

Date: Sunday March 24, 2019

D11 Attendance: Steve Moese, Cheryl Schneider, Judy Auer, Kit Overpeck, Vangie Smith, AJ Stephani (D11 BoD).

All BOG meeting documents are on <http://www.acbl.org/bog-meeting-docs>

You can see the same materials on our D11 website at http://www.district11bridge.com/ACBL_board_reports.html

See the video of the meeting at: <https://www.youtube.com/watch?v=Whv0sfwxSNo> advance to **9:34 minutes** manually for start.

Executive Summary

- Actively pursuing governance optimization.
- Finances: another stunning hit – a **\$1.9MM loss reported** for 2018 for missing the room quota at host hotel in Honolulu, 2 legal settlements (Blakely and Gidwani) and the Microsoft CRM loss.
- Membership Down slightly – 164,369. **Down 1400** members vs Yr Ago.
- Club Tables Down **1.67%**
- Online Tables Down **4.96%**
- No Tournament Table Count Data was shared with the Board of Governors.
- Management Focus: *Growth: Membership, Digital Marketing, Data*
- Memphis NABC Table Count passed expectations at: 9644 above Memphis 2012 (9626).

Please see this page for all electronic reports and prepared motions:

http://www.district11bridge.com/ACBL_board_reports.html

Submitted Respectfully,

Stephen Moese, D11 2nd Alternate

K082411

Summary

The meeting was called to order at 10:00 AM promptly. New BoG members and first time attendees were recognized, a quorum confirmed, and minutes from Hawaii were approved.

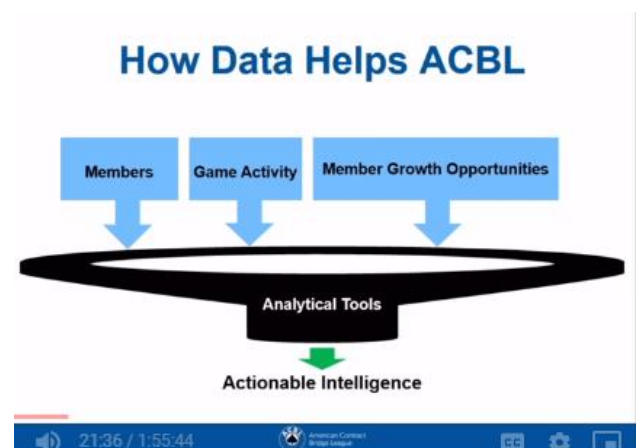
President Report

Russ Jones welcomed all to Memphis and gave short remarks covering: BoD had 2 days of productive meetings. Governance Committee reviewed New Governance Proposal – a starting point for dialog on alternatives. More to do in Las Vegas.

Management Report

Joe Jones gave the Executive Director and Treasurer Financial Report. Focus on moving the ACBL forward.

- Legal \$990K Loss
- Hawaii \$770K Loss
- CRM \$330K Loss
- Operations \$687K Loss
- Non-operating Gain Retiree Medical Plan \$303K Increase
- Commitment to good project management practice going forward.
- Interviewing 3rd party providers to help with NABC Contracts (New and Existing).
- Membership 164,500 – down 2300 members vs 1YrAgo.
- Future of the ACBL is NOT in doubt – the organization is viable and we have a great product.
- Will support Clubs and Teachers going forward. Will partner with Tournaments and support volunteers.
- 2019 Growth from **Membership, Digital Marketing, Data.**
- **Recruiting**
 - Recruiting – Cash incentives for new members and new member renewals.
 - Attract new members with Free Membership (Limited benefits) and Discounted new member promotions – the idea is to get prospect contact info so we can carry on a conversation over time.
 - Renewing New Members – Online renewals up 45% in 6 months. Auto renewal online added 2/12/19. 60% processed online. Each renewal saves \$0.75 (\$30K to date). 20% opt to auto renew.
- **Digital Marketing**
 - Third party marketing strategy partner for digital marketing underway.
- **Data**
 - Actionable intelligence – what we can use to make good business decisions.
 - Need for more data on club play and on prospects.
 - New Live for Club application will address clubs.
 - Effective Marketing Campaigns.
 - New tools for data analytics – better business focus on growth.
- Clubs tables are down 3.7% and online bridge is down 5%.



- Tournament Tables down. Avg Regionals - **-10%**. Average Sectionals **-1%**
- Full Report at: <http://www.district11bridge.com/Monitors/Spring-2019-Management-Report.pdf>

YTD Financials – Loss of \$1.936MM

- Membership down \$112
- Tournament fees down \$117
- TD Fees up \$43K – not hold REACH and Online down.
- NABC down \$34K (Hawaii Down \$140K)
- Meeting Services up \$476K (\$479 attrition charge in Hawaii)
- Foreign Exchange up \$60K
- Executive down \$199K
- Club Member Services down \$123K – lower temp membership costs.
- 2019 Budget:
 - Revenue Up \$495K (NABC + \$807K, Tournament Revenue -\$175K, Club Revenue -\$43K).
 - Expenses down \$813K. (NABC -\$397K, Field - \$202, IT -\$147, WBF -\$100)
 - Cost Increasing: Marketing +\$82K, Club & Member Services +\$60K, Editorial +\$46K).
- Various capital projects totaling \$157K for 2019.
- Financially viable for the next 5 years.
- Full Report at: <http://www.district11bridge.com/Monitors/Spring-2019-BOG-Financial-Reports.pdf>

