

Date: 19 JUL 2020

BOG (Board of Governors) meeting documents: <http://www.acbl.org/bog-meeting-docs>D11 BoG Library: http://www.district11bridge.com/ACBL_board_reports.htmlMeeting Playlist (past videos): https://www.youtube.com/playlist?list=PLcAft4FoUHtTbWH2eG7XjDUD6cIO_TLLdZoom meeting URL pending. Audio file: http://www.district11bridge.com/Monitors/20200719SummerBoG_Montreal.MP3

Executive Summary

Board of Governor's Meeting - Video Conference. Here are the highlights:

- Pandemic cancelled all ACBL events for 2020. ACBL lost over 50% of revenue.
- Team **cut expenses and created online revenue** – SYC, VCG, Sectionals and Regionals.
- **Furloughed** 40% employees and reduced hours for rest. Income allowed recalling many furloughed employees. Currently 6 HQ and 19 field employees furloughed. When city advances to phase 3 all HQ employees will return. Working from home supports smooth operations.
- **Membership down 1213 ytd or -0.7%**. Marketing working on retention & acquisition plans for this year, and fully implemented next year. **Number of members playing online** is **about 50%** of face to face bridge. Use new guest membership to attract new members.
- Online **revenues** exceed expectations. **Virtual Club tables** 114277 in June online, earning **>\$2MM** for clubs with 543 individual clubs and 1000 pooled clubs) participating in over 600 Virtual Clubs online.
- **Updating policies** on online guests, NLMs, and club pooling for fair membership treatment – policy development underway.
- **Regionals:** April 30 -May 3 5275 tables \$230K. June 25-28: \$13000 tables and \$565K. Designed and executed by field staff. **3 More 2020 Regionals:** August, October & December.
- **NABC online Team/Pair event** – McKenzie Meyers DIC – first ever team game hosted by ACBL. Currently 25 high level teams registered. Another Major Team event planned for October.
- **Finances: \$887K positive net income** through June on revenues **down \$1.2MM**. Costs **down \$1.9MM**. Expect positive bottom line by year end. Set aside funds for NABC costs/risks remain. Concern about cancellation costs and light attendance at 2021 NABCs. Revenues \$1.4MM exceeded the COVID-19 forecast by \$605K (80%), and 2020 budget and 2019 actual by 3% and 5%, respectively. Online play generated \$231K, \$114K over budget. May expenses exceeded COVID-19 forecast by \$74K or 9%, due to \$71K in BBO fees not forecasted. Foreign exchange conversion gained \$14K. For May 2020, the net gain from operations totaled \$495K as compared to the COVID-19 forecasted loss of (\$36K). Furloughing of staff that began in May helped tremendously in reducing expenses. YTD earnings remain strong. Gain from operations \$299K exceeds pre-COVID 2020 budget by \$42K but still \$181K behind prior year.
- No one knows **when face to face bridge will start up again**. Joe opines clubs must open before tournaments are scheduled.
- **New Marketing Director** – Mary Stratton, MBA Purdue University Krannert School of Management. Leading Meeting Services.
- **New Director of Bridge Services** – Greg Coles. Promoted to Director of Operations.
- **Online Task Force** – how to proceed with online play when face to face bridge starts again.

Submitted Respectfully,
Stephen Moese, D11 2nd Alternate, K082411

Chair Richard Popper called the meeting to order and asked for a moment of silence to commemorate our colleague players who have passed away because of the Covid-19 pandemic.

President Georgia Heth welcomed BoG members, announced bylaw amendments and thanked Management, Staff & fellow Board Directors for their work to successfully create online play and improve costs during the pandemic.

The minutes of the San Francisco meeting were approved unanimously. A quorum was confirmed. The three-part question on Zoom was flawed as BoG reps could not vote – it required a vote in each of the three parts.

Mr. Joe Jones, Executive Director, presented the Management Report (see executive summary p. 1). In addition to Joe’s comments the detailed Management reports show:

- 228, 211 Virtual Club Tables in May and June, even with the Silver Linings event in May.
- Longest Day did not raise incremental revenue for the ACBL
- Cancellation Fees for Tampa are \$30K.
- Furloughed employees remain on company benefits by paying their portion of enrolled plans. They are eligible for unemployment insurance.
- HQ remains closed and will follow OSHA requirements for reopening.
- Information Technology supported 5 key areas: Online tournaments, Masterpoint engine optimization, Marketing & Membership, Cashless Operations (Square and OnPay) and Business Intelligence. Timelines are in the Management Report.
- BoG Online Meeting – a first for the ACBL!
- National Recorder – Debby Vicknair assists Sabrina Goley. Heavy workload for online bridge recorder forms.

