates' meeting. Elections Committee is working on a recommended process for future elections. Regarding the pay per play pilot, the Office asked for more detail about who the program is to target and which events are included which the Board provided. By March 21, 2015, ED Hoffman will give a full proposal including an implementation plan for June 1, 2015 to the Board. Franc Guadalupe is working on the revised rating fee item.

Gary Walters commented that donors want to know what the USCF is doing to close the gap between the number of chess players in the US (over 20 million) and the number of USCF members (84,000). Hoffman added that revision of the membership structure and creation of a lower-cost patron membership branded not for tournament players but for chess lovers could help. Discussion turned to incenting volunteers. Excitement and enthusiasm about the game is the incentive Hoffman wants to promote.

Finally, Hoffman reported that a clarification from CJ. Armenta regarding DM14-57 had been received.

She advised President Haring that Maurice Ashley was expected to phone at 2pm and Mark Glickman was calling at 3pm Central time.

Haring recessed the meeting for lunch until 12:45pm Central time when the meeting would resume in closed session.

Open Session 2, Saturday, February 21, 2015

President Haring called the meeting to order stating all Board members were present.

Secretary Nietman read the motion from closed session.

EB15-039 (Board) The EB moves to authorize Jean Hoffman to negotiate terms of a contract with Millionaire Chess for up to \$20,000 of business services provided by USCF in exchange for promotional considerations related to the Millionaire Chess Open event. **(Passed 6-1 with Mike Atkins opposed)**

Secretary Nietman then began a discussion about the process of voting for motions via email. Tracking pending motions, discussion time allowed, and objections procedure were discussed. It was agreed that "Motion" should be the first word in the email subject line. A process was adopted for motions needing speedy action.

Hoffman announced she had received an email from the Election Committee Chair, Ken Ballou, regarding election procedures. Discussion followed concerning several election

topics. It was agreed that electronic signatures on candidate petitions is allowed. Email blasts for candidates would be possible if the material was reviewed for adherence to a basic writing standard; a disclaimer for the USCF was made part of the email; and a political email opt- out option would be available to the member after advance notice. It was determined that only valid candidates may purchase lists. Any changes in procedure should go into effect in 2016. It was confirmed that anyone other than a valid candidate may purchase display advertising in Chess Life magazine per USCF Bylaws Article VI, Section 10. Secretary Nietman recommended a “reminder to vote” email and CLO article. A one-page “guidance sheet” for prospective candidates is needed.

Randy Bauer’s presentation on Future Agenda Construction reviewed the strategic planning process and how to build strategic components into the annual EB meetings calendar and agendas. Bauer gave a sample schedule showing the order of business for a calendar year indicating which topics to discuss at each EB meeting. The Board discussed goals and objectives; roles and responsibilities; and a need to revisit the strategic planning process every two years.

The meeting was recessed until 9am on Sunday, February 22, 2015 when it would resume in closed session.

Session 3 Sunday, February 22, 2015

President Haring called the meeting to order. She announced that all Board members except Allen Priest were present.

Nietman read the following motion from closed session.

EB 15-040 (Board) – The EB moves to reverse the Ethics Committee’s decision regarding the matter Nguyen and Capocyan v. Leal because upon appeal the Executive Board found insufficient evidence of cheating, that no sanction be imposed upon player Leal, and that this case is closed. **Passed 6-0 (Allen Priest recusing himself)**

President Haring announced that the next meeting would take place May 7-9, 2015 in Nashville, TN at the Gaylord Opryland Hotel. May 7, 2015 will be the finance workshop.

The meeting was adjourned.