Projected Future Results
in 000s

	2019	2020	2021	2022	2023
Revenues	\$ 18,466	\$ 17,999	\$ 17,682	\$ 17,773	\$ 17,932
Operating expenses	11,703	11,615	11,560	11,632	11,581
General & admin exp	6,142	6,223	6,303	6,453	6,510
Total expenses	17,845	17,838	17,864	18,085	18,092
Change in net assets	\$ 621	\$ 161	\$ (182)	\$ (313)	\$ (160)



Questions:

Savings from Changing How BoD Operates.

Serious effort underway to reduce Board Costs. Fewer days meetings. Governance Change Proposal will be discussed. What were the losses in \$990
Settlements occurred after year end but before the audit so decided to include in 2018. Linda to review costs.

What is net Worth?

Net assets at EOY 2.3 MM (vs 4.2MM 1YrAgo)

Plan to Replace ACBL Score?

Live for Clubs – will enable Score replacement. Will move to tournaments next year.

Why online income down?

Down vs projection but same as last year.

BBO attendance dropped with fee increase but rebounding with day long tournaments and compelling offerings.

Cost of Monthly Bulletins – why not replace with online publication.

Under discussion but no plan. \$10-12 per member annual cost.

Large fixed cost for print set-up. Will add to list to discuss how to accept online without a paper version.

Litigation Report

By Linda Dunn

Blakely vs. ACBL – Insurance settled in March 2019. March 2016 Blakely sued ACBL on 11 causes of action – Damages, Legal Fees, and Unfair Charges and CDR. Settlement with Blakely (amount not reported – Estimated \$550K by ACBL. Insurance payment unknown). Blakely required to take sexual harassment class approved by ACBL prior to readmission to ACBL.

Full Report at: <http://www.district11bridge.com/Monitors/Spring-2019-Litigation-Report.pdf>

Peter Marcus et al. – Overtime play for full time TD’s under FLSA guidelines. Notice to be sent to all TDs to establish class; opt in period ended March 15. Total Class 45-47 people. 4-5 TD’s never received the first mailing. 2 pt employees now full time petitioned for status. Period extended to April 15. ACBL has \$150K FLSA Insurance. Further litigation costs \$100-200K.

[Notably absent was any comments on the Bahar Gidwani arbitration. Linda does not consider this litigation and felt no requirement to report to the BoG.]

Q&A –

Peter Markus - 6 directors appended to the lawsuit.

Q – Does the arbitration agreement still stand? What about signage for NABC Tournaments announcing binding arbitration.

A - Discussed at every BoG meeting, every BANC Bulletin at least twice, Every bulletin at least 3 times, and binding arbitration notice is on every single entry for every single game.

Q – How many people have read the by-laws. (Show of hands indicating a majority of the room)

Q – What is the financial exposure for the ACBL in the Markus litigation? \$100-200K fees. Overtime \$75-100K. If judged willfull, then double the Overtime judgment as a penalty. (\$150-200K additional). Linda expects the ACBL will win on the merits and has not willfully disregarded the law.

Board of Governor’s Chairman’s Report - Richard Popper

Motion	Topic	Action
191-50	Childcare at all NABC – Already included in the codification	Failed
191-51	Reduce Goodwill budgeted. (Cash bar no free drinks). GW Member of the Year benefits defined.	Failed
191-52	Remuneration of support staff and volunteers defined.	Passed
191-53	Issue with Child care in Las Vegas – Casino not want children in building. NABC cannot provide Childcare in Las Vegas. ACBL will provide CC when reasonably practical	Passed
191-20	2019 Operating & Capital Budget	Passed
191-21	Reward members who recruit new members. (Not want to codify business tests).	Failed but include in Marketing plan
191-22	Reward Top Recruiters (Not want to codify business tests).	
191-23	February designated as Education Fund Month – Deferred to Las Vegas	Deferred
191-10	1 st Reading MP award for 4 session events increased (60%) capped to 50 MPs. Effective 8/1/19	Passed
191-12	GNT Clarification – Flt B&C may send 1 st and 2 nd or 2 1 st place teams (split site Finas).	Passed
191-13	Jane Johnson Club Appreciation Games – liberalized to two games of any type. Teams assign higher MPs	Passed
191-14	100% MP for regionals 18 board sessions	Failed
191-02	Collusive pre-meditated cheaters in an NABC/+ event will be banned permanently from NABC events. No readmission. (Cannot apply to any existing convictions).	Passed
191-03	Readmission following Expulsion – 10 year ban followed by 5 year probation. (Appeals & Charges has final say). (Does not apply to 191-02).	Failed
191-04	Code of Disciplinary Regulations – Original/Appellate Jurisdiction of Board of Directors clarified	Passed
191-05	Vacating Title Resolution – Deferred to Las Vegas.	Deferred
191-06	Vacating Title Resolution Option 2 – Deferred to Las Vegas.	Deferred
191-07	Voluntary relinquishment of titles	Passed

Q&A –

Q – Jane Johnson Games – League needs software for running swiss teams. (Not realize can be easily don with current ACBLScore). District 14 having trouble running team games.