Digital Marketing

Digital marketing efforts focus on the communication of news to membership and promotion of online bridge and tournaments though acbl.org.



Focus on promoting key economic drivers for the organization through the website along with email and social media marketing through fall 2020. Also working to organize and clean-up the backend of the website to improve the user experience, upgrade the WordPress template and prepare to integrate to the YourMembership platform.

Email Marketing & Communications - As of July 6, 244 separate email campaigns targeting various member segments (e.g., all members, I/N members, club managers, unit/district officers, etc.). The open and click-through rates of ACBL emails remain well above industry average at 45% and 28% respectively. (Averages are 14% and 7%).

For emails sent to all members or emails sent to officers/club managers, ACBL staff and the Board of Directors are now being sent PDFs of the emails to be better aware of the content shared with membership.

Public Relations - Since mid-March, the focus has been on monitoring negative media as it relates to COVID-19 and bridge play, and focusing on the positive impact of online bridge to our members and prospective new players. Major media placement was gained through a New York Times and AARP article on the benefits of learning and playing online bridge, as well as Andrew Chen's achievement of becoming our youngest Life Master.

We also received varied placement in support of our fundraising online for The Longest Day. Total media value of these efforts was over \$1.1 Million, with the potential reach at over 126 Million impressions for that time frame. These are astonishing numbers for zero actual marketing dollars spent.

The team is also cross-training on the Meltwater platform to backfill the PR Coordinator position furloughed.

Social Media - Facebook is the primary platform due to its larger following. As of July 6, the page has 9657 followers. **Twitter** posts are similar to Facebook posts with some adjustment to fit the platform. Additionally, the tool is used to promote the bridge to media outlets. As of July 6, our Twitter account has 2939 followers.

We have continued to grow the ACBL's **Instagram** page. As of July 6, the account has 1369 followers.

One of the most-viewed and most-shared posts was the recent news coverage of Andrew Chen becoming the youngest-ever Life Master. The Facebook post with the link to the article reached 2545 viewers.

Guest Membership - Marketing is working collaboratively with the Information Technology team to implement the Guest Membership in the new YourMembership platform.

Recruitment Incentives - First quarter's bonuses totaling almost \$6,490, second quarter totaling \$3500. Year to date bonuses total \$15,380. Since its start in October 2019, \$27,400 has been paid out to recruiters. Some \$8800 await missing tax information from recruiters.

The Longest Day/Alzheimer's Association Partnership - ACBL members and clubs formed 275 fundraising teams to raise money for the Alzheimer's Association. So far more than \$631,000 has been raised, and the donations are still coming in. Included in that total is a donation of \$32,333.86 from Bridge Base online, a portion of the fees they collected from ACBL games over the weekend.

Cooperative Advertising Program - As of July 6, we have reimbursed \$19,681 to 51 clubs and teachers. Average reimbursement in 2020 is \$385.90. Reimbursements are running about 28% lower than the same time in 2019, and with the lack of face-to-face classes, most advertising has ceased. We expect to finish the year well under last year's total reimbursement of \$54,856.

Litigation Report - Linda Dunn (Video)

One Major case outstanding – Peter Marcus et al. in discovery mode – discussion and deposition. Motion for summary judgment and to decertify the class. Attorneys are preparing responses. Each side will respond to the responses. Oral argument on motions scheduled in September in Massachusetts. Since October 2019 ACBL assumes cost of litigation.

Schreiber vs. MA Lightman Bridge Club and ACBL Unit 144 et al. related to breach of Contract on past settlement agreement. During May 2020 the case settled for an undisclosed amount – ACBL was not a party of the suit.

Questions

Schreiber vs Lightman – what was the financial impact on the ACBL? Cannot give numbers because cannot reveal that data. Any financial impact will show up on financial statements.

Move toward plea agreements – a good idea. Can we get more information on the plea agreements terms and resolution? Referred to AJ Stephani – Rule provide for limited information made available to the membership. Terms of the negotiated resolutions are secret by rule.

The advertising for the online NABOC does not require direct proof of cheating method. Does this meet the ACBL process? Linda Dunn was not involved in the online policies here. Online cases are impossible to clearly define method of cheating. Committees will have to figure out whether statistical evidence rises to the level to meet comfortable satisfaction by the committee. Varies on case to case basis. Contact Robb Gordon about concerns for online cheating process.

What is the precise policy that limits the dissemination of settlement agreements?

The procedure used for publishing results for online cheating are exactly the same for face-to-face cheating. Strived to make the procedure identical. Methodology of proof is going to change because of the nature of the media. Treated under the CDR is exactly the same but the committee is different.

Financial Update June 30, 2020 – Peyton Dodson (Video)

2020 COVID-19 Shake Up

Assumptions:

- No face-to-face play in 2020
- No NABCs

Cost Savings Measures:

- Deep expense cuts across all depts
- Pay cuts and furloughing of staff
- Board of Directors Stipends suspension
- Hiring freeze

2020 Operations Year-to-Date thru June 30th

- Revenues
 - Up \$667K versus forecast
 - Online Tournament Revenue \$552K over forecast
 - Online club games \$102K over forecast

2020 Operations Year-to-Date thru June 30th

- Expenses
 - \$182K over forecast
 - Unforecasted BBO fees of \$217K included in Field Operations
 - Remainder of expenses below forecast by \$35K



Gain from investments of \$121K.

2020 Forecast vs Budget

- Revenues from operations
 - \$5.3MM below budget
 - No NABC events - \$3MM
 - Tournament director fees - \$2.5MM
 - Continued flat Membership

2020 Capital Expenditures

- \$216K approved budget
 - \$18K Tourney Trax investment
 - \$73K website costs for marketing
 - \$35K data analysis software
 - \$70K Replace ½ of HQ Roof
 - \$10K Allowance for maintenance



2020 Operations Year-to-Date as of June 30th

- Net Assets
 - Gain from operations of \$887K
 - \$484K better than forecast

2020 Forecast vs Budget

- Net Assets
 - Forecasted income from operations of \$864K
 - 64% more than budgeted
 - \$600K reserve for potential 2021 NABC cancellation liability



Balance Sheet at June 30th

- Combined Cash and Investments totaled \$10.7MM
 - \$1.5MM Restricted cash
- Net Assets increased \$1MM since 12/31/2019



Questions for Management

Procedure for covering cheating online. Are there due process provisions? How to separate motivated cheating from lucky guesses?

Due process for every ethical case. No charges brought against anyone for one or two hands. A pattern will be needed to pursue an indictment. Cameras and no kibitzers will eliminate many sources of online cheating. Same procedure as

any other cheating allegation is used for online play. Disciplinary handling will not happen during a tournament. Process does not allow for expulsion without due process.

Online masterpoints award too many points. Why are we devaluing masterpoints by giving too many online?

Management is monitoring the number of MPs online. Current totals are much less but happening in a short period of time.

Will the ACBL deal with cheating online as harshly as they do Face-to-Face?

Definitely. Online EOC is just getting started. Cases are moving forward. Next few months will disclose cases.

How much spent on Columbus NABC?

Jo Jones will check and get back to us. Less than \$100,000 for sunk costs.

End Questions for Management

Questions for Finance Director

Districts face high penalties for 2021 if face-to-face bridge starts and players don't attend. Is there a revenue sharing plan for Districts from online events? Waiting for Online Task Force (Jay Whipple) report. Not a clear view as to how events will be structured in the future.

Nominees

BoG Chair 2021-22: Barbara Heller(D7), Stu Goodgold (D21), Doug Couchman (D17)

BoG Vice Chair 2021-2022: Barb Doran (D6), Steve Moese (D11), Jerry Thorpe (D19), Gary Hahn (D12)