A – Motion makes it easier to run team games

Q – Don’t we need a definition for collusive cheating (actionable, specific)?

A – Too much specificity has hamstrung us in the past. People who write the charges know how to recognize collusive cheating and how to charge it. Must meet the common place definition that anyone would understand. Discipline committees have very smart people who know what collusive cheating is. They can confirm that collusive cheating is what it is. Linda Dunn recommends keeping things broad because we cannot anticipate every possible instance.

Governance Task Force – Kevin Wilson, Barbara Heller Stu Goodgold, Steve Moese, AJ Stephani, Margot Hennings, Sharon Roe-Anderson and Richard Popper.

New First Draft Governance Proposal (See R. Popper’s Note).

- 9 Executive Committee Board Members – Business & Finance, Strategy, Discipline, Exec Dir Overview
- 50 Member Senate (replaces Board of Governors) – Manages the program of the organization - Bridge (MPs, Tournament planning, others). Meet once per year. Name committees with substantial authority to make bridge decisions. Conventions & Competition Committee.
- Nominating committee (disinterested experts) ranks candidates each BoD(9) skill position. This Committee has no other role. The top 4-5 stand for election for the Board of 9. The Board determines the roles of the 9 directors and the nominating committee ranks candidates for each position.
- Debate whether the senate of 50, or the Unit Board Members, or use electronic voting across all members. This needs to be wrestled down.
- Executive board can overrule by supermajority
- Many details to work out – must be mindful of NY State NFP Law – cannot cut short a term of a duly elected director. So we must have a transition period.
- ½ Day at Las Vegas to discuss Governance changes and refine ideas.

Links:

- <http://www.district11bridge.com/Monitors/Letter-from-Richard-Popper.pdf>
- <http://www.district11bridge.com/Monitors/Governance-Structure-Committee-Framework-Final.pdf>
- <http://www.district11bridge.com/Monitors/Nominating-Committee-Final.pdf>
- <http://www.district11bridge.com/Monitors/Senate-Final.pdf>
- <http://www.district11bridge.com/Monitors/Transition-Final.pdf>
- <http://www.district11bridge.com/Monitors/ACBL-Bylaws-Article-X-Final.pdf>

Need for check and Balance to replace BoG role.

We need ideas from the Board of Governors.

Is there any consideration to redistricting to even out the number of members per district? We have chosen to separate this issue form the governance change at this time. Some discussion on proportional representation in the Senate.

Reconsideration Motions

BoG Motion	Topic	BoG Decision
Statement	ACBL Score is too difficult to set up team games.	No Action
191-12	Allow alternative methods for choosing Second Flight B and C Teams.	Failed

New Business

Create 5-Day online tournaments at NABCs for Silver Points and for Red/Gold Points for ACBL members (1632 – District 99) who live outside the Zone. Black points are also hard to get, too. **Motion Carried.**

Tournament Assistants (TA) – ACBL requires employees to run tournaments. Decision to allow local skilled assistants to supplement labor. Some regionals abuse assistants to keep costs low. TA may not be used in stead of an ACBL employee if the TA requires a hotel room or if there are ACBL employees who are closer. TA's are certified by testing or are retired ACBL directors (not currently an employee). **Motion Failed.**

Move the BoD extends the lifetime ban to all collusive premeditated cheating in all ACBL events. This cannot proceed to vote. This repeats a motion already made in Hawaii. Therefore we cannot bring the same matter to the Board at this time. **Motion Carries by Vote but will get no action.**

Old Business

Jay Apfelbaum District 4 Philadelphia. Of the 16400o members less than 1/3 touch a tournament. The ACBL Bulletin is not written for the majority of the membership. Need to change the focus of the bulletin to help improve the retention rate. Can write an entertaining story about bridge as a better way to reach people who never see an NABC, but engage in social fun. Consider revision to Bridge Bulletin

Teacher & Clubs Committee Update – Steve Moese, Chair

- Team games declining – newer players are not playing – Pro-AM-AM-AM or 8 is Enough. Try a 2-session swiss at regionals that award gold points to novices. Mini-Soloway KOs attract more less experienced players.
- Recruiting – energizing your members and share what works.
- Social bridge contributes to rent – get new faces into your club, then worry about MPs
- Need an onboarding approach for teachers.
- Steve Gaynor – Special Event program – need more flexibility so that clubs don't have to change start times just to run a special game. Motion for Las Vegas.

David Rodney – Data Analytics

Provide business data to help support common business decisions

Support to BoD on Demographics on aging, regional attendance, By Masterpoint holding, by distance travelled.

Will post results to the BoG blog on Bridgewinners.

AJ Stephani appointed Chair of the ACBL Appeals and Charges Committee. Congratulations AJ!

New Life Masters were approved by the BoG. Thanks for the volunteers and the host hotels.

Meeting adjourned 12:00 Noon.

END