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

Motion	Topic	Action
201-72	Hall of Fame Committee Appointments	3/2020
201-73	Competitions & Conventions Committee Appointment	3/2020
201-74	Ethical Oversight Committee Appointment	
201-75	ACBL Disciplinary Committee Appointment	
201-76	ACBL Laws Commission Appointment	
201-48	Communication between Board of Governors and Membership – Amends Bylaws <i>BoG Success!</i>	23-1-1
201-70	Election of ACBL Treasurer – Claire Jones	
201-30	2020 Operating and Capital Budget	24-1-0
201-45	Transfer of Members in Mercer County from D11 Unit 227 to D6 Unit 231	25-0-0
201-46	Board Oversight Committee	24-1-0
201-49	ACBL Board Reorganization	20-4-1
201-78	Election of NABF Position (AJ Stephani is NABF Rep)	23-0-2
201-01	Report on Hearing	
201-02	CDR Attorney as Advocate <i>Allows attorneys to be advocates in disciplinary proceedings.</i>	23-2-0
201-03	Allow EOC Members To Discuss Cases With Other EOC Members. <i>Allows better communication and consistent decisions.</i>	25-0-0
201-04	Exclusion	25-0-0
201-05	Negotiated Resolution	24-1-0
201-06	ACBL Not Law Enforcement	25-0-0
201-07	Grounds for Discipline, other than Administrative Suspension, under this CDR	25-0-0
201-20	Barry Crane Tribute	Deferred

201-21	Unit and Club Teacher Recommendations	Deferred
201-22	Teaching Clubs Centers	Deferred
201-23	Award for Round Robin Qualifying	23-1-1
201-24	Board Requirements for Masterpoint Limited STaC Games	Deferred
201-26	Eliminate unused Club Game Ratings	Deferred
201-27	STaC Matchpointing Requirement	Deferred
201-28	STaC Conditions of Contest	Deferred
201-29	North American Pairs Conditions of Contest	24-0-1
201-15	Bylaw Change – Executive Director	0-24-1
201-60	Revised Schedule for Selected NABC Events	Deferred
201-61	0-2500 Four Session Swiss Team National Event	Deferred
201- 62	0-2500 B/C Two-Day National Pairs Event	Deferred
	NAP/GNT 2020 Schedule	24-1-0
201-77	Spring 2024 NABC Louisville, KY	24-1-0
May 28-30 Special Meetings		
20S-03	Online Ethical Oversight Committee <i>15 members staggered 3-year terms.</i>	25-0-0
20S-04	CDR - Online Bridge Oversight Committee	25-0-0
20S-01	Discontinuation of Board of Directors’ Stipends for the Remainder of 2020	22-2-1
20S-02	Proposal for District or Unit Run Online Regionals and Sectionals.	5-20-0
20S-05	NABC+ and GLM Qualifying Events	25-0-0
	Online Ethical Oversight Committee appointments	
June 17 Special Meeting		
20S2-01	Item Flight/Stratum Designation for Winners of GLM-Eligible Events	25-0-0
20S2-02	Reducing Masterpoint Awards to reflect non-Face to Face Play	Deferred
20S2-03	Reducing Masterpoint Awards in Shortened Games	Deferred
20S2-04	Appendix O Conditions of Contest for Online Play	Deferred
20S2-06	Spring 2025 NABC – Memphis TN	25-0-0
20S2-05	Guest Membership	24-0-1
July 2020 Meetings		
202-65	Election of ACBL Treasurer – Joan Glasson (vacated term ending 4/20/21)	
202-40	Board Reorganization <i>13 Regional Directors Second reading. 7, 9, & 17 have their own regional director. District 11, 8 &10 for a new Region.</i>	18-7-0
202-41	Board Reorganization #2	7-18-0
202-42	Management Oversight of Credentials Committee	23-0-2
202-43	Management Oversight of Transfer of Fewer than 100 Members between Units and Districts	25-0-0
202-44	Management Oversight of Honorary Member of the Year Selection Process	24-1-0
202-45	Minutes Committee responsibility to be transferred to Management	25-0-0
202-20	GNT Conditions of Contest 2020-2021	25-0-0
202-21	Masterpoint Formula modified for Strength of Field <i>New formulas based on field composition. Requires second vote by BoD.</i>	25-0-0
202-22	Web and Barometer Movements	25-0-0
202-23	Item: Barry Crane Tribute 35,135.8	22-2-1
202-24	Unit and Club Teacher Recommendations	0-24-0
202-25	Teaching Clubs Centers	0-24-0
202-26	Board Requirements for Masterpoint Limited STaC Games <i>Min boards reduced to 18</i>	24-0-0

202-28	STaC Matchpointing Requirement	23-2-0
202-29	STaC Conditions of Contest	24-1-0
202-60	Removal of Temporary Membership <i>Required new member portal. Done by end August.</i>	25-0-0
202-02	CDR Omnibus	25-0-0
202-55	Revised Schedule for Selected NABC Events	2-23-0
202-56	0-2500 Four Session Swiss Team National Event	25-0-0
202-58	Spring 2025 NABC – Memphis TN	4-21-0

Questions

How does reorganization consider other language speakers – not an issue.

How will the new smaller board help ensure the competency that we need? Same as under the current system. There is no method agreed for competence-based approach.

Expertise will come from members who serve on various functional committees serving management. If the board needs a special skill, they can obtain advice. New regions are about equally weighted by member population. Not a takeover by a certain district.

Is there a way to replace a regional director? Will have a prompt new election to replace the director.

Reorganization does not provide representation for full-service clubs on the Board. Expect business as usual.

No specific plan to redraw regions based on changing demographics.

Board wants to turn attention to strategic issues we face. Not meant to be permanent forever. Need to be flexible as needs occur.

77% favor amendment (58-17) - Reorganization Bylaw passed

Motions for Reconsideration

BoG motions cannot be reconsidered. Come up with something for November in a new motion and they will consider it. Majority wants reconsideration – for the minutes.

Steve Moese presented the position of the Board of Governors Committee on the rejection of the two motions. He included why investment in growth is necessary and that investment must support proven success. Establishing teaching clubs and teaching centers as a start is the right step for having the business analytics necessary to making growth happen.

This ignores how unusual times these are – we didn't have a Columbus meeting. The support of teaching clubs is important now.

G. Heth – let's work on a motion that takes into account the issues with the motion. Interest in having units nominate teachers for their websites and having ACBL to link to those. Online Task Force will report in 4-6 weeks and we want to take those into account too.

R. Popper takes a vote for the sense of the BoG to reconsider the two motions: 201-21&22. Management has agreed to take this on. **Majority wants reconsideration – entered to the minutes.**

Steve Gaynor – why doesn't the BoD give us more input as to why the motions were not accepted in the first place?

Concerned about the ability of management to discern which clubs were teaching clubs and which were not. Teachers are recognized by the ACBL when they are certified. Like the idea of having Unit teachers listed on their websites so ACBL can link to them. Sylvana and Donna Compton are on the Online Task Force.

IRS application by teaching clubs for 501c3 status. This can define the difference between teaching clubs and membership clubs.

New BOG Motions (Votes: Aye-Nay **Failed** **Passed**)

201-01	Opportunities ACBL Members ABCL Territories	W/D
201-02	STaC Tournaments	28-35
201-03	Teaching Club Support-1 (Discounted 1 Year Membership)	46-8
201-04	Teaching Club Support-2 (Additional Free Club Championships)	41-17
201-05	Teaching Club Support-3 (Feature Teaching Clubs in Advertising and incentives for growth)	38-16
201-06	Teaching Club Support-4 (Extra CAP Funds for Top Recruiters)	34-31
201-07	Amend ACBL Bylaws – BoG Chair Voting Member (Bylaw changes requires 2/3 vote)	34-31/68
201-08	Bylaws Article V-BoD	W/D
202-01	Greater Overall Participation in BoG Meetings	50-10

Peter Marcus asking for clarity on where members are allowed to play online. This would include D99 members. We need to make it easy for all members to know when they can earn pigmented points online. Joe Jones asked to take on improving publicity for online pigmented point games. Total point awards are much less in mega STaCs than in STaCs limited to one District. Yes, individual awards might be higher, but the total points are much lower.

STaCs in large Districts are OK. Some Districts are so small that pooling with another District makes sense.

Proposed online newsletter for all members, especially the newest members. See advertising. Allow clubs to reach the public. Joe Jones to study feasibility for Marketing to handle.

Need to change the BoG change management motion process so that business proposals can be managed independently of codification changes, and directly with Management.

Concern about increasing the size of the BoD. Concern about tie votes from an even number of Board Directors. Concern about conflict of interest in BoG Chair Role with being a BoD member. Validated by Linda Dunn.

Technology capable for members to participate in BoG Meetings.

Next BoG Meeting will be Sunday Before Thanksgiving. November 22, 2020.

Candidates Forum (BoG Chair and Vice Chairs) some date in August – candidates to arrange time and date.

Request for abstain option in electronic polls in Zoom Meeting polls.

END
7/19/2020